



Chartered
Institute of
Environmental
Health

CIEH submission to the House of Commons Select Committee on Communities and Local Government Inquiry into Regeneration

March 2011

1. Summary

- The Government's decision to cut entirely the private sector renewal budget will seriously impair the ability of local authority environmental health practitioners (EHPs) in local authority private sector housing teams to bring empty homes back into occupation and ensure properties meet the requirements of the Housing Health and Safety Rating System
- This will similarly have a knock-on effect on the capacity of EH teams at the local level to improve owner-occupied homes
- The Chartered Institute of Environmental Health (CIEH) has produced a toolkit that provides a method of measuring and showing the value of private sector housing intervention to health, society and quality of life; it includes a cost calculator (paragraphs 3.3-3.4)
- The CIEH has commissioned research that estimates the costs to the NHS of excess cold hazards and states these costs by region (paragraphs 6.1-6.2)
- The CIEH has carried out a survey of our members working in local authority private rented sector housing teams which illustrates the impact of the cuts in the renewal budget (see paragraphs 2.5-2.6)
- Homes that stand empty are a wasted resource and have a detrimental effect on neighbourhoods. Bringing them back into occupation is vital to regeneration and environmental health practitioners are key to this objective
- Housing is a key part of urban renewal, and is often the driving issue behind the establishment of renewal areas by local authorities.
- The CIEH would welcome the opportunity to present oral evidence to the Select Committee

2. Resources

The impact of the cuts in the private sector renewal budget

- 2.1 Reliance on the private rented sector (PRS) is growing because of limitations in social housing supply and because first time buyers cannot afford owner occupation until much later now. The PRS has grown by over one million households between 2005 and 2009 and is integral to community regeneration strategies.
- 2.2 But 40% of PRS homes are over 90 years old, and nearly 30% have serious health and safety hazards compared to 13% in the social rented sector. Forty five percent of PRS homes also fail the Decent Homes Standard. There are 1.4 million families, many of these elderly owner-occupiers, living in homes that fail to meet the decency standard. Housing renewal policies need to be carefully integrated with the wider regeneration agenda. Renewal will not prove cost-effective without a clearly identified economic future.
- 2.3 The demise of the Housing Market Renewal programme, 8 years into what was originally envisaged as a 10-15 year programme, is particularly damaging in this regard. The aim of the programme was to deliver change and regeneration on a large scale, working through partnership across areas with weak housing markets, irrespective of local authority boundaries.

2.4 The Audit Commission in their recent review of the HMR¹ commented:

"Cumulatively, HMR achievements have been significant and, in a difficult year, pathfinders have continued to make progress. The HMR programme is making a difference to the communities it serves, with fewer empty houses, reduced crime, and more jobs and training opportunities, especially in those neighbourhoods that are more advanced in their programmes.

By March 2011, pathfinders will have:

- Refurbished more than 108,000 existing homes;*
- Attracted private investment to complete over 15,000 new homes;*
- Readied substantial sites for future development through selective acquisition and clearance of up to 30,000 properties;*
- Generated some £5.8 billion of economic activity across the economy;*
- Created some 19,000 jobs in construction and related industries;*
- Helped maintain over 2,600 jobs in the construction industry each year"*

CIEH survey on the impact of the cuts in the private sector renewal budget

2.5 In January 2011 the CIEH conducted a survey of its members in local authorities to gather information and feedback on how the loss of this funding would affect their housing renewal activity in 2011-12 and beyond (see box at 2.6).

2.6 Eighty percent stated that the number of properties to be renovated with assistance from the local authority would reduce, with 27 of these (57% of all responses) saying they would reduce substantially or there would be no renewal assistance provided. Just ten responses (5%) stated that the number of properties renovated would stay the same or increase only slightly. None stated that the number would increase substantially.

Which of the following reflects the local authority's situation best:

<i>Number will increase substantially</i>	<i>0</i>
<i>Number might increase slightly</i>	<i>4</i>
<i>Number will stay the same</i>	<i>6</i>
<i>Number will reduce slightly</i>	<i>2</i>
<i>Number will reduce substantially</i>	<i>17</i>
<i>Number will decrease from an already small number</i>	<i>7</i>
<i>There will be no renewal assistance provided</i>	<i>15</i>
<i>Other</i>	<i>1</i>
<i>Total</i>	<i>52</i>

¹ "Housing Market Renewal" (Audit Commission, March 2011)

- 2.7 Many local authorities stated that they expected provision for both housing renewal and DFGs to substantially contract in 2012-13. The following comments are taken from the responses and provide a further snapshot of the situation at local level:

"The recent Comprehensive Spending Review and local government grant settlement has had a double impact on this Authority. The total cut of the national private sector housing renewal budget has led to the necessary but unfortunate decision to withdraw all forms of private sector housing assistance to vulnerable households within this district. All available council resources will be targeted at ensuring our statutory duties will be met in respect of mandatory DFG's. In addition the reduction in public sector funds and the need to streamline the Authority has led to a reduction in numbers of the housing renewal team via compulsory redundancy".

"No decision has yet been made regarding our Housing Assistance Policy for 2010/11 but the feeling is that we may have to abandon our funding for discretionary grants for the next financial year. If it remains, it is likely to be substantially reduced".

"We are hoping to keep a small sum for HRA for dire emergencies, in the form of loans. We will also be having discussions with a local credit union about potential roles for them".

"We have been heavily reliant on the Targeted Funding Stream and so all we will have to spend next year is the residual funding from that programme which ended in 2010/11, most of which is for empty homes and in fairness there is still quite a lot of that funding uncommitted. Where we are facing problems is in ordinary renovations for elderly people and will have to rely entirely on the equity release programme which, from past experience, doesn't deliver that many cases. I'm very worried about fuel poverty given that Warm Front is being cut and our own TFS funding is winding down.

"Housing Renewal Assistance - there will be no renewal assistance provided. We have a budget of £60,000 for 2010/11. This will be cut completely in 2011/12".

- 2.8 In the context of the cuts, alternative investment sources and creative funding packages to support housing growth and regeneration will need to be explored by local authorities and their partners. As uncertainty over departmental budgets is set to prevail, local authorities will need to be proactive in securing funding from alternative sources including the EU, reforms of the Housing Revenue Account and the government's New Homes Bonus.

- 2.9 As the public sector shrinks, housing and regeneration will be increasingly reliant on the private sector. New approaches to investment and risk management from the private sector will need to emerge. Public bodies can invest land and property assets to build portfolios of projects that can recycle investment, cross subsidise and spread risk.

3. Empty Homes

- 3.1 Homes that stand empty are a wasted resource and have a detrimental effect on neighbourhoods. Bringing them back into occupation is vital to regeneration.

- 3.2 Most empty homes are privately owned. Measures available to authorities to bring them back into use range from informal advice and encouragement through practical measures such as private sector leasing schemes to the use of enforcement powers.

If only 5% of long term empty homes in England could be brought back into use, councils would cut annual homelessness costs by £500m².

- 3.3 Environmental health practitioners play a key role in restoring empty homes to occupation and in promoting Decent Homes in the private sector. To assist its members and local housing managers in achieving a better understanding of the links between housing and health, the CIEH commissioned the Building Research Establishment (BRE) Housing Centre to produce a toolkit³. The aim of the toolkit is to show how links between homes and health can be made, including where possible, the cost benefit of some specifically linked housing and health issues. Providing evidence of cost benefit is important where resources for improvement or enforcement are lacking.
- 3.4 The toolkit provides a method of measuring and showing the value of private sector housing intervention to health, society and quality of life. One of the tools available is a cost calculator based on the Housing Health and Safety Rating System (HHSRS.) which demonstrates the value interventions by producing a baseline of likely numbers of incidences within local authority areas, together with the health costs and costs of mitigating the hazard. This figure can be used as evidence of the cost and subsequently compared to the costs of improvement works.

4. Regeneration

- 4.1 The housing, regeneration and planning landscape in the UK is changing fast. Public funding for affordable housing and regeneration has decreased dramatically and shall continue to do so, with the imminent closure of the Tenants Services Authority and the Audit Commission and with bodies such as the Homes and Communities Agency (HCA) expected to play a 'leaner' enabling role.
- 4.2 Of course there are major challenges for delivery and local authorities will have to explore innovative solutions, for example through working collaboratively with partners, embracing new funding mechanisms and income sources and using public sector assets more creatively to leverage investment.
- 4.3 Local authorities and their partners should drive regeneration and housing growth in response to community needs. As the public sector shrinks and the need to attract private sector investment becomes more important, tough decisions will be necessary to prioritise schemes with the best chance of success and where there is scope for making better use of the public estate.
- 4.4 Research carried out by the Audit Commission⁴ showed that while local authorities acknowledge that housing can contribute to wider objectives, including regeneration, councils themselves do not see these as a priority. In concluding that local authorities needed to take a broader approach and integrate their planning, housing and regeneration strategies, it noted in contrast that the strategic housing function was often dispersed across the council structure. Any disconnection between private

² "Building Better Lives" (Audit Commission, 2009)

³ "Good Housing Leads to Good Health: A Toolkit" (Chartered Institute of Environmental Health and Building Research Establishment, September 2008)

⁴ "Building Better Lives: Getting the Best from Strategic Housing" (Audit Commission, 2009)

sector renewal and regulation and some strategic housing functions represents a missed opportunity.

- 4.5 Furthermore, the Audit Commission has asserted that few local authorities focus on the potential of their regulatory powers to help achieve their strategic housing and regeneration objectives⁵. Only 14% of local area agreements had objectives relating to making better use of their existing stock and only 6% have a specific objective to bring empty homes back into use: both critical components of community regeneration strategies. This also indicates the low priority that councils generally give to regulating the private sector. The CIEH found in a 2008 survey that many local authorities are reluctant, or are not sufficiently resourced to use the regulatory and enforcement powers they have at their disposal to improve the housing stock.⁶
- 4.6 Regeneration programmes are most often area-based, looking to address physical, economic, and social problems. Aligning the resources and work of private rented sector teams with these areas can help maximise their impact.
- 4.7 **Bristol City Council's**⁷ decent homes funding has been targeted at areas with both poor housing and poor educational attainment, in an attempt to support improved educational performance through improved housing standards. Poor management and maintenance of rented properties and management of tenants' anti-social behaviour can contribute to neighbourhood problems that lead to a poor reputation and concentration of deprivation.
- 4.8 **B.A.R.L.O. Housing Ltd**⁸ (Bolton's forum for private rented sector housing) has area-based information on property and tenancy management standards including complaints, nuisance, anti-social behaviour and empty properties. This information is used to target grants, enforcement, landlord and tenant support, and referencing, training and housing management advice in order to achieve coherent and effective area based regeneration.

5 Energy Efficiency

- 5.1 Innovative financing and energy efficiency represents a further opportunity to integrate the strategic housing function firmly within the regeneration imperative. Innovative funding models combining funding and investment from a range of sources are required by local authorities and their partners in retrofitting existing homes and exploring opportunities to improve energy efficiency when addressing non-decent housing stock.
- 5.2 There are opportunities for community empowerment based on capturing revenues from alternative sources such as renewable energy. Funding models can reinvest profits from renewable energy generation in further community projects and lead to community ownership of assets.
- 5.3 Only 5% of private homes are top rated for energy performance compared with 21% of social rented homes and 2.1m private sector homes are a health hazard because

⁵ ibid

⁶ "Survey of local authority regulatory activity under the Housing Act 2004" (CIEH, February 2008)

⁷ Taken from "Cinderella Strikes Back: Strategic Housing and the Private Rented Sector" (Chartered Institute of Housing, 2005)

⁸ ibid

of excess cold. Poor energy efficiency is a major contributory factor in causing fuel poverty and two thirds of all households in fuel poverty are owner occupiers or private tenants. Older people are more likely to experience fuel poverty than other age groups with those over 75 most likely.

- 5.4 Substantial resources are available nationally to improve energy efficiency. Local authorities have an important part to play in raising awareness and facilitating access to energy efficiency grants, offers and advice from external agencies.
- 5.5 The CIEH is supporting Friends of the Earth and the Association for the Conservation of Energy in their campaign for a minimum energy efficiency standard for private rented homes.
- 5.6 Private rented homes are the worst maintained part of the housing stock and contain large numbers of vulnerable households and those living in fuel poverty.
 - People living in private rented homes are over four times more likely to be living in a cold home than people living in social rented homes
 - The private rented sector has a greater proportion of the most energy inefficient homes - those in Energy Performance Certificate Band G. They are twice as common in the private rented sector as in other sectors
 - Half the properties in the private rented sector are not considered to be of a 'decent' standard by the Government

6. Excess cold

- 6.1 The CIEH has commissioned, on behalf of Friends of the Earth research into the costs to the NHS of cold dwellings across England and in particular to private rented dwellings⁹. The methodology used two different techniques for measuring and explained the relationship between Category 1 Excess cold (under the Housing Health and Safety Rating System) and Energy Efficiency Rating (EER) bands. This additional report more clearly defines the estimated costs to the NHS of Excess cold hazards and states these costs by Region.
- 6.2 The research estimates the likely costs to the NHS of private rented dwellings with F and G EER bands. This is associated, as far as possible, with dwellings with Category 1 Excess cold hazards. The cost to the NHS of Excess cold in the private rented sector, using the BRE Category 1 calculator, puts this figure as somewhere between £50 million and £270 million dependent on the combination of risk likelihoods used. It is reasonable to assume that the cost to the NHS for not improving these dwellings will be at least **£145 million** per annum. The table¹⁰ below illustrates the potential regional and national impact:

⁹ "The Health Costs of Cold Dwellings" (Friends of the Earth, Chartered Institute of Environmental Health and the Building Research Establishment, to be published April 2011)

¹⁰ *ibid*

Region	Number of Dwellings estimates to be Associated with Excess cold	Cost to the NHS of NOT improving these dwellings
North East	17,000	£5,497,000
Yorkshire and Humber	66,000	£13,968,000
North West	66,000	£10,493,000
East Midlands	67,000	£12,073,000
West Midlands	65,000	£12,823,000
South West	97,000	£24,717,000
East of England	68,000	£14,690,000
South East	128,000	£32,197,000
London	82,000	£18,878,000
All privately rented dwellings	656,000	£145,335,000

Excess seasonal deaths

- 6.3 Environmental health practitioners (EHPs) are at the forefront of efforts to combat excess cold and damp in the owner occupier and private rented sector and are important in addressing the wider impacts of climate change on health. In the UK, deaths are likely to fall because of milder winters, although in the last five years, more than 130,000 people over 65 have died from cold related illnesses during the winter months in Britain¹¹.
- 6.4 For EHPs who work in housing there are clear opportunities for input. EHPs can provide advice and assistance for occupants on issues such as improved insulation. They can also engage specific proactive interventions designed to identify and assist particular individuals or types of property. Improving our housing stock is a key component of reducing carbon emissions and has clear health benefits.
- 6.5 It is equally important to ensure that our communities and dwellings are able to cope with abnormally high temperatures and heat waves, such as those in 2003. Advance planning is at the core of all early warning systems, together with identification of these high-risk groups so they can be protected.

7. Sustainable Community Strategies

- 7.1 An effective sustainable community strategy expresses the overarching vision for a local area and its people. It should address the social, economic and environmental elements needed to build and maintain sustainable communities. The local housing strategy must be incorporated in the sustainable community strategy.
- 7.2 Local authority structures should ensure that portfolio holders, as well as housing strategists, are feeding into the local strategic partnership (LSP). Local authorities also need to have clear structures and processes that help to develop, within the LSP, an understanding of all housing in its area and how actions to influence, support or

¹¹ "Climate Change, Public Health and Health Inequalities: A Resource for Environmental Health Practitioners" (November 2008)

address problems across tenures can play a part in delivering more sustainable communities.

8. The role of the private rented housing sector in regeneration

- 8.1 12% of all homes are in the private rented sector. It also has the highest percentage of housing still to reach decent homes standard (around 40%), having therefore a major impact on local housing markets, and on many people's housing experiences.
- 8.2 Local authorities have an important place-shaping role and there is a renewed emphasis on the importance of the strategic housing function in contributing to the delivery of place shaping. The strategic housing role involves local authorities taking a considered approach to housing and making detailed plans which use all resources and powers at their disposal to help achieve specific outcomes across the whole housing market.
- 8.3 The nature of the private rented sector at local level and the way it operates (as a sector and as individual properties) can have a significant impact on households, communities, and service providers.

Selective licensing and regeneration

- 8.4 Selective licensing of private rented sector properties can be used to consolidate aspects of the regeneration programmes, where local authorities have done as much as possible to tackle decline using voluntary methods.
- 8.5 **Salford and Gateshead**¹² councils are both using selective licensing to support regeneration. In Salford, the selective licensing scheme requires landlords to either use the Salford Private Landlords Tenancy Agreement or insert a clause into their own agreement that allows the landlord to take reasonable steps to deal with anti-social behaviour.
- 8.6 In Gateshead, selective licensing has contributed to regeneration because problems remained in the private rented sector despite use of an accreditation scheme and support provided to landlords and tenants. The area suffered from low demand, there were large numbers of empty properties, low value housing with low rental values and a lot of complaints about housing relating to standards and anti-social behaviour. The selective licensing scheme was designed to tackle low demand by acting as a lever to improve housing standards as well as reducing anti-social behaviour.
- 8.7 The accreditation scheme has driven up standards. Accredited landlords have been able to access match funding for work to update properties. The selective licensing scheme is therefore indirectly helping bring properties in the private rented sector up to the decent homes standard.

¹² "Cinderella Strikes Back", *ibid*

9 The strategic role of the local housing authority

9.1 The CIEH has recently contacted key decision makers in local government to highlight the value of private sector housing services¹³. They make an important contribution across a broad range of policy areas, delivering real benefits for vulnerable people and local communities, including:

- Preventing homelessness
- Tackling fuel poverty
- Older people's social care
- Health protection and improvement
- Carbon reduction
- Sustainable neighbourhoods
- Increasing housing supply and widening choice
- Regeneration strategies

9.2 Managing the private rented sector strategically within the aim of balancing housing markets can maximise housing's contribution to economic wellbeing and regeneration.

9.3 Delivery of these strategies relies on the contribution of a range of partners, including landlords. Local housing authorities have worked to move their focus from management of social housing to oversight of the whole housing market, and new structures have been developed to support this approach. For many areas priority is on increased supply of market housing.

10 The Chartered Institute of Environmental Health

10.1 The CIEH is a **professional body**; we set standards and accredit courses and qualifications for the education of our professional members and other environmental health practitioners. As a **knowledge centre**, we provide information, evidence and policy advice to local and national government, environmental and public health practitioners, industry and other stakeholders. We publish books and magazines; run educational events and commission research.

10.2 As an **awarding body**, we provide qualifications, events, and trainer and candidate support materials on topics relevant to health, wellbeing and safety to develop workplace skills and best practice in volunteers, employees, business managers and business owners.

10.3 We are also a **campaigning organisation**, working to push environmental health further up the public agenda and to promote improvements in environmental and public health policy. We are a **registered charity** with over 10,500 members across England, Wales and Northern Ireland.

10.4 In support of this submission, the CIEH offer to provide expert witness to the inquiry so that we might give further evidence on the importance for the regeneration of communities of safe and healthy housing. EHPs play a key role in ensuring that properties in this sector meet the standards in the housing health and safety rating system.

¹³ "Local Authority Private Sector Housing Services" (CIEH, 2011)