



Sector Update – November 2022

Awaab Ishak's Tragic Death

In a statement on Wednesday on the circumstances around the two-year-old's death, Mr Gove said he had been in touch with the MPs for Rochdale, and Heywood and Middleton to discuss finding tenants suitable accommodation.

The statement came after a [coroner ruled that Awaab died because of prolonged exposure to mould](#).

Rochdale Boroughwide Housing (RBH), which owned and managed the flat he lived in with his family, failed to do anything to fix the disrepair despite repeated complaints, the verdict stated.

Mr Gove said in his statement that the housing association's repeated failure to heed the family's pleas was a "terrible dereliction of duty".

"Worse still, the apparent attempts by RBH to attribute the existence of mould to the actions of Awaab's parents was beyond insensitive and deeply unprofessional.

"As the Housing Ombudsman has made clear, damp and mould in rented housing is not a lifestyle issue and we all have a duty to call out any behaviour rooted in ignorance or prejudice," he said.

Political Landscape

We now have another new Prime Minister, Rishi Sunak, constituency MP for Richmond (Yorkshire). He has appointed Dominic Raab as Deputy Prime Minister. Michael Gove has been re-appointed as Secretary of State for the Department of Levelling Up, Housing and Communities. Lucy Frazer MP has been appointed Housing Secretary. She has been the MP for South East Cambridgeshire since 2015.

Autumn Statement

Jeremy Hunt has given his maiden budget statement as leader of the Treasury. The chancellor of the exchequer promised a "balanced path to stability" and to get there, said he would need to "take difficult decisions".

He confirmed a 7% rent increase for April 2023. This does not apply to shared owners or private renters. The NHF said, "We support the government's decision to cap social rent increases at 7% in 2023-24. This is rightly well below CPI [Consumer Price Index] plus 1%, the standard formula for rent-setting for social housing, while ensuring housing providers can continue to deliver their core services for residents now and into the future.

Mr Hunt revealed that he would continue with this energy price guarantee but raise the threshold to £3,000, with the scheme lasting for one more year.

The documents that came after Mr Hunt's speech, also revealed that the Local Housing Allowance rate would be frozen once again. This means that they haven't been lifted since the Covid-19 pandemic.

These uplifts mean families on Universal Credit will receive an extra £600 in benefits. The chancellor also announced that he would be providing an additional £1bn for the Household Support Fund.

The fund was launched in October 2021 amid the cost-of-living crisis, to help struggling households get through the winter. It came after the £20-a-week Universal Credit uplift was cut.

In a slowing housing market, Mr Hunt's decision to keep the higher threshold for stamp duty will be welcomed by estate agents as well as housing associations with market sale homes in their development programmes.

The raising of the threshold, which was announced as a permanent measure in September's Mini Budget, effectively acts as a tax cut now.

In September, government plans increased the nil rate for all purchasers of residential property in England and Northern Ireland from £125,000 to £250,000, and for first-time buyers from £300,000 to £425,000. The Autumn Statement documents confirm that this will now be a "temporary SDLT [Stamp Duty Land Tax] reduction".

Social housing providers continue to comply with regulatory standards following regrades from RSH

Social housing providers continue to comply with regulatory standards following regrades from RSH. Their first round of annual stability checks sees a number of providers moving to V2 grades to reflect the significant economic challenges facing the sector.

Norfolk and Suffolk Devolution Deals

Chancellor Jeremy Hunt has announced a new devolution deal for Suffolk. In his autumn statement, Mr Hunt said a similar deal for Norfolk would also "follow shortly".

Sector Risk Profile

Published October 2022. Though many of the risks highlighted here are multifaceted, the [Sector Risk Profile](#) has a particular focus on risks to the government's economic standards; their [Consumer Regulation Review](#) sets out specific case studies and learning from reactive casework related to their consumer standards. It remains the responsibility of board members and councillors to ensure providers meet all of their regulatory standards and to determine how this is done.

2nd reading in parliament – Social Housing Regulation Bill

Over five years on from the Grenfell Tower fire, the Government has introduced the Social Housing (Regulation) Bill, which represents a real opportunity to provide fairness and accountability for people living in social housing.