

Greater Manchester Combined Authority

DATE: 30 June 2023
SUBJECT: Social Housing Quality Fund
REPORT OF: Cllr Gerald Cooney, Portfolio Lead for Housing

PURPOSE OF REPORT

This report updates GMCA on the £15 million Social Housing Quality grant funding announced to GMCA on 25 January 2023, and seeks approval of the proposed approach for the allocation and monitoring of funding to social housing providers in Greater Manchester (including stock-holding GM local authorities/ALMOs).

RECOMMENDATIONS

The GMCA is requested to:

1. Note the receipt of £15 million Social Housing Quality Funding
2. Approve the proposed approach and process for allocating grant to social housing providers in Greater Manchester
3. Approve delegation to GMCA Chief Executive in consultation with the Portfolio Leader and Chief Executive for Housing to ensure rapid release of funding to allow urgent works to be undertaken.

CONTACT OFFICERS

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Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

- a) Note the receipt of £15m Social Housing Quality Funding
- b) Approve the proposed approach and process for allocating grant to social housing providers in Greater Manchester
- c) Approve delegation to Chief Executive in consultation with the Portfolio Leader and Chief Executive for Housing

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation		
Equality and Inclusion	G	The English Housing Survey shows a disproportionate number of households/people with the protected characteristics live in rented housing: young people, people with black, Indian, Pakistani or Bangladeshi, or other ethnic minority group, and people with long term illness or disability. The English Housing Survey shows that people living in social housing are significantly overrepresented in the lowest two income quintiles. Housing Providers in receipt of the Social Housing Quality Fund grant are required to conduct extensive tenant engagement to ensure the views of tenants are heard and to secure buy in on the proposed measures to the home. Improved conditions in social housing will improve the quality of neighbourhoods and support a more stable base for communities to grow stronger.		
Health	G	The impact of bad housing, and damp and mould hazard in particular, can put individual's physical health at risk in a significant number of different ways. Funding improvements to social housing will improve the quality of homes by addressing damp and mould hazards and the risk of hazards in the social homes included in the programme. Poor quality housing can take a significant toll on mental health, such as the stress and worry created by damp and mould hazards posing a physical threat to health. Poor housing can impact a household's ability to enjoy a full social life. For example, concerns about the safety of a home, or a sense of shame or feeling of stigma as a result of it, can lead to a reticence to invite friends or visitors.		
Resilience and Adaptation	G	Action to improve social housing should positively affect physical and mental health. The relationship between the quality of homes and households' ability to withstand disruption was emphasised during COVID. Improved homes enable people to withstand disruption that requires them to spend more time in their homes.		
Housing		The primary aim of the funding programme is to improve the quality of existing social homes. The proposal will support social landlords in meeting their Decent Homes Standards duty through funding works to improve the condition of homes.		
Economy	G	Economic activity will be generated by the property investment works to social homes and the associated supply chain. Employment opportunities will be generated by the property investment works to social homes and the associated supply chain. The funding will provide employment opportunities within the construction sector and supply chain for the property investment works to social homes.		
Mobility and Connectivity				
Carbon, Nature and Environment	A	During property works to social homes there may be negative impacts to the level of noise pollutants in the environment. Delivering fabric improvements to social housing will have positive impacts to the energy efficiency of homes and therefore on heat demand and carbon emissions.		
Consumption and Production				
Contribution to achieving the GM Carbon Neutral 2038 target		Delivering fabric improvements to social homes to address damp and mould issues will support the energy efficiency of homes and should have a positive impact on heat demand and carbon emissions from the home.		
Fur	G Positive impacts overall, whether long or short term.	A Mix of positive and negative impacts. Trade-offs to consider.	R Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR Negative impacts overall.

Carbon Assessment		
Overall Score		
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance		The funding will address damp and mould hazards and risks in social housing and will not capture EPC ratings, although undoubtedly will bring about improvements to the energy performance of homes. Housing Providers must increase the minimum efficiency rating to EPC C by the end of the decade. ²
New build non-residential (including public) buildings	N/A	
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	
No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.
		Partially meets best practice/ awareness, significant room to improve.
		Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management

Key risks for the funding programme described in this report are:

- Reputation:** Failure to deliver on the objectives of the funding programme will affect GMCA's relationship with the Department of Levelling Up, Housing and Communities and may affect our ability to secure future funding into the region.
- Financial:** Funding clawback may apply where funded works are not delivered on time.
- Market Sustainability:** Having several housing providers completing physical improvements to their social homes may create capacity issues in the supply chain. Inflationary pressures may impact the deliverability of schemes. Although grant recipients are asked to factor both issues into their funding bids to provide deliverability assurance.
- Capacity:** There is no formal revenue support as part of the funding programme and programme management resources will need to come from existing team resource at GMCA. Likewise grant recipients are not able to request revenue support as part of their bids and will need to account for this within their organisational business planning.

To mitigate this risk, the Planning and Housing Team have dedicated Project Management support to oversee all of this work, supported by a project team and reporting into the Senior Responsible Officer for the grant.

Legal Considerations

Legal advice has been taken on onward grant agreements, procurement and information governance considerations where required.

Financial Consequences – Revenue

GMCA will be resourcing the work required to manage the funding programme, with the exception of a small contribution to evaluation costs which DLUHC have confirmed can be taken from the funding allocation.

Financial Consequences – Capital

GMCA will receive £15 million capital funding from DLUHC to allocate to social housing providers in GM, with a small percentage of the funding available for evaluation and monitoring purposes.

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

NA

Background Papers

NA

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

NA

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

GM Transport Committee

NA

Overview and Scrutiny Committee

NA

1. BACKGROUND

- 1.1 On 25 January 2023, Michael Gove, Levelling Up Secretary of State, gave a speech to the Convention of the North around the quality of social housing.¹ With the tragic death of Awaab Ishak in Rochdale reinforcing the need for action, he reaffirmed 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.
- 1.2 The Department of Levelling Up, Housing and Communities (DLUHC) confirmed GMCA and West Midlands Combined Authority will each receive £15 million grant funding. We have advised DLUHC that we will be able to make use of up to £15 million on projects consistent with the remit, supporting improvements in the quality of social homes, that we can ensure that the projects represent value for money, and that the outcomes will be assessed through an appropriate evaluation process.

2. DLUHC FUNDING CRITERIA

- 2.1 In a Memorandum of Understanding (MOU) between DLUHC and GMCA, DLUHC confirms capital-only financial support will be available to local authorities and/or registered providers of social housing in Greater Manchester towards expenditure in relation to improvements in the physical decency of social housing with a focus on serious hazards including damp and mould. The funding is provided for the 2023/24 financial year only.
- 2.2 The MOU confirms GMCA will have responsibility and accountability for the allocation of the funding, including discretion over the funding criteria as long as it satisfies the requirement of making improvements in the quality of social housing in GM.

¹ [Levelling Up Secretary's speech to the Convention of the North - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/speeches/levelling-up-secretarys-speech-to-the-convention-of-the-north)

2.3 GMCA received the funds from DLUHC on 12 June 2023 and will pass through to social housing providers (RPs and local authorities/ALMOs) in Greater Manchester on the basis of evidence about urgent works needed to homes to deal with health hazards to residents.

3. GMCA APPROACH TO FUNDING ALLOCATION

3.1 A process has been set out to allow funds to be provided swiftly to social landlords with stock in Greater Manchester who can evidence that they have damp and mould issues.

3.2 The following sections outline our initial proposed funding criteria, recommended approach to prioritising funding, indicative timescales and the proposed process for delivery. It takes learning from the administration of the Green Homes Grant and Social Housing Decarbonisation Fund.

(i) Proposed GMCA Funding Criteria and Prioritisation

3.3 The primary objective of this programme is to improve the physical decency of social housing, targeted at homes with serious damp and mould hazards. GMCA wants to maximise the impact of the funds available on those properties and households currently facing housing health and safety rating system (HHSRS) Category 1 or 2 hazards² of damp and mould growth.

3.4 It is recommended that all social housing providers in Greater Manchester (including stock-holding GM local authorities/ALMOs) are eligible to apply for funding to improve the physical decency of their stock GM. The funding is recommended to be allocated to eligible applicants, requiring a minimum 25% match funding, and prioritised as follows:

- Band 1: Dealing with Category 1 damp and mould HHSRS hazards;
- Band 2: Dealing with Category 2 damp and mould HHSRS hazards facing vulnerable households;
- Band 3: Dealing with other Category 2 damp and mould HHSRS hazards;

² The housing health and safety rating system (HHSRS) is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. It was introduced under the [Housing Act 2004](#) and applies to residential properties in England and Wales. This assessment method focuses on the hazards that are present in housing.

- Band 4: Dealing with properties where tenants have reported damp and mould issues and surveys have identified remedial action required;
- Band 5: Supporting 'infill' works to properties of archetypes with vulnerable tenants where issues are known to occur and where evidence demonstrates elevated risks of hazards occurring;
- Band 6: Supporting 'infill' works to properties of archetypes where issues are known to occur and where evidence demonstrates elevated risks of hazards occurring.

3.5 It is not anticipated that bids will include large number of homes in Bands 1-3 but it is vital that any which do have HHSRS assessed hazards are prioritised for this programme. SHQF will aim to fund as many applications judged as suitable and deliverable as possible within the budget available (prioritising homes in Bands 1-3), while reserving the right to adjust the funding approach in light of the scale and pattern of bids received. Applicants will also be asked to explain the additionality of the funded work to improve the quality of social homes in their ownership, including how this will expand and/or accelerate existing investment programmes.

(ii) Indicative Timeframe and Process

3.6 GMCA received funding from DLUHC on 12 June 2023. Subject to GMCA's approval of the criteria and prioritisation set out in this paper, we will aim to complete assessment of bids by mid-August, with issue of funding decisions shortly thereafter. This is intended to achieve early start to works, with the intention (of capital works being completed in Quarter 2 to Quarter 4 FY 2023/24 (i.e. before the end of March 2024)).

3.7 A grant funding agreement will be used between GMCA and social housing providers who are successful in their bids. These will include specific targets aligned to the proposed measures and interventions included in respective bids and will include the performance reporting metrics required by DLUHC as part of their funding programme governance, monitoring and evaluation.