

# **Assessing Changing Public Expenditure on Private Sector Housing Renewal and its Impact since 2000**

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## **FINAL REPORT**

### **1. Introduction and approach**

This report reviews the changing pattern of public expenditure on private sector housing renewal since 2000 and its impact on the number of homes renewed.

There is no formal or official definition of housing renewal but the working definition applied here includes:

- modernisation, for example, new kitchens & bathrooms;
- refurbishment to a fixed standard, for example, achieving 'Decent Homes' standard;
- technical improvement: for example, to provide a 30 year life; and
- selective but not comprehensive demolition.

In practical terms, the data available enables a focus on:

- private sector improvement grant expenditure;
- private sector renewal grant expenditure;
- renovation grants paid to private owners;
- disabled facilities grants paid to private owners;
- private sector dwellings demolished by or on behalf of local authorities; and
- private sector dwellings with HHSRS Category 1 hazards which were made free from those hazards as a direct result of local authority action.

The report consists of 8 sections as follows:

- 1: Introduction & Approach
- 2: Data Sources
3. Housing Renewal Policy: an overview
4. The Need for Renewal

5. Patterns of National and Local Authority Expenditure on Private Sector Housing Renewal
6. The Outcome of National and Local Authority Expenditure on Private Sector Housing Renewal
7. Patterns of Disabled Facilities Grant (DFG) Expenditure
8. Key Findings

## **2. Data Sources**

There is no single source of data available enabling the tracking of public expenditure on housing renewal and the associated impact. The main sources available are as follows.

### *UK Housing Review*

Published annually by the Chartered Institute of Housing (CIH), the 'United Kingdom Finance Review' (until 2001/02) then the 'United Kingdom Housing Review' (from 2002/03) provides the most complete source of data identifying changing patterns of public expenditure on housing renewal. Relevant indicators, available for the period since 2001/02, are:

- Private sector improvement and disabled facilities grants in Great Britain.
- Housing Capital Investment in England (in real terms at 2021/22).
- Renovation grants paid to private owners under a range of Housing Acts in Great Britain.
- Disabled facilities grants paid to private owners under the Housing Grants, Construction and Regeneration Act 1996, Regulatory Reform Order 2002, Housing (Scotland) Act 2006 and later Acts.

### *Local Authority Housing Statistics*

Data returns made by local authorities to central government provide another record of changing public expenditure, enabling a finer grained analysis of patterns of expenditure and of underlying problems of stock condition. The key sources are data supplied under the Housing Strategy Statistical Appendix (HSA) until 2014-15 and Local Authority Housing Statistics (LAHS) from 2015-16. Relevant indicators for English local authorities according to the period of their availability are:

- The number of private sector grants completed by tenure (2001-02 – 2021-22)
- The number of private sector loans completed by tenure (2001-02 – 2021-22)
- The number of private sector dwellings with HHSRS Category 1 Hazards (HHSRS) (2009-10 – 2014-2015)
- Total number of private sector dwellings Category 1 hazards which were made free from those hazards as a direct result of local authority action, available (2011-12 – 2019-20)
- The total number of private sector dwellings demolished by or on behalf of the local authority (2001-02 – 2021-22).

### **3. Housing Renewal Policy: an overview**

Housing renewal policies can be divided between those which have enabled the improvement of individual properties through grants or loans to owners and more systematic policies aimed, typically, at area-based renewal.

Housing renewal arose from public health concerns that bad housing conditions and inadequate sanitation caused poor health, especially in housing 'unfit for human habitation'. The Artisans and Labourers Dwellings Act 1868 (the Torrens Act) empowered local authorities to close, demolish or require owners to improve insanitary housing. Later legislation, in particular the Housing of the Working Classes Act 1890, supported the practice of 'reconditioning' slum housing.

In the 1920s and 1930s, whilst area-based reconditioning took place on a large scale, there were no grants for individual improvements and repairs in urban areas. The 1930s was marked by renewed emphasis on slum clearance although the Housing Act 1930 (the Greenwood Act) provided for the declaration of 'improvement areas' in which dwellings would be raised to statutory fitness standards.

Following the Second World War, the Housing Act of 1949 enabled local authorities to provide discretionary grants for private sector house improvement; 'improvement areas' were enabled by the Housing Act 1964 and the Housing Act 1969 put forward the concept of the 'gradual renewal' of areas of older housing. These Acts began a shift of emphasis away from slum clearance and new building to housing and environmental improvement aided by mandatory and discretionary grants to owners.

The General Improvement Areas (GIAs) and Housing Action Areas (HAAs) of the 1970s and 1980s were followed by initiatives which placed emphasis on the wider regeneration of public housing estates targeting, for example, employment, training, social services, transport, retailing, environmental improvement and health. Examples from the wide range of programmes include Estate Action (1998-1994); the Estate Renewal Challenge Fund (1995-2000) and New Deal for Communities (1998-2010).

The Local Government and Housing Act 1989 introduced means-testing for improvement and repair grants, though mandatory grants continued to be available for those living in an 'unfit' property. Legislation in 1996 made all grants discretionary, except those to install facilities for the disabled. The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 repealed previous provisions on grant aid and were replaced by discretionary powers to local authorities to provide assistance 'in any form', including grants and loans.

The Conservative-Liberal Democrat coalition government elected in 2010 ended funding for all private sector renewal work with effect from March 2011, as part of its 'comprehensive review' of public spending. The only exceptions to this have been continued funding of individual Disabled Facilities Grants and the short-lived area-based Estate Regeneration National Strategy introduced in 2016 although no information has been found on its implementation. The following table summarises the impact of three area-based regeneration programmes introduced in the 1980s and 1990s.

**Table 1: Area-based Regeneration Programmes of the 1980s and 1990s: dwellings completed or improved.**

Programme	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
<b>Estate Action</b>	47,000	79,400	63,700	49,500	62,600	69,200	66,000	46,178	26,313	20,239	10,997	6,956	-
<b>City Challenge</b>	-	-	-	-	-	-	-	-	26,038	28,989	13,277	-	-
<b>Single Regeneration Budget</b>	-	-	-	-	-	-	-	-	6,960	20,530	36,090	60,680	55,983
<b>Total</b>	47,000	79,400	63,700	49,500	62,600	69,200	66,000	46,178	59,311	69,758	60,364	67,636	55,983

(Sources: Cms 1508, 1908, 2207, 2507, 2807, 3207, 3607, 3906, 4204, 4604 & 5105; Department of Transport, Local Government and the Regions. UK Housing Review, Table 67a, ADD DATE)

### *Key Findings*

- Setting a context for subsequent decades, a total of 548,083 dwellings were completed or improved under area-based regeneration programmes alone over the 13 years between 1987/88 and 1999/2000, an average of over 42,000 per annum.
- The vast majority of homes were improved rather than newly constructed under these programmes. The programmes were discontinued during the late 1990s.

#### 4. The Need for Renewal

Whilst this report is primarily concerned with changing patterns of public expenditure and their impact, it is useful to provide a context of the extent of poor housing and the implied need for renewal. Stock condition is associated with both dwelling age and type and England has an ageing housing stock. The following table summarises the number and age of dwellings for the private sector and overall.

**Table 2: dwelling age and tenure, England, 2021, 000s and percentages**

Age Band	Private Sector		All housing	
	Number	Percentage	Number	Percentage
Pre-1919	4,503	22.8	4,776	20.1
1919-44	3,113	15.7	3,513	14.8
1945-64	3,025	15.3	4,252	17.9
1965-80	3,606	18.2	4,597	19.4
1981-90	1,312	6.6	1,590	6.7
1991-2002	1,839	9.3	2,233	9.4
Post-2002	2,382	12.0	2,779	11.7

(Sources: English Housing Survey, 2021-21, Headline Report, Section 2, Stock Annex Tables)

##### Key findings:

- Almost one quarter of the private sector stock was constructed before 1919, it typically consists of terraced housing which is now over 100 years old;
- 16% was constructed in the interwar years, it typically consists of semi-detached housing which is now over 75 years old;
- Only 21% of housing was constructed within the past 30 years, a point at which renewal of some elements is typically required.

The two main indicators of poor housing conditions are the interrelated the Housing, Health and Safety Rating System (HHSRS) and the Decent Homes Standard.

*'The HHSRS is a risk-based assessment that identifies hazards in dwellings and evaluates their potential effects on the health and safety of occupants and their visitors, particularly vulnerable people. The most serious hazards are called Category 1 hazards and where these exist in a home, it fails to meet the statutory minimum standard for housing in England'* (English Housing Survey, 2020-21 Housing quality and condition, paragraph 2.1)

For a dwelling to be considered 'decent' under the Decent Homes Standard, it must:

- meet the statutory minimum standard for housing which, since April 2006 is the Housing Health and Safety Rating System. More specifically, homes which contain a Category 1 hazard under the HHSRS are considered non-decent;
- provide a reasonable degree of thermal comfort;
- be in a reasonable state of repair, and

- have reasonably modern facilities and services.

The following table identifies the number of private sector homes in England with Category 1 HHSRS hazards and Non-Decent Homes from 2010-2022.

**Table 3: number of private sector homes in England with a HHSRS Category 1 Hazard and number of Non-Decent Homes, 2010-2021, 000s**

Year	HHSRS Cat. 1 Hazards	Non-Decent Homes
2010	3,596	5,179
2011	3,180	4,698
2012	2,873	4,366
2013	2,565	4,193
2014	2,464	4,059
2015	2,674	4,044
2016	2,665	4,213
2017	2,399	3,992
2018	2,353	3,823
2019	2,230	3,644
2020	1,965	3,089
2021	2,089	3,025

(Sources: English Housing Survey, 2020-21, Headline Report, Section 2, Stock Annex Tables)

### Key Findings

- The 2020-21 English Housing Survey calculated that in 2021, there were over 3.4 million private sector Non-Decent Homes in England and 2.1 million with a HHSRS Category 1 Hazard.
- The number of private sector homes with a HHSRS Category 1 Hazard has declined by over 40% since 2010 but has shown an increase between 2009 and 2010.
- The number of private sector homes with non-Decent Homes has declined by over 42% since 2010.

Local authority data also records the number of private sector dwellings in England with HHSRS Category 1 Hazards (HHSRS) but only for the limited period 2009/10 – 2014/2015.

**Table 4: the number of private sector dwellings with HHSRS Category 1 Hazard by local authority area, England, 2011/12 – 2014/2015**

Year	Private sector dwellings with HHSRS Category 1 Hazards
2011/12	2,441,444
2012/13	2,403,292
2013/14	2,511,409
2014/15	2,311,887

*(Source: Local Authority Housing Strategy Statistical Appendix (HHSAs))*

### **Key Findings**

- Data for England for the limited period 2011/12 to 2014/15 recorded annual totals in the region of 2.5 million private sector dwellings with a HHSRS Category 1 Hazard.
- These totals are slightly higher than those recorded by the English Housing Survey.

## **5. Patterns of National and Local Authority Expenditure on Private Sector Housing Renewal**

This section draws on two sources of data to identify changing patterns of public expenditure on housing renewal since 2001/02, the first providing data for Great Britain and the second for England alone. The following table reviews the pattern of expenditure on private sector improvement grants for Great Britain and constituent countries as follows

**Table 5: private sector improvement grant expenditure in Great Britain, £ million, 2001/02-2021-22**

Improvement grants (£ million)	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>England</b>	288.5	259.1	246.6	229.8	231.5	266.2	236.7	244.9	232.1	199.8
<b>Wales</b>	47.1	57.2	53.7	56.1	51.7	63.3	30.2	26.8	22.0	16.5
<b>Scotland</b>	40.5	35.2	36.5	40.3	56.3	51.7	43.8	47.8	42.9	13.2
<b>Total improvement grants</b>	376.1	351.4	336.8	326.2	339.6	381.2	310.7	319.5	297.0	229.5

Improvement grants (£ million)	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021-22
<b>England</b>	80.5	50.8	60.6	56.2	57.5	77.6	75.2	90.0	125.8	101.1	165.3
<b>Wales</b>	13.6	12.1	9.8	9.0	5.8	5.1	6.0	7.5	-	8.6	-
<b>Scotland</b>	10.8	8.4	8.6	7.3	8.7	9.1	7.9	6.8	5.9	4.9	-
<b>Total improvement grants</b>	105.0	71.2	79.0	72.5	72.1	91.7	89.1	104.3	131.7	114.7	-

(Source: DLUHC Local Authority Housing Statistics open dataset from 2011/12 to 2020/21, DCLG Live Tables 313 and 314 and Housing and Construction Statistics, Welsh Housing Statistics, and Scottish Government Housing Statistics Bulletins. UK Housing Review, 2022-23, Table 28)

### Key Findings

- A fairly constant rate of expenditure averaging £327 million prevailed from 2001/02 until the end of the decade.
- The level of expenditure dipped in 2010/11 then fell markedly from 2011/12 until 2017/18.
- The level of expenditure averaged only £90.7 million from 2011/12 until 2020/21, a decline of almost 72% compared with the previous decade.
- The level of expenditure increased from 2018/19, especially in England.

A second and key source of data for England provides expenditure on private sector renewal grants at constant 2021/22 prices for the period since 2005/06 as follows.



**Table 6: housing capital investment in England, private sector renewal grant expenditure, 2005/06 - 2021/22, £ million (real terms @ 2021/22 prices)**

2005/ 06	2006/ 07	2007/ 08	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22
322	359	312	312	292	247	98	61	71	65	66	87	83	98	133	101	165

(Sources: DLUHC Local Authority Capital Expenditure and Receipts, Homes England Annual Report, Compendium Tables 28, 29, 66 and 71, UK Housing Review, 2022-23, Table 64b)

### Key Findings

- **This key table** identifies a fairly constant rate of average annual real term expenditure of £307 million from 2005/06 until 2010/11.
- The level of expenditure dipped sharply in 2011/12, falling by 60% compared with the previous year.
- Real terms expenditure averaged £93.5 million over the period 2011/12 to 2021/22, a decline of 69.5% compared with the period from 2005/06 until 2010/11.
- The level of expenditure increased from 2019/20.

## 6. The Outcome of National and Local Authority Expenditure on Private Sector Housing renewal

This section reviews the impact of the changed pattern of expenditure in terms of the level of the changing level of housing renewal activity.

**Table 7: renovation grants paid to private owners under a range of Housing Acts in Great Britain, 2001/02-2010/11**

Location	2001/02-2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
North East	16,317	6,700	4,560	7,460	12,290	7,540
Yorkshire & Humberside	42,575	11,300	12,730	12,420	33,370	25,040
North West	95,882	23,970	26,650	36,840	13,770	33,410
East Midlands	29,905	4,830	6,250	5,500	7,700	5,250
West Midlands	30,904	19,020	16,310	21,050	17,610	15,830
East	28,480	4,260	4,770	6,180	5,470	7,000
London	39,770	7,990	10,840	7,650	9,330	7,920
South East	34,129	6,050	8,140	9,920	11,630	9,370
South West	30,638	12,960	10,680	11,350	15,910	13,140
<b>England</b>	<b>348,590</b>	<b>97,080</b>	<b>100,910</b>	<b>118,370</b>	<b>127,080</b>	<b>124,500</b>
Wales	44,541	10,481	8,144	7,278	6,932	8,199
Scotland	62,311	14,088	11,832	12,825	11,492	3,285
<b>Great Britain</b>	<b>455,442</b>	<b>121,649</b>	<b>120,886</b>	<b>138,473</b>	<b>145,504</b>	<b>135,984</b>

(Sources: DLUHC (and predecessors) Local Authority Housing Statistics Open Dataset, Live table 314 and Housing and Construction Statistics, Welsh Government Stat Wales and Scottish Government Housing Statistical Bulletin tables. UK Housing Review, 2022-23, Table 29a)

Note: Renovation grants paid to owners of private properties in England and Wales under the Regulatory Reform Order 2002, Housing Grants, Construction and Regeneration Act 1996, Local Government & Housing Act 1989, Housing Act 1985 and earlier Acts. In Scotland under the Housing (Scotland) Act 1987 and Housing (Scotland) Act 2006.

### Key Findings

- There was an accelerating level of grant payment in Great Britain over this period reaching over 145,000 grants in 2009/10 at an annual average of almost 112,000 per annum.
- There was an accelerating level of grant payment in England over this period reaching over 127,000 in 2009/10 at an annual average of almost 91,650 grants per annum.

This table reviews renovation grants paid to private owners in Great Britain for the more recent period from 2011/12 until 2020/21.

**Table 8: renovation grants paid to private owners under a range of Housing Acts in Great Britain, 2011/12-2020/21**

Location	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>North East</b>	800	1,680	1,650	1,010	1,060	1,460	1,740	1,320	1,260	1,260
<b>Yorkshire &amp; Humberside</b>	19,910	13,340	9,740	11,710	10,900	16,100	12,090	14,340	12,900	12,290
<b>North West</b>	13,810	14,330	6,970	3,600	1,660	2,460	3,350	4,450	4,310	3,550
<b>East Midlands</b>	2,070	1,460	830	610	650	1,090	1,460	1,270	1,690	1,290
<b>West Midlands</b>	4,450	4,390	4,410	4,590	3,200	3,580	1,260	2,280	4,730	2,490
<b>East</b>	3,530	1,490	1,640	1,400	1,360	1,560	1,670	1,680	3,010	2,600
<b>London</b>	7,550	3,380	2,870	3,430	4,440	2,350	3,270	2,760	3,250	1,260
<b>South East</b>	4,260	4,160	2,080	2,010	1,860	1,570	1,590	1,750	3,220	3,570
<b>South West</b>	9,230	5,510	2,490	1,590	1,000	1,100	1,090	1,290	2,420	2,170
<b>England</b>	<b>65,610</b>	<b>49,740</b>	<b>32,680</b>	<b>29,950</b>	<b>26,130</b>	<b>31,270</b>	<b>27,520</b>	<b>31,140</b>	<b>36,790</b>	<b>30,480</b>
<b>Wales</b>	9,437	9,931	8,736	6,902	5,934	5,714	5,786	7,077	-	3,912
<b>Scotland</b>	3,586	2,085	2,825	2,739	4,271	4,516	3,450	3,197	2,591	1,424
<b>Great Britain</b>	<b>78,633</b>	<b>61,756</b>	<b>44,241</b>	<b>39,591</b>	<b>36,335</b>	<b>41,500</b>	<b>36,756</b>	<b>41,414</b>	-	<b>35,816</b>

(Sources: DLUHC (and predecessors) Local Authority Housing Statistics Open Dataset, Live table 314 and Housing and Construction Statistics, Welsh Government Stat Wales and Scottish Government Housing Statistical Bulletin tables. UK Housing Review, 2022-23, Table 29a)

*Note: Renovation grants paid to owners of private properties in England and Wales under the Regulatory Reform Order 2002, Housing Grants, Construction and Regeneration Act 1996, Local Government & Housing Act 1989, Housing Act 1985 and earlier Acts. In Scotland under the Housing (Scotland) Act 1987 and Housing (Scotland) Act 2006.*

### *Key Findings*

- The number of grants paid in Great Britain fell from 135,984 in 2010/11 to 78,633 in 2011/12, a reduction of 42%.
- The number of grants paid in England fell from 124,500 in 2010/11 to 65,610 in 2011/12, a reduction of 47%.
- The number of grants paid in Great Britain from 2011/12 to 2018/19 averaged 47,500 per annum, a reduction of 58% compared with the period 2001/2 until 2010/11.
- The number of grants paid in England from 2011/12 to 2021/22 averaged 33,000 per annum, a reduction of 64% compared with the period 2001/2 until 2010/11.

Local authority HSSA and LAHS data provides an alternative source of information recording levels of renovation grant payment in England as set out in the following table.

**Table 9: renovation grants paid to private owners in England under a range of Housing Acts in England, 2001/02-2021/22**

Year	Number of grants paid
2001/02	82,064
2002/03	67,946
2003/04	66,678
2004/05	68,084
2005/06	66,141
2006/07	97,080
2007/08	100,907
2008/09	118,362
2009/10	127,067
2010/11	124,492
2011/12	65,593
2012/13	49,741
2013/14	32,678
2014/15	29,938
2015/16	26,124
2016/17	31,278
2017/18	27,512
2018/19	31,116
2019/20	37,003
2020/21	32,943
2021/22	39,061

*(Sources: Housing Strategy Statistical Appendix (HSSA) until 2014-15 then Local Authority Housing Statistics (LAHS))*

### **Key Findings**

- There are only minor differences in the totals recorded in this and the previous two tables.
- The level of grant payment in England peaked at 2010/11, almost halved in the following year and halved again within the next two years.
- An annual average of almost 92,000 renovation grants were paid in the 10 years from 2001/02.
- An annual average of almost 36,600 renovation grants were paid in the 11 years from 20011/12, a decline of 61%.

Local authority data also records the number of private sector dwellings demolished over the same period as recorded in the following table.

**Table 10: the number of private sector dwellings demolished by or on behalf of local authorities, England, (2001-02 – 2021-22).**

Year	Number of private sector demolitions
2001/02	1,531
2002/03	1,537
2003/04	3,080
2004/05	3,231
2005/06	3,271
2006/07	3,216
2007/08	3,222
2008/09	3,551
2009/10	4,611
2010/11	4,345
2011/12	2,716
2012/13	1,873
2013/14	1,243
2014/15	1,138
2015/16	1,043
2016/17	550
2017/18	539
2018/19	268
2019/20	900
2020/21	179
2021/22	325

(Sources: Housing Strategy Statistical Appendix (HSA) until 2014-15 then Local Authority Housing Statistics (LAHS))

### Key Findings

- Reflecting levels of grant payment, the level of demolitions peaked in England in 2009/10 then declined from 2011/12.
- An average of 3,160 properties were demolished in the 10 years from 2001/02.
- The annual average rate of demolitions fell to 979 in the 11 years from 2011/12, a decline of 69%.

The following table records the number of private sector dwellings in England with Category 1 hazards which were made free from those hazards as a direct result of local authority action for the limited period 2011/12 – 2019/20, the last year when data was collected.

**Table 11: the number of private sector dwellings with HHSRS Category 1 hazards which were made free from those hazards as a direct result of local authority action, England, 2011/12 – 2019/20**

Year	Private sector dwellings with HHSRS Category 1 Hazards made free by local authority action
2011/12	30,307
2012/13	98,816
2013/14	32,202
2014/15	27,323
2015/16	27,300
2016/17	20,448
2017/18	18,582
2018/19	15,278
2019/20	13,766

(Sources: Housing Strategy Statistical Appendix (HHSAs) until 2014-15 then Local Authority Housing Statistics (LAHS))

### Key Findings

- The number of private sector dwellings in England with a HHSRS Category 1 Hazard made free by local authority action has declined steadily since 2011/12 and had more than halved by 2019/20, the last year for which data was collected.

## 7. Patterns of Disabled Facilities Grant (DFG) Expenditure

*‘DFG is capital funding for the provision of home adaptations to help older and disabled people to live as independently and safely as possible in their homes. Where agreed locally (and in two-tier areas with the express agreement of district councils), a portion of the grant may also be used for wider social care capital projects.’* (<https://www-foundations.uk.com/library/dfg-performance/>)

DFGs were *‘introduced in 1989 as one small part of a raft of grants designed to improve the poorest housing stock.’* (Sheila Mackintosh, Paul Smith, Helen Garrett, Maggie Davidson, Gareth Morgan, and Rachel Russell, (2018), Disabled Facilities Grant (DFG) and Other Adaptations – External Review, page 12). They are mandatory but means tested grants with an upper limit on the help available of £30,000 in England.

DFGs are funded from two sources, central government grant allocation and local authority contributions. Local authorities had to provide a 40% contribution to total DFG expenditure until 2008 when this requirement was removed and local authority contributions became discretionary. This resulted in a noticeable reduction in contributions from 2010/11.

Despite being a focused form of expenditure, obtaining systematic spending and award data is more challenging than for other forms of renewal expenditure. Central government grant allocation data is the most complete but data detailing local

authority contributions is the least complete. However, local authority contributions can be imputed by subtracting central government grant allocations from total expenditure. The principal sources of data are as follows:

- DFG grant allocation and award data compiled by 'Foundations', the National Body for Disabled Facilities Grants and Home Improvement Agencies contracted by the Department for Levelling Up, Housing and Communities (DHLUC). Foundations coordinates 'DELTA returns' submitted by housing authorities on their DFG programme. We are especially grateful for the invaluable assistance they have provided.
- UK Housing Review Table 29b Disabled Facilities Grants paid to private owners under the Housing Grants, Construction and Regeneration Act 1996, Regulatory Reform Order 2002, Housing (Scotland) Act 2006 and later Acts.
- Housing Strategy Statistical Appendix until 2014-15 and Local Authority Housing Statistics from 2015-16.

The following table uses these sources to summarise DFG expenditure in England from 2001/02 to 2021/22.



**Table 12: Disabled Facilities Grant expenditure in England, £ million, 2001/02-2021/22**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Central government allocation</b>	Not known	72.9	99.0	101.2	103.3	119.8	125.7	144.6	156.9	167.3
<b>Local authority imputed contributions</b>	Not known	100.9	103	109.1	118	1113	124.4	140.2	151.7	134.4
<b>Total expenditure</b>	145.1	173.8	202.0	210.3	221.3	232.8	250.1	284.8	308.6	301.7

2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021-22	2022-23
200	220	200	185	220	394	473	523	505	573	573	573
114.3	91.6	93.8	109.9	Not known	Not known	Not known	Not known	Not known	Not known	Not known	Not known
314.3	311.6	293.8	294.9	Not known	Not known	Not known	Not known	Not known	Not known	Not known	Not known

(Sources: 'Foundations' records of grant determinations; 2001/02-2010/11: DLUHC Local Authority Housing Statistics' open dataset from 2011/12 to 2020/21, DCLG Live Tables 313 and 314 and Housing and Construction Statistics, Welsh Housing Statistics, and Scottish Government Housing Statistics Bulletins. UK Housing Review, 2022-23, Table 28)

### Key Findings

- There has been a steady increase in overall expenditure and central government allocations with marked increases from 2003/04 and from 2006/07 when DFG became part of the Better Care Fund.
- Imputed local authority contributions fell markedly from 2010/11, detail is not known from 2015/16.

The following table summarises the number of Disabled Facilities Grants awarded in England from 2001/02 to 2019/20.

**Table 13: number of Disabled Facilities Grants awarded, England, 2001/01 – 2021/22**

2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
25,512	30,102	37,170	38,550	34,940	37,270	38,130	42,083	44,626	45,549

2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021-22
43,865	42,125	42,770	40,645	40,800	46,000	47,850	53,500	58,181	39,041	48,055

(Sources: 'Foundations' data records; DLUHC Local Authority Capital Expenditure and Receipts, Homes England Annual Report, Compendium Tables 28, 29, 66 and 71, UK Housing Review, 2022-23, Table 29b)

### Key Findings

- Reflecting the pattern of expenditure, there has been steady growth in the number of DFGs awarded with marked increases from 2003/04 and 2016/17 and 2018/19, reaching over 58,000 in 2019/20.
- However, despite substantially increased central grant allocations in 2020/21 and 2021/22, the number of grants awarded has fallen substantially (by in the region of 20,000 compared with the previous year). There are two possible explanations for this, firstly that local authority contributions have fallen substantially and secondly that the value of grants has increased. In their Performance Report for 2021/22, Foundations noted that: *'From 2009/10 to 2018/19 the average cost of DFGs stayed remarkably stable, with most grants awarded at less than £5,000... The percentage of grants below £5,000 has been steadily falling (with) a sharp increase in the proportion of grants exceeding £15,000.'* (<https://wwwFOUNDATIONS.uk.com/library/dfg-performance/>)

## 8. Key Findings

A substantial proportion of England's housing stock is in poor condition, which is strongly associated with its age and the inadequate levels of renewal and replacement.

Almost one quarter of the private sector housing stock, some four and a half million homes, were constructed before 1919 and typically consist of terraced housing which is now over 100 years old. One in 6 homes was constructed in the interwar years and typically consists of semi-detached housing which is now over 75 years old. Only one fifth of private sector housing was constructed in the past 30 years, a point at which renewal of some elements is typically required.

The key indicators of poor housing, the number of HHSRS Category 1 Hazards and Non-Decent Homes have shown a generally downward trend since 2010 although with a reversal in Category 1 Hazards for the most recent year for which data is available. The 2020-21 English Housing Survey calculated there were over 3.4 million private sector Non-Decent Homes in England including 2.1 million with a HHSRS Category 1 Hazard.

An annual average of 3,160 private sector properties were demolished in the 10 years from 2001/02 but, following the 2010 'comprehensive review' of public spending, the average fell to 979 over the next 11 years, a decline of 69%. In the past 5 years, an annual average of only 369 private sector dwellings has been demolished. If this low rate of demolition was maintained, it would take over 12,000 years to replace the pre-1919 private sector stock alone (4,503,000/369)

There were high levels of public investment in private sector housing renewal in the decade from 2000. At 2021/22 real terms prices, there was annual average private sector renewal grant expenditure of £307 million from 2005/06 until 2010/11. However, the level of expenditure fell sharply in 2011/12, declining by 60% compared with the previous year. Real terms annual expenditure averaged £93.5 million over the period 2011/12 to 2021/22, a decline of 69.5% compared with the period from 2005/06 until 2010/11.

Associated with rising levels of public expenditure, there was an accelerating level of renovation grants paid to private owners in Great Britain over the period 2001/2 to 2010/11 reaching over 145,000 grants in the year 2009/10 at an annual average of almost 112,000 over the decade.

As spending was reduced from 2011/12, the number of renovation grants paid in Great Britain fell from 135,984 in 2010/11 to 78,633 in the following year, a reduction of 42%. This downward trend continued, as a result of which, the number of grants paid in Great Britain from 2011/12 to 2018/19 averaged 47,500 per annum, a reduction of 58% (-64,500) compared with the period 2001/02 to 2010/11.

Had the average annual level of renewal output achieved between 2001/02 and 2010/11 been maintained from 2011/12 to 2021/22, a further 645,000 properties would have been renovated in Great Britain.

Data for England shows an accelerating level of grant payment in England over the period 2001/2 to 2010/11 reaching over 127,000 in the year 2009/10 at an annual average of almost 91,650 grants per annum. Following spending cuts, the number of renovation grants paid in England fell from 124,500 in 2010/11 to 65,610 in 2011/12, a reduction of 47%. Following the wider trend across Britain, the number of renovation grants paid in England from 2011/12 to 2021/22 declined to an average of 33,000 per annum, a reduction of 64% (- 58,650) compared with the period 2001/2 to 2010/11.

Had the average annual level of renewal output achieved between 2001/02 and 2010/11 been maintained from 2011/12 to 2021/22, a further 586,500 properties would have been renovated in England.

The number of private sector dwellings in England with a HHSRS Category 1 Hazard made free by local authority action has declined steadily since 2011/12 and had more than halved by 2019/20, the last year for which data was collected.

The award of Disabled Facilities Grants is the only exception to the pattern of declining public expenditure on housing renewal since 2011/12. There has been a steady increase in central government allocations with marked increases from 2003/04 and from 2016/17 when DFG became part of the Better Care Fund. However, imputed local authority contributions fell markedly from 2010/11.

Reflecting the pattern of expenditure, there has been steady growth in the number of DFGs awarded reaching over 58,000 in 2019/20. However, despite substantially increased central grant allocations in 2020/21 and 2021/22, the number of grants awarded has fallen substantially (by in the region of 20,000). The two likely explanations are that local authority contributions have fallen substantially and that the value of individual grants has increased, a trend confirmed by Foundations analysis of award data.

It is important to emphasise that, whilst the 'lost' level of private sector housing renewal from 2011 would have made a substantial impact on the number of homes with a HHSRS Category 1 Hazard or which were Non-Decent, it would not have solved either problem. Taking the 2020-21 figure of 2.1 million private sector homes with a HHSRS Category 1 Hazard, had the housing renewal 'lost' between 2011/12 and 2021/22 (586,500) been entirely focused on these properties, it would have reduced the total by in the region of 28%, leaving over 1.5 million properties still requiring renewal. In relation to the higher level of 3.4 million Non-Decent private sector homes, the total would have been reduced by just over 17%, leaving over 2.8 million homes still requiring renewal.

The message is that, rather than just returning housing renewal activity to pre-2011 levels, there is a need for a substantial increase in expenditure and activity to clear the backlog of poor housing.

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