Title: Awaab's Law consultation stage impact assessment Lead department or agency: Department for Levelling Up, Housing	Impact Assessment (IA)
and Communities	Date: 9 January 2024
	Stage: Development/Options
	Source of intervention: Domestic
	Type of measure: Other
	Contact for enquiries: socialhousingsafety@levellingup.gov.uk
Summary: Intervention and Options	RPC Opinion: N/A RPC Opinion Status

Cost of Preferred (or more likely) Option (in 2019 prices, 2020 present value)					
Total Net Present Social Value	Business Impact Target Status				
£-131.4m	£-87.6m	£10.2m	N/A		

What is the problem under consideration? Why is government action or intervention necessary?

Following the Grenfell Tower tragedy in 2017, serious concerns were raised about how some social tenants were being treated by their landlord. The tragic death of two-year old Awaab Ishak has amplified these concerns and thrown into sharp relief the need for the government to continue its mission to rebalance the relationship between social residents and their landlords, and to improve the quality of social housing across the country.

The government published the Social Housing White Paper: Charter for Social Housing Residents (SHWP) in November 2020 in response to concerns heard from residents following the Grenfell Tower tragedy. The SHWP proposed a series of changes that have now been introduced through the Social Housing (Regulation) Act 2023 ('the Act'). Whilst the Act was being taken through Parliament, an inquest into the death of Awaab Ishak found that he died as a result of a respiratory condition caused by damp and mould in his social home. Despite being aware of the mould, his landlord did not take action for over two years. A campaign was launched by the Ishak family with support from Shelter and Manchester Evening News that called for legislation introducing timeframes for social landlords to make repairs in their properties. The government carefully considered the recommendations of the campaign and introduced 'Awaab's Law' as an amendment to the Act. The government agrees that action is needed to set timescales to make it clear to landlords how quickly they should respond to hazards in their property, to ensure that we meet aims of the SHWP around providing safe and decent homes for social housing residents.

What are the policy objectives of the action or intervention and the intended effects?

The overall objective of this policy is to prevent social renters from having to go through what the Ishak family went through. This legislation will set clear requirements on social landlords as to how quickly they must respond to reported hazards in their homes. These legal requirements can inform how social landlords manage their properties to ensure their safety and quality.

The legislation will make it easier for social residents to understand their rights when it comes to repairs in their homes and enable them to challenge their landlords with legal action if they need to.

The legislation will reduce the number of social residents who are left living in hazardous conditions for indefinite periods of time. This in turn will reduce the negative health outcomes associated with living in hazardous conditions, and in the worst cases (like that of Awaab Ishak) will prevent fatalities.

An expected result of this policy is a culture change in the sector where social landlords take a proactive approach to repairs and engaging residents on repair works, with no periods of inaction on repairs once hazards have been reported.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

The Social Housing (Regulation) Act 2023 has introduced Awaab's Law (clause 42 Social housing leases: remedying hazards). The clause requires the Secretary of State for Levelling Up, Housing and Communities to set legally binding time limits for investigation and repairs of hazards through secondary legislation (and created the powers to do so). Government has committed to consult on these time limits within six months of Royal Assent of the Act, by the end of January 2024. The clause specifies that the Secretary of State **must** make regulations. Not proceeding with the preferred option would mean the Secretary of State could be subject to judicial review for not making regulations.

The final policy will be accompanied by a further, final impact assessment and the statutory instrument will be subject to the affirmative procedure.

Whilst preparing the government amendment to the Social Housing (Regulation) Act 2023, the following options were considered.

Option 1: Do nothing (Not recommended)

Option 2: Legislate for timescales for landlords to respond to hazards (Recommended option)

Option 3: Publish a policy statement on timescales for repairs and direct Regulator of Social Housing on their standards (Not recommended).

Option 2 is the preferred option and the Social Housing (Regulation) Act 2023 introduced Awaab's Law (clause 42 Social housing leases: remedying hazards). Legislation is the only way to ensure landlords can be held to account directly by tenants if they fail to take repair action to keep tenants safe. The Regulator of Housing does not intervene in individual cases and can only take action where there is systemic failure of a landlord. We believe legislating for timescales that landlords must meet is the best way to drive a meaningful culture change within the sector: there will be no ambiguity as to landlords' duties to respond within timescales to reports of hazards, and tenants can challenge their landlords for a breach of their legal duties if they fail to do so.

Further detail on the options considered can be found below.

We are consulting on the timescales that were recommended by campaigners for Awaab's Law (14 calendar days to investigate; 7 calendar days to begin repairs). These proposed timescales have been tested with both social landlords and social residents through engagement we have conducted to inform the consultation, and we have heard broad consensus that these timeframes are sensible and practicable. We are also proposing that social landlords must action emergency repairs as soon as practicable and within 24 hours. 'Emergency repairs' relates to a subset of hazards that are in scope of Awaab's Law (those that present a significant and imminent risk of harm). We do not consider that a variation on these timescales would change the overall conclusions of this impact assessment as noted, social landlords have existing legal obligations for repairs, and Awaab's Law will specify how quickly they need to take action.

Will the policy be reviewed? This policy will be reviewed following this consultation exercise.				
Is this measure likely to impact on international trade and investment? N/A				
Are any of these organisations in scope? Micro Yes Small Yes Yes Yes Large Yes				
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)		Traded: N//		traded: N/A

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits, and impact of the leading options.

Signed by the responsible: SELECT SIGNATORY $$	Date:	·
--	-------	---

Summary: Analysis & Evidence

Description: Legislate for timescales for landlords to respond to hazards (Recommended option)

FULL ECONOMIC ASSESSMENT

Price Base	PV Base	Time Period	Net Benefit (Present Value (PV)) (£m)			
Year: 2019	Year 2025	Years: 10	Low: Optional	High: Optional	Best Estimate: -156.0	

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional		Optional	Optional
High	Optional		Optional	Optional
Best Estimate	1.6		17.9	156.0

Description and scale of key monetised costs by 'main affected groups'

Social landlords already have a responsibility to maintain their homes to meet the Decent Homes Standard (DHS) (which specifies homes must be free of category 1 hazards), to remedy disrepair, and to maintain homes so that they are fit for human habitation. To be fit for human habitation a home must be safe, healthy, and free from things that could cause you or anyone else in your household serious harm. Therefore, the duty to make repairs to reported hazards is not a new burden on landlords, as the additional burden is the speed at which repairs need to be responded to, not the repairs themselves.

The costs we have been able to monetise are the time taken for providers to familiarise with the regulation changes (PV, £1.6m) and for the proposed requirement that a written summary of findings is provided to the resident that includes details of any hazard identified and (if applicable) next steps, including an anticipated timeline for repair and a schedule of works. These include preparation and postage costs (PV, £154.5m), estimated using standard wage and postage costs and assuming 15 minutes of staff time per report written.

Other key non-monetised costs by 'main affected groups'

We have not monetised the cost of increasing the speed of repairs. However, these costs are expected to be small. This is because providers already have a duty to repair hazards with these regulations only specifying the timeframes to begin doing so. Many repairs will already be occurring within the specified timeframes. In instances where repairs are brought forward, they will be in place of repairs that would have happened later, meaning the volume of repairs will not increase as a result of these proposals.

BENEFITS (£m)	Total Transition (Constant Price) Years				Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional		Optional	Optional		
High	Optional		Optional	Optional		
Best Estimate	0		0	0		

Description and scale of key monetised benefits by 'main affected groups'

An expected outcome of Awaab's Law is social landlords taking faster action to respond to hazards in a home that are significantly impacting a resident's health and safety. Whilst many social landlords will already respond to hazards quickly, Awaab's Law will provide a backstop for the worst circumstances where social landlords are failing to take their responsibilities seriously, leaving residents in danger.

Hazards in the home can have a range of health impacts which can be broadly categorised into physiological harm, psychological harm, infection and accidents. Remedying hazards in a more timely way will reduce the likelihood of these health impacts occurring or deteriorating. Tenants' mental health and wellbeing are likely to be improved by the legislation because remedying disrepair in a timely fashion means tenants feel their complaints are taken seriously, their pride of place is heightened, and they will feel happier to be at home. These health improvements are likely to result in a reduced burden on the NHS, with fewer housing relating issues resulting in residents requiring medical attention. There are also likely to be wider societal benefits of reducing health and safety hazards in homes, such as reduced instances of lost productivity due to ill health.

It has not been possible to provide a headline estimate of monetised benefits of this policy due to the absence of more specific data around the nature of hazards that will be rectified. However, using evidence on the health, wellbeing, and productivity benefits of remediating poor quality housing, switching values have been calculated for key benefits to illustrate the level required for the policy to achieve a present value net benefit of 0. A switching value has been estimated for benefits arising from increasing the speed of repairs. This is compiled of fiscal savings to the NHS (from reducing the number of injuries resulting from category 1 hazards), the resulting productivity gains to the wider society of improved health, and improved tenant satisfaction with how landlords repair and maintain their homes. We estimate that just 6% of any repairs that are carried out quicker as a result of Awaab's Law would need to remediate category 1 hazards (when accounting for the three types of benefits outlined above) for the policy to achieve a PV net benefit of 0. This proportion appears feasible, meaning it is possible that these benefits alone will offset the monetised costs of the policy, without accounting for further non-monetisable benefits outlined below. We have also estimated a switching value for the number of fatal accidents at home that would need to be avoided to achieve this (10 per year), as Awaab's Law is designed to ensure such cases do not result from long-term disrepair.

A qualitative summary of non-monetisable benefits has also been conducted.

Other key non-monetised benefits by 'main affected groups'

The key non-monetised benefits largely relate to social housing tenants. As heard by the Grenfell Inquiry, the coroner's report on the death of Awaab Ishak and the social housing green paper consultation, some social housing tenants feel their concerns are not listened to by providers. As a result of this policy, social landlords will be expected to respond to any reports of hazards in their home within a fixed timeframe and provide a written summary of their findings, which will improve the repairs and maintenance service that residents receive and lead to wellbeing improvements by reducing uncertainty and worry.

In addition to improved health and wellbeing, Awaab's Law will provide a clearer route to redress for residents. Families are also expected to gain from improved education outcomes from less illness as a result of a poor-quality housing.

Key assumptions/sensitivities/risks

Discount rate (%

3.5

The impacts of Awaab's Law are uncertain, due to a lack of available data on the current volume and speed of repairs, specifically for repairs that will be within the scope of Awaab's law and therefore subject to change. There is also a lack of available data on the volume of repairs remediating category 1 hazards, which creates challenges monetising benefits. While the analysis in this impact assessment is informed by the best available evidence, several assumptions have been made around existing behaviour of providers and how this will change. As such, we have clearly set out the assumptions underpinning the modelled impacts and are seeking views or additional evidence to strengthen this modelling as part of the consultation on Awaab's Law.

Direct impact on business (Equivalent Annual) £m (2019 Prices, 2020 present value):			Score for Business Impact Target (qualifying	
Costs: 10.2	Costs: 10.2 Benefits: 0 Net: -10.2		provisions only) £m:	
	' '			

Evidence Base

Problem under consideration and rationale for intervention

The need for this intervention stems from the tragic death of toddler Awaab Ishak, and relates to evidence heard by the Grenfell Inquiry and the government's wider response to the Grenfell Tower tragedy.

Following the Grenfell Tower tragedy in 2017, serious concerns were raised about how some social tenants were being treated by their landlord. The tragic death of two-year old Awaab Ishak has amplified these concerns and thrown into sharp relief the need for the government to continue its mission to rebalance the relationship between social residents and their landlords, and to improve the quality of social housing across the country.

In response to the Grenfell Tower fire, alongside the public inquiry, the government published the Social Housing Green Paper and conducted extensive engagement with social housing landlords and residents. We heard concerns from residents about the safety and quality of their homes, and many residents felt that they were not listened to or treated with respect when raising concerns about the condition of their housing. Residents of Grenfell Tower raised fire safety concerns to Kensington and Chelsea Tenant Management Organisation (KCTMO), but no action was taken in response.¹

The government published the Social Housing White Paper: Charter for Social Housing Residents (SHWP) in November 2020 in response to the concerns heard from residents. The SHWP proposed a series of changes that have now been introduced through the Social Housing (Regulation) Act 2023 ('the Act').

Whilst the Act was being taken through Parliament, an inquest into the death of two-year-old Awaab Ishak found that the toddler died as a result of a respiratory condition caused by damp and mould in his social home. Despite being aware of the mould, his landlord did not take action for over 2 years. A campaign was launched by the Ishak family with support from Shelter and Manchester Evening News that called for legislation introducing timeframes for social landlords to make repairs in their properties. The department carefully considered the recommendations of the campaign and introduced 'Awaab's Law' as an amendment to the Act. The7 government agrees that action is needed to set timescales to make it clear to landlords how quickly they should respond to hazards in their property. Legislation is needed to provide tenants with a route to hold their landlords to account in the courts, and make sure landlords are held fully accountable for keeping their residents safe.

Social landlords do have legal and regulatory duties to keep their properties fit for human habitation, and for most social landlords the proposals under Awaab's Law will be akin to their existing approach for repairs and maintenance. However, existing legislation is silent on how quickly landlords need to begin to take action if they are made aware of a hazard in their home. Not only does this mean that timeframes for repairs are left to landlord discretion, but it is unclear to tenants what an acceptable delay may be, resulting in uncertainty as to when tenants have a legitimate case to make complaints regarding landlord delays.

Although many social landlords do respond to complaints about disrepair in an effective and timely manner, some social residents are left waiting months or even years for their landlords to fix hazards in their homes. Living in hazardous conditions can have a significant impact on the health, safety and wellbeing of residents and lead to illness and/or injury. In the worst cases, the results can be fatal, and the tragic death of toddler Awaab Ishak demonstrates the profoundly serious harm that can come from living with untreated dangerous conditions in the home. That is why Awaab's Law is needed as a backstop for the worst cases where social landlords are failing to make repairs quickly enough and leaving their tenants at risk.

Case study

-

¹ Royal Borough of Kensington and Chelsea's Written Closing Statement for Phase 2, Module 3 of the Grenfell Inquiry: <u>RBK00068069</u> <u>Phase 2 Module 3 - Written closing submissions on behalf of the Royal Borough of Kensington & Chelsea.pdf (grenfelltowerinquiry.org.uk)</u>

In November 2022, the Senior Coroner for Manchester North ruled that two-year-old Awaab Ishak died due to damp and mould in the social home his family rented from Rochdale Boroughwide Housing (RBH). The Regulation 28 Report to prevent future deaths concluded that action to treat and prevent the mould was not taken despite RBH being made aware of the presence of the mould initially in 2017, before Awaab was born and 3 years before his death. RBH inspected the property in 2020 and confirmed the presence of mould. The coroner found evidence that the mould remained a continuing and recurring issue whilst the family lived in the property, despite a health visitor explaining their concerns about the potential impact of the mould on Awaab's health in July 2020.

By the time Awaab died, no action had been taken by the landlord to treat the mould, which was significant and present in all the rooms in the flat. This event raised serious concerns about how social landlords are handling complaints from residents about hazards in their home, and the delays some social residents experience to having their homes made safe and decent.

Wider context

Although most social tenants live in homes that are largely free from damp and mould or the most serious hazards, around 4% of social homes in England are likely to have damp problems, and around 4% of social homes are estimated to have a category 1 hazard.²

We have heard from social residents that they often experience barriers in getting hazards investigated or fixed by their landlords.³ Evidence from the Housing Ombudsman Service indicates that social tenants are struggling to engage their landlords on issues within their homes and repairs are taking a long time, putting some residents at severe risk.

Social landlords already have a responsibility to maintain their homes to meet the DHS (which specifies homes must be free of category 1 hazards) and to remedy disrepair. Although Awaab's Law does not require landlords to formally assess whether a hazard is category 1, many of the hazards addressed through Awaab's Law are likely to be category 1 hazards that, had the landlord identified through an HHSRS assessment, they would be obliged to address.

Social landlords are already required by law to ensure that their properties, including any common parts of the building, are fit for human habitation at the beginning of the tenancy and throughout. To be fit for human habitation a home must be safe, healthy, and free from things that could cause anyone in the household serious harm.

The guide for tenants on the 2018 Homes Act explains that if a home has a problem with any of the HHSRS hazards that make the home not fit to live in, the tenant should make the landlord aware immediately. The landlord has a duty to repair any problems in the home in a reasonable amount of time. This amount of time will depend on what the problem is and how serious it is. Social landlords can be held accountable by the Housing Ombudsman for the length of time taken to fix or repair any problems within social homes.

Currently, if a social landlord is aware of a hazard in a property that could cause a resident(s) serious harm, they are under a duty to repair the hazard within a reasonable amount of time. It is up to the landlord to determine the reasonable timeframe, and if the resident believes their landlord is taking too long or is struggling to engage their landlords on the completion of repairs, they can challenge them through the courts.

Currently, it is at the discretion of a judge, the Regulator of Social Housing, or the Ombudsman whether landlords action repairs quickly enough. This means social landlords do not technically have a duty to investigate and begin works to repair hazards within any set time, and it is unclear to social residents at what point their landlord has breached the law and can be challenged through the judicial system. Introducing timeframes for social landlords to respond to reported hazards will make it clear how quickly landlords must take action.

³ We have engaged with social residents on their experiences of repairs and maintenance and Awaab's Law. 62% of those residents (based on a sample size of 144 residents) reported experienced barriers in getting hazards investigated or fixed by their landlords.

² English Housing Survey 2021 to 2022: social rented sector - GOV.UK (www.gov.uk)

Why is government best placed to resolve the issue? Could the issue be resolved without intervention (e.g. through the market, innovation or other stakeholder led change)?

Following the case in Rochdale, there is a clear public interest in the government taking stricter action against social landlords in this space.

Existing legislation does not specify how quickly landlords must take action in response to hazards in their homes. This results in some residents waiting indefinitely for their homes to be made safe, and as demonstrated by the Ishak case, this can be fatal. The government is responsible for setting requirements on social landlords through standards and legislation. Although registered providers of social housing will have published policies that set out the timescales in which it will carry out different types of repairs, and there are timescales set out under the government's Right to Repair scheme, these are not legally binding.

Awaab's Law will therefore be implemented by the government through legislation to ensure that social residents and landlords are clear on how quickly hazards should be addressed, and to enable social residents to challenge their landlords through the courts if their landlords are failing to meet their statutory duties and regulatory requirements. If the courts find a social landlord in breach, they will be able to order that the landlord conduct the works and/or pay compensation to the residents. We know that social landlords set their own timescales for repairs and maintenance, and that proposals under Awaab's Law will therefore be similar to existing approaches to repairs and maintenance across the sector. The absence of legislative timescales for repairs may not be preventing many social landlords from actioning repairs to hazards quickly, but we consider that legislation is needed to make perfectly clear to the sector that social landlords must not delay taking action in response to hazards, and that repairs should be a priority for social landlords to keep their residents safe in their homes. We hope that having clear expectations as to the speed of repairs will also encourage social landlords to be more proactive in keeping their properties well maintained. We recognise that introducing legal timescales for repairs means there may be some trade-off with investment in future buildings, or less critical quality improvements. We consider that this will be proportionate to what we believe are relatively small costs.

Strict time limits set by the government under Awaab's Law is considered the most effective way to generate a lasting cultural change within the sector and Parliament voted to include Awaab's Law in the Social Housing (Regulation) Act 2023. The Awaab's Law clause in the Act requires the Secretary of State for Levelling Up, Housing and Communities to set legally binding time limits for investigation and repairs of hazards through secondary legislation (and created the powers to do so). Government has committed to consult on these time limits within six months of Royal Assent of the Act, by the end of January 2024. The clause specifies that the Secretary of State **must** make regulations. Not proceeding with the preferred option would mean the Secretary of State could be subject to judicial review for omitting to make regulations.

We are consulting on the timescales that were recommended by campaigners for Awaab's Law (14 calendar days to investigate; 7 calendar days to begin repairs). These proposed timescales have been tested with both social landlords and social residents through engagement we conducted to inform the consultation, and we have heard broad consensus that these timeframes are sensible and practicable. We therefore think that the timescales proposed by campaigners is right, but we are consulting on these and welcome views. We are also proposing that social landlords must action emergency repairs as soon as practicable and, in any event, within 24 hours. Requirements relating to 'emergency repairs' will apply to a subset of hazards that are in scope of Awaab's Law. We consider that hazards warranting emergency repairs are those that present a significant and imminent risk of harm. We recognise the importance of getting these timescales right. If we set time limits that are too long, we risk giving landlords an excuse to take longer than they should in some cases; if we set time limits that are too short with risk setting requirements that are undeliverable and force landlords into 'quick fixes' that will not benefit residents in the longer term. We do not consider that a variation on these timescales would change the outcome of this impact assessment. As noted, social landlords have existing legal obligations for repairs, and Awaab's Law will specify how quickly they need to take action.

Rationale and evidence to justify the level of analysis used in the IA (proportionality approach)

Explain why the level of evidence presented and data gathered is appropriate to the problem under consideration. In some cases, it may be more appropriate to consider this point throughout the IA (for example, primary legislation and where the impacts of secondary legislation are not known).

This impact assessment is assessing the costs and benefits of the proposed policy options for Awaab's Law, which will come into force via secondary legislation. We will publish a final impact assessment ahead of secondary legislation coming into force and are seeking evidence on the costs and impacts of our proposals through consultation. At this stage, impacts have been monetised as far as possible against the policy proposals. In assessing the costs of the proposals for Awaab's Law, we have faced significant data challenges.

Data is available on the number of category 1 and 2 hazards in social homes, and we have been provided with data on volumes of repairs from some social landlords, however most social landlords only collect data on the volume of emergency and non-emergency (i.e. routine) repairs. Social landlords usually set targets for emergency and routine repairs, and some hold data on their record of meeting these, however the threshold for Awaab's Law relates to individual circumstances (i.e. health and safety risks to individuals) which poses a significant data challenge.

We recommend defining hazards in scope of Awaab's Law as those that pose a significant risk to the health or safety of the actual resident of the dwelling, with a subset of hazards warranting emergency repairs (those that pose a significant and imminent risk). This means that a hazard does not have to be at category 1 level in order to be in scope of Awaab's Law. This is because there may be instances where a particular resident is at a greater risk from hazardous conditions, for example a resident with asthma may be at greater risk from a home affected by damp and mould. An HHSRS assessment does not take the actual resident into account when establishing if a hazard is at category 1 level. Instead, it assesses whether the risk arising from the hazard is greater for a particular age group than any other age group in the population.

To determine the level of risk and whether a hazard is in scope of Awaab's law, our recommendation is that landlords use their judgement and the existing processes they have in place for triaging repairs. Landlords should also utilise a range of available information to determine whether there is a risk to the resident, this should include HHSRS guidance, information about residents' vulnerability or age, and other available guidance including the consolidated guidance from DHSC and DLUHC on health risks in housing (Understanding and addressing the health risks of damp and mould in the home – GOV.UK (www.gov.uk) If a landlord receives evidence from third parties (for example from medical professionals, social workers, or schools), they should factor this into their assessment.

Some examples of the types of hazards that would be in scope of Awaab's Law can be found in the Annex of the consultation.

Data on the volume of hazards in social homes that would be in scope of Awaab's Law is therefore not available, meaning we have had to estimate the proportion of hazards that would present a significant, or significant and imminent risk.

As a proxy, we have used the English Housing Survey (EHS) to estimate that 40% of faults identified in the social rented sector are classified as urgent⁴⁵. This has been done using the physical inspection element of the EHS from 2018/19, the most recent available wave to include a full physical inspection, due to covid-19. The survey considers faults for the following components: chimneys, damp, doors, dormers, roof covering, roof features, roof structure, wall finish, wall structure and windows.

Data is also not available on the volume of repairs which remediate category 1 hazards, which is the basis for monetisable benefits such as NHS savings and increased tenant satisfaction. As such, we have

_

⁴ A fault is defined as urgent if: it threatens immediate safety or is a health hazard; is currently promoting noticeable and rapid deterioration in other parts of the building; is at present causing difficulty or discomfort to the occupants; the security of the building is threatened.

⁵ English Housing Survey 2018 to 2019: headline report - GOV.UK (www.gov.uk)

calculated a switching value, estimating the proportion of repairs that include remediating a category 1 hazard to result in an overall present value net benefit of 0.

It has not been possible to forecast the number of repair circumstances that will result in landlords having to offer to provide suitable alternative temporary accommodation, however the government's understanding from engagement with the sector is that providers will already offer to provide suitable alternative temporary accommodation in circumstances where the property cannot be made safe.

We have made use of published data (for example the EHS) and data provided to us by the sector via two surveys, both issued by the National Housing Federation (NHF) to its members, on the costs of complying with these proposals⁶ and with the 'Provision of information to tenants' Direction to the Regulator⁷. It should be noted that the sample sizes for data collection via surveys has been small. Where the benefits have not been monetised due to the absence of more specific data, a qualitative summary has been provided. In most cases of unmonetized costs and benefits, there was either insufficient data or significant data challenges.

Description of options considered

The Social Housing (Regulation) Act 2023 has introduced Awaab's Law (clause 42 Social housing leases: remedying hazards). The clause requires the Secretary of State for Levelling Up, Housing and Communities to set legally binding time limits for investigation and repairs of hazards through secondary legislation (and created the powers to do so). Government has committed to consult on these time limits within six months of Royal Assent of the Act, by the end of January 2024. The clause specifies that the Secretary of State **must** make regulations. Not proceeding with the preferred option would mean the Secretary of State could be subject to judicial review for omitting to make regulations.

Whilst preparing the government amendment to the Social Housing (Regulation) Act 2023, the following options were considered.

Option one. (Not recommended) Do nothing

One option considered was to do nothing. There are existing requirements on social landlords relating to repairs and hazards, and there are existing routes to raise complaints against landlords for residents dissatisfied with the services they receive, including in terms of reporting repairs and hazards.

However, this option would not deliver upon our desired outcomes. We are aiming to generate a culture change within the sector, ensure residents feel safe in their homes and that their voices are heard when concerns are reported.

Under the Housing, Health and Safety Rating System (HHSRS), it is already a landlord's legal responsibility to ensure that their property is free from hazards, or that they are reduced to an acceptable 'low risk.' However, as was the case in the tragic death of Awaab Ishak, it is clear that despite the existence of these legal requirements, there may still be instances where landlords' failure to take timely action can impact on the safety of residents; in the worst cases, having fatal consequences. We believe a legal backstop is needed to deter landlords from dragging their feet on repairs, and to empower residents to challenge their landlords on timelines if they are being failed by them.

As noted above, government has committed to consult on these time limits within six months of Royal Assent of the Act, by the end of January 2024. The clause specifies that the Secretary of State **must** make regulations. This option would therefore mean the Secretary of State could be subject to judicial review for omitting to make regulations.

Option two (recommended). Legislate for Awaab' Law

-

⁶ This survey was conducted in Summer 2023 to inform this consultation. It has been used to inform assumptions on the volume and current speed of non-emergency responsive repairs carried out by the sector. A summary of responses can be found in Table 1 in the Risks and Assumptions section.

⁷ This survey was conducted in Summer 2023 to inform the consultation on the 'Provision of information to tenants: Direction to the Social Housing Regulator on tenants' rights and complaints', published 27 September 2023. It has been used to inform assumptions on the proportion of providers who will contact tenants by post.

This option is to legislate for Awaab's Law, setting requirements on landlords via secondary legislation. As noted above, the Secretary of State **must** make regulations. Not proceeding with the preferred option would mean the Secretary of State could be subject to judicial review for omitting to make regulations.

We have introduced powers to set Awaab's Law through the Social Housing (Regulation) Act 2023. Awaab's Law will imply terms into tenancy agreements and will require that social landlords take action in response to reports of hazards in social homes within fixed timeframes.

The clause in the Act <u>requires</u> the Secretary of State to make regulations requiring landlords to take action in relation to hazards. It is therefore essential that government proceed with this option.

We think legislation introducing strict and clear timescales for landlords to take action in response to hazards in social homes is the best way to generate a meaningful culture change needed within the sector.

Legislation will make sure there is no ambiguity as to the obligations of social landlords to swiftly address hazards and that it is clear when residents can seek redress through the courts for these obligations not being met. This will supplement the RSH's consumer standards and the Housing Ombudsman's service which can intervene retrospectively on complaints issues.

The Regulator of Social Housing (RSH) will play a role in holding landlords to account for a timely and effective repairs and maintenance service at a systemic level, however they will not intervene in individual cases of a landlord failing to make timely repairs. The Housing Ombudsman will continue to play an important role in the resolution of disputes between landlords and tenants concerning repairs including in cases of Awaab's Law timeframes being breached. The Ombudsman will also undertake wider investigations into the failings of landlords when appropriate and issue good practice guidance to the sector. It is important that residents are also empowered to challenge their landlords directly through the courts if they wish to.

Option three (Not recommended). Set timescales via regulatory standards

We considered introducing Awaab's Law through the RSH's regulatory standards. Discussions with stakeholders including campaigners for Awaab's Law and the legal representatives of the Ishak family highlighted that this would not deliver the intended outcome of the Awaab's Law campaign. Campaigners were seeking stronger legal grounds for individual tenants to take landlords to court when they require assistance on a specific case. We considered this and agreed with campaigners concerns and view that a new legal route for redress was required, because the RSH is unable to intervene in individual cases and can only intervene if there is evidence of systemic failure.

As noted above, the Regulator of Social Housing and the Housing Ombudsman will play a role in holding landlords to account for a timely and effective repairs and maintenance service, but it is important that residents are also empowered to challenge their landlords directly through the courts if they wish to.

As explained, the government has committed to consult on these time limits within six months of Royal Assent of the Act, by the end of January 2024. The clause specifies that the Secretary of State **must** make regulations. This option would therefore mean the Secretary of State could be subject to judicial review for omitting to make regulations.

Policy objective

The overall objective of this policy is to prevent social renters from having to go through what the Ishak family went through. This legislation will set clear requirements on social landlords as to how quickly they must respond to reported hazards in their homes. These legal requirements can inform how social landlords manage their properties to ensure their safety and quality.

The legislation will make it easier for social residents to understand their rights when it comes to repairs in their homes and enable them to challenge their landlords with legal action if they need to.

The legislation will reduce the number of social residents who are left living in hazardous conditions for indefinite period of times. This in turn will reduce the negative health outcomes associated with living in hazardous conditions, and in the worst cases (like that of Awaab Ishak) will prevent fatalities.

An expected result of this policy is a culture change in the sector where social landlords take a proactive approach to repairs and engaging residents on repair works, with no periods of inaction on repairs once hazards have been reported.

Intended outcomes of intervention

- 1. Improved health and safety for social housing residents.
 - a. Physical health outcomes will be improved. There will be a reduction in the number of tenants being harmed by hazards in their homes. For example, we expect to see fewer social residents suffering from respiratory issues associated with damp and mould.
 - b. Mental health and wellbeing will also be improved. For example, we expect to see a reduction in the number of social residents suffering anxiety and stress associated with poor physical health outcomes and facing barriers to having hazards repaired quickly enough.
- 2. Improved relationships between social landlords and tenants as a result of improved repairs services and higher levels of tenant satisfaction.
- Another outcome may be a longer-term reduction in costs for social landlords with repairs being conducted more promptly, and therefore preventing issues from further exacerbating and resulting in higher repair costs (for example addressing a leak promptly will reduce further work associated with damp and water damage).

Desired effects - what will change as a result of intervention?

The overall objective of this policy is to ensure that social landlords respond quickly to reports of hazards in their homes and keep residents protected from poor health or safety outcomes associated with the conditions of their homes.

We also anticipate improved communication between landlords and residents, with landlords being required to provide information to residents on the outcome of any investigations and any planned repair works, and to update residents if they experience any delays to the repairs schedule.

Residents living in dangerous conditions, like those the Ishak family were living in, will be better protected by the proposed requirement for landlords to offer temporary suitable alternative accommodation until the property is safe to live in.

Indicators of success

Indicators of success will include improved tenant satisfaction with repairs and complaints, measured by the RSH's Tenant Satisfaction Measures, reduced volumes of maladministration findings from the Housing Ombudsman related to delays to repairs, a reduced number of non-decent homes, a reduced burden on the healthcare sector from ill health or injury caused by hazards in social homes, and fewer fatalities caused by hazards in social homes.

Wider strategic objectives

Wider strategic objectives include ensuring that all social renters understand what to expect if their home unsafe, and that all social landlords understand their responsibilities. An expected result of this policy is a culture change in the sector where social landlords take a proactive approach to repairs and engaging residents on repair works, with no periods of inaction on repairs once hazards have been reported.

This policy relates to wider DLUHC objectives, including reducing levels of non-decency in rented homes (a Levelling Up White Paper commitment), ensuring social renters are safe in their homes (a Social Housing White Paper commitment) and the government's wider response to damp and mould in housing.

Summary and preferred option with description of implementation plan

We tabled Awaab's Law as an amendment to the Social Housing (Regulation) Bill (now Act) on 9 February 2023, and Awaab's Law is now included in the Social Housing (Regulation) Act 2023. The Social Housing Regulation Act received Royal Assent on 20 July 2023.

The Awaab's Law Section 42 clause 10A-10B in the Act enables and requires the Secretary of State to set out new legal requirements for social landlords to address hazards such as damp and mould in social homes within a fixed timeframe. Because the clause in the Act <u>requires</u> the Secretary of State to make regulations requiring landlords to take action in relation to hazards, it is essential that requirements are set through secondary legislation. Not proceeding with secondary legislation would mean the Secretary of State could be subject to judicial review for omitting to make regulations.

We are consulting on the details of those requirements, including the timescales for action, to ensure that any new requirements are proportionate, deliverable, and will result in the best outcomes for social residents. When the consultation has concluded, the government will publish a response setting out next steps. Government will then introduce new requirements via secondary legislation (an affirmative statutory instrument) as soon as possible, and we intend to bring Awaab's Law into force by Autumn 2024 if Parliamentary time allows.

The requirements of Awaab's Law will be introduced by implied terms to all social tenancy agreements. Awaab's Law implies into social housing tenancy agreements a term that requires landlords to comply with those requirements (which will be set out in regulations). This means all registered providers will have to meet these requirements, and if they fail to do so, tenants can hold their landlords to account by taking legal action through the courts for a breach of contract. We believe this approach to implementation enables sufficient flexibility; decisions taken by a judge in the court will allow for case law to be established.

Awaab's Law can be enforced via the courts, but residents can also seek redress by making a complaint to their landlord which could then be escalated to the Housing Ombudsman. Additionally, the Regulator of Social Housing will consider information or evidence of a failure to comply with this legislation when considering a provider's performance against their regulatory standards. Therefore, redress through the courts is not the only way landlords will be held to account for a timely and effective repairs service.

The RSH have recently consulted on their new consumer standards.¹⁹ The proposed Safety and Quality Standard would require landlords to provide safe and good quality homes and landlord services to tenants. Landlords would be expected to consider the safety of their tenants in how their services have been designed and delivered, including for example how they respond to emergency repairs. The RSH are also proposing to strengthen their standards by introducing an explicit expectation that landlords must complete remedial actions within appropriate timescales.

Additionally, the Tenant Satisfaction Measures (TSM) Standard requires all registered providers of social housing to collect and report annually on their performance on a core set of defined measures to provide tenants with greater transparency about their landlord's performance. There is a TSM (RP02) that will be generated from management information concerning repairs completed within target timescales. Providers must report against the target timescales for completing (both emergency and non-emergency) responsive repairs.²⁰

If social landlords consider themselves to be in breach of the requirements under Awaab's Law, they should self-refer to the RSH for breaching their statutory duties, in the same way they are expected to currently. We would therefore expect the regulator to hold landlords to account for meeting Awaab's law in the same way that they would for other requirements in their standards.

We are consulting on a series of policy proposals:

- **Proposal 1.** If a registered provider is made aware of a potential hazard in a social home, they must investigate within 14 calendar days to ascertain if there is a hazard.
- Proposal 2. Within 14 calendar days of being made aware that there is a potential hazard in a social home, the registered provider must provide a written summary of findings to the resident that

includes details of any hazard identified and (if applicable) next steps, including an anticipated timeline for repair and a schedule of works.

- **Proposal 3.** If the investigation indicates that a reported hazard poses a significant risk to the health or safety of the resident, the registered provider must begin repair works within 7 calendar days of the written summary being issued.
- **Proposal 4.** The registered provider must satisfactorily complete repair works within a reasonable time period. The resident should be informed of this time period and their needs should be considered.
- **Proposal 5.** The registered provider must action emergency repairs as soon as practicable and, in any event, within 24 hours.
- **Proposal 6**. In the event that the investigation finds a hazard that poses a significant, or significant and imminent, risk of harm or danger, and the property cannot be made safe within the specified timescales for Awaab's Law, the registered provider must offer to arrange for the occupant(s) to stay in suitable alternative accommodation until it is safe to return.
- Proposal 7. The registered provider will be expected to keep clear records of all attempts to comply
 with the proposals, including records of all correspondence with the resident(s) and any
 contractors. If the registered provider makes all reasonable attempts to comply with the timescales
 but is unable to for reasons genuinely beyond their control, they will be expected to provide a record
 of the reasons that prevented them from doing so.

Monetised and non-monetised costs and benefits of each option (including administrative burden)

Monetised Costs

In total we estimate a net impact of this proposal to private registered providers of social housing (PRPs) of £10.4m per year (in present value terms) over a 10-year appraisal period. Applying a consistent methodology and assumptions derived from PRP survey responses to local authority providers, we estimate a net impact of £5.2m per year (in present value terms) over the appraisal period. The cost impacts fall into familiarisation costs and preparation/postage costs for written summaries, as detailed below.

Familiarisation costs:

These are costs relating to the familiarisation of staff with the new requirements under Awaab's Law through the reading and understanding of new measures. This cost is transitionary in year one of the policy only.

As the legislation and guidance has not yet been finalised, we have estimated these costs against a range of page lengths, from 12 to 18 pages, with a midpoint of 15 pages. Based on reading speeds of technical material, we have assumed that it takes an hour to read and a further hour to understand 20 pages of regulation, which we then scale to our estimated page lengths.

Social housing providers are large organisations with multiple employees. Familiarisation activities will therefore be required of many people per organisation. The number of people per RP required to read the guidance will vary greatly based on the size of the organisation, but for illustrative purposes on average we expect 10 people at small registered providers will be required to read the guidance in full and around 100 at large providers.

At present there are 234 large PRPs (with a stock volume of greater than 1,000 social dwellings) and 1,162 small PRPs (1,000 social dwellings or fewer) in the sector. Using the same thresholds, there are 163 large local authority registered providers (LARPs) and 86 small LARPs in operation across the sector.

An average hourly wage cost of £22.26 (including a 20.2% uplift to account for non-wage costs) was calculated using 2022 Annual Survey of Hours and Earnings (ASHE) data for the familiarisation of officers, managers, and senior managers with the new requirements. We applied this cost, converted into 2019 prices, to the time taken to familiarise per staff member. We then scaled this by the estimated number of staff required to familiarise, for both larger and smaller providers, and then scaled this up to meet the volume of the larger and smaller providers in the sector. This resulted in total familiarisation costs, when

using the midpoint estimate of a 15-page document, of £700k for larger PRPs and £347k for smaller PRPs. The total impact on PRPs is therefore £1.05m.

We quantified the equivalent costs for local authority registered providers, maintaining the same methodology, accounting for differences in the total number of smaller and larger local authorities. This results in a familiarisation cost in the first year of the appraisal period of £513k to local authorities.

The combined impact on the whole sector of familiarisation costs across the appraisal period is thus £1.56m.

Proposal 1. If a social landlord is made aware of a potential hazard in a social home, they must investigate within 14 calendar days to ascertain if there is a hazard.

We are unable to estimate the net additional costs of this proposal, however, they are likely to be small, as social landlords are already legally obligated to keep their homes fit for human habitation and to make repairs to the structure and exterior of their homes, as well as to installations such as boilers, pipes, and electrics.

When social landlords are made aware of repair works needed in a social home, they should already be engaging with residents and conducting some form of investigation in order to assess the works required. This proposal is specifying the timeframe within with landlords need to respond to reported hazards and investigate the cause and works needed.

Engagement with the sector through a survey on the costs of complying with these proposals indicated that inspections already often already take place within the 14-day period.

Therefore, the costs associated with the 14-calendar day timescale for investigating hazards will be minimal as the additional burden is the speed at which repairs must be investigated, rather than the requirement to investigate in and of itself.

Due to the limited number of survey responses, we are seeking further views on this through the consultation.

Proposal 2. Within that 14-day period, the social landlord must provide a written summary of findings to the resident that includes details of any hazard identified and (if applicable) next steps, including an anticipated timeline for repair and a schedule of works.

This proposal presents a new legal requirement for social landlords to provide a written summary of investigation findings to residents within 48 hours of the investigation concluding. Because this is a new legal requirement, this will generate additional costs for landlords.

Preparation and posting costs:

The costs for proposal 2 relate to the preparation and provision of a written summary of investigation findings to tenants. From engagement with the sector, we understand that relevant information on repairs is already reported by maintenance teams, and that the additional preparation cost will be summarising this information into a letter to tenants. We do not anticipate this requiring manager sign-off and could be carried out by an automated system in future. As such, we have assumed that it will take 15 minutes of staff time per report sent. Using an estimated average hourly wage cost of £18.57 (including a 20.2% uplift to account for non-wage costs) calculated for housing officers from ASHE data, converted to 2019 prices, results in a cost of £4.16 per report sent.

To estimate the cost of sending reports, we have utilised information provided by PRPs in response to surveys on both the costs of complying with these proposals and the 'Provision of information to tenants' direction. Around 53% of respondents in the survey sample we analysed indicated they would send information to their tenants by post (as opposed to electronically), which will incur additional costs not accounted for in the preparation cost strand set out above in this summary of impacts⁸. We worked out the average cost to send a letter based on similar costs faced by public sector officials and adding VAT, alongside the cost of second-class postage itself which we valued at £0.75 per letter using Royal Mail

16

⁸ https://www.gov.uk/government/consultations/consultation-on-directions-to-the-regulator-of-social-housing-tenant-rights-and-complaints/provision-of-information-to-tenants-direction-to-the-social-housing-regulator-on-tenants-rights-and-complaints

prices. Converting to 2019 prices gives a total postal cost of £1.14 per report sent by post (in addition to the preparation costs).

To estimate total costs of sending the report (preparation costs plus postal costs), we have estimated the number of repairs that will require a report. Housemark estimated in 2014-15 that social housing tenants report 3 to 4 responsive (non-emergency) repairs per year⁹. Analysis of survey responses indicated 4.2 responsive non-emergency repairs per property, however, this is an estimate based on assumptions on the amount of stock owned by respondents¹⁰. As such, we use the upper bound of the Housemark estimate, that 4 repairs per property are carried out per year.

Using the EHS estimate that 40% of faults are classified as requiring an urgent repair as a proxy for the proportion of responsive repairs requiring a report to be provided to tenants and multiplying by the 3.14 million dwellings owned/managed by PRPs and 1.57 million owned/managed by LARPs, we estimate 5.0 million and 2.5 million repairs that require a report are carried out per year by PRPs and LARPs respectively.

Engagement with the sector has indicated that a report is already provided to tenants in some cases, or that the information is already provided in a different format (i.e., verbally). As such we have assumed that only 50% of these reports will be an additional burden to the sector. Combined with the assumption that 53% of these households will be contacted by post (with the remainder by email) results in an average annual cost (preparation and postal costs) of £10.3m for PRPs and £5.1m for LARPs, or a combined total sector average annual cost of £15.4m, in present value terms. We understand from engagement with the sector that the production and distribution of these reports could be automated. At this stage we have not attempted to estimate the effect of doing so on the preparation costs facing providers, if reports are automated to a significant degree.

We are seeking further views on these cost estimates through the consultation.

Proposal 3. If the investigation indicates that the hazard(s) in question poses a significant risk to the health or safety of the resident the social landlord must begin repair works within 7 calendar days of the written being issued.

We are unable to estimate the net additional costs of this proposal, however, they are likely to be small, as social landlords are already legally obligated to keep their homes fit for human habitation and to make repairs to the structure and exterior of their homes, as well as to installations such as boilers, pipes, and electrics.

This proposal is specifying the timeframe within with landlords need to respond to reported hazards to fulfil their legal repair duties.

Engagement with the sector through the survey on the costs of complying with these proposals indicated that the timeframe for responsive, non-emergency repair work to begin is, on average, between 8 and 30 days. Therefore, we anticipate most urgent repair work (which poses a significant risk to the health or safety of the resident) is carried out at the shorter end of this timeframe, meaning the costs associated with the 7-calendar day timescale for beginning repair works will be minimal. This is because the additional burden is the speed at which repairs must be investigated, rather than the requirement to investigate in and of itself.

Due to the limited number of survey responses, we are seeking further views on this through the consultation.

_

⁹ Referenced in https://www.scottishhousingnews.com/articles/uk-social-landlords-spend-3bn-a-year-on-responsive-repairs

¹⁰ Survey respondents provided the number of non-emergency responsive repairs carried out per year on their stock, along with an upper and lower bound of stock owned (exact ownership figures were not provided). We therefore estimated the repairs per property against the lower bound (6.6 per property) and upper bound (1.7 per property), with an average of 4.2 repairs per property, as shown in Table 1.

Proposal 4. The social landlord must satisfactorily complete repair works within a reasonable timeframe. The resident should be informed of this timeframe and their needs should be considered.

We are unable to estimate the net additional costs of this proposal, however, they are likely to be small, as we are not introducing timescales for landlords to complete repair works. We recognise that some hazards will be more complex than others to repair and for this reason, believe it would be impractical to set a fixed time limit for the completion of all repairs under Awaab's Law. Instead, we propose that registered providers should complete repairs within a reasonable timeframe; meaning repairs should not be unreasonably delayed and evidence should be provided where delays to repairs are necessary. This requirement would be in line with registered providers' existing obligations to make repairs within a reasonable amount of time under terms implied into tenancy agreements through section 11 of the Landlord and Tenant Act 1985.

Proposal 5. The registered provider must action emergency repairs as soon as practicable and, in any event, within 24 hours.

We are unable to estimate the net additional costs of this proposal, however they are likely to be small. Social landlords are already legally obligated to keep their homes fit for human habitation and to make repairs to the structure and exterior of their homes, as well as to installations such as boilers, pipes and electrics. The proposed timeframe for emergency repairs is in line with social landlords' existing targets for these types of repairs. We are seeking further views on this through the consultation.

Proposal 6. In the event that the investigation finds a hazard that poses an imminent risk of harm or danger, and the hazard cannot be remedied immediately by temporary repair works to make the property safe, the social landlord must offer to arrange for the occupant(s) to stay in suitable alternative accommodation until it is safe to return.

This proposal presents a new legal requirement on social landlords to offer to arrange, and pay for, suitable alternative temporary accommodation for residents where their property requires an emergency repair, and this cannot be actioned quickly enough.

Although such a requirement is not currently set out in legislation, we understand from engagement with the sector that social landlords already do this as best practice. Therefore, we do not believe that there will be net additional costs associated with this proposal.

Proposal 7. The social landlord will be expected to keep clear records of all attempts to comply with the proposals, including records of all correspondence with the resident(s) and any contractors. If the landlord makes all reasonable attempts to comply with the timescales but is unable to for any reason, they will be expected to provide a record of the reasons that prevented them from doing so.

We propose including in regulations provision for a defence if landlords have taken all reasonable steps to comply, but it has not been possible for reasons beyond their control. This will protect well-meaning social landlords from being found in breach of Awaab's Law despite their best efforts to respond to hazards in their homes as quickly as possible.

Proposal 7 would not place a new legal requirement on social landlords and therefore does not result in any net additional costs for the sector.

Monetised benefits

It has not been possible to provide a headline estimate of monetised benefits of this policy due to the absence of more specific data around the nature of hazards that will be rectified. However, using evidence on the health, wellbeing and productivity benefits of remediating poor quality housing, switching values have been calculated for key benefits to illustrate the level required for the policy to achieve a present value net benefit of 0. Our overall assessment is that we expect that the benefits of these proposals will outweigh the costs, providing a positive net present social value overall, with the switching value analysis below illustrating this.

Switching value analysis

A switching value has been calculated for benefits arising from increasing the speed of repairs. While we do not anticipate Awaab's law resulting in an increase in the volume of repairs conducted, we do expect repairs to, on average, occur more promptly as a result of the regulations. Shifting repair timelines forward creates a longer profile of benefits which can be compared to existing practices. These benefits include fiscal savings to the NHS from reducing the number of injuries occurring due to category 1 hazards, the resulting productivity gains to the wider society of improved health, and improved tenant satisfaction with how landlords repair and maintain their homes.

It is possible to calculate the three benefits outlined above on an annual basis. Therefore, to quantify the additional benefits of increasing the speed of repairs, we must estimate the difference in average repair time following the introduction of Awaab's law. From survey responses by PRPs, on the costs of complying with these proposals, we estimate that on average it takes 26.1 days for a non-emergency responsive repair to be completed. These proposals mandate that if a social landlord is made aware of a potential hazard in a social home, they must investigate within 14 calendar days to ascertain if there is a hazard, with a further 7 calendar days to begin the repair works if the hazard(s) in question pose a significant risk to the health or safety of the resident. This means a maximum of 21 calendar days from being made aware to starting the repair. In the absence of more information, we assume that repairs will, on average, be completed within this 21-day period, resulting in a 5.1-day improvement in average repair timelines compared to current practices. We use this as the timeframe to calculate the additional benefits below. It should be noted that in extreme cases, such as Awaab Ishak's, repairs can take far longer to be completed than the average timeframe stated above, meaning the benefits would be far greater.

We have also estimated a switching value for the number of fatal accidents at home that would need to be avoided to achieve a PV net benefit of 0, as Awaab's Law is designed to ensure such cases due not occur as a result of long-term disrepair.

NHS fiscal savings

A significant benefit from rectifying hazardous dwellings are fewer accidents and deaths caused by dangerous housing. These benefits are felt across many areas of society, perhaps the most direct being savings to the NHS from fewer patients requiring medical treatment. This benefit can be monetised by multiplying the cost of treating an injury from a particular category 1 hazard by the probability of such an injury occurring. The Building Research Establishment (BRE) quantified the cost burden to the NHS caused by hazards arising from poor quality homes in England, estimating that poor housing (homes with one or more category 1 hazard) could cost the NHS £1.4bn a year in treatment bills¹¹. Precise savings per household vary by the specific nature of the hazard; the average annual healthcare saving per hazard rectified was £301 in 2019 prices – as of the distribution of hazards in English social rented housing stock. Taking the 5.1-day improvement as a proportion of the yearly NHS fiscal savings results in a per repair saving, from quicker repairs, of £4.22.

Improved productivity

The productivity loss of an injury can be valued in several ways; one of which is by multiplying the time needed to recover by the wage of the injured person. This is the best monetisation of their productivity as it is a revealed cost of the price, they are willing to accept for their labour time, as well as being the price society is willing to pay them for it. However, this requires very granular data on the wages of the people living in hazardous homes. In some cases, such as local council level interventions, this may be possible. However, for nationwide schemes a different approach will be needed. An alternative way of valuing an individual's productivity is gross value added (GVA) per capita.

The recovery time of an injury varies greatly by the type of the injury. The analysis rests upon the average injury costs which will hide significant variation – some injuries may result in life changing injuries whereas other may be more temporary. The Transport Research Laboratory estimated that the average home injury results in a lost output of £4,746 (adjusted to 2019 prices) ¹². Given that not every hazard will result in an injury to the occupant each year, the costs are scaled by the probability of harm occurring each year – approximately 11% of harms will result in injury each year. This results in a lost output cost of £538 per

_

¹¹ BRE 2016 The full cost of poor housing

¹² Transport Research Laboratory 2010 Re-valuation of home accidents

hazard per year. Assuming a 5.1-day decrease in repair timelines, this results in a per repair benefit of £7.55.

Tenant satisfaction improvements

Living in poor quality homes also reduces the wellbeing of residents, meaning increasing the speed of repairs will have a positive impact on wellbeing. Simetrica Jacobs research in 2022 monetises the direct impacts of housing quality on wellbeing based upon EHS data¹³. The direct welfare impacts are estimated by running regressions to identify the impact on life satisfaction and converting these impacts into WELLBYs using the HMT Wellbeing Appraisal Guidance in which each WELLBY is valued at £13,000 (£10,000 to £16,000)¹⁴.

The Simetrica Jacobs analysis found that satisfaction with how landlords maintain, and repair dwellings is associated with 0.433 increase in life satisfaction on the 11-point life satisfaction scale. This can be converted directly to WELLBYs using the HMT values, resulting in an average wellbeing benefit of £5,629 (ranging between £4,330 and £6,928) per individual, in 2019 prices. Given that there on average 1.8 persons over the age of sixteen in each non-decent social rented home these figures are adjusted to account for the occupancy. The wellbeing benefit to households of this is valued at £9,881 in the central scenario (ranging from £7,601 to £12,161 per household) based on an average occupancy of 1.8 persons over the age of sixteen.

EHS data shows that 63% of social renters who live in decent homes (according to the existing DHS) were satisfied with the repairs/maintenance of the property. This falls to 60% of those who live in non-decent homes 15 . Therefore, remediating non-decency is likely to result in an increase in tenant satisfaction with repairs and maintenance, with an increased repair speed lengthening the profile of these benefits. Assuming an increase in satisfaction for those living in non-decent homes that are subsequently made decent (63% – 60% of households), this would result in per property, per year benefits of £315.24 (3% × £9,881). Once again assuming a 5.1-day decrease in repair timelines, this results in a per repair benefit of £4.42.

Speed of repairs combined switching value

The NHS fiscal savings and productivity improvements only apply to repairs which remediate category 1 hazards, while the improvements in tenant satisfaction apply to repairs which remediate any form of non-decency. To enable us to calculate one switching value, we assume these are homogenous, meaning we only estimate the satisfaction benefits of repairs remediating the category 1 hazard component of non-decency. This is therefore likely an underestimation of the satisfaction benefits resulting from quicker repairs. We do not have data on the proportion of repairs that remediate category 1 hazards, meaning we are unable to full monetise these benefits and include them in the headline figures. We instead calculate the proportion of repairs that remediate category 1 hazards needed to result in a present value net benefit of 0. Using the same estimate as in the costs section, of 4 non-emergency responsive repairs per property per year, we find that just 6% of these (totalling 1.1 million repairs) would need to remediate category 1 hazards to reach a 0 PV net benefit. This proportion appears feasible, meaning it is possible that these benefits alone will offset the identified costs of the policy.

Reduction in at home fatalities

Awaab's Law is designed to eradicate cases where long-term disrepair can result in fatalities at home. Estimating the monetary value of preventing such fatalities, while challenging, is possible. One method it to sum the value of saving a casualty (using a willingness-to-pay approach), the estimated lost contribution to the economy (in terms of future production), and the cost of medical and other support services. The

¹³ Simetrica-Jacobs 2022 The cost of poor housing – valuing the impact of housing conditions on subjective wellbeing

¹⁴ HMT 2021 Wellbeing guidance for appraisal: supplementary Green Book guidance

¹⁵ EHS 2021 to 2022: housing quality and condition AT1.5

Transport Research Laboratory estimated, by adapting estimates of the cost of fatal road accidents, that the average home fatality results in a total cost of £1.9m (adjusted to 2019 prices)¹⁶.

Using this, we estimate the switching value, finding that 10 fatalities would need to be avoided because of these proposals, per year, for the policy to achieve a PV net benefit of 0. As fatalities only occur in very extreme circumstances, we conclude that the policy is unlikely to achieve a PV net benefit of 0 because of these benefits alone. However, it should be noted that it does not account for any other benefits so is therefore an overestimation.

Non-monetised benefits

The following narrative sets out further perceived benefits of Awaab's Law on the social rented sector. The majority of the benefits will apply to tenants, society in general and government and the taxpayer and thus is laid out as such. Social landlords and other businesses, such as tradespeople, will likely see less benefit but still some wide-reaching positive impact.

Qualitative summary

Tenants

Health and wellbeing

Two-year old Awaab Ishak died in 2020 due to damp and mould in his social home.

A survey by The Citizens Advice Bureau found that 70% of tenants in the rented sector had experienced cold, damp or mould in a property¹⁷ they had rented with 8% saying that this had made a previous respiratory illness worse.

The World Health Organisation is also of the opinion that damp and mould can exacerbate pre-existing conditions, including chronic obstructive pulmonary disease, and increase the risk of infection.¹⁸

Damp and mould can pose an even greater danger to vulnerable individuals, such as children, older people, and people with weaker immune systems.

For example, the Marmot Review Team¹⁹ found that children living in damp, mouldy homes are between 1.5 and 3 times more prone to coughing and wheezing – symptoms of asthma and other respiratory conditions - than children in dry homes.

Damp and mould are not the only hazardous conditions that can have detrimental impacts on residents' health and safety in social housing. The most common hazards according to the Building Research Establishment (BRE) are unsafe stairs, falls, overcrowding, excess cold, and damp and mould growth.²⁰ BRE estimate that around 217,000 social rented homes have the most serious HHSRS hazards, costing the NHS approximately £65 m per year.

The new requirements under Awaab's Law will have particular benefit to the health of the tenants living in socially rented homes.

Awaab's Law will apply to hazards as defined by the Housing Health and Safety Rating System (HHSRS), and specifically to hazards that present a significant risk of harm to the health or safety of a property's occupants. We consider that 'significant' risk of harm can range from the most extreme cases (including

DLUHC analysis of Transport Research Laboratory 2009 Re-valuation of Home Accidents - https://www.rospa.com/rospaweb/docs/advice-services/home-safety/re-valuation-of-home-accidents.pdf
 Citizens Advice Bureau "Damp, Cold and full of mould "The reality of housing in the private rented sector", 2023
 WHO Guidelines for Indoor Air Quality: Dampness and Mould https://apps.who.int/iris/bitstream/handle/10665/164348/9789289041683-eng.pdf?sequence=1&isAllowed=y

¹⁹ Marmot Review Team, "The Health Impacts of Cold Homes and Fuel Poverty", 2011, https://www.instituteofhealthequity.org/resources-reports/the-health-impacts-of-cold-homes-and-fuel-poverty.pdf

²⁰ The cost of poor housing in England by tenure, BRE 2023

death and brain injuries) to those that are significant enough to warrant medical attention (including mild pneumonia and regular serious coughs or colds).

The policy requires not only that landlords complete repair works within reasonable timescales but specifies that the work must be satisfactorily completed. For works to be considered satisfactory they will have to address the root cause of the issue and prevent the hazard from reoccurring. We believe that a significant proportion of hazards reported under Awaab's Law will be relating to damp and mould. In cases of damp and mould, social landlords will be required to not only remove hazardous mould spores but to address the root cause of the dampness (for example through installing insulation and ventilation measures) to prevent mould growth from recurring.

Mental wellbeing

Tenant's mental health and wellbeing is likely to be positively impacted by the legislation.

Although research shows that tenant's mental health and well-being is significantly affected by housing disrepair, and in turn, increased repairs and maintenance standards can be expected to improve mental health and well-being, it is very challenging to measure.

Remedying disrepair in a timely manner often means a person's pride of place is heightened and tenants feel happier to be at home.

We know that damp, mould, and excess cold hazards can have a negative impact on mental health, causing what researchers from the University of Ulster called "sub-optimal mental wellbeing", caused by stressors associated with being unable to afford solutions to adverse living conditions. These stressors include low income, fear of debt, damage to possessions from damp and mould, stigma, and social isolation. A 2021 survey by Shelter found that for 1 in 5 UK adults, housing issues had caused a negative impact on respondents' mental health in the previous five years and 3 in 10 of those had had no issue with their mental health previously. 38% of the housing concerns cited were in relation to the repair or condition of the property.

Having reports of hazards being dealt with quickly by landlords will address the frustration residents often feel as a result of not being heard by their landlord. Having hazards addressed in one's home is also likely to reduce anxiety associated with feeling unsafe in one home or concerns over the health of vulnerable occupants, particularly children. Finally, the new requirements under Awaab's Law will offer peace of mind to tenants that when they report an issue in their home that is impacting their health and safety, landlords will investigate and remedy that issue swiftly, and if the landlord fails to, tenants can seek redress.

Improved experience of the repairs and maintenance services provided by social landlords.

We know from the Grenfell Inquiry, the coroner's report on the death of Awaab Ishak and, the social housing green paper consultation that some social tenants feel their concerns are not listened to by providers. As a result of this policy, social landlords will be legally required to respond to any reports of hazards in their home within a fixed timeframe, and keep residents informed with regard to the hazard(s) in their home and the action landlords will take to rectify the hazard(s) and by when. This will improve the repairs and maintenance service that residents receive, and make sure residents feel heard, and their issues taken seriously. We have attempted to capture some of this benefit, resulting from the quicker removal of category 1 hazards, in the switching value analysis.

Education

Poor quality housing has long been considered a barrier to children achieving their educational potential regardless of tenure. School-Home Support states that the proportion of children citing housing concerns as an obstacle to attending school rose by 73% between the 2021/22 and 2022/23 academic years.²³

²¹ 'Health inequalities: Cold or damp homes' research briefing by Balogun, Rankl and Wilson, 2023 https://researchbriefings.files.parliament.uk/documents/CBP-9696/CBP-9696.pdf

²² "The impact of housing problems on mental health by Shelter, 2017 <a href="https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/research_the_impact_of_housing_problems_on_mental_health#:~:text=1%20in%205%20English%20adults,impact%20upon%20their%20mental%20health

²³ Guardian article, 14 May 2023

Research from 2013 found that children living in poorer quality housing was associated with lower average reading and maths skills among adolescents.²⁴ The faster repairs required under Awaab's Law should make a positive difference in this respect.

Clearer route to redress for residents

Under existing legislation, social tenants can challenge their landlords for failing to action repairs and to keep their homes fit for human habitation, however it is not easy to understand their rights and how long is reasonable to wait for their landlords to take action. Introducing timescales will make this clearer for residents and they will be better empowered to exercise their rights to a safe home as a result.

Government and the taxpayer

Savings to the NHS

The BRE report 'The Cost of Poor Housing in England' quantifies the cost burden to the NHS caused by hazards arising from poor quality homes in England.

Their 2015 report found that poor housing (homes with one or more category 1 hazard) could cost the NHS £1.4 bn a year in treatment bills. The research estimated that leaving people living in the poorest 15% of England's housing was costing the NHS £1.4bn in first year treatment costs alone.

It is estimated that the total cost to society of poor housing in England is around £18.5bn per annum. The payback period is estimated by dividing the cost of remedial work by the savings that will fall to society if the hazard is mitigated. If all remedial work could be undertaken now, it is estimated that it would pay back the full societal costs within a year.

According to BRE's analysis, more than half (£857m) of this annual NHS treatment bill can be attributed to defects in poor homes which expose residents to excess cold, while the second biggest cost to the NHS comes from hazards which cause people to fall and injure themselves, predominantly on staircases. Both issues are particularly dangerous for the most vulnerable in society, such as older people and families with young children.

The most common category 1 hazard is the risk to a fall on stairs, such as disrepair to, or a lack of a handrail or balustrade, with over 1 million such cases recorded in 2018. Fixing this issue alone would save the NHS £219m a year in treatment costs.

Dampness is also a common and costly issue for the NHS, with 75,000 homes in England suffering from the most serious dampness in 2018, leading to a £38m annual bill for the NHS. In addition, there are many more homes with category 2 dampness (less serious) which have an impact on people's health.

We have attempted to capture the benefit of NHS fiscal savings, from the quicker removal of category 1 hazards, in the switching value analysis.

Registered providers of social housing

Saved costs of future retrofitting

The requirement on social landlords to complete repair works satisfactorily may result in a longer-term reduction of repair costs in the future. If repairs are conducted more promptly, it can prevent issues from further exacerbating and resulting in higher repair costs (for example addressing a leak promptly will reduce further work associated with damp and water damage).

Society

Productivity

https://www.theguardian.com/education/2023/may/14/poor-housing-a-growing-barrier-to-school-attendance-inengland-charity-reveals

²⁴ The impact of homelessness and bad housing on children's education', Shelter 2018 https://assets.ctfassets.net/6sxvmndnpn0s/AZvOBS2tanDweEV0cKiiP/71a9a9d622c24680c358fb49b7c7094c/Teachers_Research_Report.pdf

If someone has a serious injury in the home, they are often unable to work while recuperating. Injuries consequently reduce national productivity and by reducing the number of injuries that occur in homes, society can benefit due to improved labour productivity. The faster removal of hazards in social homes under Awaab's Law should therefore result in that improved labour productivity. We have attempted to capture this benefit, through the quicker removal of category 1 hazards, in the switching value analysis.

Economic

New requirements under Awaab's Law may see an increased demand for construction and other skilled workers in local areas, which will increase work for local tradespeople and manufacturers. This in turn will cause a rise in money circulation, benefiting the local economy.

Direct costs and benefits to business calculations

The costs associated with meeting Awaab's Law would be the responsibility of registered providers of social housing to meet. Engagement with housing providers has shown that most providers already have in place provisions which would allow them to fulfil the requirements of the proposals under Awaab's Law under their existing policies and procedures.

Registered providers of social housing include local authority landlords and private registered providers (such as not-for-profit housing associations, co-operatives, and for-profit organisations). For the purpose of the EANDCB and BIT assessments, only the costs and benefits associated with private registered providers have been considered, as local authorities are not in scope of EANDCB and BIT assessments.

The direct impacts to business are therefore the estimated costs to PRPs of familiarisation with all the proposals and complying with proposal 2, as set out above, over the appraisal period of the policy. There are no monetizable benefits to PRPs. This results in a business NPV of -£87.6m and a net direct cost to business per year of £10.2m (2019 prices and 2020 PV). Using the government's Impact Assessment Calculator results in a score of 50.9 in the business impact test.

Risks and assumptions

The impacts of Awaab's Law regulations are uncertain, due to a lack of available data. While the analysis in this IA is informed by the best evidence available, several assumptions have been made around existing behaviour of providers and how this will change. We conducted sensitivity analysis for the familiarisation costs identified, which did not materially change the headline figures. Due to a lack of available data, we have not conducted further sensitivity analysis at this stage. As such, we have clearly set out the assumptions underpinning the modelled impacts in the above sections and are seeking views or additional evidence to strengthen this modelling as part of the consultation.

We have used a survey of NHF members to inform some of our assumptions. Table 1 sets out the upper and lower bound of the responses received and the average if this has been used. The survey received a small number of responses. We are looking to refine the assumptions it underpins as part of the consultation.

Survey Question	Lower Bound of Responses	Average (when used)	Upper Bound of Responses
How many non-emergency responsive repairs were carried out per property owned in the financial year 2022-23?	1.7	4.2	6.6
What is the average time between a non- emergency responsive repair being brought to the landlord's attention by the resident (or a third party) and the landlord assessing what type of repair work will be required.	<1 day	-	22.0 days

What is the average time between a non- emergency responsive repair being brought to the landlord's attention by the resident (or a third party) and the landlord beginning work to make repairs (I.e. the first day a contractor or operative attends to make repairs)?	8.5 days	-	30.0 days
What is the average time between a non- emergency responsive repair being brought to the landlord's attention by the resident (or a third party) and the date of the repair being completed (as confirmed by a contractor/operative)?	8.5 days	26.1 days	47.3 days

Table 1 - Summary of survey responses

Impact on small and micro businesses *Will the measure impact small or micro businesses (SMBs)?*Could SMBs be exempted while achieving policy objectives? Would there be any disproportionate burdens on small and micro business?

Based on the definition of small businesses defined in the Better Regulation Framework guidance, businesses employing between 10 and 49 full-time equivalent (FTE) employees are classified as a small business, while businesses employing between one and nine employees are classified as micro businesses. This definition of SMBs does not work well for the SRS as RPs tend to employ few people relative to their housing stock. Therefore, for the purpose of assessing the impact on small and micro businesses in this IA, an alternative definition has been used to identify small and micro RPs. According to the Better Regulation Framework guidance, local authorities are not SMBs, and therefore, they have been excluded from this assessment.

Evidence from RSH has shown that those owning under 1,000 homes meet the employee definition of being SMBs. These landlords collectively own around 5% of PRP stock and 3% of all SRS stock. At the time of writing, 1,162 PRPs meet the definition of being a small or micro business.

We recognise that smaller housing providers (who own or manage fewer than 1000 homes) might face distinct challenges in meeting the Awaab's Law timescales. For example, they may not have in-house maintenance staff and therefore be more reliant on external contractors. We would welcome responses to our consultation from small RPs on these challenges.

Social residents do not have freedom of choice over who their landlord is in the same way private renters do, and we think all social renters should receive the same protections regardless of who their landlord is. The intention of Awaab's Law is to ensure social landlords respond quickly to reports of hazards in order to protect residents from poor health or safety outcomes, and to empower residents to challenge their landlords if they fail to do so. We therefore do not think that any social landlord, regardless of size, should be exempt from these requirements.

We are consulting on provisions within Awaab's Law that will mean well-meaning landlords making their best effort to respond to hazards as quickly as possible will not be penalised unfairly. The landlord will be expected to keep clear records of all attempts to comply with the proposals, including records of all correspondence with the resident(s) and any contractors. If the landlord makes all reasonable attempts to comply with the timescales but is unable to for any reason, they will be expected to provide a record of the reasons that prevented them from doing so.

Wider impacts (consider the impacts of your proposals)

Because Awaab's Law implies terms into tenancy agreements and will be enforced by the courts, there is likely to be an impact on the justice system. We expect an increased demand on legal aid services, and a higher volume of cases reaching the courts. We have been engaging with HMCTS and the Ministry of Justice and will be conducting a Justice Impact Test ahead of new requirements coming into force to ensure the impact on the justice system is fully assessed and new burdens appropriately funded.

The public sector equality duty under section 149(1) Equality Act 2010 applies to this decision. We have considered the impact, including any differential impacts on people with protected characteristics, arising from each policy proposal to be of a net benefit to all social housing tenants. We do not consider that there are any negative impacts on equality, and we have considered appropriately the need to advance equality and foster good relations.

Under section 19 of the Environment Act 2021 (which comes into force on 1 November), when making policy Ministers must have due regard to the government's environmental principles policy statement. This includes the principle that policy should seek not only to prevent and mitigate environmental harm, but also to embed opportunities to improve and promote environmental protection and enhancement (the integration principle). When developing this policy, environmental considerations were taken into account in line with the Environmental Principles Policy Statement. Our assessment of environmental effects found there will be no environmental impacts, as landlords are already required to repair hazards in the home; we are simply changing the timeframes for this work. We do not consider that this policy offers any opportunities to improve and/or promote environmental protection and enhancement. On this basis, we are not proposing any modification of the policy to address any of the environmental principles.

Monitoring and Evaluation

The impact of new requirements introduced through Awaab's Law will be monitored. We will monitor the volume of Awaab's Law cases that reach the county courts.

We will assess this policy's impact on the prevalence of longstanding category 1 or category 2 hazards in social homes using data collected by the English Housing Survey (EHS).

The Regulator of Social Housing's Tenant Satisfaction Measures (TSM) Standard came into effect in April 2023. This includes a TSM on repairs completed within target timescales, requiring social landlords to report on the proportion of emergency and non-emergency repairs completed within their target timescales. Improvements in tenant satisfaction with repairs can be used in evaluating the impact of new requirements under Awaab's Law.

The main external factors that could impact the success of this intervention are challenges accessing legal aid, and court backlogs meaning redress through the courts may take a long time.