

Housing Improvement Task Force
First Report

Age Concern Scotland Response

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Enquiries to angela.yih@acscot.org.uk

Age Concern Scotland
113 Rose Street
Edinburgh
EH2 3DT

Tel 0131 220 3345
Charity No SC010100

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Age Concern Scotland

For a number of years, much of Age Concern Scotland's housing policy work has developed from our experience of issues affecting older low-income owners and private renters. Some examples of our work on older people and the private sector over the last three years are:

- production of a home maintenance video to help older people keep their house in good repair
- development of an advice service for people living in retirement housing
- contribution to national design guidance for housing for older people
- management of Care and Repair and development of handyperson schemes in rural and urban areas
- raising awareness of the need for in depth research and development of equity release schemes for older people on low incomes and in poor housing.

Introduction

The Housing Improvement Task Force (HITF) has been given a complex remit to examine issues in the private sector, the house buying and selling process, and the statutory and strategic planning framework for improving conditions. It was set up to influence housing policy for the private sector and to inform the Executive's strategy in this area. In the past housing policy has focused almost exclusively on the social rented sector. Age Concern Scotland is pleased that the Executive is now turning attention to key issues in the private sector. Over 50% of households headed by someone over sixty live in the owner occupied sector, and about 5% are private renters. There is a steady increase in the number of economically inactive homeowners, and the Right to Buy continues to enable people on marginal incomes to achieve homeownership. There would still appear to be low recognition in policy, local authority, and

legislative circles of the fact that a considerable number of people living in this sector require help - both now and in the future. This is despite all the evidence from Care and Repair, the Scottish House Condition Survey, and various works of research carried out by the Joseph Rowntree Foundation. We therefore urge the HITF to ensure that any recommendations are published within the lifetime of this parliament to ensure that it achieves its goal of setting an agenda for a private sector housing strategy.

Comments

In our response to the first report of the HITF we have concentrated on areas where we have first hand experience through our direct services, or our engagement with our members and older people's groups.

It is worth remembering that people are not defined by their housing tenure. We urge the Task Force to adopt a holistic approach when looking at housing; a successful strategy for the private sector should link with other areas of housing policy where possible. Recent proposals for property law reform in the Title Conditions (Scotland) Bill had to be amended to take account of very different communities such as flatted properties, mixed tenure estates and sheltered housing. The Bill is currently at the first stage of consideration by the Scottish Parliament, and the HITF has a vital role in contributing to further amendments required to achieve a better framework for property maintenance, and other areas of public policy interests.

The Tolerable Standard

The report refers to the reduction in numbers of properties which fail to meet the Tolerable Standard in housing. However the current Standard no longer has a real purpose in today's housing; radical changes and additions required have yet to be made. Nevertheless, older people continue to be disproportionately represented in houses which are classed as Below the Tolerable Standard. The Scottish House Condition Survey showed that 8000 households in the over 60 age group have homes that are below the tolerable standard, and the majority of these households are owners or rent from the private

sector. If you are an owner occupier, the likelihood of your living in BTS property increases with age. 3% of owner occupier households over 81 years (1000 households) are living in homes unsuitable for occupation. We therefore ask the Task Force to recommend a more robust Housing Standard for use as a benchmark to determine housing fit for occupation, along with a higher standard, which would set goals for improvements. We expect the Task Force to look once again at the Executive's proposed Index of Housing Quality, and its suitability or otherwise, for this aspirational purpose.

Property Maintenance

Findings from the report show that shared responsibilities are a significant factor in disrepair – tenement flats in particular are more likely to suffer lack of maintenance and repair problems. The private rented sector has the highest concentration of disrepair, and many tenants face insurmountable hurdles to having repairs carried out. It concludes that most owners can afford to maintain their homes, but others have to make choices about their priorities. However research for the Council of Mortgage Lenders in 2001 showed that low income homeowners make up half of low income households. There has been considerable research to support the claim that few owners make regular provision for maintenance, preferring to spend on cosmetics like new fittings or conservatories. A more robust framework for property maintenance, and an informed and educated approach to home ownership, will, in the longer term, achieve a better future for the private housing sector in Scotland.

Poor housing conditions leads to health problems and can lead to the whole neighbourhood going into decline. Owners will continue to struggle unless help in some form is available to them. We must not lose sight of the fact that those who have chosen ownership may not have had the option of social rented housing, due to lack of choice and availability, and strict allocations policies.

Similarly many older people and excluded minority groups in the private sector would be willing to switch tenure if given the option. In our experience it is neither ignorance of obligations nor lifestyle choice which has left many older people struggling with property in

disrepair. It is poverty, inability to cope, and little option of affordable housing to rent.

The importance of improvement and repair grants in helping low income owners and private tenants cannot be underestimated. The Executive has yet to ensure security and adequate funding mechanisms for Care and Repair schemes, which for almost twenty years have helped local authorities target their grants, and assisted those older and disabled people who would otherwise have been left to struggle on their own. We urge the HITF to remind the Executive of the vital role of improvement and repair grants and Care and Repair for those who are vulnerable and with inadequate financial resources.

The Housing (Scotland) Act 2001 all but removed private tenants rights to grants. As it is unlikely that private tenants in poor housing would be able to finance repairs or improvements (with or without grant aid), grants to help landlords upgrade their property could be part of the strategy to improve the private rented sector. Age Concern Scotland would support encouragement of this policy provided there were accompanying safeguards for security of tenure and protection against rent rises. In the longer term we believe that real improvements in this sector will only be achieved when private renting is regulated as a commercial enterprise, requiring appropriate standards, and licenses.

The removal of ring-fencing of housing resources for grants has resulted in a drop from around £120 million per annum to the current £33 million. The new Housing Act introduced means testing of resources in the award of grant. While we do not dispute the targeting of grants at those most in need, Age Concern Scotland believes that means testing should be accompanied by an increase in available resources. It should not be used as a way of further rationing inadequately funded budgets. We believe the Executive's current proposals for resource testing are seriously flawed and have submitted our comments. Furthermore we have asked the Executive to delay the implementation of Part 6 of the Act until the HITF has made its recommendations for raising standards in the private housing sector.

Improvement Loans and Equity Release

Equity release has been examined fairly thoroughly over the last few years, with the resounding conclusion that present commercial products are not suitable for those on low incomes who require house repairs. Schemes can be potentially risky, so it is imperative that there are adequate safeguards for consumers. Presently they fall between different regulatory frameworks which leads to confusion and inconsistency. The potential for the development and selling of inappropriate schemes remains and there is no proper system of redress for purchasers. The National Consumer Council has recommended that the Financial Services Authority's remit should include mortgages, to make sure that equity release products are covered

Age Concern Scotland believes that a sensible regulatory structure must be in place before there are attempts to encourage development or widen availability of equity release. A further requirement would be easy access to high quality, impartial specialist advice; we know this is denied to many older people. We would therefore like to see guidance from the Financial Services Authority on training for selling equity release.

Westminster is currently poised to allow English local authorities to make loans for improvements and repairs as this is now being seen as the answer to helping owners with low incomes. However 1996 benefit changes made virtually all loans for improvements and most loans for repairs ineligible for income support. The Housing Improvement Task Force must ensure that any recommendations to develop loans from local authorities or commercial equity release schemes are dependent on the appropriate changes being made in national regulations for benefits and the financial sector.

Conclusions

Age Concern Scotland welcomes the attention given to key issues of concern in the private housing sector, which is long overdue.

The Task Force recommendations should be published within the lifetime of this parliament to ensure that it achieves its goal of setting an agenda for a private sector housing strategy.

A successful strategy for the private sector should link with other areas of housing policy where possible.

The Task Force has a vital role in contributing to property law reform proposals currently being considered by the Scottish Parliament.

The Task Force should recommend a more robust Housing Standard for use as a benchmark to determine housing fit for occupation, along with a higher standard, which would set goals for improvements.

Many owners will continue to struggle unless help in some form is available to them. We urge the Task Force to remind the Executive of the vital role of improvement and repair grants and Care and Repair for those who are vulnerable and with inadequate financial resources.

Means testing of grants should be accompanied by an increase in available resources. It should not be used as a way of further rationing inadequately funded budgets.

Major improvements in the private rented sector will only be achieved when it is regulated as a commercial enterprise, requiring appropriate standards, and licenses.

The development of loans from local authorities or commercial equity release schemes are dependent on the appropriate changes being made in national regulations for benefits and the financial sector.

PPA/Responses/to HITF/Jun2002