



**OFFICE OF THE
DEPUTY PRIME MINISTER**

The Decent
Homes Target
Implementation
Plan

housing



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The Decent Homes Target Implementation Plan

June 2003

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PART ONE

Introduction

In the 2000 Spending Review, a Public Service Agreement (PSA) target was set to: *ensure that all social housing meets standards of decency by 2010, by reducing the number of households living in social housing that did not meet these standards by a third between 2001 and 2004, with most of the improvements taking place in the most deprived local authority areas as part of a comprehensive regeneration strategy.* This was one of the floor targets¹ announced in *A new commitment to Neighbourhood Renewal: National Strategy Action Plan* which sets out the Government's approach to tackling deprivation in England's poorest communities.

The 2002 Spending Review renewed the commitment to making all social housing decent by 2010. The target was also expanded to cover vulnerable households in the private sector. The amended target is now: *by 2010, to bring all social housing into decent condition, with most of the improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups.* This document is a summary of how the target will be delivered.

Key contributors

Central Government has a role to play, but ultimately delivery rests with local authorities and housing associations. Other key contributors include the Housing Corporation, the National Housing Federation, the Housing Inspectorate, Local Government Association, Association of London Government, other central Government Departments, the Chartered Institute of Housing, the Government Offices for the Regions, and Local Strategic Partnerships.

The decent home standard

When the target to make all social housing decent by 2010 was first set, a definition of a decent home – the decent home standard – was established in order that progress against the target could be monitored. Under the standard, a home is classed as decent if it:

- is above the current statutory minimum standard for housing (the fitness standard);
- is in a reasonable state of repair;
- has reasonably modern facilities;
- provides a reasonable degree of thermal comfort.

The details can be found at

<http://www.housing.odpm.gov.uk/information/dhg/definition/index.htm>

¹ In the 2000 Spending Review, Government Departments across Whitehall set national targets to tackle deprivation. These targets were referred to as "*floor targets*" because they focused on the areas where Departments were doing worst – not on the national average.

Objectives

Our vision is to deliver improvements to housing conditions across all sectors in order to contribute to the creation of successful, thriving and inclusive communities that will stand the test of time and in which people want to live.

To meet our aim for the social sector, our key objective is to ensure local authorities and housing associations have the means to develop, and then implement, a strategy to bring all their housing up to a decent standard by 2010, and maintain it in decent condition thereafter. This is underpinned by the following sub-objectives:

- To ensure tenants are at the heart of plans to deliver decent homes.
- To ensure plans to deliver decent homes form part of a wider strategy for neighbourhood renewal where appropriate.
- To require plans for delivery by local authorities to start with an objective and rigorous options appraisal.
- To ensure each of the delivery vehicles are working as effectively as possible and remove any barriers:
 - local authorities
 - – using their own resources
 - stock transfer
 - Arms Length Management Organisations (ALMOs)
 - Private Finance Initiative (PFI)
 - housing associations
- To ensure those involved in delivery have the capacity to deliver and have access to the right guidance and support and
- To tackle non-delivery.

To meet our aim for the private sector, our key objective is to maximise the take up by vulnerable homeowners and private sector tenants of available opportunities to bring their homes up to a decent standard. This is underpinned by the following sub-objectives:

- To work with local authorities and other stakeholders to develop a wide range of tools for delivery, particularly those that make use of private sector funding, to maximise take up;
- To ensure that improvements in private sector housing are set in the context of wider regeneration strategies to secure the most effective use of resources;
- To improve vulnerable households' awareness of the condition of their homes, the problems that poor conditions can cause and the options open to them to bring their homes up to a decent standard; and
- To boost householders' confidence in the process of carrying out work to their homes.

The Challenge

The problems we must tackle

A third of all housing falls below the decent home standard. Over 1½ million households live in social homes that are not decent and over 1 million vulnerable households, especially those comprising older people, live in privately owned homes that are not decent, putting their health at risk.

Homes that are non-decent are unevenly distributed through different communities. Over 40% of homes in the 10% most deprived wards are below the decent home standard. And in neighbourhoods that suffer significant environmental problems (eg neglect, vandalism, vacancy) over half the dwellings are non decent.

Ethnic minorities are disproportionately affected. 40% of households from ethnic minorities live in non decent dwellings, and are more likely to be situated in those neighbourhoods, wards and districts where the poorest housing stock is most concentrated.

There are links between non decent homes and households in fuel poverty, with almost two thirds of fuel poor households in the social sector living in non decent homes. The link is similar in the private sector with around 60% of fuel poor households living in non decent homes.

Why make homes decent?

Decent homes are an essential part of a sustainable community. A home and the environment around it has a major impact on the physical and mental health and well being of those that live there.

Poor housing and poor environments can contribute to an area having a bad reputation. They are factors which have contributed to low demand making communities unsustainable.

The Department of Health's Cross Cutting Review on Health Inequalities found that improving housing conditions which alleviated problems of cold and damp would have a major impact on achievement of their life expectancy target. It also found that improving housing conditions for children in disadvantaged areas would have a major impact on their infant mortality target.

Achieving the decent homes target is an important component of the Department of Work and Pensions' aim of reducing child poverty.

Achievement of the target will also make a significant contribution to the joint Department of Trade and Industry/Department of Environment, Food and Rural Affairs targets of eliminating fuel poverty and reducing carbon emissions. Improving the thermal comfort of homes helps reduce fuel bills and numbers who experience fuel poverty.

The domestic and domestic related sectors are responsible for almost 40% of carbon emissions. The greatest impact on reducing emissions will come from changes that are made in the existing stock. Improving thermal comfort as part of the decent home standard will make a significant contribution as it is achieved in part through the installation of more efficient heating.

KEY ACHIEVEMENTS TO DATE

Since 1996 we have reduced by about 700,000 the number of non decent social homes. At 1 April 2001 there were 1.6 million non decent social sector homes. Since April 2001 the following schemes have been put in place (as at June 2003), which together cover over 700,000 non-decent dwellings:

- 31 stock transfer schemes undertaken with a further 12 in the pipeline
- 8 authorities awarded ALMO status and 13 are awaiting inspection
- 18 PFI schemes being developed with 2 contracts let

PART TWO

Delivery in the social sector

SOCIAL SECTOR – TRAJECTORY FOR DELIVERY

The ODPM Technical Note sets out how success will be measured². We will have delivered the social sector strand of the decent homes target if:

- the Business Plan Statistical returns submitted by local authorities and the regulatory returns submitted by RSLs show, in aggregate,
 - in 2004, a reduction of one third over the 2001 baseline;
 - in 2006, a reduction of 50%; and
 - those submitted in 2011 report all non-decent homes have been tackled.
- the English House Condition Survey confirms there to be 1.1 million or fewer non decent social sector dwellings by 2004, 800,000 or fewer in 2006 and no non-decent social sector dwellings by December 2010.
- more than 50% of the net reduction year on year takes place in deprived areas.

There are two trajectories against which delivery will be tracked:

- Number of local authorities at risk of not meeting the target – (there is work in hand to extend this to housing associations);
- Number of non decent homes owned by local authority and housing associations – Figure 1.

AUTHORITIES AT RISK OF NOT MEETING THE TARGET

Baseline

Government Offices completed, in April 2002, a risk assessment of authorities, based on their business plans, to determine who was unlikely to meet the 2010 target. 120 of the 270 owning stock were assessed as ‘at risk’ of not meeting the target. 150 had plans in place that would deliver.

Progress

At October 2002 there were 102 local authorities at risk of non-delivery.

² ODPM's Technical Note is available online at http://www.odpm.gov.uk/about/psa/pdf/psa_technote.pdf

The latest analysis at April 2003, showed that there were 107 local authorities at risk of non-delivery. However, these figures do not yet take into account the local authority response to the Review. The number of local authorities at risk changes over time as a result of a number of factors; negative ballots on transfer proposals, new stock condition information and reassessment by the Government Office.

The PSA Plus Review has removed a number of barriers that prevented some authorities taking advantage of the options available for delivery. It has also set a date (July 2005) by which local authorities must have completed robust options appraisals that will set out how they will deliver.

PROJECTED IMPACT OF PSA PLUS OF DELIVERY FOR LOCAL AUTHORITIES

Local authorities

Prior to the PSA Plus Review local authorities' plans showed that there would be a shortfall on the 2010 target. Our projections now show, taking into account the recommendations of the Review, that local authorities are back on track to meet the target.

REDUCTION IN NUMBER OF NON DECENT DWELLINGS

Baseline

This was set by the 2001 English House Condition Survey. 1.6m social sector dwellings are non decent out of a stock of 4.2 million (38%) at April 2001. Local authorities owned 1.2 million non decent homes (43% of local authority stock) and 380,000 are owned by housing associations (28% of housing association stock).

Progress

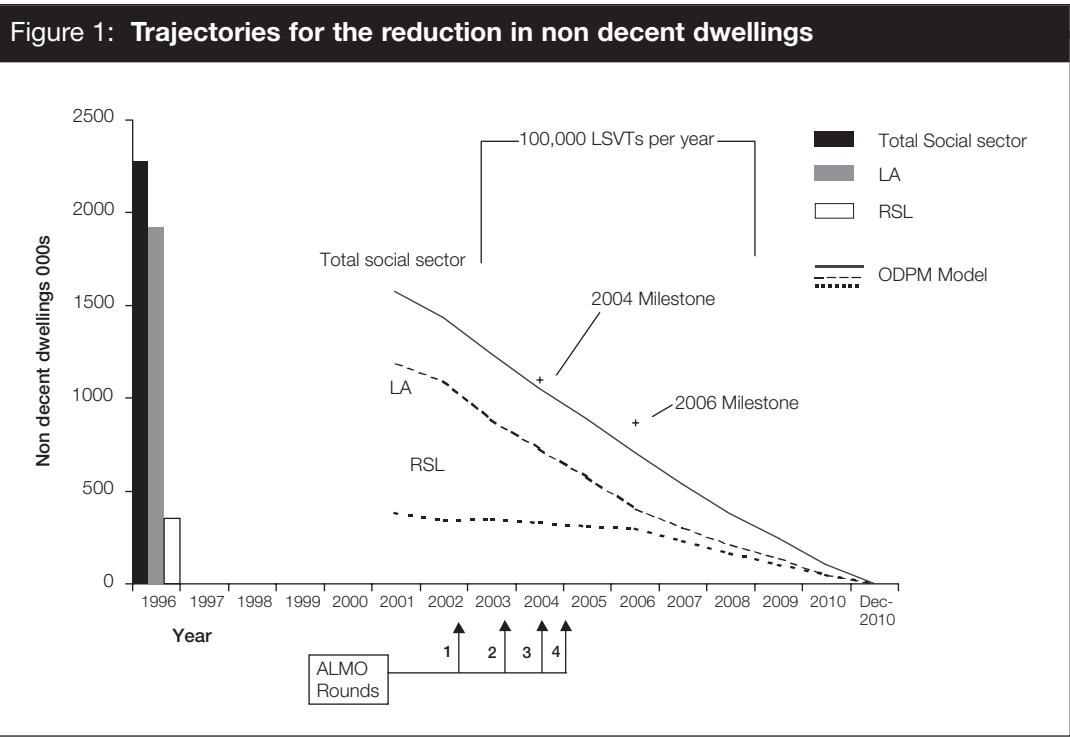
Between 1 April 2001 and 31 March 2002 local authorities reported that they reduced the number of non-decent homes in their stock by 8%.

We do not yet have baseline information for all RSLs, but we will have the information in 2003. There are data for housing associations which set out their asset management plans to reduce their repairs backlog. These indicate a 40% reduction by existing housing associations by 2004.

In future, regulatory and statistical returns to the Housing Corporation will require mandatory reporting of progress against the decent homes target. The Audit Commission will inspect housing associations on the same basis as local authorities, offering some benchmarking of progress.

Local authority and housing associations' plans, when taken together, indicate the 2004 milestone should be met.

Results from the 2002 English House Condition Survey, available in October 2003, will provide independent figures for both housing associations and local authorities on the reduction in non-decent homes in 2001/02.



Social sector – driving delivery forward: supporting and enabling

To deliver this target we need to:

- ensure there is a clarity about the target and how it is to be delivered;
- provide enough support to the front line deliverers (local authorities and housing associations);
- have the right levers in place and make effective use of them;
- consider intervention as a last resort.

Those who work directly with front line deliverers – Government Offices, the Community Housing Task Force and the Housing Corporation – need to be clear when to use the different tools for delivery. A tool kit is being prepared.

Components of the tool kit will be:

GETTING THE MESSAGE ACROSS

Using the communication strategy to:

- ensure that all concerned continue to focus on delivering decent homes;
- celebrate success;
- focus on tenants.

PROVIDING SUPPORT

This will take two forms:

Guidance:

Where there is a need to, we will rationalise the guidance that we produce and ensure it is correctly targeted. We will also fill a major gap by providing guidance on option appraisal. Comparison through benchmarking shows authorities where there is scope for improvement. Benchmarking should be promoted.

ODPM has set up an e-community which provides a discussion forum in which people can raise issues and share best practice on implementing the decent homes standard as well as the investment options. We intend to re-launch the site in the Summer to ensure it is best suited to the needs of those who are responsible for the delivery of the target.

Direct support:

Direct support will be provided through Government Offices, Housing Inspectorate and Community Housing Task Force. Their respective roles are being clarified. The first step in providing support is analysing the need for support. There are two routes for this:

- Government Offices – ensuring that local authority business plans are fit for purpose enables them to identify areas for improvement
- Improvement planning following on from Comprehensive Performance Assessment (CPA) – CPA for unitary authorities has identified where the housing service needs attention. If this did not pick up performance in relation to decent homes delivery then this will be covered in the Refresh exercise. For districts decent homes delivery will be one of the diagnostic tools of the CPA.

The Housing Corporation regulatory framework will identify where improvements in delivering the target need to be made in housing associations.

ENABLING**Resources**

Transfer – Overhanging debt payments can now cover a local authority's early debt redemption premia on Public Works Loan Board debt where the receipt is insufficient to meet the cost from the 2003 Transfer Programme onwards. We have extended the arrangements for overhanging debt payments from whole stock transfer to include partial stock transfers from the 2003 Transfer Programme onwards.

PFI – We will provide £685 million of PFI credits over the next three years.

ALMOs – We will provide around £2 billion for ALMOs.

Regional housing boards – Gap funding could be made available from the regional housing resource allocations if it is seen as a regional priority.

Policy tools

Each delivery vehicle has a series of requirements that need to be complied with if the authority is to get onto the programme.

Option appraisals are the basis of a good strategy. They will now be signed off by Government Offices.

Best value reviews and Inspection:

Authorities' best value review programmes, audit and inspection arrangements are central to improvement planning following CPA. This will address weaknesses picked up by CPA, with review and inspection used to diagnose problems or to evaluate progress. This will be a key vehicle for driving up performance.

INTERVENTION

There are currently 18 authorities with Best Value Reviews of their repairs service that have 0* ratings. Under Best Value a re-inspection that showed no service improvement would be referred to the Audit Commission who would decide whether to recommend to the Secretary of State that intervention was appropriate.

Under CPA the improvement planning process should identify where a best value review and inspection was the appropriate route to improvement. If through this process the subsequent inspection showed 0* and re-inspection showed no improvement then intervention may follow as above.

The emphasis is to avoid intervention. The aim is to provide sufficient support using Government Offices as key agents with the Community Housing Task Force providing hands on support so that local authorities do develop and then implement plans that will deliver the decent homes target.

Key actions arising out of PSA Plus Review

The PSA Plus Review identified a number of key workstreams necessary to achieve the social sector strand of the target, which we are now taking forward. These are set out in the table below.

Key workstreams	Milestones	Timing
Getting effective delivery strategies in place	ODPM to provide option appraisal guidance for LAs	June 2003
	Revised mechanism for Government Offices reporting on whether LAs are at risk of non-delivery	September 2003
	All LAs to have option appraisal that results in effective delivery plan signed off by Government Offices	July 2005
	Housing Corporation guidance on asset management to support HA in delivery	June 2003
	Housing Corporation Good practice guidance on implementation	July 2004
Tenant involvement	Community Housing Task Force to develop effective package of guidance that supports tenant engagement	Summer 2003
	Community Housing Task Force to develop accreditation scheme for Independent Tenant Advisors	Feasibility study due Summer 2003
Strengthened links with neighbourhood renewal strategies	Links between decent homes delivery and wider neighbourhood renewal strategies clarified from the outset in option appraisal guidance	June 2003
	ODPM to map out how other regeneration related strategies support decent homes delivery	August 2003
Improved delivery vehicles	Transfers	
	2003 schemes announced	June 2003
	2004 schemes announced	March 2004
	Consultation paper on alternative models of funding	July 2003
	ALMOs	
	Round 3 schemes awarded places on programme	July 2003
	Round 4 schemes awarded places on programme	March 2004
	Consultation paper on self-financing ALMOs	Summer 2003
	PFI	
	ODPM to include new build in HRA refurbishment schemes	April 2003
Launch bids for round 3 schemes	June 2003	
ODPM to produce procurement pack	December 2003	

Key workstreams	Milestones	Timing
Capacity building	ODPM to set up Housing Guidance Supplier network for better guidance co-ordination	April 2003
	ODPM to publish a clarification of roles of ODPM/Community Housing task Force/Housing Inspectorate/Government Offices/Housing Corporation in relation to supporting delivery of the target	July 2003
	Housing Forum providing guidance on improving procurement in refurbishment and maintenance	October 2003
	Sir John Egan is carrying out a review of skills that the built environment professions will require in order to deliver sustainable communities	December 2003

PART THREE

Delivery in the private sector

PRIVATE SECTOR – TRAJECTORY FOR DELIVERY

As set out in the ODPM Technical Note, we will have delivered the private sector strand of the decent homes target if:

- there is a year on year increase in the proportion of vulnerable private sector households in decent homes;
- if the 2006-07 EHCS, reporting in October 2007, shows the proportion of vulnerable households in decent private sector homes to be more than 65%;
- if the 2010-11 EHCS, reporting in October 2011, shows the proportion of vulnerable households in decent private sector homes to be more than 70%;
- if the 2020-21 EHCS reporting in October 2021, shows the proportion of vulnerable households in decent private sector homes to be more than 75%.

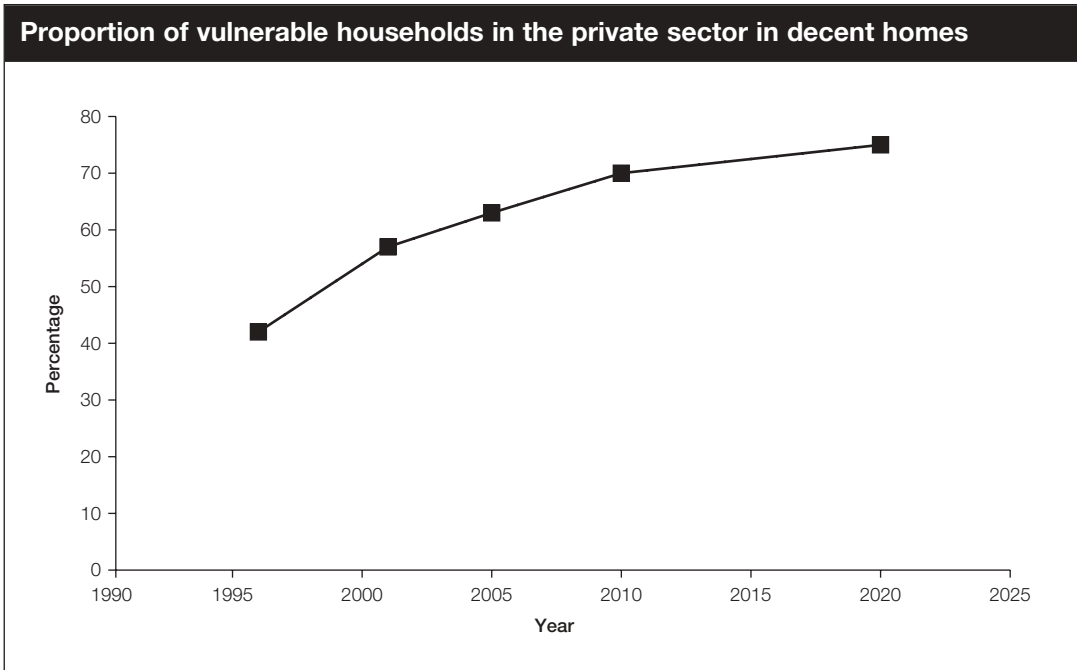
Baseline

As shown by the English House Condition Survey in 2001 nearly 1.2 million vulnerable households in the private sector (43%) were living in non-decent homes.

We said in *Sustainable communities: building for the future* that we will assist 80,000 vulnerable households in the private sector to make their homes decent by 2005, and a further 130,000 by 2010. These figures are based on estimated local authority expenditure on private sector renewal from the single capital pot and use of the additional funds we have made available for this for 2004/5 and 2005/6. DEFRA's Warm Front programme, the Market Renewal Pathfinders and other regeneration programmes will also contribute to meeting this target.

Projections

The impact of these resources on increasing the proportion of vulnerable households in decent homes in the private sector is difficult to project. The outcome will be a combination of the investment both public and private, the movement of vulnerable households into homes that are non-decent and vice versa, the changing circumstances of individual households as they move in to and out of vulnerability, and any deterioration of the homes in which they live. However, we expect to achieve the milestones set out above of an increase in the proportion of vulnerable households in the private sector living in decent homes from 57% in 2001 to 63% by 2005, 70% by 2010, and 75% by 2015/20. The chart below shows the expected trajectory for achieving the target.



Private sector – driving delivery forward: vehicles and support

The target will be delivered through three main vehicles:

- **Local authority assistance for private sector housing renewal**

The Regulatory Reform (Housing Assistance)(England and Wales) Order 2002 gives authorities new, wider powers to provide assistance to owners and tenants for repairing and improving their homes. We expect that new means of providing assistance – for example low cost loans and equity release – will be developed, alongside grants. This will enable authorities to help owners make the best use of their own resources, thus promoting sustainable home ownership. The Order also enables authorities to provide assistance through third parties, allowing them to work in partnership with others, and in particular using the private sector to maximise the resources available to them. Local authorities cannot use these new powers until they have published a policy setting out how they will use them. Existing powers to provide grants for homes repairs and improvements are repealed on 18 July 2003.

ODPM will support authorities in using these new powers through activity in a number of areas. These include:

- *Resources.* We announced in Sustainable Communities: Building for the Future that an extra £30 million would be available in both 2004/05 and 2005/06 to help authorities support new ways to fund repairs and improvements to the homes of vulnerable households. This will be allocated to the newly established Regional Housing Boards as a separate grant within the single capital pot, which must be spent on private sector renewal. It will be up to the Boards which schemes and local authorities they support with these funds.
- *Guidance.* As part of our support work with local authorities to help them achieve fit for purpose housing strategies, we will be discussing with them the need to adequately address the issue of non decent homes in the private sector.
- As part of this process we will be revising guidance on the decent homes standard and local house condition surveys to ensure that issues relevant to the private sector part of the target are included later this year.
- As part of the re-launch of the e-community site we will include guidance and information on the private sector element of the target as well as opening access to those who are involved in the delivery of the private sector element of the target.
- We are also working with local authority associations and the Housing Corporation to ensure that local authority and housing association involvement in mortgage lending is appropriately governed, even though it will remain exempt from the full control of the Financial Service Authority.

– *Information-sharing.* A two year research project commissioned by the Joseph Rowntree Foundation and ODPM to investigate how local authorities are using their new powers, and identify best practice, is underway. The results will be disseminated through regular newsletters and an annual conference. We are also extending membership of ODPMs e-community on decent homes to non-stock owning authorities, and setting up a separate forum for them to discuss issues relating to delivery of this part of the target.

- **The Warm Front programme**

The Warm Front programme, delivered by contractors sponsored by the Department for Environment, Food and Rural Affairs, provides grants to vulnerable households for packages of heating, insulation and energy efficiency measures. It will be important in improving the 700,000 homes occupied by vulnerable households that do not meet the decent homes standard solely because they do not provide a reasonable degree of thermal comfort.

- **The Housing Market Renewal Fund, and other regeneration initiatives**

The nine Pathfinder areas will be producing plans to renew the housing markets in their areas. £500 million of resources has been allocated through to 2005/06. What activity this will support depends on the programmes yet to be submitted, but are likely to include substantial elements of clearance and renovation for non-decent private sector homes. A range of other regeneration programmes support small but significant elements of private sector housing renewal which will make homes decent, including for example New Deal for Communities and Neighbourhood Renewal.

A number of other actions will also contribute to delivery of the target:

Action	How	Timing
The introduction of a mandatory licensing scheme for houses in multiple occupation (HMOs)	Provisions contained in the draft Housing Bill. This will improve conditions in this part of the private rented sector, where some of the worst conditions are found	Draft Housing Bill published in April 2003
Quality Mark programme	Quality Mark helps householders find reputable builders, boosting their confidence in the process of getting works done to their home	DTI expect to have rolled the programme out across England and Wales by 2006
Home Improvement Agencies	Expanding the geographical coverage, and improving the profile, of the network of Home Improvement Agencies (HIAs) HIAs play a vital role in making vulnerable households aware of the condition of their home, and the assistance that is available to help them bring it up to a decent standard	Organisational reforms to HIAs by March 2004 Expanded coverage by March 2005
Home Information Pack	Home Information Pack (HIP) provisions are also included in the draft Housing Bill. This will help make households aware of the condition and energy efficiency of any home they consider purchasing, and what action is needed to improve it	Draft Housing Bill published in April 2003

Key publications/guidance

CONTEXT

Quality and choice: a decent home for all – the way forward for housing (December 2000)

A new commitment to Neighbourhood Renewal: National Strategy Action Plan (January 2001)

Sustainable communities: building for the future (February 2003)

Report of the PSA Plus Review (March 2003)

STOCK CONDITION/THE DECENT HOME STANDARD

Collecting, Managing and Using Housing Stock Information (August 2000)

Decent homes – capturing the standard at the local level (March 2002)

A decent home: the revised definition and guidance for implementation (March 2002)

HOUSING STRATEGIES AND BUSINESS PLANS

Effective Housing Strategies and Plans (a consolidated source for policy and general guidance material, good practice examples and research reports)

ALTERNATIVE INVESTMENT OPTIONS FOR LAs

Guidance on Arms Length Management of local authority housing – 2003 edition (March 2003)

Housing Transfer Manual – 2003 Programme (March 2003)

Private Finance initiative for HRA/non-HRA housing – Indicative guidance for authorities making proposals (March 2003)

HOUSING ASSOCIATIONS

Housing Corporation circular R3-26/01 – Decent Homes Guidance (October 2001)

PRIVATE SECTOR

Housing Renewal Guidance – consultative document (July 2002)

Addressing the needs of run down private sector housing (October 2002)

Addressing the needs of run down private sector housing – a good practice guide (October 2002)

Copies of these documents are available from:

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