

# Finding funds, fixing homes

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Local authority  
approaches to  
paying for home  
improvements

April 2024



# Introduction

**This report summarises research on how five local authorities used varied finance models to support individuals over 50, as well as others, to improve the condition of their home. This work is intended to serve as a useful resource for local authorities interested in expanding the financial support they offer their residents. Some of the stories of individuals who have been financially supported can be found in Appendix 1. The detailed local authority case studies and complete collection of resident stories are available to read in our full report: [Financing Home Improvements: Local Authority Case Studies](#).**

Good quality homes help to support our health and wellbeing. These are homes that can be heated effectively in the winter and kept cool in the summer, repaired when needed and can be adapted to meet our needs if our life circumstances change. However, we know far too many people are missing out on a decent home and are living in cold, damp and hazardous homes that can create and worsen health conditions and contribute to financial insecurity.

Poor quality homes affect people of all ages: there are nearly 8 million individuals in England living in homes that pose serious risks to their health and wellbeing. However, the risk of living in a poor-quality home, and a residents' ability to resolve or improve their situation, is not equally shared across the population. Half of the 3.5 million non-decent homes in England – those that fail to meet basic decency criteria as defined by the government – are headed by someone aged 55 or over (49%) (Centre for Ageing Better, 2023).

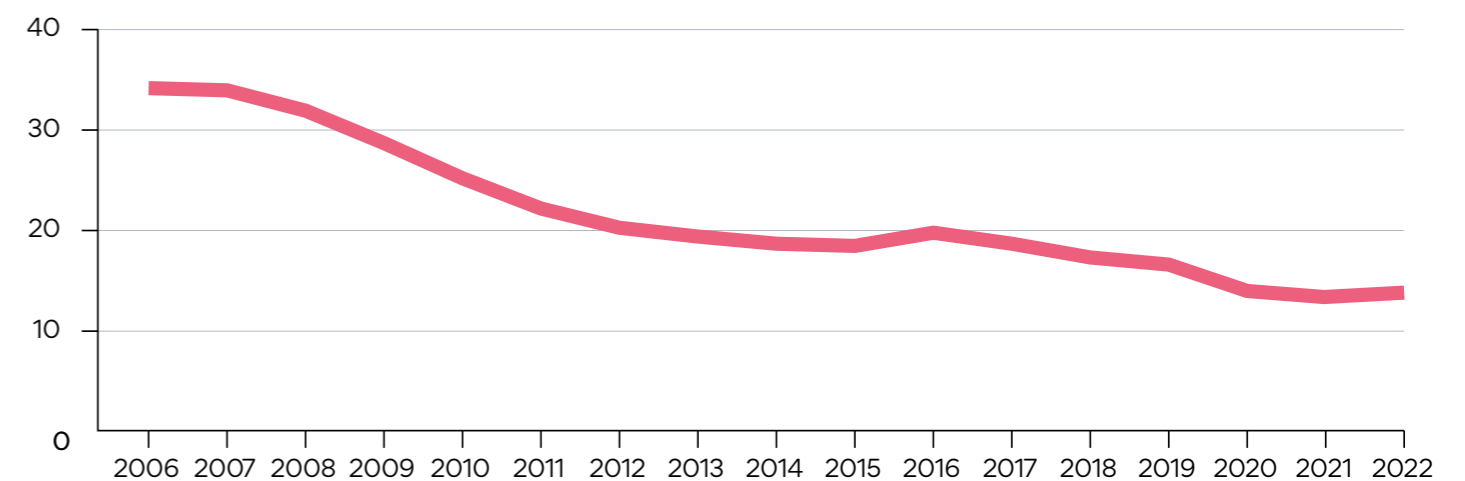
Poor-quality homes not only have a social cost to individuals, their families, and their communities, they are estimated to cost the NHS £1.4 billion in first-year treatment alone (BRE, 2021). Beyond improving individual health and wellbeing, we know that investing in a healthier home can generate cost savings to the NHS through reduced hospital readmission rates and reduced patient stays (Care & Repair Cymru, 2022).

Prior to 2010, local authorities were a key source of financial support for homeowners, landlords and tenants. Drawing on national funding, local authorities provided grant funding to those in need of home improvements and supported the effective coordination and provision of local services. A more extensive network of Home Improvement Agencies and Care and Repair organisations covered the country, enabling those receiving grants and self-funders to improve or adapt their homes with confidence.

The withdrawal of over £2 billion in private sector grant funding by national government between 2010/ 11 and 2020/ 21 has left homeowners largely on their own (Centre for Ageing Better, 2023a). Local authorities have narrowed their focus to the provision of their statutory duties as a result of reduced budgets. In the case of home improvements, this is limited to keeping homes accessible through Disabled Facilities Grants, typically a means-tested grant given to those who have certain physical health conditions and who have low incomes and few savings. This grant is a lifeline for those eligible but there are millions of others who need support with issues such as damp, mould, cold and hazardous homes.

The reduction of local authority funding has a wider impact than who pays. Receiving a local authority home improvement grant can sometimes mean that residents get an independent opinion on what needs to be done, practical support to organise the work, recommendations on trusted tradespeople and a process by which to complain if the work is unsatisfactory. Removing this support (although currently inconsistently provided) pushes people to use the open market – a particular issue for older, low-income groups who are unsure where to start, how to find contractors and are concerned about being scammed (Centre for Ageing Better, 2021). The risk is that people simply stop undertaking repairs. Indeed, for only the second time since data collection began 16 years ago, the number of non-decent homes in the owner-occupied sector has risen year on year (see Graph 1).

**Graph 1: Percentage of non-decent, owner-occupied homes in England, 2006-2022**



Source: English Housing Survey, 2022/23

The research presented in this report focuses on access to financial support, recognising this as a significant barrier for individuals over 50, as well as others, to make changes to their home. This includes challenges around the cost of work, access to financial products, understanding what finance options are available and the affordability and acceptability of these products to individuals.

We hope this report will serve as a useful resource for local authorities interested in expanding the financial support they offer local residents (both self-funders and those in need of direct funding).

The research was conducted by [Foundations](#), the UK Government appointed National Body for Home Improvement Agencies in England, between February and September 2023, commissioned by The Centre for Ageing Better. Foundations worked closely with five local authorities to whom we are incredibly grateful for their time and commitment to share their learning with others. These areas have different budgets, governance structures, demographics and geographic profiles and help to demonstrate a range of different contexts, challenges and solutions.

This report is a summary of the research. The full case studies and collection of stories of some of the individuals who have been supported are available to read here: [Financing Home Improvements: Local Authority Case Studies](#).



## What does a comprehensive finance offer look like?

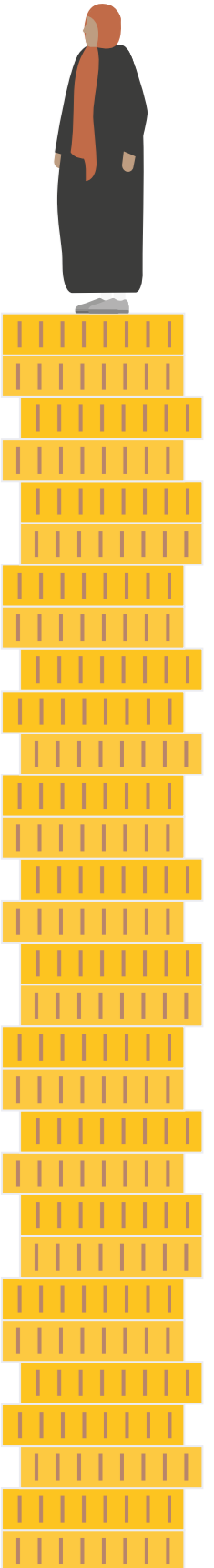
The [Good Home Inquiry](#) highlighted the fact that across the country, the scale of investment required to make all homes safe, comfortable and more environmentally friendly is substantial and needs to be facilitated by concerted national and local government action.

A variety of finance options are required to support individuals from all tenures and with different levels of ability to pay. This needs to include grants and loans (or a combination of both), from both public and private sources. For example, a homeowner on a low-income who is ineligible for a local authority grant or a loan from a mainstream lender might be able to manage a low or no interest loan or equity release product without monthly repayments. Whereas, for a homeowner of a low value property who is also on a low income, a grant may be the only option.

In terms of scope, a comprehensive offer supports people to maintain and repair their home, make it more energy efficient and adapt it when their accessibility requirements change.

## How should assistance with financing home improvements be delivered locally?

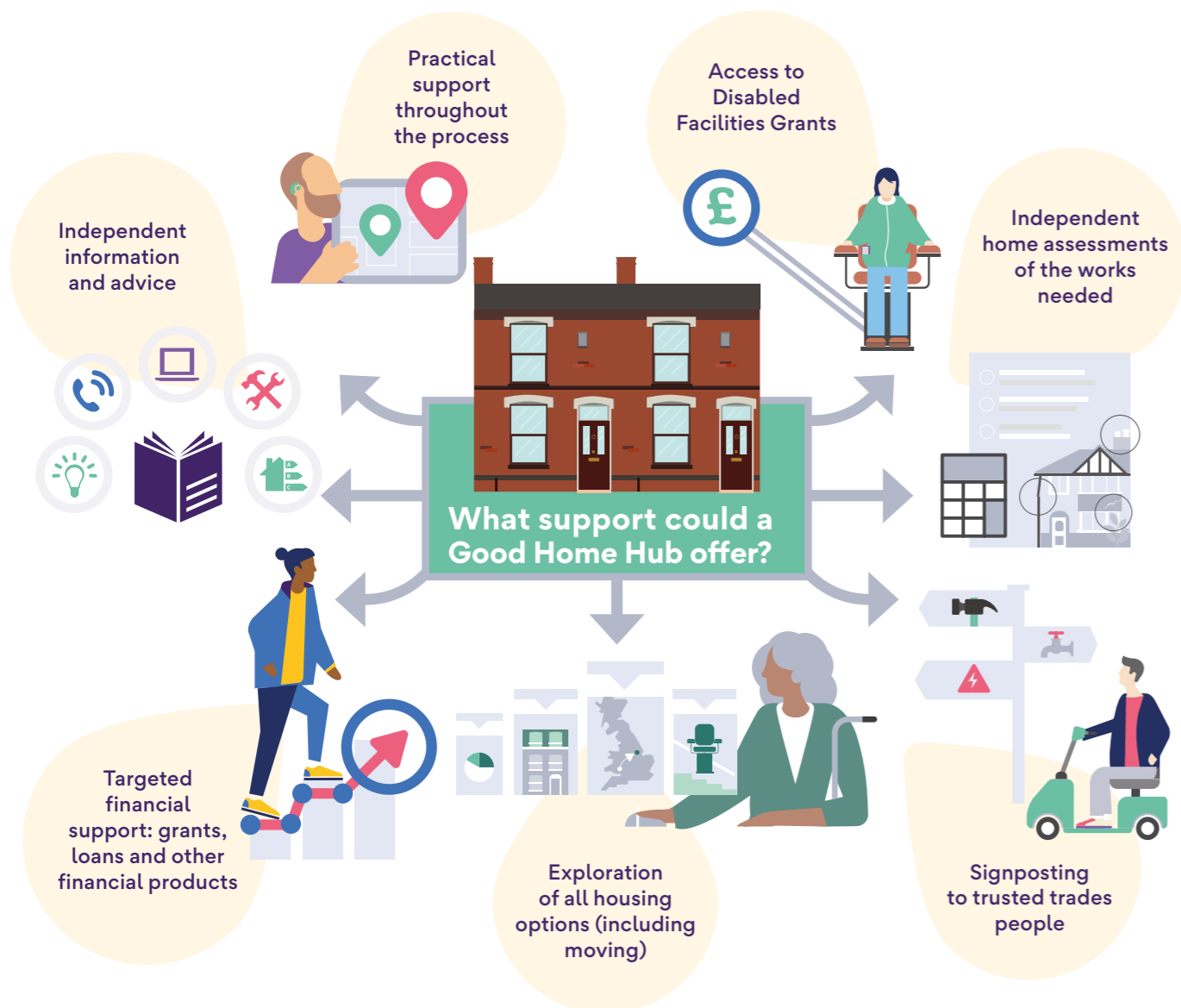
The Centre for Ageing Better's [research](#) with people living in poor quality homes has highlighted the importance of more diverse finance models to support individuals to make changes to their home. It also recognises that these finance offers cannot be offered in isolation. Homeowners must be provided with tailored information and support to not only navigate the complex funding environment, but also address wider barriers, such as not knowing where to start or how to access trusted information, to equip residents with the confidence and capability to undertake home improvements.



Based on what people told us was important, we recommend that everyone should have access to a local one-stop shop service that covers finance alongside support and signposting on finding trusted tradespeople and identifying what work needs to be done (see Figure 1). We call this service a Good Home Hub.

A comprehensive support package, whether provided as a free service or a paid for service, is equally important for self-funders and can provide the reassurance needed to encourage individuals to make changes.

Figure 1: Elements of a Good Home Hub



For more information about the Good Home Hub model, please refer to our briefing, [Building effective local home improvement services: Good Home Hubs](#).

# How were local areas financing home improvements?

In this report, we share the broad range of finance models operating in Bradford Metropolitan District Council, Eastleigh Borough Council, Leeds City Council, Somerset Council and Wirral Council at the time of this research. These include discretionary grants, in-house loans, externally administered loans (e.g. administered by not-for-profit lenders), area renewal schemes and support for those able to pay (see Table 1). A short summary of the finance interventions explored in each case study area is outlined below. The full report is available here: [Financing Home Improvements: Local Authority Case Studies](#).

Table 1: Summary of funding models explored in each local authority

Local Authority	Funding Models Explored
Bradford	<ul style="list-style-type: none"> <li>- Discretionary grants</li> <li>- Loans administered by another local authority in a consortium of councils in the Yorkshire and Humberside region</li> <li>- Enabling role for area-based energy efficiency schemes</li> <li>- Support for private renters via Director of Public Health funding staff posts</li> </ul>
Eastleigh	<ul style="list-style-type: none"> <li>- Discretionary grants</li> <li>- Loans administered by the Parity Trust, a not-for-profit lender</li> </ul>
Leeds	<ul style="list-style-type: none"> <li>- Energy efficiency-led area renewal</li> <li>- Commissioning an independent Home Improvement Agency</li> <li>- Support for those able to pay</li> </ul>
Somerset	<ul style="list-style-type: none"> <li>- Discretionary grants focused on housing condition and health and care outcomes</li> <li>- Loans administered by Lendology, a Social Enterprise Lender</li> <li>- Support for those able to pay</li> </ul>
Wirral	<ul style="list-style-type: none"> <li>- Discretionary grants</li> <li>- Loans administered by the local authority</li> <li>- Support for all tenures via Director of Public Health funding staff posts in a service focused on selective licensing areas</li> </ul>



## Bradford Metropolitan District Council

Bradford is a unitary authority in West Yorkshire, with a population of 546,000. It is one of the most ethnically diverse boroughs in England, with a particularly high proportion of people from South Asia. In 2017, approximately 26% of the housing stock was over 100 years old, often in the form of inner-city terraces occupied by low-income homeowners and, disproportionately, by private renters. Fuel poverty is experienced by 15% of owner occupiers and 28% of private renters and nearly 5,000 mobility impaired people live in unsuitable housing.

**546k**

Bradford is a unitary authority in West Yorkshire, with a population of 546,000



**26%**

of the housing stock is over 100 years old

In Bradford, a combination of discretionary grants and loans administered by a lead authority on behalf of a consortium of councils in the Yorkshire and Humberside region were employed to remove hazards in the home. This included an additional and optional fee-charging service for residents undertaking loan-funded schemes to help them select contractors and oversee work. If used, the agency fee was added to the value of the loan.

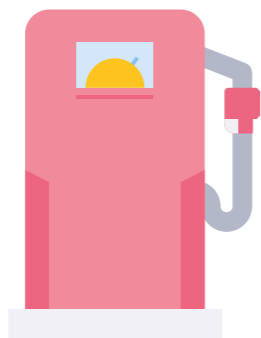
Bradford was part of a consortium of local authorities that contributed funding to a loan scheme administered by Sheffield City Council. The loan administration arrangements were not subject to regulation by the Financial Conduct Authority as they were operated by a local authority for a specific purpose and did not involve any interest payments.

Grants were available to homeowners on a defined low income, or receiving specific benefits, for addressing disrepair, adaptation assistance and to support with energy efficiency measures. Given a high proportion of the local housing stock is over 100 years old with low energy performance, partnerships with the local energy team, as well as with specialist local contractors, were formed to establish a more comprehensive energy efficiency service for homeowners.

Bradford also had a very active programme of licensing and enforcement in the private rented sector and had secured funding from public health to meet the cost of several housing enforcement officers.

**15%**

of owner occupiers experience fuel poverty. This rises to 28% for private renters



Aspect of Case Study	Description
Bradford Metropolitan District Council	- A unitary authority in West Yorkshire as a constituent part of the West Yorkshire Combined Authority and Leeds City Region areas
Funding Model	- Discretionary grants and loans administered by Sheffield City Council Homes and Loans Team - Enabling role for energy efficiency works - The local Director of Public Health contributed to the revenue costs of regulatory services focused on the private rented sector
Funding Sources	- Better Care Fund and local authority Housing Capital - External schemes targeting energy efficiency
Partner Organisations	- Sheffield City Council administered home appreciation loans and interest free loans for several local authorities
Aim of Assistance Model	- To remove hazards in the home that affect the health of financially vulnerable occupiers
Population of Interest	- Low-income households with health needs or those residing in unsatisfactory housing conditions
Barriers/Challenges	- High levels of social and economic deprivation - High proportion of housing stock over 100 years old
Learning	- Loan funding, when combined with grant assistance, enables homes to be improved even in a low property value area - Effective communication between the local authority and the external loan administrator is vital to ensure information exchange with the householder seeking a loan is accurate and comprehensive - Dedicated staff in the local authority who have knowledge of the local housing stock and resident financial and health circumstances is vital to attract external energy efficiency funding that helps meet the council's strategic priorities





## Eastleigh Borough Council

**28.2%**

increase in the number of people aged over 65 between 2011 and 2021 compared to a national average of 20.1%

Eastleigh is a two-tier local authority in Hampshire, with a population of 136,400 in 2021. Between 2011 and 2021 the number of people over 65 increased by 28.2% compared to the national average of 20.1%. The level of income deprived households is relatively low at 6.6% with affected individuals widely dispersed and sometimes difficult to identify.

Eastleigh’s Housing Assistance policy sought to support two priorities: addressing health inequalities and creating homes and communities. Property condition and the effect on the occupant’s health was the main driver for allocating discretionary grant funding, with eligibility for this assistance dependent on the financial circumstances of the household.

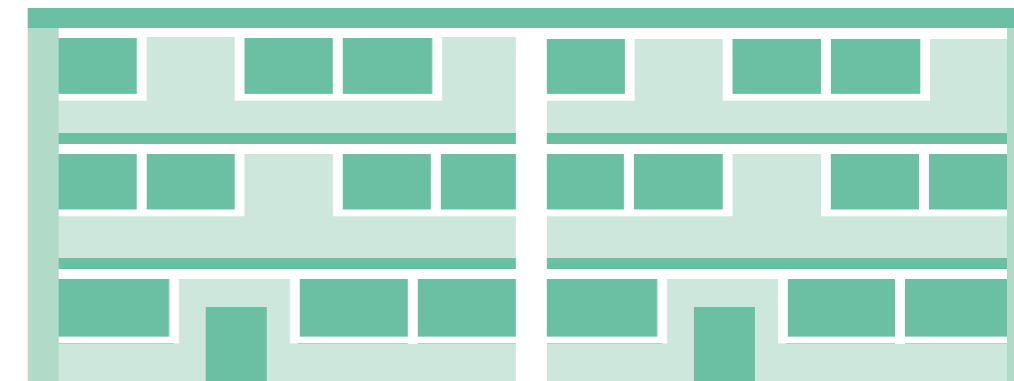
Similar to many other two-tier district councils, the overall size of their capital programme was modest and heavily responsive to the demand for Disabled Facilities Grants. Discretionary grants were available when alternative options were deemed not to be affordable to the household. These could be used to top-up Disabled Facilities Grants, for temporary accommodation to enable mandatory Disabled Facilities Grants works to be undertaken, for cases involving individuals with palliative health needs and to support relocation to an adapted property.

Eastleigh’s external loan commissioning service demonstrated how relatively limited financial resources<sup>1</sup> for home improvements could be maximised through a loan offer that complemented discretionary grants. The council worked with a not-for-profit lender The Parity Trust who administered loans on behalf of 16 local authorities.

The council also had a partnership with a local credit union to support those who needed low value financial assistance. They also worked with a local charity – The Environment Centre – to provide free advice on options to part-fund energy efficiency works.

Aspect of Case Study	Description
Eastleigh Borough Council	- A two-tier local authority in Hampshire
Funding Model	- A mixture of discretionary grants and loans
Funding Sources	- Better Care Fund for discretionary grants - Housing capital receipts provided the set-up capital in 2014/15 for Parity Trust to administer low-cost loans on behalf of the local authority
Partner Organisations	- The Parity Trust to administer loans - A local credit union for works with a very low cost - The Environment Centre advised on free or part-funding for energy efficiency works
Aim of Assistance Model	- Provision of several types of loan products for households who were not able to fully self-fund from income/ savings or access mainstream lenders
Population of Interest	- Older and disabled people
Barriers/ Challenges	- Relatively limited financial resources available to the local authority - Maintaining support for older homeowners when a key local political priority was providing new affordable homes in an area of high demand and high property values
Learning	- Loan funding, when used flexibly, enables individual needs to be addressed - Operating loan assistance as one of several councils with limited budgets through a third-party financial organisation allows access to the necessary expertise relevant for Financial Conduct Authority regulation without a requirement to establish this within the local authority

<sup>1</sup> A breakdown of DFG award amounts for each profiled local authority area can be found in our full report: [Financing Home Improvements: Local Authority Case Studies](#)





## Leeds City Council

Leeds is the local authority with the second highest population in England, with 812,000 residents in 2021. Whilst the economy is buoyant compared to other areas in the region, 14% of the population are deemed to be income deprived and there is a large internal disparity between areas of the city for income and health status. The city also has nearly 20,000 pre-1919 back-to-back houses which present major housing challenges in respect of their size, internal arrangement, and condition. Leeds' Private Sector Housing Assistance Policy placed emphasis on maintaining independence, improving property condition and affordability.

**20k**

pre-1919 back-to-back houses which present major housing challenges in respect of their size, internal arrangement, and condition

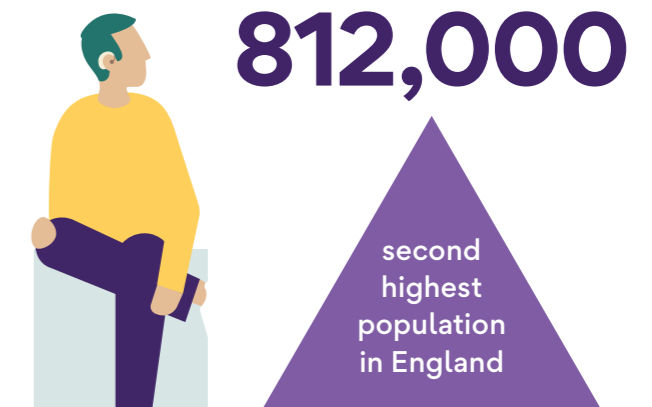
An independent home improvement service – Care & Repair Leeds – was commissioned by several sources, including the City Council and Integrated Care Board to support people to improve their home, including a service for those able to pay. The services offered included free advice, information and support, a falls prevention service which included free measures and minor adaptations, hazard repairs for people on means tested benefit, and warmth and energy efficiency support for households with limited income and savings.

For householders who had the financial resources to make changes to their home, Care & Repair Leeds offered a fee charging service to support with designing a scheme, selecting and overseeing contractors and signing off work.

An energy efficiency area-based renewal programme was also in place, funded through a combination of competitive bidding for external funding (often linked to wider regeneration issues such as job generation, the green economy and community safety rather than solely housing) and council match-funding.

The success of earlier area-based schemes meant that only limited promotion was required to secure the participation of property owners, including private landlords, in new schemes. In addition, the success of previous schemes ensured sufficient contractor capacity was in place to enable new schemes to commence quickly to achieve spending targets.

Aspect of Case Study	Description
Leeds City Council	- A unitary authority in West Yorkshire as a constituent part of the West Yorkshire Combined Authority and Leeds City Region areas
Funding Model	- Area-based action - Commissioning Care & Repair Leeds for specific services - Support for self-funders
Funding Sources	- Competitive bidding for external funding sources, match funded by Leeds City Council - Private and social landlords financially contributed to area-based energy efficiency and renewal activities - Better Care Fund for discretionary grants and loans - Better Care Fund for commissioning external agency services - Self-funders for adaptations and repair schemes
Partner Organisations	- Energy funders - Contractors for energy efficiency led renewal programme - Care & Repair Leeds
Aims of Assistance Model	- An energy efficiency led area-based programme targeted at specific wards with the highest levels of deprivation - Independent agency services for improving health at home, energy efficiency, adaptations, falls prevention, repairs and separate support for self-funders
Population of Interest	- Low-income households and older and disabled people
Barriers/Challenges	- Dependency on external funding for energy efficiency
Learning	- A proven track record of success in area-based energy led renewal increases the likelihood of property owners signing up to participate - Commissioning services in the third sector to support vulnerable household groups, often with low-cost interventions provides successful outcomes - Having a trusted not-for-profit voluntary sector provider to support self-funders provides positive outcomes at little or no cost to the local authority





## Somerset Council

**Somerset council is a unitary authority established on 1 April 2023 as a successor organisation created by merging Somerset County Council and four district councils of Somerset West and Taunton, Mendip, Sedgemoor, and South Somerset. It is predominantly rural with several market towns. Unemployment is low but most existing employment has modest salary levels, creating issues of housing affordability. One in seven people over 65 live on their own and 81% of this group have a long-term health problem or a disability.**

**1 in 3**

households do not have gas central heating

The housing stock condition is declining, especially in the market towns where there is a high proportion of Victorian and pre-World War 2 housing, with one in six properties having a category 1 hazard and one in three households without gas central heating.

In Somerset, support for self-funders was available through Somerset Independence Plus, an in-house home improvement agency, commissioned by Social Care. If staff resources permitted, homeowners were able to get support to design a home improvement scheme and oversee contractors through a fee-charging service. Two independent living centres also enabled residents at no charge to physically see and use equipment and adaptations in a showroom setting.

Discretionary grants were provided to homeowners and, in some cases, private renters for a broad range of issues related to improving housing condition and preventing, reducing or delaying the necessity for more expensive and enduring health and social care interventions. These included adaptations, advice and information, energy efficiency, repairs and improvements, relocation, hospital discharge and preventing readmission, decluttering, home safety checks, assistive technology and signposting to partnership organisations. In 2022/23, 671 discretionary grants were approved by Somerset Independence Plus.

Loans were offered to households who were not eligible for grants and were administered by social enterprise lender Lendology at a fixed 4% interest rate. The arrangement with Lendology operated in partnership with 14 other local authorities in the Southwest region, with each local authority providing a one-off initial set up fee to join the partnership and when necessary, supplementing their ring-fenced loan pot.

Aspect of Case Study	Description
Somerset Council	- Unitary authority in the Southwest region established on 1 April 2023
Funding Model	- Discretionary grants - Loans administered by Lendology - Support for self-funders
Funding Sources	- The Better Care Fund
Partner Organisations	- Lendology administered several loan types to reflect the housing assistance policy priorities - The Centre for Sustainable Energy were commissioned to advise and assist residents to improve the energy performance of their homes - Bridgwater Credit Union for financially responsible advice, information and saving products - A network of community-based organisations with agreed referral processes
Aims of Assistance Model	- Prevention-based interventions to achieve positive health and care outcomes - Improving property condition
Population of Interest	- Financially vulnerable households and those with significant health and care needs
Barriers/Challenges	- Ensuring sufficient capital resources are available - An ageing population with increasing levels of associated health and care needs - Working across a wide rural area - Maintaining service continuity at a time of organisational change
Learning	- The over 50 age group receive the majority of discretionary grants and loan assistance - A good working relationship with an external loan administrator is essential to effective delivery of individually tailored funding solutions - Evaluating the impact of funding interventions is crucial for future commissioning - A Home Improvement Agency commissioned by social care influences the content and emphasis of an adopted Housing Assistance Policy - The importance of raising awareness of services among the community in a new local authority



**1 in 7**

people over 65 live on their own





## Wirral Council

Wirral Council has a population of 320,000, with a rapidly increasing proportion of people aged 70 and over. The area has major health and wealth inequalities. 83,000 residents live in the 10% most deprived areas of England and premature mortality in the under 75's is significantly higher than the England average for almost all major causes of death.

Whilst there are some pockets of very high value properties in Wirral, much of the stock is in the form of older terraces, often in poor condition. The private rented sector is frequently located in these neighbourhoods and exhibit the highest proportion of properties failing the Decent Homes Standard. Wirral's housing priorities included making homes more accessible, encouraging people to remain in the borough by improving quality and choice in housing options and improving the energy efficiency of the stock.

In Wirral, discretionary grants and loans were administered in-house for residents who were unable to pay for work from their income and/ or savings or who would otherwise struggle to obtain a loan from mainstream lenders. Discretionary grants were available to homeowners and in some cases private renters to:

- top up Disabled Facilities Grants
- for home adaptations to reduce hospital admission/ re-admission
- to address disrepair
- for individuals with palliative health needs
- to replace or repair adaptations equipment;
- and for heating improvements

For large scale improvements, a combination of grants and loans were offered. Loans were interest free, involved no monthly repayment and were redeemed at the original value when the resident's circumstances changed (e.g. upon selling the property, moving into residential care or death), ensuring they were acceptable to all faith groups. Partnerships also existed with independent financial advisers and Energy Projects Plus to provide advice and assistance for prospective loan applicants and residents seeking to undertake energy efficiency work.

Wirral's Healthy Homes Service, funded by the local public health department, also provided evidence-based forms of advice, information and signposting to vulnerable people experiencing financial difficulties and poor health across all tenures in selective licensing areas. It also acted as one of the main referral routes for the grant and loan assistance schemes.

**320k**

Wirral Council has a population of 320,000, with a rapidly increasing proportion of people aged 70 and over

Aspect of Case Study	Description
Wirral Council	- A unitary authority in the Liverpool City Region
Funding Model	- Discretionary grants and loans administered in-house, featuring a combined grant and loan method for meeting costs that reflected affordability for local residents
Funding Sources	- Better Care Fund for discretionary energy and repair grants and loans (£300k in 2022/23) - Local public health funding of Healthy Homes Service
Partner Organisations	- Independent financial advisers for loan applicants - Energy Projects Plus - a charity providing advice and assistance to access a range of schemes
Aim of Assistance Model	Provision of discretionary grants and loans for residents who are unable to: - Pay for works from income/ savings - Obtain loans from mainstream lenders
Population of Interest	- Low-income households with health needs and/ or residing in unsatisfactory housing conditions
Barriers/ Challenges	- High levels of social and economic deprivation - Rising numbers of financially vulnerable people in an authority area characterised by an increasingly older population
Learning	- Loan funding, when combined with grant assistance, enables individual housing needs to be addressed - An interest free, non-capital appreciation loan product results in very low cancellation rates by low-income households during the application process - The Healthy Homes Service focus their work in the most deprived areas and generate referrals to a number of services including grants and loans that would otherwise not have occurred

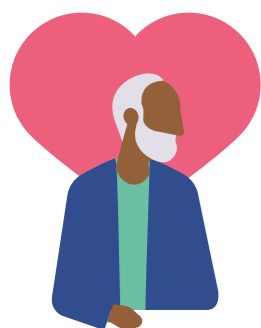


**83,000**

residents live in the 10% most deprived areas of England, presenting the greatest internal disparity rate of any local authority in England.

# What have we learned from local finance offers?

Analysis of these finance interventions and their impact on residents has highlighted seven issues that local authorities and national government should consider when developing new finance offers or services.



## 1. Home improvements can improve the health, wellbeing and financial security of residents

The stories of residents who have accessed financial support for home improvements (two of which can be found in Appendix 1), as well as customer feedback and satisfaction surveys conducted by local areas, highlight how changes can improve residents' quality of life in a number of ways. This includes by supporting them to:

- feel safer in their home
- be more independent
- use more of their home
- improve their sense of wellbeing
- improve their mental and physical health
- increase their confidence to contact services in future
- improve their ability to keep the property in a decent condition
- reduce their energy costs
- restore their dignity

One resident described the loan he received as “a lifeboat to sort out the problems in the home”, reinforcing the importance of such interventions.

An investment in home improvement services also has an economic impact. In Lendology’s [social impact report](#) – which was independently reviewed by the Financial Inclusion Centre – it was found that every £1 invested by local councils generated £2.38 in social impact through energy efficiency improvement, property improvements, individual financial health benefits and health and wellbeing benefits.

It is worth acknowledging that some local authorities found gathering evaluation data challenging due to a lack of methodological expertise and the resource to conduct and manage an evaluation. Local authorities generally relied on customer satisfaction surveys or case studies to demonstrate the impact of their service which can be insufficient to persuade commissioners. The Centre for Ageing Better has compiled a list of potential output and outcome measures that could be used to monitor and evaluate the success of home improvement interventions. These can be found in our [Good Home Hubs supporting documentation](#).

## 2. Combining forms of financial assistance could help to achieve better outcomes for residents

The five profiled local authorities all demonstrated how poor-quality housing is less likely to be addressed through just one form of financial assistance. Rather, each area employed a combination of home improvement grants and loans alongside wider support (e.g. a service for those able to pay, referrals to the local credit union and advice and support from specialist energy services) to provide a more comprehensive service for individuals.

This was particularly evident for energy efficiency or fuel poverty improvements where, through effective joint working, local areas were assessing eligibility for external funding sources such as ECO schemes prior to consideration for a discretionary grant or loan. If the external scheme did not meet the full cost of the necessary work then it could be topped up by the local council. Having established relationships with organisations and services that can support in this way is integral to achieving better outcomes for residents and supporting them to navigate the complex funding environment.

Another example of combining forms of support is when a relatively low value grant for disrepair can be used to reduce the value of a required loan to a level which is affordable to the householder. This is also demonstrated by local areas topping up mandatory Disabled Facilities Grants with a discretionary grant or loan.





### 3. Local authority loans could address a gap in the market

In a time of local authorities experiencing increasing demand and competing priorities for reduced funding, resulting in a diminishing availability of grants, local authority loans in this research were shown to be an increasingly useful resource to support residents to improve their homes.

For example in 2022/23, 25 loans were approved in Bradford, amounting to a total value of £558,130, while in Somerset, 49 loans were approved in 2022/23 totalling £494,000.

Our research included four local councils that used loans to support individuals to fund home improvements. Models explored included capital repayment loans, low-interest loans and equity share loans as well as a combination of grants and loans, administered in-house, as part of a consortium or by commissioning an external financial organisation, such as a not-for-profit or social enterprise lender.

The case studies demonstrated how different loan models could:

- Effectively support low-income households, including those who would struggle to get a loan from a high street bank.
- Be shari’a compliant, making them acceptable to Muslim households.
- Provide a low-risk venture, with minimal payment default rates that were often temporary in nature.
- Serve as an attractive option for local authorities to recycle funds and create a more sustainable funding pot.

Alongside variations in the design of local loan schemes, areas were also working with homeowners to increase their confidence and capability to take on a loan. Examples included:

- Encouraging a trusted friend or family member to be involved in the conversation.
- Supporting people to access independent financial advice.
- No early repayment charges.
- Providing a combination of grant and loan support.
- Supporting with arranging and overseeing work once a loan is secured.
- Ensuring the local authority brand is visible to increase trust in the process.

### 4. Regulatory Reform Orders can be a useful tool to meet local need

Our case studies demonstrated that local authorities were increasingly using flexibility available under the Regulatory Reform (Housing Assistance) Order 2002<sup>2</sup> (RRO) to provide a wider range of interventions within their housing assistance policies beyond mandatory Disabled Facilities Grants.

This flexibility allowed local authorities to better respond to unmet housing, health and care needs locally, with areas using their RRO to support the running of local loan schemes, as well as the establishment of discretionary grants focused on disrepair, energy efficiency, home security, hospital discharge and a range of health and care related prevention services.

In Wirral for example, a £15k discretionary Home Adaptation Grant was available to fast-track work that reduced an individual’s risk of non-elective admission/ re-admission to hospital, while in Eastleigh, small grants up to a maximum of £3k were available to support individuals to relocate to a more adaptable property or to cover temporary accommodation costs to enable mandatory Disabled Facilities Grants work to be undertaken.

Profiled areas have highlighted the importance of ensuring local policy reflects and responds to community needs to enable targeting of resources. Some ways in which this could be achieved is by utilising local data. Housing condition surveys, or proxy indicators such as households receiving means tested benefits, lower council tax bands, properties subject to complaint or enforcement action or property prices can all help with providing an understanding of the local housing context. This can also be supported by reviewing Joint Strategic Needs Assessments, public health datasets or speaking to domiciliary health and care practitioners for ad hoc views on areas with greater housing need.

<sup>2</sup> The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO) provides general powers for local housing authorities to provide assistance for housing renewal, including home adaptations. The powers can only be used in accordance with a published Housing Assistance Policy. The wide-ranging powers enable authorities to give assistance to people directly, or to provide assistance through a third party such as a Home Improvement Agency, providing the assistance will improve living conditions in their area (Foundations 2024).

## 5. There is added value in partnerships, formal or informal

A number of local authorities were developing partnerships to provide more comprehensive services. This included formal commissioning relationships or informal arrangements, such as through a shared agreement on referrals.

In the case studies developed, partnerships had been established to achieve a number of aims, including:

- to administer loans
- to provide independent advice on financial support
- to deliver home improvement services
- to advise on eligible funding for energy efficiency works
- to support residents to improve the energy performance of their homes
- to raise awareness of, and refer to, services

The case studies reinforce the importance and value of formal and informal partnerships to expand an organisation's resource, credibility, expertise and reach. For example, voluntary and community-based organisations were generally trusted by the public and could serve as effective referral partners to local authority interventions. Similarly, external organisations administering loans reported that the involvement of a local authority in loan products supported with building trust.

Beyond this, partnerships can sometimes come with other advantages. For example, charitable organisations can often attract additional sources of funding that local authorities may not have access to. As such, in some cases, formal commissioning of a charity by a local authority could offer potential match funding from other sources.



## 6. Good practice in supporting self-funders and private renters could be scaled up

### Self-funders

While finance is a barrier for many struggling to make improvements to their home, there are some who can afford to fund work themselves but lack the confidence to do so. This is a particular challenge when there are a number of improvements to be made as it can be difficult to know where to start, and also for those who cannot afford to pay for any secondary costs or unforeseen work.

Our case studies demonstrated that there is clear value to be added by local areas providing good quality information and practical support on home improvements, such as advising on how to get started on work, identify trusted traders and support with overseeing and managing work.

Some of the profiled study areas had developed an offer for this group which, in certain cases, could be delivered at no (or low) cost to local authorities through charging a fee. In Somerset, a fee charging in-house service was available to homeowners when staff resources permitted to design the home improvement works and oversee the quality of the contractors' work. Part of their Better Care Fund was also allocated to employ four occupational therapy staff based in two physical centres where people could visit, test and purchase adaptations equipment for themselves.

Leeds City Council and several other organisations commissioned Leeds Care & Repair to support individuals that were eligible for Disabled Facilities Grants but wanted to pursue a different scheme from that recommended by the city council. The most common example was when a household opted to build an extension rather than install adaptations within their property. If the alternative scheme met the individual's needs as equally well as the city council's scheme, Disabled Facilities Grants funding could be used to part-fund the works.

Leeds Care & Repair also offered their agency service (that supports with designing the scheme, selecting and overseeing contractors and signing off work) for those funding home improvements themselves for a fee. Organisations with charitable status operating in this way, tend to be trusted by residents, and as such take up of the service was a popular option.



**Private renters**

Apart from mandatory Disabled Facilities Grants and some grant-based discretionary adaptation assistance, support for private rented sector tenants was often very limited in local authority housing assistance policies in England. This was particularly true in the case of loans as they could not offer a secured loan (secured against the home so the lender can sell the property if the individual is not keeping up with repayments), and unsecured loans (not attached to the home or any other asset), due to their inherent risk, were likely to be expensive.

Addressing poor quality and inaccessible homes in the private rented sector is a crucial challenge as we know the private rented sector holds the highest proportion of poor-quality homes and a growing ageing population.

Our full report, [Financing Home Improvements: Local Authority Case Studies](#), provides examples of some initiatives local places established to support private renters. For example, Leeds through their area-based improvement programme incentivised private landlords to improve their properties with a 25% contribution towards the cost of energy efficiency works. This was also coupled with a regulatory regime for addressing remaining issues resulting from poor management.

In our research, we found examples of collaborations with Directors of Public Health who saw housing as a path to address the wider determinants of health. For example, in Bradford, local public health funding was used to meet the cost of housing enforcement officers for the private rented sector. In Wirral, funding from public health served to fund community-based staff to provide advice, information and signposting to vulnerable people experiencing financial difficulties and poor health across all tenures in selective licensing areas as a part of their local Healthy Homes service.

**7. Funding from central government has the potential for long-term impact**

Four of the five local authorities presented in this report continued to benefit from the funding and administrative infrastructure provided by former Regional Housing Boards prior to 2010. This money was used to create local loan pots that were recycled through interest gained or loans redeemed (with participating councils providing further contributions to baseline budgets when needed).

In Bradford for example, their Home Appreciation loans (along with loans from several other participating local authorities in the area) were administered by Sheffield Homes and Loans. Since the scheme started in 2005, across the total geographical area covered, 1,959 loans had been approved with a total value of £35,272,000. Of these loans, 647 had been redeemed with a value of £9,007,000 and an average redemption period of 6 years and 4 months.

Despite this longevity and impact, research conducted by the Healthier Housing Partnership, with the Centre for Ageing Better, showed that government has withdrawn £2.3 billion in private sector home improvement grants between 2010/ 11 and 2020/ 21 (Centre for Ageing Better 2023a). This has prevented the repair of 600,000 homes and unnecessarily endangered the lives of over a million people. As such, more funding is needed from central government to enable the good practice outlined in our reports to be scaled-up to tackle the backlog of poor-quality homes in the owner occupied and private rented sectors.

**£35,272,000**

worth of loans had been administered by Sheffield Homes and Loans across the total geographical area covered since the scheme started in 2005



# Conclusion

**Local authorities are currently working in an extremely challenging financial context. The withdrawal of over £2 billion in private sector grant funding by national government between 2010/11 and 2020/21 has resulted in a contraction of local home improvement services, leaving many residents unable to maintain or repair their homes (Centre for Ageing Better, 2023a).**

Despite this reduction in funding, the case studies profiled in this report demonstrate that there was good practice taking place to provide individuals with tailored financial support. Flexible use of the Regulatory Reform (Housing Assistance) Order, the establishment of local authority loan schemes, as well as the practice of combining forms of financial assistance, helped to widen the reach of local authority provision.

Formal and informal partnerships across local authorities, charities and businesses had been developed to provide more comprehensive home improvement solutions. From supporting residents to improve the energy performance of their homes through to advising on eligible funding for energy efficiency works to utilising partnerships as a means to leverage in other sources of external funding, all of these approaches helped to improve the health, wellbeing and financial security of residents.

The establishment of services targeted at those able to finance home improvements themselves provides interesting opportunities for local areas to generate income streams to supplement the rest of their work and has the added bonus of improving the quality of local housing with minimal local authority financial support. It also goes some way to supporting local business growth by creating more demand for home improvement services.

This report has identified a wide range of services that ideally would be offered across the country. However, it has also identified the need to better understand the success of these financial interventions to build a stronger business case for investment in homes. If increased funding and support could be secured from central government as well as wider revenue streams (e.g. NHS, public health), thousands more people could have the financial support they need to provide them with the confidence, means and capability to improve their home to live safely, independently and with dignity.

# Appendix 1: Stories of two of the individuals who have been supported financially



## Discretionary Grant Case Study: Eloise

**Background:** Eloise is in her late 50's and has lived alone for 10 years in a ground floor, one-bedroom flat in a small town, close to local facilities. She relocated to Somerset after taking the opportunity to downsize to clear any remaining mortgage on her former home.

After moving to Somerset, Eloise decided to train for a different career through local colleges. Unfortunately, the government funding for her course was removed before she completed her education which meant that she lost the paid placement associated with the course and had very little savings to support herself. This resulted in a worsening of long-term mental health issues in addition to some medical conditions she had developed.

**Property Condition:** The flat was originally in a reasonable condition until the property above Eloise's had a serious leak which caused water to enter her flat in several places. Ceilings collapsed, electrics became unsafe and there was extensive damage to walls, but the neighbour did not make the necessary repairs for a significant period of time. On top of this, Eloise's boiler stopped working so she had no heating or hot water. The cold conditions worsened her medical conditions, she was struggling financially, and her mobility had deteriorated. She did not know of any financial support available to her and therefore could not see any way to resolve the situation.

She attempted to cope as best as she could for a year, but the situation made her feel depressed and alone as she did not have any local family or close friends.

**Finding Help:** During an appointment at the local GP surgery, a member of staff recommended that she contact the local authority as there were forms of assistance that may be available to her as a homeowner. After getting in touch with the council, her flat was inspected and her needs assessed. She was then able to apply for a Disabled Facilities Grant for a new accessible level access shower (£8,358) and a separate discretionary grant (£7,797) to replace the boiler, repair the ceilings, and address disrepair and dangerous electrics. The Home Improvement Agency also signposted Eloise to other services to help her declutter her home and apply for a Personal Independence Payment and the Winter Fuel Allowance.

**The Impact:** Eloise describes the help she had been given as "completely life changing" and "restoring her dignity". She says the property is now warm which has helped not just her physical health but also her mental health as she no longer experiences depressing negative thoughts brought on by the condition of her home. She feels everyone who helped her was caring and did not judge her in any way and is "proud of her home and now feels she can have visitors once again".

## Loan Case Study: Brendan

**Background:** Brendan is in his mid-50's. He lives alone in a semi-detached house that is the family home he has lived in his whole life. There is no remaining mortgage or other charges on the property. He likes his neighbours, the local community and ideally does not want to move, especially as he has many happy memories associated with his home.

He is currently not working due to several health conditions, relies on benefits and has very limited savings.

**Property Condition:** In recent years his house has been falling into disrepair, with a leaking roof resulting from storm damage, rotted timber windows causing draughts and insecure external doors in poor condition. He coped for a couple of years by placing buckets in the roof space to catch the rain and by trying to find ways to keep warm in winter. It caused him a lot of worry as he did not feel he had any options to meet the cost of the necessary repairs and was therefore actively thinking about selling his home. However, as his property was in poor condition and hence of low value, his options for purchasing a home elsewhere were limited and he did not want to leave his home and community anyway.

**Finding Help:** Brendan felt powerless to improve the situation as he was confident that a high street lender would not approve a loan for someone in his financial

circumstances, until a friend mentioned that the local authority had a loan scheme which might be able to help. He made several calls to the council who clearly explained how the loan scheme worked and provided information for him to read in his own time. The loan seemed to be a solution to the problems in Brendan's house and, as it would not involve any repayment until he moved or died, he decided to go ahead with it.

Brendan understood that he could choose the building contractor to do the works but admitted that finding a builder who knew about the council loan scheme and had confidence in it was a challenge, especially as they were all busy with other work. Eventually, he found two contractors, one to repair the roof and one to replace the windows and doors. The total cost was £17,000. Brendan said that both contractors were reliable and tidied up at the end of each day.

**The impact:** The improvements mean that Brendan no longer worries about cold and wet weather or having to move home, which makes a big difference to his physical and mental health.

He felt he had "nothing to lose" by taking out the loan as he does not pay back more than he borrowed and described it as "a lifeboat to sort out the problems in the home".

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