

**Meeting:** Environment, Economy, Housing and Transport Board

**Date:** 24 January 2023



## Housing standards

### Purpose of report

This report summarises the LGA's policy and improvement activity in relation to housing standards in the social and private rented sectors and seeks the Board's feedback on priorities for future activity.

### Summary

Following the tragic death of Awaab Ishak and the publication of the Coroners report, the Secretary of State wrote to council leaders and social housing providers in November 2022 calling for action in prioritising the improvement of housing conditions for private and social tenants. This report summarises the LGA's policy and improvement activity in relation to housing standards more broadly and seeks the Board's feedback on priorities for future activity.

**Is this report confidential?** No

### Recommendation/s

That the Environment, Economy, Housing and Transport Board provide their views on the priority issues for policy and improvement activity (paragraph 11 and paragraph 13) to address housing standards and how the LGA delivers those priorities.

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# Housing standards



## Background

1. Following the tragic death of Awaab Ishak and the [publication](#) of the Coroners report, the [Secretary of State, Michael Gove, has written to council leaders and social housing providers](#) calling for action in prioritising the improvement of housing conditions for private rented sector and social housing tenants.
2. The two separate letters sent to councils by Michael Gove (one in relation to damp and mould in councils' own social housing stock and one in relation to damp and mould in privately rented housing) have implications for councils who are:
  - a) Registered providers of social housing i.e. have their own stock
  - b) Local housing authorities who have a duty under the Housing Act 2004 to keep housing conditions in their area under review with a view to identifying any action that may need to be taken by them under the Act.
3. Following the initial letter from Michael Gove, registered providers of social housing were [written to](#) by the Regulator of Social Housing with a request for information by 19 December 2022.
  - a) Providers owning 1,000 homes or more were asked to provide evidence of:
    - i) their approach to assessing the extent of damp and mould issues in their homes
    - ii) their most recent assessment of the extent of damp and mould hazards
    - iii) the action they are taking to remedy them
    - iv) the process they have to identify and deal promptly with damp and mould cases when they are raised by tenants.
  - b) Providers with fewer than 1,000 homes have been instructed to inform the regulator immediately if they are not taking action to remedy damp and mould issues, or do not have a comprehensive understanding of the extent of potential damp and mould issues in their homes.
4. Separately, councils who are local housing authorities received a second letter from DLUHC officials with a request to provide more information on what is required in relation to their assessment of damp and mould issues (and action being taken) affecting private rented sector homes. An initial high-level response was due by the 30 November 2022 and a more detailed response is due by 27 January 2023. The government worked with local authorities and the LGA to develop the response form.
5. In October 2021, the Housing Ombudsman published its [spotlight report](#) on damp and mould which made a series of recommendations for landlords. The Housing

Ombudsman recently [wrote](#) to social landlords about complaints relating to damp and mould and asked them to renew their focus on the recommendations in its Spotlight report. The Ombudsman also continues to share findings from its [review of complaints](#), as well as sharing [good practice](#), for example how swift or timely action by landlords can impact complaint outcomes positively.

6. More broadly, the government published a [white paper](#) in June 2022, which sets out its plans to reform the private rented sector and level up housing quality. As part of this, the government has recently [consulted](#) on the introduction and enforcement of a Decent Homes Standard in the private rented sector in England (it currently only applies to the social housing sector). The LGA [response](#) to the consultation was broadly supportive of the introduction of the standard, but stressed the need for any new responsibilities on councils to be supported by upfront and adequate new burdens funding.
7. During 2021 and the early part of 2022, the government also convened a working group, including the LGA, to help review and update the Decent Homes Standard. However, this group has not met since. In its consultation on introducing the Decent Homes Standard in the private rented sector, the government reiterated its commitment to a review of the Decent Homes Standard and have said that further details will be set out in due course.
8. The Social Housing Regulation Bill also continues its way through parliament. This legislation will strengthen the powers of the Social Housing Regulator to improve standards by taking a more proactive, regulatory approach. In particular, this will enable the Regulator to undertake periodic inspection of landlords with more than 1,000 homes. The Regulator has now confirmed it is currently undertaking some [pilot inspections](#), including Eastbourne Borough Council and Folkestone and Hythe Borough Council.

## **Progress to date**

9. The LGA and our partners have had some success in highlighting the opportunities and challenges for improving the quality of housing standards in both the social and private rented sectors. For example:
  - i) The government [recognised](#) the impact that a rent increase below CPI+1% would have on the ability of councils to invest in new and existing social housing and provide decent homes and services to tenants. The impact was robustly evidenced in the [LGA's response to the consultation](#). Whilst still going ahead with a rent ceiling below CPI+1%, it decided on a 7% ceiling, rather the government's previously preferred option of 5%.
  - ii) Recognition by the [Levelling Up, Housing and Communities Committee](#) of the competing financial pressures on social housing providers and the challenges relating to the age and design of stock, aggravated by the lack of funding for regeneration and the shortage of new social housing.
  - iii) The LGA has commissioned Savills to undertake research to assess the challenges to council Housing Revenue Accounts (HRA) relating to income, expenditure and the Right to Buy scheme. The income research, as mentioned

in i) was used to support our social rent cap consultation response. The findings and policy recommendations of the full set of research will support our work to secure further reforms to ensure the long-term sustainability of HRA and adequate investment in existing and future stock.

- iv) In its June 2022 [‘A fairer private rented sector’ white paper](#) the Government announced its commitment to introduce a new Property Portal for the private rented sector and strengthen local councils’ enforcement powers and ability to crack down on criminal landlords.
  - v) Providing [written evidence](#) to the Levelling Up, Housing and Communities Committee for its inquiry on reforming the private rented sector. Alongside this we are currently reviewing and updating our evidence base to make the case for additional fiscal, policy and capacity support to support councils’ role in improving quality in the private rented sector.
  - vi) The National Audit Office report on [‘Regulation of Private Renting’](#), which the LGA contributed to, highlighted the importance of the government having an overall vision and strategy for the regulation of private renting; the need for a review of the adequacy of current local authority enforcement powers and the need to improve the quality and availability of data to support decision-making.
  - vii) Councillor Renard met Richard Blakeway, the Housing Ombudsman in October 2022, where it was agreed that the LGA would continue to work with the Ombudsman to share learning across the local government sector – this will include a webinar on complaints handling in housing in March 2023.
  - viii) The Office for Health Improvement and Disparities (OHID) used the LGA’s toolkit on improving the private rented sector to frame a project in the South West on local government mechanisms to improve the health of tenants in private rented housing.
  - ix) The Government has committed to a £3.8bn Social Housing Decarbonisation Fund over a 10-year period, to improve the energy performance of social rented homes. The SHDF will contribute to improving housing standards through delivering warm, energy-efficient homes, as well as reducing carbon emissions, tackling fuel poverty, and supporting green jobs.
  - x) Councillor Renard chaired a webinar on the Social Housing Regulation Bill in November 2022, where he was able to promote the work we are doing to support councils to improve their housing management services and engagement with tenants through the delivery of our [social housing management peer challenge](#) and [promotion of best practice](#).
  - xi) We have also produced guidance on [good practice in tenant engagement](#) and the crucial role of local leadership in developing a culture of tenant involvement.
10. The LGA continues to work with professional and regional bodies, as well as with relevant Government departments, to discuss relevant issues and possible solutions on housing standards – including those relating to damp and mould in tenanted properties.

## Policy asks

11. The headline policy asks in relation to quality in the social housing and private rented sectors are summarised below:

- i) **There needs to be an urgent shared local and central government understanding about the current and future capacity of Housing Revenue Accounts (HRAs) to deliver on wide-ranging government priorities.**

The self-financing settlement in 2012 distributed debt to stock-holding local authorities on the assumption that anticipated rent income would be sufficient to fund works to raise all homes to the Decent Homes Standard (DHS) and maintain them there, and to pay off debt over a 30-year period. The settlement is now ten years old, and its underlying income and expenditure assumptions have both been superseded.

Additional expenditure needs, combined with the government's policies on rent setting and Right to Buy are increasingly impacting on councils' ability to deliver their responsibilities as local housing authorities, as well as their housing delivery ambitions, creating a 'perfect storm'. It is likely that trade-offs will need to be made between these competing priorities in the current financial climate. If councils are to deliver on the wide range of government agendas that impact on council housing (building safety, fire safety, decarbonisation, housing quality, new supply) additional government investment or increased flexibilities to raise additional income will be needed. For example, additional funding for estate regeneration; a long term rent deal; preferential Public Works Loan Board (PWLB) rates; reform to Right to Buy – including 100 per cent retention of receipts from sales and setting discounts locally. The LGA's ['Delivery of council housing'](#) report published in 2020 referenced these and a number of other policy and fiscal interventions that would be helpful.

- ii) **Councils need a more effective regulatory function to improve quality standards in the private rented sector**

There have been a number of reports published that have clearly highlighted the challenges and opportunities in relation to the regulation and enforcement of quality standards in the private rented sector, as highlighted in paragraph 10. The LGA has welcomed the broad direction of travel outlined in the Government's ['A fairer private rented sector' white paper](#) and now calls for its urgent implementation. This includes the introduction of a new Property Portal for the private rented sector and strengthening of local councils' enforcement and oversight powers and ability to crack down on criminal landlords. This could for example include increased Civil Penalties (currently capped at £30,000) and removing the requirement for Secretary of State approval for larger selective licensing schemes.

A resources and skills strategy will also be crucial in enabling councils to deliver on their ambitions to drive up the quality of private rented sector stock in their areas. This is particularly pertinent in light of the results of the [Chartered Institute of Environmental Health workforce survey](#), which highlighted the lack of

resources within environmental health teams, tightening budgets and difficulties with recruitment of experienced and qualified practitioners.

## Improvement and support offers

12. The LGA currently provides the following advice and support to councils which can assist in support councils to address and drive up housing standards:
  - i) A social housing management peer challenge to help stock-holding councils to improve their management of social housing.
  - ii) Funding through the [Housing Advisers Programme](#) which allows the provision of bespoke expert support to councils on local housing challenges - this could include improving the quality of homes.
  - iii) Online resources accessible from the LGA website including the [toolkit](#) for improving quality in the private rented sector, [case studies](#) on previous Housing Advisers Programme projects and [guidance on engaging and empowering tenants](#).
  - iv) Information and best practice sharing through social housing and private rented sector professional networks.
  - v) Training to support councillors through our [Leadership Essentials programme](#) on housing – which covers leadership on housing quality.
  - vi) Regular webinars to update councillors and officers on key regulatory and legislative changes, as well as sharing best practice.
13. The LGA has identified a number of additional support offers that it could provide to councils, subject to the identification of funding. These could include:
  - i) development of additional best practice and knowledge sharing groups, for example on Selective Licensing
  - ii) interactive mapping of private rented sector enforcement activity to support benchmarking and sharing of practice
  - iii) updated guidance on effective tenant engagement
  - iv) expanded roll-out of the social housing management peer challenge
  - v) collaboration on potential expanded roll-out of the [housing enforcement qualification](#) to build further workforce capacity in the sector

## Implications for Wales

42. Housing is a devolved policy area but any steps to improve housing conditions in England could also be relevant to Wales. We will be working with the Welsh LGA policy colleagues to share good practice and experience.

## **Financial implications**

43. All activities listed in this report will be implemented within existing budgets, apart from those referenced at paragraph 13. These will be subject to funding negotiations with DLUHC.

## **Equalities implications**

14. Poor quality housing has the potential to have negative impacts on people with protected characteristics: for example, damp and mould and cold homes can impact children, older people and people with disabilities.
15. The LGA will ensure that its policy and improvement work to address housing standards, takes into particular consideration the impacts on people with protected characteristics.

## **Next steps**

16. That the Environment, Economy, Housing and Transport Board provide their views on the priority issues for policy and improvement activity (paragraph 11 and paragraph 13) to address housing standards and how the LGA delivers those priorities.