



GM PLANNING AND HOUSING COMMISSION

Date: **21 MARCH 2023**

Subject: **GMCA DAMP AND MOULD UPDATE**

Report of: **STEVE RUMBELOW, GMCA PORTFOLIO LEAD CHIEF EXECUTIVE,
PLACED-BASED REGENERATION AND HOUSING**

Purpose of Report

This paper updates Members on GMCA correspondence with the Department for Levelling Up, Housing and Communities and their request for information about housing conditions in Greater Manchester, primarily assessing the damp and mould issues affecting privately rented properties including the prevalence of category 1 and 2 damp and mould hazards under the housing health and safety rating system (HHSRS). It also provides an update on the £14.9 million Social Housing Quality grant funding announced to GMCA on 25 January 2023 by the Levelling Up Secretary of State.

Recommendations:

Members are requested to:

1. Note the contents of the report.

Contact Officers

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1. Introduction/Background

1.1 The tragic death of Awaab Ishak in Rochdale needs to be a defining moment for the housing sector and has reinforced the need for action to improve housing conditions in the rented sector. As part of its programme to improve the quality of housing, government asked registered housing providers, local authorities and combined authorities to report on conditions in their social and private rented sectors. This note updates members on recent dialogue with Department of Levelling Up, Housing and Communities (DLUHC), namely the GMCA returns to the requests for information about housing conditions in Greater Manchester, primarily assessing the damp and mould issues affecting privately rented properties including the prevalence of category 1 and 2 damp and mould hazards under the housing health safety rating system (HHSRS). It also provides an update on the £14.9 million Social Housing Quality grant funding announced to GMCA on 25 January 2023 by the Levelling Up Secretary of State.

2. DLUHC requests for information

- 2.1 Local and combined authorities were sent a direction letter by Michael Gove, Levelling Up Secretary of State on 19 November 2022¹, requesting an early update on work to tackle the damp and mould issues. The letter asked authorities to review housing conditions in their area, reporting specifically on damp and mould issues. GMCA responded on 30 November 2022 outlining ongoing work to improve housing conditions particularly in the private rented sector. The GMCA letter is appended at Annex A.
- 2.2 This was followed up by DLUHC on 22 December 2022 with a more detailed request for information about housing standards in rented properties in England and an accompanying questionnaire for completion. The GMCA response submitted on 27 January 2023 is available at Annex B.

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1118877/SoS_letter_to_local_authority_chief_executive_and_council_leaders.pdf

3. Social Housing Quality Funding

- 3.1 On 25 January 2023, the Levelling Up Secretary of State, gave a speech to the Convention of the North around the quality of social housing² reaffirming the Levelling Up mission to improve the quality of every home. At the Convention he announced Government will allocate £30 million to Greater Manchester and the West Midlands for urgent decency work to tackle health hazards in social housing, particularly around damp and mould.
- 3.2 Dialogue with DLUHC since the announcement has confirmed GMCA and West Midlands Combined Authority will each receive £14.9 million grant funding.
- 3.3 DLUHC officers confirmed GMCA will retain discretion over how funding is allocated across the social housing stock in Greater Manchester as long as the funding is spent on making improvements in the quality of social housing. It is anticipated that funding will be released to GMCA in the early 2023/24 financial year and funded works will need to be carried out in quarters 1 and 2.
- 3.4 The funds will be awarded to GMCA to pass through to social housing providers on the basis of evidence about urgent works needed to homes to deal with severe health hazards to residents.
- 3.5 It is hoped to have a clearer view of timelines on the funding by the GM Planning and Commission meeting on 21 March 2023, where officers will update members on the latest developments.

² [Levelling Up Secretary's speech to the Convention of the North - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/speeches/levelling-up-secretary-s-speech-to-the-convention-of-the-north)

Annex A

Rt Hon Michael Gove MP
Department for Levelling Up, Housing & Communities
4th Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

30 November 2022

Dear Secretary of State

HOUSING STANDARDS IN RENTED PROPERTIES IN ENGLAND

- 1 Your letter of 19 November requested an early update on our work to tackle the damp and mould issues, in response to the tragic death of Awaab Ishak in Rochdale. We endorse the view of the coroner that this needs to be a defining moment for the housing sector, and fully support your desire to see urgent action across both social housing and the private rented sector. While detailed conversations continue locally in Rochdale, we are also closely engaged at city region level with the Greater Manchester Housing Providers (GMHP) around the collective and individual response of social housing providers in Greater Manchester, to ensure that provides our communities with the action and assurance that they deserve, and that the working and strategic relationships between local authorities, social housing providers, the health system, and the broader public sector provide an effective and coherent service to residents. That work will continue.
- 2 We are ready to work with Government to develop new solutions and, as you will be aware, included proposals in our **devolution trailblazer** submission for a ‘housing quality pathfinder’ with the intent of co-producing with relevant Departments a model to tackle poor conditions in the private rented sector specifically, and for a new strategic approach to the funding and delivery of housing retrofit.

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- 3 As a Combined Authority, our key role is to support the ten GM districts and our partners in the city region to make positive progress with the powers and resources we can collectively bring to bear. Our 2019-2024 GM Housing Strategy highlighted the importance of the home for the health and wellbeing of people of all ages, and in March last year we signed a tripartite [‘Better Homes, Better Neighbourhoods, Better Health’](#) agreement with GM Housing Providers and the then GM Health & Social Care Partnership. This provides a framework for more specific action on a wide range of health and housing issues.
- 4 Particularly relevant is the development of a **‘Healthy Homes Service’** to be run locally in all ten districts, with the aim of reducing the pressures on health and social care by supporting vulnerable households in the private sector where their home is adding to concern about their health and wellbeing. Transition plans are currently being developed for each of the ten GM districts to map out the steps, capacity and funding to deliver the step up necessary to deliver the baseline service while retaining local control, delivery and flexibility to match the circumstances of each community.
- 5 In relation to the private rented sector (PRS), we have allocated £1.5 million of CA funds generated by the operation of our devolved GM Housing Investment Loan Fund to our **‘GM Good Landlord Scheme’**. This is focused on practical steps we can take at GM level to improve the quality of the PRS. The Scheme’s primary purpose is **strengthening council enforcement against bad landlord practice and poor conditions**, with 75% of the funding initially earmarked for enforcement. Tackling the ongoing shortage of qualified housing standards enforcement officers is seen as a prerequisite of any other measure. The Scheme is funding two projects to reverse the current shortage, which will jointly deliver up to twenty newly qualified enforcement officers over the next three years. The projects will deliver:
 - i. Ten new housing standards enforcement trainees. These entry-level posts, delivered across GM, will include an enforcement apprenticeship followed by additional advanced training. Recruitment is scheduled to begin in January with the apprenticeship expected to start next spring
 - ii. New on-the-job training for existing officers. This year-long course, developed by the Chartered Institute for Environmental Health and the Greater London Authority and delivered remotely by Middlesex University, is designed to help officers move into or progress within housing standards enforcement. The first six trainees began the course in September.

Although GMCA believes the scheme to be a unique intervention amongst combined authorities, the funding clearly cannot undo cuts to local authority budgets and is well below the level needed to increase the size of enforcement teams to keep pace with the growth of the private rented sector.

- 6 GMCA officers have also been working with council colleagues over the summer to look at how some of the barriers to introducing additional Houses in Multiple Occupation (HMO) licensing and selective licensing schemes can be removed and what support the Combined Authority can provide. Although licensing has been available for several years, making use of it requires time and investment that enforcement teams facing growing demands struggle to find. For example, gathering the required evidence and conducting the consultation required for a new selective licensing scheme can cost several hundred thousand pounds in direct costs and staff time. The enhanced enforcement tools project will provide funding and support to councils from the CA to help overcome this barrier.
- 7 This dovetails with the **enforcement pathfinder** project, DLUHC funding for which was confirmed last week in advance of your visit to Rochdale. We are grateful for the £2.12m of support which will be used to fund investment into enforcement teams to recruit more officers across GM and free up capacity for increasing civil penalty use. Additionally, the local enforcement pathfinder will deliver a programme of training and improved equipment and will consider improved approaches responding to appeals and debt recovery. The pathfinder will seek to determine whether fines revenue from civil penalties can be a reliable funding source for further enforcement, which could provide evidence of nationally significant importance. The pilot will provide a route to informing national policy that may also be directly or indirectly creating barriers to effective enforcement. For example, it is widely reported that backlogs in the First-Tier Tribunal (Property Chamber) are significantly delaying appeals and the point at which fines become liable to be paid. We are now working with GM councils to implement the pilot. Given the shortage of skilled officers noted above, extra work is needed to ensure that recruiting large numbers of new enforcement officers over a short period is successful. The likely timetable is for new officers to be in place towards the start of the 2023/24 financial year.
- 8 Our work to **improve standards of social housing** has focused mainly on accessing funds for low carbon retrofit, with a focus on collaborative bidding and programme delivery in an attempt to maximise delivery, impact and associated benefits in terms of skills, employment and supply chain development. Recent examples include success in a £19.5m bid (including

£9.9m grant) as part of Wave 1 of the Social Housing Decarbonisation Fund (SHDF). The funding will install building fabric improvement measures, low carbon heating and renewable energy systems across 1,286 homes. The project is being delivered by ten RP partners. SHDF Wave 2.1 funding opened in September 2022, with total funding of £800m available nationally over two years. GMCA has submitted a GM consortium bid of behalf of 18 RPs for retrofit measures to be installed in 5,485 homes, in an investment programme totalling almost £98m (including £37m grant).

- 9 GMCA also helps to provide the **evidence base** underpinning the above interventions and the work of our partners. Following a successful bid for LGA Housing Advisers Programme funding topped up by our own resources, we commissioned Parity Projects and a consortium of researchers to undertake modelling of GM's entire housing stock. This was intended in part to inform decisions on routes to retrofitting the housing stock of the city region, but also included as part of the analysis an assessment of the probability and severity of HHSRS risks in each of the 1.2 million homes in GM. This has provided district colleagues and other partners with a detailed picture of the issues likely to be found in the housing stock across all tenures, which they are using to guide and prioritise enforcement activity.
- 10 Specifically for damp and mould hazards, this work suggested that around 14.5% of GM homes have a modelled likelihood score of over 0.75 for increased damp and mould risk. This data was modelled by Parity Projects knowing the characteristics and types of properties that have a propensity for damp and mould; the resulting classifier does not necessarily therefore predict the presence of a category 1 hazard in any particular property, but instead aims to highlight homes that should be investigated further. The proportions were relatively higher in the PRS (25.8%) and lower in social housing (13.3%). Parity Projects highlighted that they were most confident in predicting the likelihood of the prevalence of six of the 18 HHSRS hazards, and it must be noted that damp and mould was not one of those six. We are working now to extract as much granularity as we can from this modelling to aid local authorities and other partners in targeting properties and households most likely to be at risk from damp and mould, and will report further in January.
- 11 We welcome close attention from Government on this issue, which speaks to a number of connected and overlapping pressures on our housing system. Social housing providers face a series of competing priorities – building safety post-Grenfell, retrofit to reduce carbon emissions and fuel poverty, the need to invest in new build to meet rising housing need – while their finances have been squeezed in recent years by rent freezes and the recent

confirmation of a below inflation rent increase in April. While the need to protect tenants from rising costs is supported, consequent savings to DWP budgets through reduced Housing Benefit/Universal Credit costs should be recycled into investment in improvement programmes. (We estimate that around £30m of the £47m reduction in RPs' rental income for GM RPs due to the 7% cap will return to Government, just in the first year). Additional capital funding from the public sector is focused largely on new build, with only limited capital programmes aimed at carbon reduction available for stock improvements. These are typically targeted according to EPC ratings, making it hard to focus them on dealing with specific challenges such as damp and mould. Government should consider whether the scale of the issues being seen in social housing require a review of the investment tools it is deploying, and whether there are elements of the social housing stock whose age, design and scope to bring up to modern standards is such that a return to some capital programme support for regeneration and redevelopment is justified. Our ongoing devolution trailblazer discussions offer a route to exploring and co-designing solutions to these connected issues.

- 12 For those households unable to access the limited supply of social housing lets, the private rented sector is in effect left as the safety net to provide a roof and a home for those whose incomes are too low to find that in the market. The Renters' Reform Bill promises several vital steps forward in the regulation of the sector, including reform of Section 21 and the Property Portal. The review of the Decent Homes Standard and it's extension to the PRS is another opportunity to ensure that regulation is clear, relevant and reflective of the expectations we have for people's homes, given what the pandemic has taught us about the impact they have on physical and mental health. These begin to provide our enforcement teams with the levers they need to bear down more effectively on the poor standards we know exist in the sector, and we urge you to ensure those measures are accompanied by sufficient resources to allow us to ensure our communities are able to find safe, decent and affordable homes in the PRS. We look forward to working with Government to ensure that is the case.

Yours sincerely



Eamonn Boylan
Chief Executive
Greater Manchester Combined Authority

Annex B

Stephanie Kvam
Deputy Director, Private Rented Sector
Department for Levelling Up, Housing and Communities
Fry Building
2 Marsham Street
London SW1P 4DF

27 January 2023

HOUSING STANDARDS IN RENTED PROPERTIES IN ENGLAND

I refer to your letter of 22 December to Chief Executives of local authorities, and to the enclosed questionnaire for completion. As a Combined Authority we do not directly engage in housing enforcement, which is dealt with by the ten district local authorities within Greater Manchester. We have not therefore completed the full questionnaire.

Nonetheless, as my letter of 30 November to the Secretary of State set out, we do work very closely with our colleagues in the districts to offer both strategic and practical support where we can. Our Good Landlord Scheme, funded from surplus generated by our Housing Investment Loan Fund, is focused on strengthening the capacity available to districts to undertake enforcement against landlords of poor quality homes. We very much recognise the importance of the quality of our residents' homes to their ability to live healthy, fulfilled lives, and we welcome the announcement at the Convention of the North of a further £15 million of funding to tackle Category 1 hazards in social housing stock in the city region. We are also grateful for recent confirmation of funding for an Enforcement Pathfinder looking to test the potential further application of civil penalties as a lever to encourage compliance from private landlords. Our conversations with you continue around our devolution trailblazer proposals, which include a series of measures constituting a 'housing quality pathfinder'.

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In that context, we wanted to respond on some of the questions raised in the questionnaire where we can perhaps add to the information that you will be receiving from our district colleagues, and these are attached.

One important point should be added. We do understand that there is value in gathering data about the use of formal enforcement tools available to local authorities, and we welcome the recognition apparent from the questions that capacity constraints are among the key factors limiting impact in this area of local authority work. We hope that is a precursor to a much-needed expansion of support from Government to authorities. However, we would caution that the numerical data you collect may not provide the full picture. Effective interventions need to be judged primarily on their impact on landlord behaviour and tenant experience of renting. In many cases, that is best achieved not through issue of notices or civil penalties, but by persuasion, encouragement and advice. That is not so easily recorded or measured, but in value for money terms is almost always preferable if it can be achieved.

If you wish to discuss these issues further, Steve Fyfe (Head of Housing Strategy) and John Bibby (Principal, Private Rented Sector) would be happy to do so – steve.fyfe@greatermanchester-ca.gov.uk and john.bibby@greatermanchester-ca.gov.uk

Yours sincerely

Eamonn Boylan
Chief Executive
Greater Manchester Combined Authority

Damp and mould in private rented properties: Greater Manchester Combined Authority

3. Number of PRS properties: 2021 Census shows that there are 242,084 PRS properties in Greater Manchester, accounting for 20.55% of all households. The private rented tenure reported the greatest increase in households across Greater Manchester in the period 2011 to 2021, with 60,989 more households, which is a 34% increase.

4. Data sources to inform knowledge of the quality and condition of PRS stock in our area?

We commissioned work led by Parity Projects in 2020-21 to provide us with a firmer evidence base to base strategic and investment decisions on interventions in housing quality. This focused on effective routes to retrofitting GM's housing stock (across all tenures) to reduce carbon emissions and improve energy efficiency and affordable warmth for residents. It included work to model each property in the city region on a range of variables, including HHSRS risks.

The richness and availability of data suitable to input into the model determined the extent and granularity at which the model's outputs can be relied upon. The complex causes and nature of damp and mould make it more challenging to model in this way than other HHSRS hazards, and we need therefore to be cautious in interpreting the data. Nonetheless we have been able to work with Parity and Bays Consulting to produce 'heat maps' of damp and mould risk to inform the ten GM districts. A GM map is attached which illustrates the approach.

There are potential routes to improving collective knowledge of the quality and condition of PRS stock which Government could follow. Increased sample sizes for the English Housing Survey could provide a richer baseline dataset at a national level, and make it a more reliable resource below regional level. The proposed PRS Property Portal will be a major step forward in allowing local authorities to identify all PRS stock, and could usefully hold further relevant information in an accessible way – e.g. connecting EPC, electrical and gas safety information in each property. Through our devolution trailblazer discussions, we would hope to be able to explore with DWP whether data they hold could add to a richer picture of the PRS at granular level. There may be other data sources that could add further, perhaps using the Property Portal as a framework – for example from energy providers around homes that have been disconnected from gas?

33. Please rank in priority order (1 - the highest impact / 6 - the least impact) how the following have had an impact on enforcement action relating to damp and mould in your area

a) Capacity of your local authority. i.e. resource and funding hindering capacity to take enforcement action relating to damp and mould: **1**

- b) Experience and expertise in the local authority. i.e. a lack of officers with experience, for example, experience pursuing prosecutions or expertise within the team including, for example, legal expertise: **2**
- c) Strategic prioritisation of private rented sector enforcement. i.e. competing priorities leading to relatively lower prioritisation of enforcement action or proactively enforce: **6**
- d) The regulatory/ legal framework for enforcement activity. i.e. too much complexity in legislation: **4**
- e) Issues with gathering or providing evidence. i.e. tenants reluctant to provide statements or difficulties gathering the requisite evidence for issuing a fine or prosecuting: **5**
- f) Limited data on the private rented stock.i.e. difficulties identifying private rented properties or insufficient resource to map out private rented stock: **3**

34. Please say why you have ranked the items on question 33 in this order

GMCA does not have enforcement powers itself. The prioritisation above reflects our understanding of feedback to the combined authority from GM councils when we consulted on barriers to improving PRS enforcement in GM to inform the design of the GM Good Landlord Scheme.

A lack of capacity was generally seen as the most significant barrier, but also the most difficult to overcome without significant new government funding as capacity and resourcing was recognised as a problem across local government. The other barriers were related to the problem of capacity to a greater or lesser extent. For example, the skills crisis was seen as having been created by a lack of opportunities/recruitment in enforcement teams over a decade, which had led to the withdrawal of local environmental health degree courses. The lack of data on the rented stock was seen as a problem as it led to officers using scarce resources trying to track down landlord contact details, etc.

35. Does the Housing Health and Safety Rating System (HHSRS) allow for an effective assessment of how serious and dangerous damp and mould is in people's homes?

No

36. If not, what changes should be made to the HHSRS, to the system for categorising hazards or to enforcement powers under the Housing Act2004?

Our understanding from enforcement officers working across GM is that the risk assessment of damp and mould in HHSRS is out of date. As GMCA does not employ our own enforcement officers or experts in public health, we are not best placed to advise how this problem is remedied.

37. What other measures would help you to better prioritise addressing housing enforcement issues such as damp and mould?

If we are to address damp and mould, they should not be seen as an enforcement issue alone. A range of other interventions are needed to address the factors currently exacerbating the risk of damp and mould. For example, the shortage of social housing is contributing to an increased risk of overcrowding and consequent risk of damp and mould, where the problem with the home is one of suitability not fabric. Only a significant uplift in social housing delivery will overcome this problem. Likewise, households that find it difficult to afford to properly heat and ventilate a property are at increased risk of damp and mould. Government action could help to overcome this through e.g. uprating Local Housing Allowance so fewer low income households in the PRS are forced to top up their rent from subsistence benefits; setting out how energy performance in the PRS will be improved in line with announced ambitions.