

DEMOS

**THE TRIPLE
DIVIDEND
OF HOME
IMPROVEMENT
PART TWO**
OVERCOMING THE HEALTH
AND CARE POLYCRISIS

A BRIEFING FROM DEMOS, SUPPORTED BY
CENTRE FOR AGEING BETTER AND DUNHILL
MEDICAL TRUST

 Centre for
Ageing Better



Remarkable research
for healthy ageing

THE DUNHILL MEDICAL TRUST

SEPTEMBER 2023

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FOREWORD

The case for a comprehensive nationwide programme to address the poor quality of the UK's homes grows stronger by the day.

Safe and decent homes are the foundations for people to build good lives and have healthier later life outcomes.

Yet 3.5 million homes in England are a serious threat to their occupants' health and safety because of trip hazards, overcrowding, a lack of adequate facilities, and dangerous levels of cold and damp. This is particularly an issue as people age, with almost one in seven homes headed by someone aged 65 or over being classed as non-decent.

The bleak truth is that our housing stock is the oldest and amongst the poorest quality and least energy efficient in Western Europe, with some of the highest associated health and care costs. The housing stock we have now is inadequate to meet people's needs, and this is only going to get worse as our population ages.

But we believe this does not need to be so and the time is now to invest in our homes. Individually, we will be happier and healthier if our homes are safe. We will be more comfortable and have more money in our pockets if they are energy efficient. Collectively, we can reduce some of the pressure on our health and social care services. We can help to stimulate economic growth by creating new jobs, skills and apprenticeships, as well as new investment opportunities. We can support national action towards meeting New Zero obligations by making our homes more energy efficient.

We urgently need the policy solutions that start delivering these benefits for all in real life.

The Centre for Ageing Better and the Dunhill Medical Trust are working with Demos to engage with government and political parties and to share those policy solutions that will enable more people to enjoy the benefits of a good home, not the costs of a bad home.

Dr Carole Easton OBE, Chief Executive, Centre for Ageing Better

Susan Kay, Chief Executive, the Dunhill Medical Trust

THE TRIPLE DIVIDEND BRIEFING SERIES

This is the second of three briefings from Centre for Ageing Better, Dunhill Medical Trust and Demos on the policy opportunities from investing in home improvement.

Each will focus on one of the specific benefits from home improvement: economic, social and environmental. This briefing is focused on the social benefits. This is part of Demos' "inclusive economy" strategic pillar. This pillar investigates how we can build an economy where everyone participates and contributes to shared goals and where, as a consequence of that contribution and participation, there is an equitable distribution of the benefits.

All briefings can be found online at: www.demos.co.uk/research

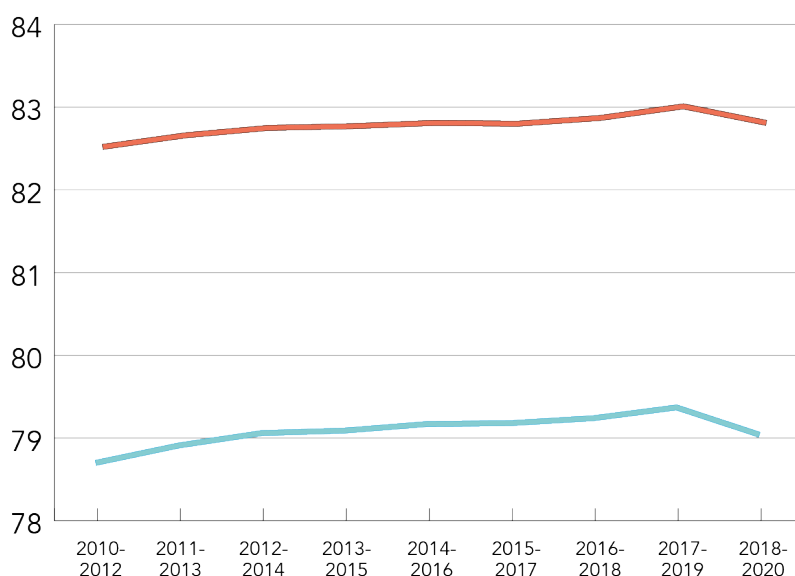
THE CHALLENGE

THE UK'S HEALTH AND CARE POLYCRISIS

The past hundred years has seen significant improvements in health and life expectancy in the UK. Between 1910 and 2010, life expectancy increased by 27 years - an average increase of nearly three years every decade.¹ Over the past decade, life expectancy has dramatically slowed. Between 2010 and 2022, life expectancy increased by less than one year, one third of the rate that we had seen in the previous hundred years.² In some communities, life expectancy has already begun to decline.³ Meanwhile, the number of years we can expect to spend in good health, without a disabling illness, has declined. This is now 62.4 years for men and 60.9 years for women.⁴ By 2040, healthy life expectancy is projected to be lower than it was in 2010 according to the Health Foundation.⁵

This data overall masks significant inequalities. The Government's own analysis of health disparities and inequalities found there is a 19-year gap in the healthy life expectancy between the most and least affluent areas.⁶ Levels of diagnosed ill health are higher in Pakistani, Bangladeshi and Black Caribbean groups than across the population as a whole.⁷

CHART 1 - Life expectancy in the UK between 2010 and 2020



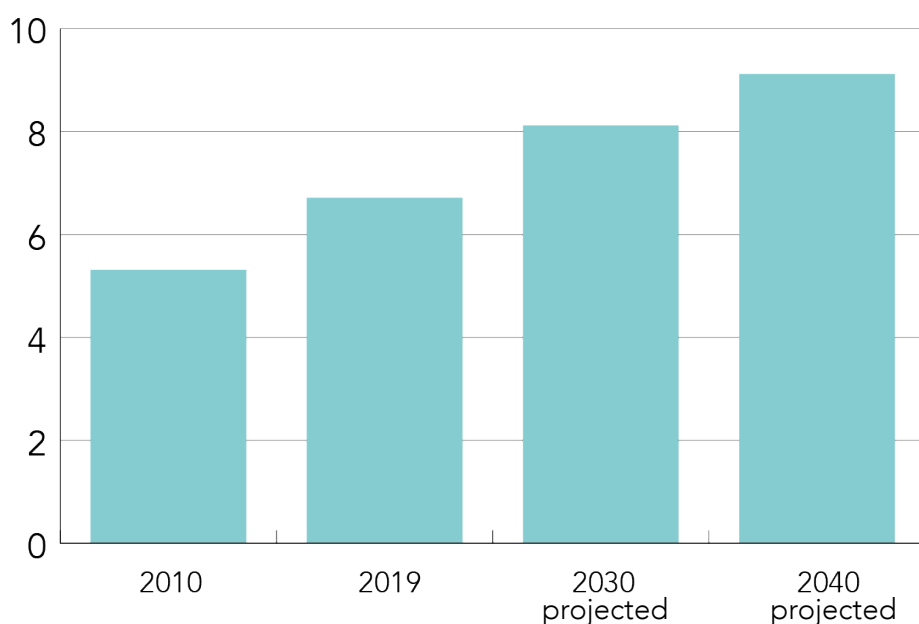
Source: Office for National Statistics

- 1 Statista, Life expectancy (from birth) in the United Kingdom from 1765 to 2020, accessed August 2023
- 2 Office for National Statistics, Life expectancy at birth for males and females, UK, between 1980 to 1982 and 2018 to 2020, accessed August 2023
- 3 T. Rashid et al (2021) 'Life expectancy and risk of death in 6791 communities in England from 2002 to 2019: high-resolution spatiotemporal analysis of civil registration data' The Lancet Public Health Vol. 6, Issue 11
- 4 Centre for Ageing Better, State of Ageing 2022: Health, March 2022
- 5 The Health Foundation, Health in 2040: projected patterns of illness in England, July 2023
- 6 Office for Health Improvement & Disparities, Health disparities and health inequalities, 11 October 2022
- 7 The King's Fund, The health of people from ethnic minority groups in England, 17 May 2023

International data show that relative to comparable European countries, the UK also has a higher prevalence of largely preventable, non-communicable conditions including some types of cancer, diabetes, COPD, asthma and obesity.⁸ Before the pandemic, 2m people were out of work due to long-term sickness, a number that had risen to 2.5m by Summer 2022.⁹ Long-term sickness created a loss of earnings that cost the UK economy £43bn in 2021, equivalent to 2% of GDP according to analysis from IPPR.¹⁰

Looking forward, the health – both mental and physical – of the population is projected to worsen. Research from the Health Foundation has estimated that 9.1 million people in England are projected to be living with major illness by 2040, an increase of 2.5 million people compared to 2019.¹¹ This is an increase nine times larger than the expected growth of the working age population which will create significant challenges for our public services.¹²

CHART 2 - The estimated number of people living with major illness in England (millions)



Source: The Health Foundation

The UK is facing a ‘polycrisis’ in health and wellbeing, multiple overlapping and simultaneous critical events and trends that are impacting all parts of the country, particularly the poorest and those from minority ethnic backgrounds. One of these critical events would be difficult to deal with on its own but taken together – and against the backdrop of a substantially weakened fiscal deficit - they require a significant re-evaluation of the UK’s approach to health and care.

Policy makers need to look beyond the measures that have been deployed so far and address the fundamental drivers of poor health and wellbeing and, focus on those interventions that have the biggest multiplier effects in tackling this polycrisis. These are interventions that either directly or indirectly generate the greatest positive social, economic and environmental impact for every pound of investment. The evidence suggests that improving the quality of the UK’s housing stock can both help tackle this polycrisis directly and generate substantial multiplier effects.

8 The Health Foundation, Addressing the leading risk factors for ill health, February 2022

9 Office for National Statistics, Half a million more people are out of the labour force because of long-term sickness, 10 November 2022

10 IPPR, Healthy People, Prosperous Lives: The First Interim Report of the IPPR Commission on Health and Prosperity, April 2023

11 The Health Foundation, Health in 2040: projected patterns of illness in England, July 2023

12 Ibid.

TACKLING THE CAUSES OF THE POLYCRISIS: THE HOME IMPROVEMENT OPPORTUNITY

The pandemic was a wake-up call to urgently address the ‘social determinants of health’, the non-medical factors that influence health outcomes and create the conditions in which we lead our daily lives, such as housing.¹³ Social determinants are important because several studies have found that they have a significant impact, sometimes greater than direct access to health care, on health outcomes. For example, people living in overcrowded homes died in far higher proportions from Covid-19 than those living in healthier homes.¹⁴

More broadly, The Canadian Institute of Advanced Research found that social-economic factors were responsible for half (50%) of our overall levels of health and wellbeing, double the level attributed to healthcare (25%).¹⁵ Other studies have come to similar conclusions.¹⁶

The Health Foundation has identified three ways that housing can affect health outcomes:¹⁷

- 1. Quality and condition of housing:** the physical characteristics of homes have been linked to health outcomes such as respiratory issues, physical pain and headaches, particularly affecting children.
- 2. Stability and security:** the extent to which people have control over their lives in their homes can affect their mental and physical health, for example, lowering (or increasing) stress.
- 3. Affordability:** poor quality housing can reduce the disposable income of households, reducing their ability to spend on activities or food that can improve their physical and mental health.

Improving the quality and condition of housing, what we call “home improvement” in this briefing, can, therefore, have a significant impact on health and wellbeing. Home improvement covers many types of interventions. We define home improvement in this briefing as interventions which improve the safety, energy efficiency or warmth and/or people’s ability to live independently for longer. This might include infrastructure repairs, insulation, energy efficiency measures, age-friendly adaptation and accessibility improvements, for example. It would not include extensions or renovations that purely seek to improve the aesthetics or monetary value of a property. In addition to the direct positive impact for individuals, creating safe, warm and liveable homes can have a significant positive impact on our economy, the environment and society more generally.

13 World Health Organisation, Social Determinants of Health, accessed August 2023

14 Centre for Ageing Better, Homes, health and COVID-19, September 2020

15 NLGN, Healthy Places: Councils leading on public health, May 2012

16 Local Government Association, Social determinants of health and the role of local government, September 2020

17 The Health Foundation, Better housing is crucial for our health and the COVID-19 recovery, 28 December 2020

Home improvement can influence all three of the ways that housing can affect health outcomes, however, we will focus here on the first set of factors: the interaction between the quality and condition of housing and health. Policy makers should also be aware that home improvement can have a significant impact on the affordability of housing too (for example, reducing energy bills can free up disposable income to be used elsewhere).

Home improvement can create significant social benefits to the UK through improving population-level health and wellbeing. Improving quality of life can enable people to participate more fully in society through employment, social action or other forms of activity. In broad terms, home improvement can improve the UK's health and wellbeing by:

Table 1 - The social benefits of home improvement

INTERVENTION/IMPACT	OUTCOME
Fixing hazards and improve the warmth of homes	Preventing avoidable illness or accidents, improving overall levels of good health and increasing life (and healthy life) expectancy and improving the mental health
Preventing ill health to reduce demand for acute public services	Enabling public bodies to shift spending away from acute spending towards preventative investments that have a larger long-term impact on health and wellbeing
Increasing disposable income through boosting income and reducing the cost of heating homes	Creating the enabling conditions for positive health outcomes and behaviours (e.g. buying better food, paying for leisure activities that improve physical and mental wellbeing)

1. Fixing hazards and improving the warmth of homes

Hazards and poor heating of homes create negative health and wellbeing outcomes.

Cold homes can create health problems and diseases from increased blood pressure to increases in the number of instances of colds, heart attacks and pneumonia.¹⁸ 17,000 people died in 2018 because they could not afford to heat their homes properly¹⁹ - this is equivalent to 3% of all deaths that year.²⁰ Cold homes negatively impact older people in particular, with 91% of cold-related deaths in Wales being amongst people aged over 65.²¹ It is likely to be the same across the United Kingdom.

An evaluation of SSE Warm at Home (WAH) Programme delivered by the Foundations Independent Living Trust Ltd (FILT) found that for every £1 spent on the programme with vulnerable households, £4 in health benefits were generated.²² (This includes both physical and mental health). For every £1m spent through the programme, 67 QALYS²³ (quality-adjusted life years) were created.²⁴ One QALY is equal to one year of life in perfect health. Generating QALY is a significant benefit to individuals, with each QALY worth around £20,000 per person.²⁵

Hazards create significant risks to health and wellbeing. Hazards can cause physical injuries and illnesses, as well as worsening pre-existing conditions. Research by BRE found that there are 2.4m 'Category 1 Hazards' in England including nearly 720,000 excess cold hazards (Category 1 hazards are those that present the most

18 Centre for Sustainable Energy, Cold homes and health, 16 May 2023

19 Centre for Ageing Better, The Good Home Inquiry: Good homes for all, September 2021

20 Office for National Statistics, Deaths registered in England and Wales: 2021 (refreshed populations), 27 January 2023

21 Public Health Wales, Making a difference: Housing and Health - A case for investment, 2019

22 Sheffield Hallam University, Warm, Safe and Well: The Evaluation of the Warm at Home Programme, November 2016

23 QALYs are an estimate of the value of health outcomes i.e. how much an additional year of good health is worth to an individual and how much they would be willing to spend in order to achieve that outcome

24 Sheffield Hallam University, Warm, Safe and Well: The Evaluation of the Warm at Home Programme, November 2016

25 Ibid.

Fixing the excess cold hazards would cost £4.8bn creating a potential of **£19bn in health benefits,** based on findings from the SSE Warm At Home programme.

serious risk to life).²⁶ Fixing the excess cold hazards would cost £4.8bn creating a potential of £19bn in health benefits, based on findings from the WAH programme. Excluding cold hazards, fixing other hazards could create a further £460m in additional health benefits to society, according to BRE's research.²⁷

It is also useful to note that some of the interventions that make homes warmer also serve to protect them from becoming excessively hot during heat waves, e.g. certain types of insulation. As we navigate the impacts of climate change, it is vital that we ensure our homes remain safe places to live without the need for expensive and energy-intensive solutions such as air conditioning.

2. Preventing ill health to reduce demand for acute public services

Poor quality housing can cause illness and injuries that create demand for public services. For example, a fall could lead to a hospital appointment and potential surgery to correct the injury. BRE's research found that on average fixing each hazard saves the NHS £425 per year through reducing demand for services. In total, fixing these Category 1 hazards could generate over £1bn in savings to the NHS equivalent to the costs of training 20,000 nurses.²⁸

Fixing these Category 1 hazards could generate **over £1bn in savings to the NHS** equivalent to the costs of training **20,000 nurses.**

In addition to removing hazards from the home, the other side of the coin is the installation of aids and adaptations to allow people to safely move around, get out of bed, cook and wash. Research by the London School of Economics confirms the order of savings to be made. Reviewing examples of the reduction in service demand arising from targeted adaptations funded by the annual Disabled Facilities Grants (DFGs) programme in England, the findings informed a model suggesting that equipment and adaptations lead to reductions in the demand for other health and social care services worth on average £579 per recipient per annum (including both state and private costs).²⁹

26 H. Garrett et al, The Cost of Ignoring Poor Housing, July 2023

27 Ibid.

28 Civitas, Supplying the Demand for Nurses The need to end the rationing of nurse training places, November 2015

29 Public Health Wales, Making a difference: Housing and Health - A case for investment, 2019

3. Increasing disposable income through boosting income and reducing the cost of heating homes

Poor quality housing can create significant additional costs, for example, paying more in energy bills due to poor insulation or creating health problems that restrict the ability of those living in the household to go to work. BRE's research found that the additional home energy costs for homes with excess cold hazards in England was nearly £800m per year.³⁰ Fixing a typical home with Category 1 excess cold hazards could save households up to £962 per year.³¹ This is a similar finding to research by Citizens Advice, which estimated higher costs to the least energy efficient homes at £950 per year.³²

Removing hazards and avoiding injuries can also have a significant economic benefit. Research into the cost of home accidents in 2009 estimated the lost economic output of a serious home accident at £10,000 per person in 2023 prices.³³ Wages tend to make up around 60% of output which means that reducing accidents could be worth thousands of pounds in additional wages to those at risk and the taxes they generate.³⁴ This money can in turn increase the resources available to people to spend on activities that can improve their physical and mental health.

The link between higher levels of income and health and wellbeing is well-established. Research has found that an increase of £1,000 in an area's average income is associated with 0.5 years of additional good health in men, for example.³⁵ The Marmot Review also found a link between lower levels of income and worse health outcomes.³⁶ A similar link was found in the '10 years on' review.³⁷

The social benefits of home improvement are significant. Thousands of lives could be saved, hundreds of thousands of quality life years created and significant savings generated for our health and care services through the right programme of investment. The rest of this briefing considers what a comprehensive policy programme to improve housing quality could achieve in the current fiscal context.

30 H. Garrett et al, The Cost of Ignoring Poor Housing, July 2023

31 H. Garrett et al, The cost of poor housing in England by tenure, March 2023

32 Citizens Advice, Damp, cold and full of mould: The reality of housing in the private rented sector, February 2023

33 Transport Research Laboratory, Re-valuation of Home Accident, 2009

34 Office for National Statistics, Labour costs and labour income, accessed July 2023

35 The Health Foundation, Living in poverty was bad for your health before COVID-19, 25 July 2020

36 The Marmot Review, Fair Society, Healthy Lives, February 2010

37 Institute of Health Equity, Health Equity in England: The Marmot Review 10 years on, February 2020

THE SOLUTIONS: STRATEGY, ACCOUNTABILITY, FINANCE AND INVESTMENT

We know that we can develop effective policies to increase investment in home improvement because the UK has had several successful policy interventions in recent decades. For example, Warm Front, which operated between 2000 and 2013, improved housing conditions for 2.3m households.³⁸

In broad terms there are four policy levers which policy makers can deploy to increase the quality of UK housing stock and boost home improvement: Strategy, Accountability, Finance and Investment.

1. Coordination and Strategy

The UK has no one focused on coordinating public, private and social sectors on home improvement. There is no clear strategy or plan for home improvement. Although the benefits generated through this policy will accrue to several departments, including the Department for Health and Social Care, we need a comprehensive approach to delivering it.

Politically, making a single Minister accountable for the development of a home improvement strategy, could quickly galvanise public, private and social sector investment.

Given the significant benefits to both health and social care, as identified in this briefing, Integrated Care Systems in England, new bodies for overseeing health and care at a local level, should pool their resources with other agencies to improve housing stock. These new systems have budgets of over £113bn a year.³⁹

At a local level, we need Good Homes Hubs⁴⁰ that can coordinate various interventions and provide people with access to advice and support to make it as easy as possible for people to make improvements to their homes.

2. Accountability and standards

Homes England, the public agency with a £16.4bn budget over the next five years, should be empowered to address home improvement, not just home building. Without this remit, it is missing opportunities to match public and private sector investment.

The Decent Homes Standard has also not kept pace with changes. Accessibility, for example, is an important way in which people can be supported to lead independent lives (with the attendant reduction in costs to the NHS and social care agencies), is not part of the Decent Homes Standard. Digital connectivity is also not factored in, despite the changes catalysed by the necessary response to the pandemic, the

38 Centre for Ageing Better, Past, present and future: housing policy and poor quality homes, May 2021

39 National Audit Office, Introducing Integrated Care Systems: joining up local services to improve health outcomes, October 2022

40 See Centre for Ageing Better website for more details <https://ageing-better.org.uk/improving-homes-good-home-hubs>

importance of digital connectivity for work and social interaction does not seem to have produced a lasting response amongst landlords and investors.

We also lack the appropriate enforcement of existing standards in the public, private and social sectors. Local authorities' budgets have been cut which means that standards have not been enforced. Wivately and socially-rented housing and includes digital connectivity and accessibility standards. This would create pressure on organisations to improve homes and leverage further investment.

3. Access to finance

Home improvement is a big economic opportunity for the UK, but it requires substantial investment both public and private. The UK government can leverage that investment through creating schemes that provide certainty and stability for investors, without excessively risking public funds. This in turn can make financing more accessible and acceptable to individual homeowners.

In addition to international schemes from countries like Germany (KfW loans) and the Netherlands (Homeownership Guarantee Fund), the UK can look at the success of loan guarantee schemes during the pandemic which could give financial institutions the security needed to provide the capital needed to improve the UK's housing stock.

4. Targeted investment

Some households will simply not have the money they need to improve their homes, even if the amounts are relatively small. A 2021 briefing paper from BRE found that the average cost to rectify Category 1 hazards, those that can cause the most serious harms, was £3,780.⁴¹ Targeted investment, building on the success of previously successful schemes such as Warm Font and existing schemes such as the Disabled Facilities Grant could help tens of thousands of homes.

Government could also explore tax reliefs (such as Stamp Duty or Council Tax) for those households that invest in home improvement to stimulate demand and create incentives for people.

Our Policy Impact Dashboard below identifies particular policies that could put these levers into practice, as well as identifying the potential benefits and costs from implementing these policies.

41 H. Garrett et al, The cost of poor housing in England, November 2021

POLICY IMPACT DASHBOARD

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
COORDINATION AND STRATEGY			
Set out a cross-government housing strategy with a ministerial champion to implement it.	Developing a cross-government strategy would provide policy certainty for private and social sector housing providers increasing investment as well as encouraging investment in the supply of home improvement capacity in relevant trades and businesses.	<£1m	DLUHC Budget
Empower Homes England with a clear mission to improve high risk homes (e.g. category 1) and ensure investment flows alongside new strategic commitment through use of existing underspends.	<p>Homes England is a major investor in the housing sector, with a budget of over £5bn in 2021/22. Diverting present underspends into home improvement could unlock hundreds of millions of pounds per year into home improvement.</p> <p>Current underspends being diverted to home improvement could help around 480,000 people across 200,000 households and generate £652m in health benefits to society, alongside £85m savings to the NHS.⁴² It would also add 10,029 quality-life adjusted years (QALYs).</p>	<£1m	Underspend in Home England's budget (£499m in 2021/22)

42 Based on the number of hazards all data is based on a 70/30 split of investments - 30% into tackling excess cold homes and 70% into other home improvements

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
<p>Develop local 'Good Home Hubs' to provide a 'one-stop shop' for a range of home improvement, retrofit and energy efficiency schemes.</p>	<p>A Good Home Hub would provide independent advice and support to people on home improvement; carry out independent assessments and sign post appropriate financial support as well as identify trusted traders to carry out works.</p>	<p>£160M per annum</p> <p>Research by Centre for Ageing Better estimates the cost of a Good Home Hub at £1.6m per local authority - with charging for services generating 25% of revenue. This would mean on average a cost £1.2m per hub.</p>	<p>Community Infrastructure Levy (circa £1bn revenue per annum)</p>
<p>NHS England, local authorities and Integrated Care Systems (ICS) must include housing as a key part of preventative strategies to improve population health and address health inequalities.</p>	<p>Integrated Care Systems alone have a budget of around £113bn - with the recent Hewitt Review recommending a target of 1% investment in prevention within ICS areas.</p> <p>Assuming that part of that prevention budget was invested in home improvement, this strategic shift could unlock hundreds of millions of investment per year. If just one quarter of hypothetical ICS prevention budgets were put into home improvement, this could help 240,000 people across 100,000 households generating £326m in health benefits to society, alongside £42.5m savings to the NHS. It would also add a further 6,682 QALYs to society.</p>	<p><£1m</p>	<p>ICS Budget (circa £113bn per annum)</p>

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
ACCOUNTABILITY AND STANDARDS			
<p>Development of a robust Decent Homes Standard that is enforceable in private and social housing and includes digital accessibility standards</p>	<p>Developing a robust and enforceable standard in private and social housing that eliminates Category 1 hazards within homes would remove over 800,000 hazards. Based on DLUHC's calculation of the economic impact of hazards that would create a 'productivity saving' of £100m per year.</p> <p>Averaging BRE's research on the estimated cost of fixing these hazards in private and social housing at £3,911 meaning the cost to fix these hazards would be. The investment needed to fix these hazards would be £3.1bn.</p> <p>Fixing these hazards would help around 1.9m people, creating £3.9bn in health benefits and generating £527m in savings to the NHS. It would also add a further 62,310 QALYs to society, significantly improving the number of years people spend in good health.</p>	<p><£1m</p>	<p>DLUHC Budget</p>

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
ACCESS TO FINANCE			
<p>Provide low-cost government-backed loan guarantees to improve homes and convene social investors and consumer finance sector to develop products to encourage and incentivise homeowners and landlords to improve their home</p>	<p>The Enterprise Finance Guarantee has been a successful loan guarantee system introduced in 2009. Since then, it has supported over £3.3bn in lending to small and medium sized businesses, enabling these firms to get access to finance that they otherwise may not have been able to do so. On average, for every £1 spent on the programme around £10 worth of loans were generated.</p> <p>A loan guarantee scheme for home improvement could unlock affordable finance for owner-occupiers, who are more likely to utilise this kind of scheme.</p> <p>Assuming a lower rate of leverage given the difference between business and personal finance, a £1bn loan guarantee scheme would still cost only £200-300m a year.</p> <p>Assuming the average cost of making an owner-occupied home decent at £8,238 (as by the English Housing Survey data 2021/22) this could help over 121,400 households. (approx. 290,000 people). This would generate around £1.2bn in health benefits to society and £161m in savings to the NHS. It would also add a further 20,100 QALYs to society, significantly improving the number of years people spend in good health.</p>	<p>£100-200m per year</p>	<p>Profits from the British Business Bank (circa £70-100m)</p>

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
TARGETED INVESTMENT			
Home MOTs - Home safety assessment and referral scheme, preventing falls and accidents at home and increasing the information available to households in relation to minor improvements	In conjunction with Good Homes Hubs at a local level, Home MOTs would provide a way for households to identify their repair needs, the benefits of improving their homes and the potential costs.	(part of Good Home Hubs see above)	N/A
Investing in an Awareness Raising Campaign (in collaboration with civil society and experts) on the benefits of home improvement for energy and health	<p>A challenge to ensuring take up of schemes will be awareness. Many households are not aware of the benefits that can be generated through home improvement.</p> <p>Complementing the development of Good Home Hubs, improving standards in social and privately rented sectors and offering services such as loan guarantees will need to be a national awareness raising campaign.</p> <p>This would need to be coordinated at a local level, through Good Home Hubs, with civil society, businesses and other experts.</p> <p>An awareness raising campaign could be match-funded by businesses, charities and foundations that have an interest in improving health outcomes or climate change - creating further opportunities to spread interest in this scheme.</p>	£25m per year	DLUHC & DESNZ Underspend (in 2021/22 Department for Business, Energy and Industrial Strategy underspend was £857m, DLUHC was £2bn)

POLICY SOLUTIONS	IMPACTS	INDICATIVE COST (per year)	REVENUE SOURCE
<p>Expand the Disabled Facilities Grant into a Home Adaptations Grant to cover a wider range of at-risk households and hazards to help those that are unable to take out loans or afford to make improvements themselves.</p>	<p>The Disabled Facilities Grant is a mandatory grant to pay for essential adaptations to give disabled people better freedom of movement into and around their homes and give access to essential facilities within the home. It is currently means tested to ensure that it helps those with the greatest levels of vulnerability. However, there are many individuals that are in need of urgent home improvements or living in poor quality conditions that are damaging their health and wellbeing. Expanding the eligibility criteria for this grant to cover vulnerable people in poor physical and mental health and at risk of disability could generate significant benefits.</p> <p>Currently the Disabled Facilities Grant is allocated £573m in 2023/24 and an additional £102m has been allocated to the grant for two years. Expanding the eligibility criteria alongside additional funding could help tens of thousands of households.</p> <p>An additional £300m per year allocation could help over 100,000 homes (reaching 240,000 people), generating £326m in health benefits to society, alongside £42.5m savings to the NHS. It would also add a further 6,030 QALYs to society, significantly improving the number of years people spend in good health.</p>	<p>£300m per year</p>	<p>DLUHC & DESNZ Underspend (in 2021/22 Department for Business, Energy and Industrial Strategy underspend was £857m, DLUHC was £2bn)</p>
<p>TOTAL</p>	<p>Quality life years improved: 105,151 per year - equivalent to 1,314 lives per year⁴³ Health benefits: £5.9bn per year People supported: 3.1m people per year Savings to the NHS: £858m savings per year</p>	<p>Cost: £625m per year</p>	

43 Only for excess cold home hazards

SUMMARY

The policies identified in this dashboard can, in most cases, either be funded through existing departmental underspends, leveraging existing budgets more effectively and utilising appropriate fiscal tools (e.g. profits for Arms-Length bodies and Community Infrastructure Levy). As such the additional cost through these schemes is relatively low - around a few hundred million pounds per year - however the benefits could be substantial. Overall, the health benefits that could be generated through this plan are estimated to equate to around £6bn a year. This figure is a representation of the value of the improvement in health and wellbeing to individuals rather than a direct increase to the size of the economy. These benefits are different from savings to the NHS as they are a financial approximation of the value of health improvement to people, rather than cashable savings to the NHS. Savings to the NHS are the financial costs that would be avoided through reduced demand or the need for less expensive interventions (e.g. avoiding surgery) to the health service. Savings to the NHS through more effective use of resources would more than offset the net costs of this programme. QALYs are the number of years in good health that would be added to the general population through the interventions outlined.

CONCLUSION

Investing in home improvement is likely to have significant social benefits, particularly in relation to health, where the evidence is strongest. The multiplier effect - the additional economic, social and environmental benefits created through investing in home improvement- is also very high as we have identified in our economic briefing⁴⁴. These are exactly the type of policy interventions the UK needs to address the substantial social and environmental challenges during a period of economic and fiscal uncertainty.

The UK is facing a 'polycrisis'⁴⁵ in health and wellbeing, and this is impacting all parts of the country, but particularly the poorest and those from minority ethnic backgrounds. At the same time, the UK faces a weaker fiscal context with less money to spend.

Policy makers need to look beyond the measures that have been deployed so far and look at the fundamental drivers of poor health and wellbeing and, focus on those interventions that have the biggest multiplier effects in tackling this polycrisis. These are interventions that either directly or indirectly generate the greatest positive social, economic and environmental impact for every pound of investment. The evidence suggests that improving the quality of the UK's housing stock can both help tackle this polycrisis directly and generate substantial multiplier effects.

The UK has successfully upgraded millions of homes before, so we know how to realise this triple dividend. Through the right combination of public, private and social sector action, we can improve the lives of millions of people, create new jobs and skills and meet our commitments to the environment. This briefing outlines a policy agenda that is relatively low-cost to the government but has the potential to unlock significant benefits.

Carrying on as we are is not a solution. The evidence is clear that home improvement is a policy area that government should prioritise urgently.

44 Demos, The Triple Dividend: Part One - Boosting the British Economy, August 2023

45 multiple overlapping and simultaneous critical events and trends

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