



Decent Homes in the Social Sector
Statistics Reconciliation Project 2008



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January 2009

Product Code: 08 ACST 05694

ISBN: 978-1-4098-0979-1

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Section 1

Executive summary

This note summarises the results of a project to explore the discrepancies in non-decent social sector dwelling estimates reported in a national survey and local statistical returns.

The sources have been used in combination to assess progress in making homes decent as part of the decent homes programme and the Government commitment to service delivery through former Public Service Agreement 7 – that all social housing should be made decent by 2010.

The Department became aware of a considerable discrepancy between the sources in late 2007 and, in order to improve our understanding of the differences and confidence in the statistics, made a commitment to conduct a reconciliation project and report findings in December 2008.

There are a wide variety of factors that contribute to the differences. Some are clear-cut and quantifiable – such as key definitional differences including the treatment of tenant refusals and dwellings earmarked for demolition. Others are less clear, including pragmatic interpretation of the guidance, local variation determined in part by housing demand and available resources, and perceived incentives in relation to the various strategic positions of local landlords in deciding what makes a home decent. These can be inter-related and individual effects not quantifiable.

The foundations for this work involved an investigation of definitional details and application of the decent homes standard¹ including a seminar with stock condition specialists, together with internal analysis and joint working with the Building Research Establishment (BRE).

¹ <http://www.communities.gov.uk/documents/housing/pdf/138355.pdf>

Section 2

Introduction

1. In 1997 the Government identified the need for urgent investment in social housing and improved public services. Council housing had been neglected for many years and there was a £19bn repairs backlog. Tackling this acute problem was therefore set as a priority and brought about the publication of the Housing green paper *Quality and Choice: A Decent Home for All*² in 2000. In 2001, during the 2000 Spending Review period, the Department established the decent homes standard for all social housing (set out in guidance, updated in 2006³), with a target for all social housing to be decent by 2010 as part of a new Public Service Agreement (PSA 7). In 2003 the Department reaffirmed this target and introduced a further commitment to increase the proportion of vulnerable households in the private sector living in decent homes.
2. In June 2006 the then Secretary of State announced that where authorities could deliver more for their tenants, were working towards mixed communities or could demonstrate better value for money, the Department would allow them to negotiate deadlines for completion of decent homes beyond 2010⁴. The Secretary of State also announced that Government still expected 95% of homes to be decent by 2010.
3. The decent homes Public Service Agreement (PSA) 7 was measured by a single indicator for social sector housing – the net reduction in non-decent homes year on year since 2001 (see annex A). The indicator was monitored using a combination of the independent national English House Condition Survey (EHCS) and combined aggregated information provided by local authorities on the Business Plan Statistical Appendix (BPSA) and from Registered Social Landlords through the Regulatory and Statistical Returns (RSR), in order to assess whether progress to the target was being met (see annex B). Progress has been reported primarily through the Departmental Annual Report and the Autumn Performance Report each year.
4. In 2005 and 2006 the combined landlord estimates⁵ of progress started diverging from the national survey estimate, the EHCS indicating much slower progress. Chart 1 below shows that at the last date where a direct comparison could be made (2006), the difference between the total number of non-decent homes recorded in the EHCS and the combined landlord returns was 88,000, the EHCS figure

² <http://www.communities.gov.uk/documents/housing/pdf/138019.pdf>

³ <http://www.communities.gov.uk/documents/housing/pdf/138355.pdf> referred to as the 'decent homes guidance'

⁴ <http://www.communities.gov.uk/speeches/corporate/homes-communities>

⁵ Unless otherwise stated, the combined BPSA and RSR data sources are referred to as 'combined landlord returns' and the figures as 'combined landlord estimates'.

being higher. A difference of this size would generally be considered reasonable at a national level. However, the PSA 7 indicator looks at progress made and it was the rate of progress reported by landlords that first alerted the Department to the issue (chart 2 and annex A). This strong rate of progress continues in 2007 for the combined landlord estimates. Details of the non-decency statistics from each source are contained in annex C.

Chart 1: Total non-decency reported by the EHCS and combined landlord returns

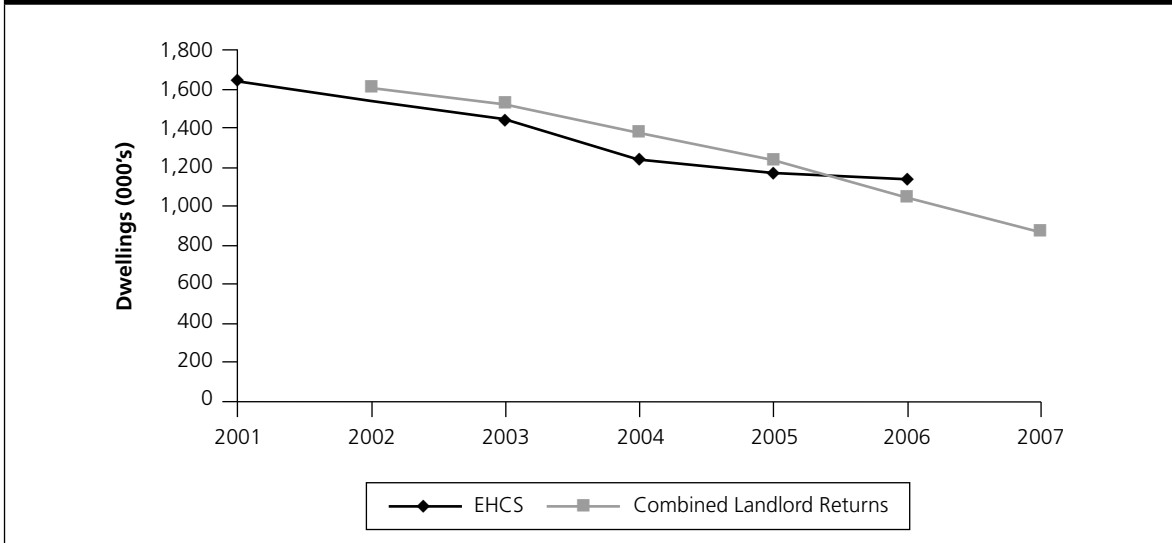
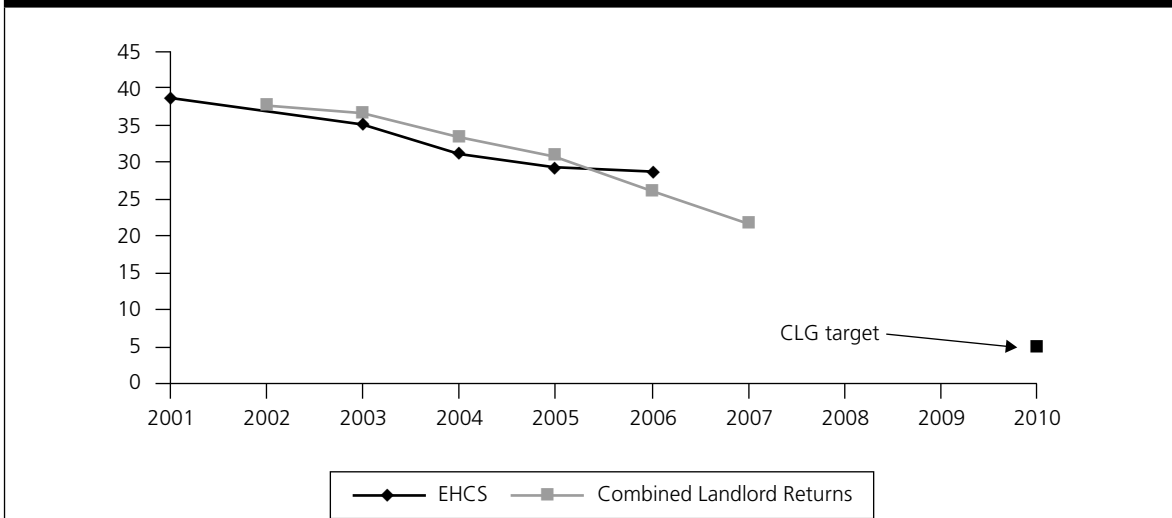


Chart 2: % non-decency between sources



Notes for Charts 1 and 2
 EHCS figures based on Unfitness definition. 2006 figures unadjusted for CWI undercount
 Landlord figures from 2006 are based on a combination of Unfitness and HHSRS

5. The Department's Annual Report 2008 stated:

We are investigating why these differences have occurred and whether there are any differences in the way decent homes assessments are undertaken by local authorities compared to the national survey estimate.

Analysts in the Department, working with the Building Research Establishment have investigated the issues through a reconciliation project and this report provides a summary of the findings of the project. The main objectives were to investigate the differences between the data sources and propose changes if necessary. The project included:

- a seminar involving a range of local specialists, stock condition surveyors and housing consultants to explore details of definition and application of the decent homes standard
 - following issues raised at the seminar, further work with the Building Research Establishment (BRE) to estimate the impact on numbers of different interpretations of the decent homes guidance, particularly in relation to cavity wall and loft insulation, reflecting the pragmatic and cost effective decisions made by local landlords
6. The project was also informed by other analysis from BRE of 'Hard to Treat' dwellings – the production and analysis of a five-point scale for non-decent dwellings. This highlights that around 30% of non-decent dwellings from the EHCS are not straightforward to treat on practical or economic grounds. Full details are published in the EHCS Annual Report 2006⁶.

⁶ <http://www.communities.gov.uk/publications/corporate/statistics/ehcs2006annualreport>

Section 3

Main findings of the reconciliation project

Definitional differences between the EHCS measure of decent homes and landlords' reporting

The project identified several areas where the EHCS and landlords' returns are not measuring the same thing, generally for good reasons. This is because the EHCS measures the decency of the stock against a common standard, across all tenures, and irrespective of whether it is occupied or the characteristics of the tenant. Landlords, on the other hand, make exceptions in certain cases, in line with the decent homes guidance.

Tenant Refusals

7. The decent homes guidance allows a technically non-decent dwelling to be classified as decent in circumstances where it would be inappropriate or impossible to make it decent, such as when a social tenant refuses work.

The decent homes guidance states:

Landlords are not expected to make a home decent if this is against a tenant's wishes as work can be undertaken when the dwelling is next void. For reporting purposes, these properties are not counted as non-decent until they are void.

8. The EHCS, on the other hand, will count such homes as non-decent. The EHCS does not seek to establish whether the tenant of a dwelling that fails an inspection has recently refused work, as it would be very difficult for the tenant to establish whether the refusal stopped work specifically intended to make the home decent. This is a clear definitional difference between the survey and landlords' reporting of decent homes figures. An estimate using the 2008 RSR and provisional BPSA 2007/08 figures indicates that about 4% (or 40,000 approx) of non-decent social homes in the latest 2006 EHCS would have been regarded as decent by landlords in this way.
9. At the seminar some landlords also voiced concern about the challenges they faced trying to obtain access to much of their stock (despite advance notification of intent), both for stock surveys⁷ and decent homes works, because some tenants chose not to allow entry or were not in. There is likely to be wide variation in categorising non-decency across the social sector in these cases.

⁷ Local landlords are required to commission surveys of a sample of their housing stock on a regular basis (normally every 3-5 years). These tend to be carried out by commercial stock condition specialists and the results then cloned to represent the whole stock

10. There is no information in the decent homes guidance about the treatment of non-response of tenants. However, this project acknowledges that landlords may have different approaches and therefore recommends the inclusion of advice in the guidance.

Demolition

11. The EHCS does not identify whether a surveyed non-decent home has been scheduled for demolition. However, the decent homes guidance states they may be exempt from reporting of non-decency:

Where non-decent properties are to be demolished, these can be counted as reducing the number of non-decent homes when reporting progress.

12. Landlords reported at the seminar that more detailed guidance was required from the Department on reporting non-decent homes scheduled for demolition. They indicated that stricter rules should be applied because:
 - dwellings earmarked for demolition could be counted as decent even if they were not going to be demolished for several years
 - landlords felt it was inappropriate to count such dwellings as decent when they were inhabited
13. This report agrees with the feedback and recommends greater clarity on the treatment of dwellings scheduled for demolition in the guidance.
14. Despite some lack of clarity in the decent homes guidance with regard homes due for demolition, an estimate based on local authority Business Plan figures would suggest that around 10,000 failing social homes according to the EHCS might be discounted as they would most probably be demolished in the year. These homes would normally be recorded as decent by landlords.
15. By excluding tenant refusals and dwellings due for demolition it would be reasonable therefore to assume that the 2006 EHCS is over-estimating non-decency compared with the decent homes guidance by around 50,000 dwellings.

Action to make decent

16. Much of the feedback received from practitioners at the seminar confirmed that making homes decent is not always straightforward. Many issues concerning the housing stock might govern decisions on whether improvements can be carried out. For some homes the necessary work may be practically difficult or even not feasible. For others cost considerations may suggest that improvement of the existing stock is not necessarily the best solution. Some homes, although technically non-decent, may nevertheless be already performing at a level that is acceptable in terms of what the standard is seeking to achieve. Discussion at the seminar suggested that landlords

would not record as non-decent those dwellings where it was clearly not feasible or inappropriate to carry out treatment. This is a sensible and pragmatic interpretation of the guidance.

17. The Building Research Establishment has carried out some new analysis of data from the EHCS to identify homes that are classified as non-decent in the survey, but which are not straightforward to treat. This is presented in the 2006 EHCS Annual Report.⁸ The analysis identifies that there may be a hierarchy of circumstances where non-decent dwellings according to the survey may nevertheless be performing at an acceptable level according to local interpretation, or that local consideration of improvement work may be offset by the logistical difficulties and exorbitant costs that would result.
18. A five point treatment scale has been produced for non-decent homes ranging from straightforward to treat to not feasible to treat. Most non-decent social homes are straightforward to treat, but around a quarter are difficult to treat, because of technical issues or costs. A small number are inappropriate, uneconomic or not feasible to treat.
19. The appropriate course of action for any non-decent home is a matter of professional judgement, taking all the facts and circumstances into consideration. The statistical results of the treatment scale should be seen as indicative, but it illustrates how the assessment of non-decency in the survey will not always match professional decisions made locally in consideration of the specific circumstances.

Estimation of cavity wall insulation in the EHCS and local sources

20. Determining whether or not cavity wall insulation is present can be problematic for EHCS surveyors and commercial stock condition surveyors alike for some properties. In many non-traditional dwellings, for example where walls are rendered or clad⁹, the installation of cavity wall insulation can leave little, if any, observable trace. Moreover, social tenants are seldom able to confirm whether cavity wall insulation has been installed. Diagnosis can therefore be difficult for professional surveyors conducting inspections solely on the basis of what can be observed. Where there is no visible evidence (and the occupant is unable to provide confirmation that cavity wall insulation exists), then EHCS surveyors code that cavity wall insulation is not present.
21. This approach is likely to lead to some over-estimation of the number of non-decent homes according to the thermal comfort criterion but it is not possible to estimate the impact with any degree of accuracy.

⁸ <http://www.communities.gov.uk/publications/corporate/statistics/ehcs2006annualreport>

⁹ Many properties that might be considered 'non-traditional' can not have cavity wall insulation installed as they do not have cavity walls

22. Further steps have been taken to address these issues through a redesign of the EHCS survey questionnaire from 2008 and more comprehensive training of surveyors encouraging additional checks for evidence of cavity wall insulation on site. These improvements should increase the robustness of the survey data but will not completely remove the methodological bias to underestimate cavity wall insulation, particularly for rented dwellings.
23. On the other hand, previous research by BRE in 2005¹⁰ pointed to evidence of overestimation of cavity wall insulation by local authorities. Some authorities stated that their records showed cavity wall insulation installed in dwellings on the basis of evidence in the programme of work contract details. However, this information records the work that was planned not the work actually carried out. Follow-up surveys confirmed that, in some cases, cavity wall insulation had not been installed as assumed. The net effect of this would be to underestimate failures under thermal comfort.

Interpretation of thermal comfort insulation requirements for decent homes

24. The decent homes guidance states:

For dwellings with gas/oil programmable heating, cavity wall insulation (if there are cavity walls that can be insulated effectively) or at least 50mm loft insulation (if there is loft space) is an effective package of insulation and;

For dwellings heated by electric storage heaters/LPG/programmable solid fuel central heating a higher specification of insulation is required: at least 200mm of loft insulation (if there is a loft) and cavity wall insulation (if there are cavity walls that can be insulated effectively).

25. In cases where there is no loft (ie ground or mid-floor flats) and therefore no loft insulation, the EHCS has, up to 2006, interpreted this requirement as meaning that cavity walls should be filled to meet the thermal comfort criterion. However, detailed analysis of the data showed that, even without cavity wall insulation these flats were energy efficient.
26. A more practical interpretation of the thermal comfort requirement for these properties recognises that the presence of another flat above provides adequate insulation and therefore cavity wall insulation would not be additionally necessary to meet the criterion. Discussion with landlords at the seminar suggested that most would agree with this approach.

¹⁰ <http://www.communities.gov.uk/documents/housing/doc/324504.doc>

27. The modelling in the EHCS has now been revised to reflect this interpretation. The change is reflected in the 2006 EHCS Annual Report and a revised version of the 2006 Headline Report has also been published. The adjustment has reduced the number of non-decent social sector homes in the EHCS by 190,000. It is also recommended that the decent homes guidance be clarified on the thermal comfort criterion for ground and mid-floor flats.

Pragmatic interpretation of the decent homes guidance at a local level

28. Alongside the decent homes standard, the crucial drivers in determining many stock assessments and action to be taken tend to be costs, housing demand and demographics of tenants. Approaches vary depending on funding imperatives; landlords with more resources will deliver additional measures in excess of the minimum required to make a home decent. Landlords with less capital to invest will adopt a stricter interpretation of the standard.

Void dwellings

29. At the seminar, some landlords stated that they allowed a non-decent void dwelling to be classified as decent on the assumption that these homes would automatically receive works prior to being re-let. The decent homes guidance provides no advice on how to deal with such dwellings but the PSA Technical Note (see annex A) implies that void dwellings should not be exempt from the count of non decent homes:

The definition applies to all dwellings whether or not they are occupied or vacant.

30. Landlords argued that void dwellings not 'fit to let' would be subjected to a focused maintenance and improvement programme. As a result, the opportunity to maximise procurement efficiencies and carry out unhindered works meant void homes failing the decent homes standard would never be recorded as non-decent. Using the Local Authority Business Plans data on void dwellings, the Department believes that up to 10,000 non-decent social dwellings undergoing or awaiting works could be affected in this way and recorded as decent by landlords each year.
31. This report recommends advice in the decent homes guidance to ensure correct accounting measures for non-decent void dwellings.

Application of the published component lifetimes to determine disrepair

32. The Department provides a framework for component lifetimes to adhere to under the repair criterion in the Annex of the decent homes guidance¹¹. This lists prescribed lifetimes for 15 major components (including kitchens and bathrooms) grouped by three building types to help determine whether the components are old. The framework is designed to be used widely as a tool to plan for newly arising renewal works.
33. However, research published in 2007¹² suggested that landlords were using different approaches that might result in either an overestimation or underestimation of non-decency. This was confirmed at the seminar in April 2008.

The decent homes guidance states:

One or more key components, or two or more other components, must be both old and in poor condition to render the dwelling non-decent on grounds of disrepair.

34. Many landlords indicated that they tended to be pragmatic and failed homes under the repair criterion because of condition only rather than using a combination of age and condition. Subsequently, the Department asked BRE to simulate this change by adjusting the EHCS methodology to replicate condition only failure, on the assumption that this might reflect decisions made by landlords across the whole social sector. This modelling revealed that 240,000 more social sector dwellings would be cited by the national survey as failing due to disrepair using this approach. This may partly explain why disrepair is the main reason for failing decent homes according to local authorities compared with thermal comfort in the EHCS.
35. There was also a view that the component lifetimes set out in the guidance (and incorporated into EHCS definitions) were too long and that landlords would enforce shorter lifetimes compared with those set out in the guidance. Other landlords stated they would ignore the lifetimes altogether in favour of a judgement on how much life they felt was left in the component.
36. The flexible approach to lifetimes displayed by landlords is further complicated by the nature of cyclical programmes of work. Feedback from the discussion event suggested lifetimes would be intrinsically linked with such programmes. If it was known that a component lifetime expired during this cycle and resulted in some newly-arising (incipient) non-decency, the stock would still be recorded as decent because it would be dealt with as part of the programme, even if the cycle was over a two-three year period. This would result in an underestimation of annual non-decency by landlords.

¹¹ <http://www.communities.gov.uk/documents/housing/pdf/138355.pdf>

¹² <http://www.communities.gov.uk/documents/housing/doc/324504.doc>

37. Furthermore, there was a distinction between local authorities that retained and managed their stock and RSLs in this instance. Some local authority landlords argued that, regardless of whether it was sensible to repair or replace kitchens or bathrooms in an entire street where lifetimes were expiring, they would be very selective in tackling the problem and focus energies instead on those dwellings in most need. In contrast, a transfer RSL would tend to work on all dwellings in the street and operate a shorter period of remaining life than their local authority counterparts.
38. This report acknowledges that these issues are unquantifiable and that the prescribed component lifetimes supporting the repair criterion can not always be strictly applied at a local level. On the basis of the evidence, we feel that no action is necessary as these variations are reasonable in the context of what the guidance is trying to achieve.

Housing Health and Safety Rating System (HHSRS)

39. The decent homes definition was updated on 6 April, 2006 when the Housing Health and Safety Rating System replaced the fitness criterion as the statutory component of decent homes.
40. HHSRS introduced a risk-based approach to stock condition assessments by evaluating hazards on the basis of a person who would be most vulnerable to those hazards. In order to be decent, a home should be free of the most serious 'category 1' hazards.
41. The main reconciliation exercise compared landlord returns with EHCS results based on the old fitness standard, but the introduction of the HHSRS presents a further set of differences between landlord reporting and the EHCS. Comments from landlords at the seminar showed that they would probably underreport HHSRS failures compared with the EHCS for a number of reasons:
 - landlords may not be aware of individual HHSRS failures, whereas the EHCS will pick them up whenever they arise within its sample
 - when the landlord or a stock condition surveyor becomes aware of a HHSRS failure this would be given priority for an urgent responsive repair, and not be recorded as non-decent
 - where a landlord's assessment of non-decency is based on cloned results from a stock condition survey, this may lead to wider non-reporting of HHSRS decent homes failures

- landlords felt that excess cold should only be measured where there was evidence of damp, condensation and mould, rather than using the rating system assessment or the proxy measure used by the EHCS – the standard Assessment Procedure (SAP) <35¹³. SAP and the Energy Performance Certificate rating appeared not to feature in conclusions about excess cold
42. The Department is unable to model the impact of these across the social sector but this report recommends additional advice in the guidance concerning overall HHSRS failures based on a sample survey, and greater clarification on determining failure due to excess cold.

Strategic positions of landlords

43. When it was introduced in 2001, the decent homes programme included three options to enable local authorities to secure additional funding. These were devised because Government recognised that there would be considerable variations in the demands the programme would place at a local level. These options were: transferring stock to a Registered Social Landlord (RSL), using a private finance initiative (PFI) or setting up an Arms Length Management Organisation (ALMO).
44. Since 2001, a significant number of local authorities have chosen one, or a mix, of these options. The additional financial support on offer by taking these routes is considerable and a major driver in shaping decisions about the amount of work which landlords can do to their stock. It is these 'routes', the pressures that come with taking a particular path and the flexibility encouraged in the guidance, that can be perceived to influence the level of non-decency recorded. For example, it may appear that a local authority presents an unfavourable position prior to setting up an ALMO or large scale transfer to obtain additional central government funding. Similarly, an RSL may report a certain level of non-decency to stimulate greater private funding.
45. Whilst landlords expressed concerns at the seminar about the presence of these strategic funding imperatives, it is important to stress that there is no conclusive evidence to support these claims in relation to decent homes reporting. Nor can there be any suggestion that funds are being allocated inefficiently or to programmes other than decent homes. Nevertheless, there is the potential for these drivers to have an unquantifiable bearing on historical trends in reported levels of non-decency across the social sector.

Implications for decent homes reporting

46. Whilst the former PSA 7 is now part of a Departmental Strategic Objective (DSO 2.7), the Department is still committed to monitoring progress to the 2010 target. This means there is still the need to have confidence in the statistics and the ability to produce a robust prediction of progress that can stand scrutiny.

¹³ The energy cost rating as determined by the Government's Standard Assessment Procedure, used to monitor the energy efficiency of homes. It is an index based on calculated annual space and water heating costs for a standard heating regime and is expressed on a scale of 1 (highly inefficient) to 100 (highly efficient with 100 representing zero energy cost).

47. The reconciliation project has helped the Department to understand the differences between the national survey and local estimates of non-decent homes. Improvements to the survey methodology with regard interpretation of thermal comfort insulation requirements and recognition of other factors such as tenant refusals and demolitions have enabled the Department to account for the differences and measure progress more accurately.
48. The recommendations set out in this report will be considered by the Department in discussion with stakeholders including the new Homes and Communities Agency. Enhancement of the guidance for such areas as HHSRS and the treatment of void dwellings will improve the quality of the returns provided by landlords.
49. The project also exposed the variation that exists in reporting non-decency across landlords and between groups of landlords, most of which can not be measured; there may also be other problems that have not been part of the research. There will also remain some variation due to the flexible approach encouraged in the decent homes guidance. However, the authors of this report are satisfied that variation should be reduced as a result of recommendations set out here.

Annex A

Monitoring Progress according to PSA 7¹⁴ (summarised)

The PSA Target

By 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion that live in homes that are in decent condition.

Definition

The definition of a decent home applies equally to the social and private sector and to all dwellings whether or not they are occupied or vacant.

A decent home is one that:

- a) meets the current statutory minimum standard for housing
- b) is in a reasonable state of repair
- c) has reasonably modern facilities and services
- d) provides a reasonable degree of thermal comfort

Dwellings which will be excluded from any final count of the number of non-decent homes are:

- those homes where an individual tenant has specifically requested that improvements to their home not be undertaken
- dwellings which are earmarked for demolition by the end of 2010 but where demolition has yet to take place

¹⁴ <http://www.communities.gov.uk/documents/corporate/pdf/psa-target7.pdf>

Measuring making all social housing decent by 2010.

Decent homes progress is measured by a single indicator:

Reduction in numbers of social sector homes that fall below the decent homes standard. The indicator combines the figures for dwellings owned by local authorities and by housing associations. It measures the net reduction in non-decent homes year on year.

The baseline is 1 April 2001 and the baseline figures are from the 2001 English House Condition Survey (EHCS).

The year on year net reduction is measured through three sources:

- for local authorities the data are from the Statistical Annex of their Business Plans. The net change in number of non-decent dwellings owned by local authorities over the last year is submitted at the end of July each year. Validated data is available from the end of November each year
- for Housing Associations their annual regulatory return submitted in May covering the previous financial year will state each year how many homes remain non decent. The reduction in non-decent homes will be derived from subtracting the current year from the previous year. The validated data produced by the Housing Corporation from this return will be available by end of October each year
- the data on the number of non-decent homes was included for the first time in the RSR in 2002, but as an optional question. The 2003 return included the question as compulsory for the first time and the quality of the data from these returns is considered to be of a better standard than that reported in 2002

The data which will provide the audited measure of progress against the target at national level will come from the independently assembled national data from the continuous EHCS. Each year the survey will report on the number of social sector homes that remain non-decent. This survey is being conducted by the Office of National Statistics with most of the basic analysis of the data carried out by the Building Research Establishment.

The target is the elimination of non-decent social housing by 2010, with end of December being the date by which the target has to be achieved. The target will be met if:

the Business Plan statistical annexes submitted by local authorities and the regulatory returns from housing associations submitted in 2011 (stating the number of non-decent homes as at 1 April 2011) report all non- decent homes have been tackled. This will be confirmed by the EHCS based on a combined sample from Dec 2010 to April 2012 and reporting in 2012. This will validate the data supplied by local authorities and housing associations and therefore provides the final assessment of whether this target has been met.

Rationale for the PSA 7 measure

The rationale for developing the composite measure for the PSA 7 target was primarily because the national survey, on its own, was unable to deliver timely outputs and the position disaggregated at a local level for monitoring purposes.

The annual landlord estimates, compiled in Spring/Summer each year are normally published within six months. On the other hand, the EHCS is a rolling two year sample survey, the results of which are normally published some 12 months or more after the publication of local returns. The speed with which the local data is available has allowed the Department to report on progress through the published Autumn Performance Report in the same year as the data is collected, with a validation made against the national survey at a later date.

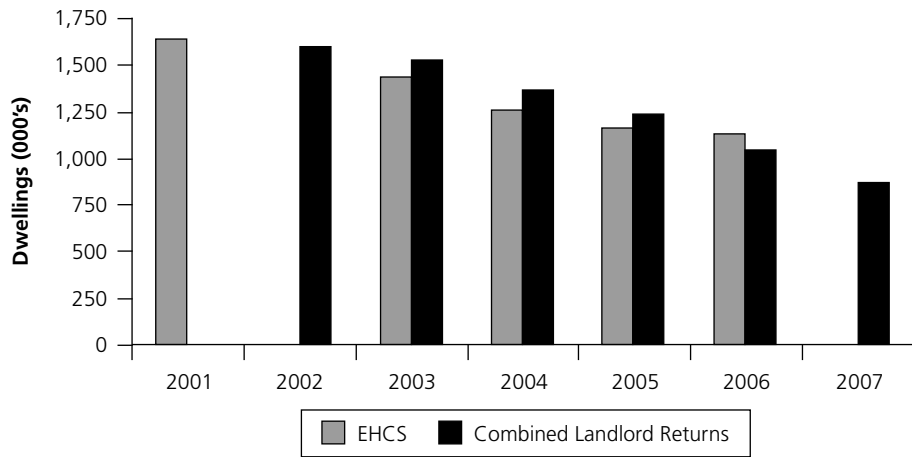
The EHCS samples 8,000 dwellings annually (where a household interview is supplemented with a subsequent physical inspection of the property). The sample includes a disproportionate number of social sector dwellings (3,000) to provide sufficient information for this less common sector at a national level. However, the relatively small sample sizes are not representative at lower geographies. This fact compelled the Department to include local sources as an extra dimension when devising the measure for PSA 7 reporting. It is also the reason why the Department does not publish EHCS analysis at a local authority level.

Difficulties predicting progress to 2010

A reduction in non-decency is not exclusively based on the totality of non-decents at the latest point in time – it relies on the specified baseline as well as the latest position. Ideally the total non-decency between the sources should be comparable at both points in time but this has not been the case, contributing to the different trajectories of progress evident in both.

The divergence identified by the Department in 2007 is best illustrated in the table below. The differences are relatively small in 2006 but further interrogation is hampered by the lack of a 2001 baseline for the combined landlord returns. This is because the RSR first reported on decent homes from 2002. However, analysis conducted by the Department suggests that non-decency in 2001 (according to landlords) was some 150,000 higher than the national survey. In contrast, the situation was reversed in 2006 with landlords reporting 90,000 less non-decent homes than in the national survey. The combination of these two factors has contributed to the sharper decline, hence greater progress, reported by landlords.

Chart 3: Difference in total non-decency between sources



Notes:
 EHCS figures based on Unfitness definition. 2006 figures unadjusted for CWI methodological change
 Landlord figures from 2006 are based on a combination of Unfitness and HHSRS

Annex B

The Data Sources for PSA 7

The English House Conditions Survey (English House Survey from 2008)

The EHCS is a national random sample survey of housing in England, commissioned by Communities and Local Government. It covers all tenures and involves a physical inspection of property by professional surveyors, a household interview and a market valuation of the property. The surveyors receive very detailed briefing with checks to ensure they provide consistent information. The survey provides an accurate picture of the type, condition and energy efficiency of housing in England, the people living there, and their views on housing and their neighbourhoods. It was run every five years from 1971 to 2001 and has reported annually since 2003 following its reorganisation to carry out data collection on a continuous basis. The sample size is approximately 8,000 cases each year, with reporting based on two year and overlapping samples (ie '2006' findings are based on fieldwork carried out April 2005 to March 2007, and '2007' findings are based on April 2006 to March 2008 fieldwork).

Business Plan Statistical Appendix (BPSA)

The BPSA is a non-statutory annual housing collection from local authorities managed by Communities and Local Government. It pulls together statistical information on stock characteristics and condition, costs for improvement works and management and service delivery. It is used to inform local housing strategies, central government strategies, policies, business objectives, service level agreements and performance assessments, responding to parliamentary questions and policy development on housing issues. Some items are also used to help determine funding allocations, such as the Regional Housing Pot.

The Regulatory and Statistical Return (RSR)

The RSR is an annual collection conducted by the Housing Corporation (now the Tenant Services Authority), the regulator of Registered Social Landlords. It comprises a long and short form containing a range of managerial information on RSL activity over the previous financial year: the long form collects data from RSLs with 1,000 or more units and/or bedspaces; the short form collects data from those RSLs with 999 or less units and/or bedspaces. The combined information from both long and short forms is used to assess decent homes progress.

Annex C

National survey and local landlord decent homes statistics

Numbers and percentages

(Numbers in 000's)

	2001	2002	2003	2004	2005	2006	2007	2008
English House Condition Survey¹								
<u>LA</u>								
Total Stock	2,811		2,457	2,336	2,166	2,086		
Non-decent stock	1,174		975	816	729	695		
<u>RSL</u>								
Total Stock	1,424		1,621	1,665	1,817	1,850		
Non-decent stock	472		467	437	433	436		
<u>All social</u>								
Total Stock	4,236		4,078	4,000	3,983	3,936		
Non-decent stock	1,647		1,442	1,252	1,162	1,131		
% non-decent	38.9%		35.4%	31.3%	29.2%	28.7%		
EHCS Social Sector non-decent % reduction since 2001			12.4	24.0	29.4	31.3		
Landlord Returns²								
<u>Business Plan Statistical Appendix</u>								
Total Stock	2,814	2,700	2,454	2,330	2,156	2,058	1,974	
Non-decent stock	1,477	1,335	1,168	1,036	889	746	618	
<u>Regulatory and Statistical Returns³</u>								
Total Stock		1,559	1,728	1,777	1,880	1,938	2,025	2,128
Non-decent stock		266	358	331	342	297	254	225
All social								
Total Stock		4,259	4,182	4,107	4,036	3,996	3,999	
Non-decent stock		1,601	1,526	1,367	1,231	1,043	872	
% non-decent		37.6%	36.5%	33.3%	30.5%	26.1%	21.8%	

Notes

- 1) EHCS figures based on the old Fitness Standard as the Statutory component, employing the original EHCS interpretation of the thermal comfort criterion as published in the 2006 EHCS Headline report in January 2008.
- 2) Landlord figures relate to a combination of Unfitness and HHSRS from 2006.
- 3) Figures from RSLs with less than 250 units were not included from 2002-2003. RSR data from 2002 to 2004 relates to all stock owned by English RSLs and thus includes a small amount of stock located outside England. The total units located outside England were 1,638 (2002), 1,798 (2003), 1,723 (2004). Decent Homes failures for these can not be isolated. From 2005 onwards the RSR data relates to only stock located within England. The decent homes question in RSR 2002 was not mandatory.

Annex D

Limitations of the Project

Scope of the project

The Department obtained a general consensus from specialists on some issues but there may be other reasons for local variability that were not covered at the seminar or highlighted in previous research. More robust conclusions would only have been possible with greater coverage of practitioners and extensive fieldwork, neither of which were viable given the time constraints on reporting.

Differences between stock inspections

From the outset, the reconciliation project recognised that the EHCS and local landlord estimates of non-decency are produced in fundamentally different ways:

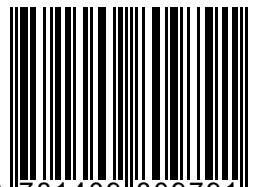
EHCS surveyors are trained centrally to an agreed common standard but they do not make a judgement on decency. It is the embedded EHCS modelling approach – rather than the surveyor – that determines whether a home is decent or not. In other words, the surveyor does not make a simple ‘yes or no’ judgement on decency. The judgement is computed on the basis of many responses given on the survey form.

In contrast, commercial stock surveyors will tend to use their individual professional judgement to make decisions. These might subsequently change as a result of further discussions and supplementary evidence provided by the landlord.

There are also crucial differences between the ways in which the respective samples are made representative of the whole stock. Locally, landlords can use their discretion to decide both the size and frequency of samples, and how these are then cloned to the whole stock and incorporated in to asset management systems. The Department does not publish advice on the best approach. The EHCS sampling methodology and the grossing and weighting techniques are considered robust for all tenures.

ISBN: 978-1-4098-0979-1

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