PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

SOCIAL HOUSING (REGULATION) BILL [*LORDS*]

First Sitting

Tuesday 29 November 2022

(Morning)

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not later than

Saturday 3 December 2022

The Committee consisted of the following Members:

Chairs: † Sir Edward Leigh, Stewart Hosie

† Blackman, Bob *(Harrow East)* (Con)
† Britcliffe, Sara *(Hyndburn)* (Con)
Clarke-Smith, Brendan *(Bassetlaw)* (Con)
† Davison, Dehenna *(Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities)*
† Fletcher, Colleen *(Coventry North East)* (Lab)
† Hart, Sally-Ann *(Hastings and Rye)* (Con)
† Hayes, Helen *(Dulwich and West Norwood)* (Lab)
† Hughes, Eddie *(Walsall North)* (Con)
† Long Bailey, Rebecca *(Salford and Eccles)* (Lab)
† Mackrory, Cherilyn *(Truro and Falmouth)* (Con)
† McDonagh, Siobhain *(Mitcham and Morden)* (Lab)
† Marson, Julie *(Hertford and Stortford)* (Con)
† Nichols, Charlotte *(Warrington North)* (Lab)
† Owen, Sarah *(Luton North)* (Lab)
† Pennycook, Matthew *(Greenwich and Woolwich)* (Lab)
† Throup, Maggie *(Erewash)* (Con)
Wallis, Dr Jamie *(Bridgend)* (Con)

Bradley Albrow, Simon Armitage, Amna Bokhari, *Committee Clerks*

† attended the Committee

Public Bill Committee

Tuesday 29 November 2022

(Morning)

[Sir Edward Leigh *in the Chair*]

Social Housing (Regulation) Bill [*Lords*]

9.25 am

The Chair: We are now sitting in public and the proceedings are being broadcast. *Hansard* colleagues will be grateful if Members could email any speaking notes to hansardnotes@parliament.uk. All the normal rules apply.

Today, we will consider the programme motion on the amendment paper and then a motion to enable the reporting of written evidence for publication. I am sure we can take those matters formally, without debate. I first call the Minister to move the programme motion standing in her name, which was discussed yesterday by the Programming Sub-Committee for the Bill.

Ordered,

That—

(1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 29 November) meet—

(a) at 2.00 pm on Tuesday 29 November;

(b) at 11.30 am and 2.00 pm on Thursday 1 December;

(c) at 9.25 am and 2.00 pm on Tuesday 6 December;

(d) at 11.30 am and 2.00 pm on Thursday 8 December;

(e) at 9.25 am and 2.00pm on Tuesday 13 December;

(2) the proceedings shall be taken in the following order: Clauses 1 to 13; Schedule 1; Clause 14; Schedule 2; Clauses 15 to 35; Schedule 3; Clauses 36 to 38; Schedule 4; Clauses 39 and 40; Schedule 5; Clauses 41 to 44; new Clauses; new Schedules; remaining proceedings on the Bill;

(3) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 13 December.—*(Dehenna Davison.)*

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—*(Dehenna Davison.)*

The Chair: Copies of written evidence that the Committee receives will be made available in the Committee Room and circulated to Members by email.

We will now begin line-by-line consideration of the Bill. A selection and grouping list for today's sittings is available in the room. It shows how the clauses and selected amendments have been grouped for debate. Amendments grouped together are generally on the same or similar issues. Please note that decisions on amendments do not take place in the order they are debated, but in the order that they appear on the amendment paper. The selection and grouping list shows the order of debates. Decisions on each amendment and on whether each clause should stand part of the Bill are taken when we come to the relevant clause.

A Member who has put their name to the lead amendment in a group is called first. Other Members are then free to catch my eye to speak on all or any of the amendments in that group. A Member may speak more than once in a single debate. At the end of the debate on a group of amendments, I shall call the Member who moved the lead amendment again. Before they sit down, they will need to indicate whether they wish to withdraw the amendment or to seek a decision on it. If any Member wishes to press another amendment in the group to a vote, they will need to let me know in advance.

Clause 1

Fundamental objectives

Matthew Pennycook (Greenwich and Woolwich) (Lab): I beg to move amendment 13, in clause 1, page 1, line 5, at end insert—

'(aa) after paragraph (a) insert—

"(aa) to ensure the provision of care and support services in supported exempt accommodation and in temporary accommodation are adequate, well-managed, safe, and of appropriate quality,"'.

This amendment would ensure that support services provided to residents of supported exempt accommodation and temporary accommodation for those properties that already fall within consumer regulation are adequate and of an acceptable quality.

The Chair: With this it will be convenient to discuss new clause 8—*Standards relating to supported and temporary accommodation*—

'(1) The Housing and Regeneration Act 2008 is amended as follows.

(2) In section 192 (Overview)—

(a) in paragraph (a), after "social housing" insert ", supported exempt accommodation and temporary accommodation"

(3) In section 193 (Standards relating to consumer matters)—

(a) in subsection (1), after "social housing" insert "or accommodation to which subsections (1A) to (1D) applies"

(b) after subsection (1) insert—

"(1A) The Secretary of State, after consultation with the regulator, may by order bring into consumer regulation accommodation managed or in the control of a registered provider that falls within subsection (1C) or subsection (1D).

(1B) An order under subsection (1A) may apply to either subsection (1C) or (1D) only or to both and orders commencing either can be made separately at different times and for any part of England.

(1C) The accommodation to which this subsection applies is supported exempt accommodation as defined by regulations under subsection (1E).

(1D) The accommodation to which this subsection applies is temporary accommodation as defined by regulations under subsection (1E).

(1E) The Secretary of State may by regulations set out the classes of accommodation that fall within subsection (1C) or subsection (1D) and may define each class by reference to the Housing Benefit Regulations 2006 or the Universal Credit Regulations 2013."

(c) in subsection (2), after paragraph (2)(d) insert—

"(da) standards relating to supported exempt accommodation or temporary accommodation,"'.

This new clause would ensure that providers of supported exempt accommodation and temporary accommodation who are registered with the regulator and charge market rents covered by housing benefit are brought within the scope of the new consumer regulatory regime.

Matthew Pennycook: It is a pleasure to begin our line-by-line consideration of the Bill with you in the Chair, Sir Edward, and in a Committee with a considerable

amount of housing expertise, which I hope will put us in good stead for further improving the Bill. The Opposition have consistently maintained that the Bill is uncontroversial legislation, and we welcome it and the measures it contains.

We desperately need to build more social homes, but we also need to ensure that our existing stock is of good quality and well managed. Almost half a million social homes fail to meet the Government's decent homes standard and, as that standard is not a requirement, it is almost impossible to enforce.

The Regulator of Social Housing can and does react to systemic failings among registered providers—for example, the request for evidence issued in relation to damp and mould following the coroner's report into the death of two-year-old Awaab Ishak in 2020—but at present it has no proactive way of regulating consumer standards. The spotlight of media attention, tenant campaigning or intervention by individual hon. Members should not be required to trigger the appropriate response to substandard conditions in social housing, yet that is all too often the case.

To ensure that tenants are properly protected by a robust, effective system of regulation, major reform is needed. Indeed, it is long overdue, and the Secretary of State was right to concede, in the wake of Awaab's untimely death, that the Government have been too slow to toughen regulation in this area.

Despite its limited number of clauses, the Bill is therefore of real significance for millions of social housing tenants across the country. That is why the Opposition regret how long it took the Government to bring it forward, and it is why we want to see it on the statute book as soon as possible. To that end, we want to see the Committee to sit no longer than is absolutely necessary. However, we are determined to see the Bill strengthened in a number of areas, so that standards in social housing markedly and rapidly improve, tenants are able in practice to pursue and secure effective redress, the collective voice of tenants is heard more audibly and they have a greater role in shaping national policy, and we are better able to respond to pressing issues affecting some of those living in social housing, such as serious violence.

We owe it to the bereaved and the survivors of Grenfell, Awaab's family and all those social tenants currently living in appalling conditions to pass the most robust legislation that the House can possibly deliver. To that end, we have tabled a limited number of amendments in key areas, the intention of which is to persuade the Government to reflect sincerely on how the Bill might be improved still further. Although we intend to work constructively with Ministers to secure the Bill's speedy passage out of Committee, we expect the Government to give serious consideration to the arguments that we make in respect of those amendments.

Amendment 13 and new clause 8 relate to supported exempt accommodation and temporary accommodation. The new clause would provide the Secretary of State with the power to bring properties let at market rents by non-profit making providers of supported exempt or temporary accommodation registered with the regulator into the scope of consumer regulation. It would allow Ministers to do so at a time of their choosing and on an area-by-area basis as required. The amendment would extend the regulator's fundamental objectives to the care and support services provided by supported exempt and temporary accommodation in relation to properties that already fall within the scope of consumer regulation.

I want to be clear at the outset that these proposals do not seek to extend the scope of the regulatory framework provided for by the Bill to all non-registered supported exempt and temporary accommodation providers in a way that could place unreasonable burdens on the regulator. Rather, they would apply only to those landlords who are registered, or entitled to register, with the regulator as non-profit making providers because they let some properties at below market rents—that is, social housing.

The purpose of these two related proposals is to address an existing loophole that, unless addressed, will remain a problematic gap in the consumer regulatory regime after the Bill has come into force. It is that non-profit making providers of supported exempt or temporary accommodation can let properties at market rents that are eligible for housing benefit support on the basis that "more than minimal" care, support or supervision is being provided, without those properties coming within the scope of consumer regulation.

We know that the regulatory gap is currently being exploited by unscrupulous providers. The three biggest registered providers of non-commissioned exempt accommodation in Birmingham last year, Reliance Social Housing CIC, Ash-Shahada Housing Association Ltd and Concept Housing Association CIC, received £159 million in housing benefit payments for 16,370 market rent properties that fell outside consumer regulation. They were able to operate those properties free from the fear of intervention on consumer standards grounds, because they collectively operate 310 properties—in Reliance's case, it is just six—at below market rents.

As a result of the regulator being unable to enforce against poor performance by providers in relation to market rent properties that they operate on the basis of consumer standards, the regulator can enforce against bad practice in such cases only on grounds of economic viability. It has done so—for example, it found the large, Birmingham-based Reliance to be non-compliant with the governance and financial viability standard in October last year. However, Opposition Members struggle to understand why the Government have not enabled the regulator to take action against supported exempt and temporary accommodation providers letting units at market rents who fail to meet expected standards, using the tools provided for by the new proactive consumer regulatory regime introduced by the Bill, given that permitting it to do so would simply provide an additional weapon in the regulator's arsenal when it comes to clamping down on unscrupulous providers.

It is true that clause 8(d) tightens the definition of what constitutes a non-profit making provider. That should help to ensure that some of the most flagrant abuses, such as out-of-balance portfolios, can be clamped down on. However, it will not end all instances of rogue providers gaming the system by letting some properties at below market rents, registering as non-profit making providers on that basis, and then operating far larger numbers of substandard market rent properties outside the scope of consumer regulation. For example, those with more balanced portfolios—presumably even if that were achieved on the basis of a split of 51% of properties let non-profit and 49% for profit—will escape the provisions of clause 8 that I just referred to.

[Matthew Pennycook]

We recognise that the Government support, as we do, the Supported Housing (Regulatory Oversight) Bill introduced by the hon. Member for Harrow East. I am pleased that the hon. Gentleman is on the Committee with us. His Bill will enhance local authority oversight of supported housing and thereby enable local authorities to drive up standards in their areas. However, it does not contain provisions to close the particular loophole that is the focus of amendment 13 and new clause 8. As such, if the Government do not accept our amendments or bring forward their own to tackle the loophole in question, enforcement action on the part of the regulator in these cases will be confined to matters of economic regulation.

One element of our concern about the gap in the proposed consumer regulatory regime that the amendments seek to address is that, once the hon. Gentleman's Bill has received Royal Assent, rogue providers of supported exempt accommodation will be incentivised to exploit this loophole further, as it will be one of the last remaining loopholes because their operations will be hampered by the range of measures in the hon. Gentleman's Bill. Using the Bill before us to address the issue of supported exempt and temporary accommodation landlords who are already partially regulated would also close down the loophole more quickly than would be possible by doing so through the Supported Housing (Regulatory Oversight) Bill, because it will be some time before that Bill is in Committee, and the detailed regulations required to give it full effect will take some time to be passed.

If the Government were persuaded of the merits of the argument underpinning amendment 13 and new clause 8, they could determine to deal with supported exempt accommodation and temporary accommodation separately. We ultimately decided that the amendments should cover both, because there is good evidence to suggest that the loophole is being increasingly exploited by private temporary accommodation providers, in particular those providing nightly paid temporary accommodation, who often describe themselves as social landlords but who are exempt from consumer regulation in relation to substandard properties they let at market rents at great cost to the taxpayer.

Dealing with supported exempt accommodation and temporary accommodation together is also an attempt to pre-emptively address the scenario in which the Government accept that properties let at market rents by registered non-profit making providers of supported exempt accommodation should be covered by consumer regulation and legislate to that end, but, by setting aside market rent temporary accommodation let by registered non-profit providers, ensure that that becomes an obvious target for rogue providers seeking to escape consumer regulation standards.

I appreciate fully—I expect that the Minister will respond along these lines—that the Government will be reluctant to re-open at this stage of the Bill's proceedings what and who falls within the ambit of the new consumer regulatory regime, but surely they cannot believe that the Bill as drafted ensures that support services beyond general management that are provided to residents of supported exempt and temporary accommodation will be of acceptable quality, or that non-profit making registered providers can simply ignore consumer standards when it comes to those properties let at market rents eligible for housing benefit support.

The issues that are the subject of these two amendments will need to be addressed if the Government are serious about clamping down on rogue providers who take public money while failing vulnerable people. I hope that the Minister can signal that the Government are minded to act either by accepting the amendments or by bringing forward their own in due course.

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Dehenna Davison): It is a pleasure to serve under your chairmanship today, Sir Edward. I am incredibly grateful to the shadow Minister, the hon. Member for Greenwich and Woolwich, for the constructive way he has embraced this debate, for the Opposition's broad support for the Bill, and for his commitment to ensuring that the regulator is as robust as it can be. On that point, we have certainly found some early agreement.

As the hon. Member outlined, amendment 13 would extend the remit of the regulator to the care and support provided to residents in supported exempt accommodation and temporary accommodation, while new clause 8 would extend the remit to those types of accommodation when they are not social housing but are held by a registered provider.

Temporary accommodation and supported housing that meets the definition of social housing is already regulated under the regulator's standards, and the Care Quality Commission already regulates the provision of personal care in supported housing. The support needs of people in supported housing are wide, varied and often complex compared with those living in general needs accommodation. That is why we are supporting targeted measures in the Supported Housing (Regulatory Oversight) Bill, introduced by my hon. Friend the Member for Harrow East, to tackle the issues we are seeing in supported housing. I echo the shadow Minister's comments; I am very grateful that my hon. Friend is bringing his incredible expertise to the Committee.

While there are many excellent supported housing providers, the Government recognise that there are some rogue supported housing landlords. Let me be completely clear for the record: any abuse of the supported housing system will not be tolerated. The Supported Housing (Regulatory Oversight) Bill will introduce national standards to be applied to supported housing and to give local authorities new powers to introduce licensing schemes and other enforcement powers.

Temporary accommodation is a key safety net for homeless households in this country. The homelessness code of guidance is clear that, at a minimum, temporary accommodation must be free from all category 1 health hazards, as assessed by the housing health and safety rating system, and it must be suitable for all members of the household. Households have the right to request that the council reviews the suitability of their accommodation.

Siobhain McDonagh (Mitcham and Morden) (Lab): On temporary accommodation for homeless families and the code of guidance, who enforces the code? Who knows whether councils are living up to it? Who inspects the accommodation with a third eye to see whether it meets the standards?

Dehenna Davison: I will follow that up with the hon. Member in writing after our sittings today.

Siobhain McDonagh: The answer is nobody.

Dehenna Davison: As I have just outlined, I will write to the hon. Member to pick up her point following today's sittings.

The focus of the Regulator of Social Housing is on regulating the standards for registered providers of social housing. I believe that the regulator should remain focused on that vital role, and that greatly expanding its scope to include temporary accommodation could be a significant risk to its expertise. I do not believe that expanding the scope of the regulator into those areas, as proposed by the amendments tabled by the hon. Member for Greenwich and Woolwich, is the right way to address them. The regulator should continue to focus on ensuring that registered providers provide safe and high-quality social housing for tenants and on delivering the new consumer regime.

On that basis, I ask the shadow Minister to consider withdrawing his amendments today, but with a commitment from me to follow up with him before Report to see whether anything more can be done.

Bob Blackman (Harrow East) (Con): It is a pleasure to serve under your chairmanship, Sir Edward. I thank the Minister and the shadow Minister for their compliments about me and my Bill. No doubt we will be debating it in one of these Committee Rooms in the not too distant future.

One concern about the position on supported housing is the number of regulators that get involved already. There is almost a confusion of regulation. There is another problem: as we legislators seek to plug gaps, the rogue landlords seek alternative ways of making huge amounts of money. We already know that nearly £1 billion in housing benefit was paid out last year on supported housing in exempt accommodation. Clearly, that was for people who are vulnerable and need help and support. They are from a wide variety of different backgrounds. They might be recovering drug addicts; they might be people who became temporarily homeless or people who have had mental or physical health problems. I could go through a long list of people, but they are vulnerable and need help and support.

However, I have a concern about the proposed amendments. They seek to plug a gap, but are they comprehensive enough? We need more discussion to make sure we have a comprehensive measure that includes everything and makes it clear who the regulator is. Given the interventions by the hon. Member for Mitcham and Morden, we want to make sure, as a Committee and as legislators, that the laws we introduce are actually enforced.

Eddie Hughes (Walsall North) (Con): The shadow Minister made a very interesting point, and I believe his case has some merit. We have invested in pilots in several areas of the country so that we can explore the case more fully. When the Levelling Up, Housing and Communities Committee looked at the procedure, there was some frustration on the part of Members about the fact that we cannot easily compartmentalise the breadth of people who are supported in the accommodation, so a range of organisations have oversight of the quality of the accommodation provided, supported or otherwise. We need further work to be done through the pilots to make sure that any intervention we make does not have unintended consequences for the providers who provide excellent quality supported accommodation.

9.45 am

Bob Blackman: I thank my hon. Friend for that intervention. Clearly, while the amendments may have good intentions, he makes a good point. We do not want the good providers, who are doing a fantastic job in supporting people to rebuild their lives, to face unnecessary burdens and regulation. It behoves the movers of amendments such as these to ensure that we have covered all those bases.

We must therefore ask: even though the amendments look superficially beneficial, do we have a comprehensive series of measures that plugs all the loopholes and does not burden good providers? Rogue providers are smart; they will look at any gaps in the law and for all opportunities to exploit the system and vulnerable people. The sensible thing would be to withdraw the amendment and have further discussion so that, together, on a cross-party basis, we can make sure that the Bill ends up in the right place.

Siobhain McDonagh: I support the amendments tabled by my hon. Friend the Member for Greenwich and Woolwich. At the moment, we have two things going on. First, we have exempt accommodation, where private property developers access vulnerable people and place them in houses in multiple occupation, cream off large amounts of housing benefit and provide no support to those individuals. They are exploited and left until the police, in many cases, or mental health services come along and take them away. Secondly, neighbourhoods are completely terrorised by people who are vulnerable but unable to control their behaviour, and absolutely nobody regulates that.

I represent a suburban south-west London constituency. Do not get me wrong; properties are not cheap, but they are cheaper than in other bits of London. Companies such as Stef & Philips are exploiting wholesale every loophole and making large amounts of money to bring fear and distress to neighbourhoods and to the residents who occupy those premises.

Last week, a lady who lives in the Pollards Hill area came to my surgery. The 1930s semi-detached house next door to her had been converted into an HMO for five vulnerable tenants. There were no bins to collect the rubbish and no facilities to ensure people could live adequately. She lives next door and has cancer. One of the residents in that home had pulled a knife on her only the day before, and all the other vulnerable tenants in the house had to stay locked in their rooms to avoid that individual. Stef & Philips are making hundreds or thousands of pounds every week from that property.

In Ravensbury, another ward in my constituency, on Malmesbury Road, the same company had a man who was so vulnerable that the police raided the property and had to withdraw because he had a crossbow and they needed firearms support. The whole street was blocked off. That is St Helier estate, for any hon. Members who may know it. It is a beautiful local authority estate built after the first world war to provide homes fit for

[Siobhain McDonagh]

heroes. The house is beautiful, but not as an HMO for five vulnerable people. People in the street are terrified. Who knows how terrified the other residents in the property are? The company's balance sheet goes up and up while people go out to work to pay ever-higher tax rates to sustain that company in exploiting people.

Sarah Owen (Luton North) (Lab): My hon. Friend is making excellent points. That is the human impact of the lack of regulation and enforcement on rogue providers that are making millions out of very vulnerable people. Their impact is felt not only by the individuals who are being harmed, but by entire communities. Does she agree that although we do not want regulation for regulation's sake, we need not just regulation but enforcement for those who are getting away with this scot-free right now? We do not just need legislation; we need the ability to enforce and act.

Siobhain McDonagh: I absolutely agree with my hon. Friend. If there is no regulation, this will just grow and grow. As mortgage interest rates go up and business for buy-to-let landlords becomes less profitable, more people are going to look at providing this style of housing, because they can exploit the housing benefit system. If that is not happening in the constituencies of all the hon. Members of this Bill Committee, it will be coming to them soon.

Eddie Hughes: The point I am about to make is non-political, given that I am going to use the example of Labour-led Birmingham Council. That council did pilot work, and its scrutiny committee, which was chaired by a Labour member, subsequently published a report. It was able to identify a number of improvements that it could make within the existing legislation. I fully appreciate that legal challenge is an option for landlords who have their claims turned down. However, the council was able to reduce the number of people coming through the pipeline to provide this type of accommodation, and it was able to improve the quality of that accommodation. There is some room for councils who are prepared to focus on this, to improve outcomes for local people within the framework of the existing legislation.

Siobhain McDonagh: I turn to Aves housing association, which was run by a man who was exposed by the BBC for running a former supposed housing association that is in fact a commercial enterprise. It specialises in parts of Pollards Hill and Longthornton in my constituency, which neighbour Croydon, and it routinely takes very vulnerable people to live in houses that are simply not big enough for conversion. It accesses people's universal credit accounts and takes their money. When the housing benefit department at Merton Council discovered that, it decided not to pay housing benefit to Aves residents. That might seem sensible to most Committee Members. However, that then meant that 92 vulnerable people were not having their rent paid, so were vulnerable to eviction—at which point, Merton Council's housing department and adult social services departments would have collapsed. Local authorities are in a bind. Do they take notice of what is going on—in which case, they get responsibilities they cannot meet—or do they turn a blind eye because, in the end, that is the only way they can manage?

Bob Blackman: The hon. Member is making a very clear case about the problems in her constituency. One problem that local authorities face is that they have no powers to prevent such properties from being turned over in this way. Does she agree that one issue we have to deal with, which is not addressed in this amendment, is that local authorities need powers? Those powers might be around planning permission to do with HMOs and HMO regulation, to control the type of housing that she quite rightly describes as being a challenge in her area; or they might be over a licensing system to make sure that the operators of supported housing projects are fit and proper persons who will not exploit their position.

Further, data-sharing should be spread across the country. These rogues might well jump from Merton to Croydon to somewhere else, because they know that the local authority does not know about them. However, that is not within the scope of the amendment, although it is in the scope of my Bill, which I will be debating later. Although we would all agree that the issues that the hon. Member has raised are a scandal and need to be addressed, we must be clear that that is not within the scope of the amendment.

Siobhain McDonagh: I believe that the regulator should have power to look at this area of housing. It is all very well for councils to get more powers, and I would be the first to agree with that, but many councils already have a lot of powers that they cannot use because they cannot afford to. They do not have access to social housing units. They do not have access to the level of environmental health officers that they need. They do not have access to the number of planning officers they need in the area of planning enforcement.

Sarah Owen: My hon. Friend hits the nail on the head. The pilot work that the hon. Member for Harrow East just spoke about is fantastic. We will take whatever we can from that and learn, but the point is that the councils and authorities that did that work had to have extra resources to use their existing powers. This is not just about legislating and enabling local authorities to have more powers; it is also about them having the funds and resources to use those powers.

Siobhain McDonagh: Absolutely, and I know the hon. Member for Harrow East will be aware of how few London councils ever prosecute anybody under their current powers. It is about regulation, but it is also about local authorities being able to use their powers. In the light of the recent Budget, local authorities' powers will become even less well used if their finances continue to be squeezed.

Let us go back to Aves in Pollards Hill and Longthornton. I met the regulator and spoke about Aves and my concern about the exploitation of tenants. The regulator said to me, "We completely agree with you, but there is nothing we can do. We do not have the power to do anything." Either we give the regulator the powers and do something about it, or we go on talking about it in a well-meaning way while the problem exponentially grows. I, for one, want to see some action rather than none.

Maggie Throup (Erewash) (Con): It is a pleasure to serve under your chairmanship, Sir Edward. I think this is an important Bill. Amendment 13 and new clause 8

relate to supported exempt accommodation and temporary accommodation when provided by providers that are the subject of other parts of the Bill. The hon. Member for Greenwich and Woolwich made a very good case.

The hon. Member for Mitcham and Morden made a passionate speech, and I think we can all relate to what she was saying, because we all have examples in our constituency of providers who sound very legitimate and credible, but after they are looked into, it turns out that they are not. They are fly-by-nights who are just taking the opportunity provided by the loophole in regulations. We can all cite examples of HMOs that have been passed by councils because the councils do not have the powers to stop them. The impact on neighbourhoods is quite dire, and it really does destroy local communities.

While I appreciate the intentions behind the Opposition's amendments, I think the better place to close the gaps in regulation would be in the Bill from my hon. Friend the Member for Harrow East. This measure is obviously needed, but I think this Bill is the wrong place for it. I hope to speak later about some of the specific issues in my constituency and the importance of regulating the providers and ensuring the provisions of the Bill are met, because they are so needed.

Matthew Pennycook: That was an incredibly informed and helpful debate. I just want to say at the outset that we fully appreciate how complex an area of law and regulation this is. I have done enough of these Committees to know that the Minister is not going to simply stand up and accept the amendments we have cobbled together just on the basis of my speech, however good it might have been.

I will try to respond to the points made, which I take in the constructive spirit they were offered in. I do not think many of the points made get to the heart of what the amendments are driving at. I agree with the hon. Member for Harrow East: there is a plethora of regulators in housing and planning generally, and I am concerned that we are creating overlap and confusion in various ways. I will come to how that might be true in relation to the ombudsman and the regulator when we discuss clause 5, but that is absolutely a point.

The Minister made the point well: the private Member's Bill of the hon. Member for Harrow East, the Supported Housing (Regulatory Oversight) Bill, includes a range of targeted measures to address the scandal—we all agree it is a scandal—of rogue providers of exempt accommodation and temporary accommodation in many cases. However, as I made clear, that Bill does not address this gap. The hon. Member for Erewash said that if it is not covered by these amendments, it can be done via the Supported Housing (Regulatory Oversight) Bill, but it is not in that Bill. Perhaps it will end up in that Bill after Committee stage, in which case we will be entirely happy with that being a vehicle for it rather than this Bill, but it needs to be addressed.

10 am

The hon. Member for Walsall North has been at pains to make the point that we should not do anything that makes the lives of good providers more difficult, and we recognise that. We have been very conscious, in approaching the Supported Housing (Regulatory Oversight) Bill, of the need for that not to be the case, but I fail to see how bringing market rent properties that are run by partially regulated providers within the scope of consumer regulation burdens good providers. It simply allows the regulator to apply the standards that we all agree need to be applied to the odd case of providers who, because they have some social properties, can operate many, many more properties at market rent outside the scope of consumer regulation.

These amendments are trying to address two slightly separate issues. First, via amendment 13, we are asking: are the support services for those in exempt accommodation and temporary accommodation that already fall within consumer regulation of appropriate quality? I am not sure that they are. The consumer standards cover general management, but such is the scandal over recent years that there is a case—I hope the Minister will take this away—for updating standards and guidance for this particular set of providers and the properties they run.

Secondly, there is the more general point about the loophole I have described. The hon. Member for Harrow East is absolutely right: these rogue providers are canny and ruthless, and they will look to exploit any gap or alternative way of securing the huge proceeds they make as a result of the exemption from housing benefit provisions. This is one of the ways that we know they are already doing that, and the point I have been at pains to stress is that this loophole already exists and will still exist if the Bill is passed without these amendments or if the Supported Housing (Regulatory Oversight) Bill is not amended.

The Minister said, understandably, that this Bill is not the right vehicle. I understand that the Government do not want to reopen this Bill, but they will have to address this issue either via the Supported Housing (Regulatory Oversight) Bill or another means, because it remains a loophole that is being exploited, and it will continue to be exploited. Actually, we think it will probably be worse once the Supported Housing (Regulatory Oversight) Bill is enforced, because this is one of the significant loopholes that will remain. I will not press this amendment to a Division, but I hope the Minister is sincere in taking this away and finding some other way to plug the gap that these amendments draw attention to.

Dehenna Davison: Absolutely, we will take this away. I would be grateful for the expertise of all on the Committee, including the hon. Member for Mitcham and Morden, who made an incredibly passionate case. Let us have a roundtable discussion about how best we can take this forward following Committee.

Matthew Pennycook: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss the following:

New clause 2—*Regulator duty to report on safety defects—*

'(1) In fulfilling its consumer regulation objective under section 92K of the Housing and Regeneration Act 2008, the regulator must report to the Secretary of State on actions taken by registered providers to remediate unsafe external wall systems and other historic fire safety defects in social housing.

(2) A report produced under this section may make recommendations to the Secretary of State on further action required to sufficiently address identified issues.'

This new clause would ensure that in meeting its fundamental objective to support the provision of social housing that is well-managed and of appropriate quality, the regulator would be required to report to the government on the progress of building safety remediation.

New clause 3—*Regulator duty to support provision of social housing—*

'(1) In fulfilling its economic regulation objective under section 92K of the Housing and Regeneration Act 2008, the regulator must–

(a) within six months of this Act receiving Royal Assent, and

(b) at intervals of no more than three years thereafter

provide a report to the Secretary of State on whether the supply of social housing in England and Wales is sufficient to meet reasonable demands.

(2) A report produced under this section may make recommendations relating to how to ensure that the provision of social housing in England and Wales is sufficient to meet reasonable demands.'

This new clause would ensure that in meeting its fundamental objective to support the provision of social housing sufficient to meet reasonable demands the regulator would be required to report to the government on adequacy of social housing supply.

Dehenna Davison: Clause 1 relates to the fundamental objectives of the Regulator of Social Housing and adds safety and energy efficiency of tenants' accommodation and transparency. New clauses 2 and 3 seek to take that further and expand the role of the regulator into new areas.

New clause 2 relates to monitoring the remediation of unsafe cladding and other fire safety defects in the social housing sector. I want to make clear from the outset that nothing is more important to this Government than making sure people are safe in their homes. The tragic, horrendous case of Awaab Ishak, which we are all unfortunately now familiar with, has highlighted the crucial role of registered providers of social housing in making sure that happens.

The Bill sits alongside other key reforms that we have introduced in response to the Grenfell Tower fire, including the Building Safety Act 2022 and the Fire Safety Act 2021. New clause 2 is incredibly well intentioned, given what it seeks to achieve, but the Bill is not the correct vehicle for it. A duty should be placed on the Regulator of Social Housing to undertake such monitoring. The regulator is not a specialist fire or building safety body. The proposed new clause would be a significant expansion of the regulator's remit. Currently, the regulator does not have the expertise to fulfil that function effectively.

The question of who should undertake that kind of role is, however, an important one for Government. The Department is evaluating options on how best to monitor and report on the progress made in remediating unsafe cladding and other fire-safety defects. It is important that the work is done at pace, but thoroughly. I understand that hon. Members will be keen to study its outcomes and implications for future policy, but I must reiterate that it would be improper to pre-empt it while it is ongoing by allocating responsibility for that highly important function without the benefit of fully understanding the options. We need to ensure that that work is undertaken by those with the correct skills, expertise and capacity. My concern with new clause 2, therefore, is that it would make for a hasty decision that might mean we do not achieve the desired outcomes in the optimal way.

I turn to new clause 3. The hon. Member for Greenwich and Woolwich is right to draw attention to the importance of increasing the supply of social housing. In the levelling-up White Paper, we made it clear that we want to

"increase the amount of social housing available over time to provide the most affordable housing to those who need it."

Our £11.5 billion affordable homes programme will play an important role in achieving that aim, as will the measures we have taken to support increased council house building.

For its part, the regulator has an objective to support the provision of sufficient social housing. It discharges that role through its work to ensure that private registered providers are financially viable, efficient and well governed. In turn, that helps providers to obtain funding to enable them to deliver more social housing. However, I do not agree that we should make the regulator responsible for assessing the adequacy of social housing provision in England or, indeed, in Wales. I am concerned that such an additional role could divert resources away from the activities that should be the focus for the regulator, which is setting standards for social housing so that landlords are clear about expectations on them to deliver quality of housing, to monitor compliance with those standards and, where necessary, to undertake relevant enforcement action.

Organisations outside Government often publish their own analysis of the level of need for social housing. There are a number of different approaches to assess that, and not necessarily a single right answer. I am therefore not convinced that the regulator stepping in to provide its own assessment is the right approach. It should focus on the task at hand and on standards, quality and enforcement. On that basis we would not want to accept new clauses 2 and 3.

Matthew Pennycook: I thank the Minister for her explanation of the clause and for the response to the two new clauses tabled by the Opposition. As the Minister has made clear, with a view to providing for a stronger and more proactive consumer regulatory regime, the clause expands the regulator's fundamental objectives as set out in the Housing and Regeneration Act 2008 to include those of safety, transparency and—following the well-deserved success of Baroness Hayman's amendment in the other place on standards relating to energy demand—energy efficiency.

My response to the case that the Minister made against new clauses 2 and 3 has, thankfully, pre-empted a number of the points she has just made. New clause 2 seeks to ensure that in meeting its fundamental objective to support the provision of social housing that is well managed and of appropriate quality, under proposed new subsection (3)(a) of the amended 2008 Act the regulator would also be required to report to the Government on the progress of building safety remediation in the social housing sector.

According to the Department's own figures, every one of the 160 social sector buildings identified as having unsafe aluminium composite material—ACM—cladding, similar to that which covered Grenfell Tower, have been remediated through the social sector ACM cladding remediation fund. When it comes to buildings

in the social sector with unsafe non-ACM cladding systems, we know that, as of 31 October, 251 have applied for Government funding for remediation. Alarmingly, as things stand, not a single one of those 251 buildings has been remediated.

Perhaps more worryingly, we have no estimate of the total number of social sector buildings with unsafe non-ACM cladding systems, because social landlords can apply for Government funding only if the costs of remediation are unaffordable or if there is a threat to their financial viability. We have no idea whatsoever how many social sector buildings have other non-cladding building safety defects.

There is a wider debate to be had outside this Committee about social landlords' restricted access to funding for non-ACM remediation work, given the impact that has on social tenants, whose rent payments are contributing to the costs of the works required, and on providers in terms of upgrade and maintenance works, services provided such as welfare advice and the supply of new social homes.

However, all new clause 2 seeks to achieve is to make the regulator—which, as a result of the Bill will now have to perform its functions with a view to supporting the provision of social housing that is safe—report to the Secretary of State on the progress of remediating unsafe external wall systems and other historical fire safety defects in social housing, and provides it with the opportunity to make recommendations to the Secretary of State on further action required.

Speaking for the Government in the other place in response to a similar amendment in the name of Baroness Pinnock, Baroness Scott of Bybrook argued, as the Minister just has, that the type of monitoring sought by new clause 2 would not be "appropriate" for the regulator to undertake because

"it is not a specialist health and safety body."—[*Official Report, House of Lords,* 6 September 2022; Vol. 824, c. 114.]

I am afraid that we find that argument wholly unconvincing.

New clause 2 does not seek to impose a duty on the regulator to carry out inspections of social sector buildings that are either potentially unsafe or identified as unsafe and in need of remediation or to physically monitor the progress of remediation works. As such, it does not require the regulator to possess the relevant professional skills, expertise and capacity necessary for assessments of that nature. All it would require is that the regulator be responsible for reporting to the Government on the progress of remediation in respect of social sector buildings—on the overall number of such buildings identified as having defects and the progress of whether they have started and completed remediation.

Given that the regulator already collects data from registered providers to inform its regulation of standards, and that the Bill ensures that one of the regulator's new fundamental objectives will be the safety of buildings, we believe it is entirely reasonable and appropriate to task it with reporting to the Government along these lines.

As the Minister made clear, the Government have been at pains over recent months to stress they are examining options for monitoring and reporting remediation progress in future. Yet, as we consider the Bill today, neither the Department nor the new Building Safety Regulator is providing accurate data with regard to the scale of the building safety challenge in the social housing sector, or progress toward meeting it; no firm proposals have been brought forward by the Government to address that gap; and we have no guarantees that appropriate measures will be forthcoming any time soon, although I take at face value what the Minister has just said.

The Bill rightly ensures that the provision of safe, high-quality social housing will be integral to the function of the regulator's role. There can be no more important task in respect of social housing—I think we are agreed on this point—than to ensure that buildings that are either covered in combustible material or riddled with other non-cladding safety defects are made safe. New clause 2 would ensure the regulator monitors progress to that end and reports to Government. I urge the Minister to rethink. If the Government are not minded to amend the Bill as new clause 2 seeks, I urge them to bring forward other proposals for monitoring this important element of the remediation drive in the near future.

I turn to new clause 3. In a similar way to how new clause 2 seeks to place additional requirements on the regulator in relation to its fundamental objective to support the provision of social housing that is well-managed and of appropriate quality, new clause 3 seeks to ensure that, in meeting its fundamental objective under the 2008 Act to support the provision of social housing that is sufficient to meet reasonable demands, the regulator would also be required to report to the Government on the adequacy of social housing supply.

The problem to which this new clause relates is well known. While more people than ever are struggling to afford a secure place to live, nowhere near enough social homes are being built. Almost 1.2 million households in England are now languishing on a housing waiting list. The Green Paper that foreshadowed the Bill stated:

"Social housing remains central to our supply ambitions."

Despite that, the Government are doing nowhere near enough to deliver the volume of social homes our country needs.

Not only are the Government failing to build the volume of social homes that we need, but by means of reduced grant funding, the introduction of the so-called affordable rent tenure, increased right-to-buy discounts and numerous other policy interventions, we would argue that they have actively engineered the decline of social housing over the past 12 years. The result is that not only were fewer than 6,000 social homes constructed last year but over 21,000 were sold or demolished—a net loss of 15,000 desperately needed genuinely affordable homes.

10.15 am

Last year was not an aberration that could be written off as a result of global factors outside the Government's control. Over the past 12 years, the Government have presided over an average net loss of 13,000 social homes a year. The Minister said that the Government aim to deliver 32,000 social rented homes over the five years of the affordable homes programme, but she will know as well as I do that that is woefully short of what is required to meet the need across the country. It is based on data from 2015-16, but the 2019 analysis carried out by Professor Glen Bramley for the National Housing Federation and Crisis remains the most robust estimate that we have of the need. It suggested that 145,000 new

affordable homes were needed each and every year for a period of 15 years to address the present stark mismatch between affordable housing supply and demand, with 90,000 of those 145,000 units needing to be new homes for social rent. If anything, I would argue that in the three years that have elapsed since that study was published the annual estimate of 145,000 will have increased.

While the need for social housing in England continues to increase as social house building is at its lowest rate in decades, the Government maintain that there is no way to calculate a net annual figure for social housing. For reasons of transparency and accountability, there is a strong case for making available more accurate data on the delivery of social housing—the actual annual change in social housing stock—not least given the significant number of conversions to affordable rent and right-to-buy sales over recent years, and levels of social housing need.

Given that one of the regulator's existing fundamental objectives is to support the provision of social housing sufficient to meet reasonable demands, we believe that the regulator is well placed to provide that information as part of a duty to provide timely reports to Government on whether the supply of social housing in England and Wales is sufficient to meet reasonable demands, with the option of also making recommendations relating to how to ensure that that is the case.

Responding for the Government in the other place, Baroness Scott of Bybrook agreed that it is appropriate that the regulator should have an objective to support the provision of social housing but opposed its having a role in assessing the adequacy of that provision or making recommendations relating to it. The reason given was:

> "There are many other organisations, such as the Chartered Institute of Housing, Savills and Shelter, which publish reports on these important issues at regular intervals."—[*Official Report, House of Lords,* 6 September 2022; Vol. 824, c. 126.]

We do not, of course, deny that organisations such as the CIH and Shelter publish outstanding research and analysis relating to affordable housing need and supply, but is it really the Government's contention that, because they do, the regulator's existing fundamental objective in respect of the support of the provision of social housing cannot be augmented with a requirement simply to assess whether that provision is sufficient to meet reasonable demands?

The other objection that the Government raised in the other place to an amendment in the name of Baroness Pinnock that sought to achieve the same outcome as new clause 3 was that giving the regulator responsibility for assessing the adequacy of social housing supply would divert resources and attention away from other important responsibilities, such as setting standards in social housing, assessing risks across the sector and carrying out enforcement action where required. That is a more legitimate concern than the one I just mentioned.

Unrelated to the issue that new clause 3 seeks to address, we are concerned that the regulator may not have the resources that it needs to carry out the enhanced role that the Bill demands of it. However, not only is ensuring that the regulator is adequately resourced within the Government's gift but we are sceptical about the Government's claim that assessing the adequacy of social housing provision will be an unduly burdensome duty on the regulator or one that would divert resources and attention away from its other duties to any meaningful extent.

We completely recognise that the issue of social house building, and the fact that England's social housing stock is nowhere near large enough to meet existing need, cannot be solved by the Bill, but neither can the supply of social homes be divorced from standards and social landlord performance—not least because some of the worst housing standards experienced by tenants are the result not of disrepair but fundamental issues with the structures of social sector buildings that need replacing with new, high-quality, sustainable equivalents.

Given the social housing deficit that exists in the country and the need for more accurate data to properly address whether the supply of social housing in England and Wales is sufficient to meet reasonable demands, we believe there is a strong case for placing this additional duty on the regulator. I hope the Minister will rethink the Government's position on this issue and new clause 2, or at least take away the arguments I have made and give further thought to how we might address the issues raised by both the new clauses.

Bob Blackman: I agree with the shadow Minister that the provision of affordable social housing in this country is far too low. It has been far too low for far too long. That has been the case not just under this Government, but under successive Governments for more than 30 years.

The shadow Minister has put forward his case, and he quoted one report claiming that 145,000 units are required per year. The Levelling Up, Housing and Communities Committee and I have always taken the view that 90,000 units per year would be required just to get us back to where we should be. From that perspective, it is clear that there needs to be more investment in affordable social housing, and we need to get to a point where people have a place they can call home, a rent that they can afford, and the option to buy when their circumstances allow.

The new clauses seem to put extra burdens on the regulator, for example by requiring them to report on the amount of social housing there should be in this country. I do not think that is an appropriate role for the regulator. It is right that organisations, such as those the shadow Minister quoted—Shelter, Crisis, CIH and others—should be reporting and commenting to Government, but I do not think it is the role of the regulator to report to Government.

I think the role of the regulator is quite clearly to report on the condition of social housing. I hope as we go through the Bill—and I will challenge the Secretary of State on this particular issue—we will see some amendments that strengthen the role of the regulator to ensure that social housing providers are performing as they should be. That means providing a high-quality standard of accommodation. We have heard about what has happened in Rochdale, but the issue of the condition of property is not confined to Rochdale. It goes up and down the country.

We need to see dramatic improvements in the provision of not only the quantity of social housing, but the conditions within those units. It is a sheer scandal in this country that we are paying huge salaries to social housing providers who are pocketing the money while

providing a very poor service for their tenants. We need to call them to account. I believe that comes through the role of the regulator. That is the way it should be. I hope we can see some strengthening of the Bill on that point through Government amendments, at least when we get to Report stage.

On safety defects, there is clearly an issue about data, performance and the funding of removing unsafe cladding and dealing with fire safety defects. The hon. Member for Greenwich and Woolwich will know that I have been on this case for quite some time—since before Grenfell. One of the key issues here is about whether the regulator should be reporting on it, but frankly I think the regulator should be enforcing it. They should be making sure the providers actually do their job of providing safe accommodation for people.

While I recognise that the new clauses are well-intentioned, I do not think they hit the nub of where we need to be going. I hope the Government will come forward with some new clauses to strengthen the Bill when we get to Report stage, particularly in light of the scandal in Rochdale and the conditions people are facing up and down the country.

Siobhain McDonagh: Thank you, Sir Edward, for your generosity in calling me. I realise I registered quite late that I wanted to speak.

Why are we sitting here in this Bill Committee today? We are sitting here because, under the coalition Government's bonfire of the quangos, we set fire to the housing inspectorate and the Audit Commission in the belief that no regulation of damp or mould growth in properties was required, that all the adjudicator had to do was look at the financial structure of housing associations, and that that would be enough. What a terrible error that has been.

In my constituency, the largest social housing provider is Clarion Housing Association. After an ITV news programme about some of its standards, it was referred to the regulator. The regulator's decision was that it could not investigate because there was not a systemic problem. That is where we have got to. How many of us were distressed by Awaab Ishak's death? How many of us know that we have plenty of social housing units in our constituencies with the same damp and mould growth problems? At the moment we have no form of regulation that can tackle that.

The adjudicator does not go out and look at properties or inspect procedures. The adjudicator is interested in the financial structures. I would never argue that we should not look at the financial viability of a housing association, but I also want to know what it does when it has problems of damp and mould growth. I want to know that a Government inspector goes out and sample-tests and looks at properties.

We would never accept an Ofsted that did not inspect schools or a Care Quality Commission that did not go in and inspect hospitals, care homes or local authority social services, but we have accepted that the regulator has no responsibility for going into social housing properties and inspecting their conditions.

When we look at reducing regulation, we must remember Awaab Ishak, and remember that we do not have a regulator in our country that would do anything about that.

Dehenna Davison: I will be brief and just say that I recognise the arguments made by the shadow Minister, but I hope he recognises the arguments that I made in my opening statement. I have made a commitment to my hon. Friend the Member for Harrow East that before Report we will sit down to discuss the issues further and make sure the regulator has the teeth it really needs.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Clause 2

Advisory panel

Matthew Pennycook: I beg to move amendment 14, in clause 2, page 1, line 18, at end insert—

"(2A) The Panel may provide information and advice to the Secretary of State about, or on matters connected with, the regulator's functions and wider issues affecting the regulation of social housing (whether or not it is requested to do so by either the regulator or the Secretary of State)."

This amendment would enable the Panel to provide information and advice and to proactively raise issues affecting social housing regulation more generally directly to the Secretary of State.

The Chair: With this it will be convenient to discuss amendment 15, in clause 2, page 2, line 17, at end insert—

"(8) The Panel must be chaired by a tenant of social housing.

(9) The Chair is responsible for setting Panel meeting agendas.

(10) The majority of persons appointed to the panel must be tenants of social housing."

This amendment would ensure that tenant representation on the advisory panel is mandatory and that tenants are able to influence effectively what information and advice is presented to the regulator in respect of issues affecting social housing regulation.

Matthew Pennycook: For all its technical complexity, the Bill is ultimately about those who live in social housing and overhauling regulation to ensure that they are treated fairly by landlords who are well run, responsive, transparent and accountable. In considering the detail of the Bill, we must never forget that the impetus for it was the deaths of 72 men, women and children in the early hours of 14 June 2017. Those 72 human lives were ended in an inferno fuelled by the highly combustible cladding system installed on the outside of the tower block in which they lived, despite the fact that tenants had repeatedly sounded the alarm about the building's safety defects and the fact that warnings were going unheeded.

I have met and spoken to Grenfell United, as I assume the Minister and many other Members have. I once again pay tribute to them and the wider Grenfell community. I know that what the survivors and the bereaved are determined to achieve is not only justice, but lasting change in how social housing is regulated and the power that tenants themselves can exercise. We firmly believe that the empowerment of tenants must be at the heart of the Bill, and we believe that a key test of its robustness is whether it establishes mechanisms that will enable tenants to influence in practice the regulator's approach to regulating standards; to shape any future changes to regulatory standards and codes of practice;

[Matthew Pennycook]

and to proactively raise wider issues affecting social housing regulation and policy, not just with the regulator but with Ministers.

The Government ostensibly agree that tenants are at the heart of the Bill, and Ministers have repeatedly assured us that one of its primary objectives is to give social housing tenants a voice and ensure that it is listened to. Yet when it comes to providing ways in which tenant representatives can exert a measure of control over the work of the regulator, shape the future direction of the regulatory arrangements that the Bill establishes and proactively influence national regulation and policy so as to shape the services that tenants receive from their landlords, we feel that the Bill is somewhat lacking in ambition.

10.30 am

Clause 2 provides for the establishment of the advisory panel. We very much welcome its establishment as a means of providing independent and unbiased information and advice to the regulator about matters relating to the regulator's functions, and the fact that it can do so without the regulator making such a request. However, the advisory panel established by clause 2 is neither independent nor able to meaningfully influence the setting of national regulation and policy, because the Bill provides only for the panel to supply information and advice to the regulator—the same body that controls the panel's membership and functioning.

Amendment 14 seeks to press the Government to reconsider whether the Bill should provide a means for the panel to provide information and advice directly to the Secretary of State in circumstances in which it feels that it is necessary to do so. An example of such circumstances would be where the panel had identified an issue or issues affecting social housing regulation that it believed warranted the Secretary of State considering further legislative or non-legislative change.

There is clear precedent when it comes to non-departmental public bodies having the ability to raise key sector issues and risks directly with Ministers. For example, as well as advising persons exercising functions or engaged in activities affecting children on how to act compatibly with the rights of children, the Office of the Children's Commissioner can bring matters directly to the attention of the Secretary of State or either House of Parliament.

We believe that the change proposed by amendment 14 is proportionate and sensible. The occasions on which the advisory panel is likely to feel the need to issue information and advice directly to the Secretary of State are likely to be rare—no doubt extremely rare—but we believe that it is important that the option be available to the panel should it feel that such a course of action is warranted. By amending the Bill to provide that option, we would at least ensure that the panel was given a limited degree of autonomous action by providing it with the recourse to bring matters of concern directly to the attention of Ministers, despite the fact that it is ultimately controlled by the regulator. I hope that the Minister will give serious consideration to this amendment.

Turning to amendment 15, I mentioned a moment ago that the advisory panel provided for by clause 2 cannot in any way be considered independent. That is because it is the regulator that will establish the panel and choose which persons are appointed to it. Although proposed new section 96A(4) of the Housing and Regeneration Act 2008, inserted by clause 2 of the Bill, states that the regulator must appoint persons

"appearing to the regulator to represent the interests of"

among others

"tenants of social housing",

there is nothing in the Bill to guarantee that tenants themselves will form part of the panel's membership, let alone be able to influence its work or shape future social housing regulation or policy. We believe that that is problematic and we want to see the Bill more effectively empower tenants.

The Opposition believe that in principle there is a strong case for establishing, as the last Labour Government did with the National Tenant Voice, a body to act as the authentic voice of social tenants, one that is independent of both Government and the regulator and that is truly representative of tenants across the country. Such a body would enable tenants to address the stigma and stereotyping—much of it based on ignorance—that they are so frequently subject to, rather than relying on benevolent others in positions of authority to do so for them, and it would allow tenants to speak for themselves, nationally, regionally and locally, on a more equal footing with other interests, not least when it comes to policy making and regulation.

The Government have established the social housing quality resident panel—I note the hon. Member for Walsall North's involvement with that—which allows tenants to share their views about their landlord's services, as well as the Government's efforts to improve the quality of social housing, directly with Ministers, but the existence of that panel is time-limited and, in its composition, remit and functioning, it falls far short of the kind of independent body that would truly empower tenants and enable them to have their voice heard on issues outside the Government social housing quality programme.

We recognise that the establishment of the kind of body that I have outlined is absolutely outside the scope of the Bill. Its consideration will almost certainly await the election of the next Labour Government. However, that does not mean that we cannot strengthen the advisory panel to ensure that tenants are adequately represented on it and can influence effectively what advice and information is provided to the regulator. Amendment 15 seeks to do that, requiring the advisory panel at least to be chaired by a tenant, who would be given responsibility for setting panel meeting agendas, and that a majority of persons appointed to the panel be social tenants.

The response to the Green Paper made clear the support for stronger representation of resident tenants at a national level, with 71% of respondents supporting measures that would achieve that. By ensuring that tenants formed a majority of the panel's membership and could play a significant role in determining what issues it should focus on at any given time, amendment 15 would enable social tenants to exert real influence on the regulator's approach to regulating standards, future changes to regulatory standards and codes of practice, and wider issues affecting social housing regulation and policy.

The advisory panel will rightly also contain those representing the interests of resident providers, local housing authorities and other organisations listed in clause 2(4). But if the Government are truly committed to putting tenants at the heart of the Bill, we believe they should think again about how the advisory panel will be constituted and function, with a view to ensuring that tenants are at the centre of the national conversation about how we drive up standards in social housing. I look forward to hearing the Minister's view on the amendments.

Dehenna Davison: I am grateful to the shadow Minister for making his case for amendments 14 and 15. Amendment 14 seeks to enable the advisory panel to provide information and advice and to raise issues affecting social housing regulation directly with the Secretary of State. The social housing White Paper made it clear that the purpose of the advisory panel was to provide independent and unbiased advice specific to the regulator on matters connected to regulation. Clearly, the views of tenants are central to that objective.

As the hon. Gentleman outlined, in parallel we also established the social housing quality resident panel, which will provide an opportunity for us to hear from tenants. The aim of the resident panel is to enable tenants to share their views directly with Government and Ministers on their approach to improving the quality of social housing, and on whether the Government's interventions will deliver the changes that they want to see.

The resident panel is made up of 250 social housing residents from across the country and from diverse backgrounds. They met for the first time last week on 26 November, and will meet approximately monthly over the coming year, with opportunities for the agenda to be shaped by panel members. At that meeting, residents told the Secretary of State for Levelling Up, Housing and Communities, my right hon. Friend the Member for Surrey Heath (Michael Gove), that the most important issues to them were how repairs are dealt with, how landlords are held to account and how complaints are handled by their landlords and the housing ombudsman. The Department's resident panel and the regulated advisory panel have a specific role and remit to ensure that tenants' views are properly represented to both Ministers and the regulator.

Amendment 15 seeks to require a social housing tenant to chair the advisory panel and have responsibility for setting the agenda that the panel considers. It also seeks to ensure that social housing tenants comprise the majority of panel members. We share the notion that it is vital that tenants' voices are heard, but it is important that the advisory panel considers the full range of regulatory issues that the regulator has to tackle. That means that we need to allow a diverse collection of voices to share their knowledge and opinions with the regulator.

Consumer matters are rightly at the forefront of the Bill but, equally, working to resolve some of the economic issues should not be diminished. Legislating for a tenant to chair and set the agenda and requiring the majority of the panel members to be tenants would not support what we are trying to achieve with the advisory panel. I am concerned that being too prescriptive in legislation about how the advisory panel must operate may prevent the panel from having the flexibility to decide how it best operates. In practice, I expect that all members of the advisory panel, along with the regulator, will shape how it works and what it considers.

We are committed to ensuring that tenants can effectively engage with the Department and the regulator, and that tenant voices are at the heart of social housing regulation and policy, but we do not feel that amendments 14 and 15 are necessary to achieve that so I ask the shadow Minister to withdraw them.

Matthew Pennycook: I thank the Minister for that helpful response, and I take on board the concerns she raised about the amendments.

I am slightly concerned about the lack of what we would consider to be true tenant empowerment. The quality resident panel is important, but it only lasts a year, so how will we get ongoing tenant engagement with the work of the regulator to inform how it operates, to shape future regulation, which is part of its remit, and to raise future issues of concern to tenants nationally, in terms of social housing regulation and policy? We do not think the Bill allows for that, and in all honesty I cannot understand the Government's objection to allowing the advisory panel to notify Ministers directly, rather than the regulator, in certain rare circumstances. As the Minister said, the panel is at present constituted by the regulator, which appoints its membership, and it can only provide views directly to the regulator. We think there are some circumstances in which it may need to do otherwise. I hope the Minister takes away those points.

Eddie Hughes: Although there might be some deliberation about this mechanism, there are several mechanisms through which resident organisations are able to engage with Ministers and the regulator. I am delighted to see representatives of Grenfell United in the Public Gallery. There is a regular opportunity to meet Ministers, although it is not prescriptive and perhaps not as frequent as many would like, but the Government are certainly determined to build on it.

Matthew Pennycook: We recognise that Ministers meet tenants and tenant representatives frequently. My concern is that if tenants on the advisory panel have an issue that they feel is sufficiently serious that they need to bring it to the attention of Ministers, rather than the regulator, they should not have to rely on attempting to get a meeting with Ministers. There should be a mechanism through which they can put serious issues on the desk of the Secretary of State or the Minister if they feel that they, as well as the regulator, need to know about them. That is the point we are trying to address with amendment 14.

On amendment 15, I understand the Minister's concerns about being too prescriptive, but I urge the Government to go away and think again about the membership of the advisory panel. I appreciate fully the need to have a diverse panel, but as I read clause 2(4), there is nothing on the face of the Bill to prevent the Government from putting one tenant or tenant representative on the panel and leaving it at that. There is no minimum quota for tenants, and we want tenant voices to be properly represented.

Bob Blackman: The shadow Minister is making a good point. We want to empower tenants, but his proposal could have an unintended consequence. Supposing tenant representatives on the board cannot agree among themselves who will be the chair, the panel could meet, but obviously that would be a difficult situation. There may potentially be social tenants from various parts of the country, representing different organisations. It is therefore not appropriate to prescribe a chair on the face of the Bill; that would defeat the objective. It might well be that we could find some suitable wording about the number of representatives, but I do not think we should force the panel to have a particular individual or representative as the chair.

Matthew Pennycook: The point about obvious issues around tenant representation and selection is well made, although those issues exist for the quality residents panel and the 250 members it selects. They have existed every time we have tried to create a body that gives voice to residents, so I do not think they are insurmountable. I welcome the fact that the hon. Gentleman thinks a minimum level of tenant representation on the panel is a good thing, and I urge the Government to think again about that.

We ultimately want to achieve tenant empowerment on the advisory panel so that tenants can be confident that, when the advisory panel gives information and advice to the regulator about the new system of regulatory standards, its voice is properly heard and it can bring issues to the attention of Ministers if required. I hope the Government will take away the points we have made about the amendments. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

10.45 am

Question proposed, That the clause stand part of the Bill.

Dehenna Davison: Clause 2 makes it a requirement that the regulator will engage with a wide range of stakeholders, including tenants and landlords. It also sets out expectations about who should be represented on that panel. It is not just about the regulator asking a group of people for views once it has already made up its mind about what it wants to do. The panel is designed to be used to test and shape the regulator's thinking. For example, we expect the regulator to engage the panel on the design and implementation of new consumer standards. The clause also empowers the panel to raise issues directly with the regulator that its members consider important. I hope the Committee will support the clause.

Question put and agreed to.

Clause 2 accordingly ordered to stand part of the Bill.

Clause 3 ordered to stand part of the Bill.

Clause 4

Power to charge fees

Dehenna Davison: I beg to move amendment 1, in clause 4, page 3, line 40, leave out "follows" and insert "set out in subsections (2) to (6)".

This amendment is consequential on Amendment 2.

The Chair: With this it will be convenient to discuss the following:

Government amendment 2.

Clause stand part.

Dehenna Davison: Clause 4 and Government amendments 1 and 2 deal with the regulator's fee-charging powers. As we heard from a number of hon. Members on Second Reading, the Regulator of Social Housing must be provided with the necessary funding to enable it to deliver the outcomes the Bill is designed to achieve.

Once the new consumer regime is implemented, the regulator will see substantial growth in its regulatory activity, which means its costs will increase significantly. It is Government policy to maximise the recovery of costs of arm's length bodies, so clause 4 will refine the existing fee-charging power to allow for the cost of some additional functions to be recovered, and to charge fees that cover costs of activities that may not be connected to the specific fee payer, such as the cost of investigation and enforcement. Any significant changes to the design of the regime will be consulted upon and require ministerial approval.

Government amendments 1 and 2 also address the regulator's fee-charging powers. The amendments remove specific provision allowing the regulator to charge following the completion of inspections, if authorised by the Secretary of State by order. The existence of that special provision relating to fees for inspections is no longer necessary given the changes we are making to the regulator's general power to charge fees. That power will now allow it to cover the cost of inspections in its fees for initial and continued registration.

Leaving the provision in legislation erroneously risks causing confusion and casting doubt on the regulator's ability to set fees to cover inspections as part of its general fee-setting power. As such, the change serves to ensure that there is greater clarity and consistency in this legislation.

Clause 4 establishes the parameters to the regulator's fee-charging powers and makes clear that it can charge the sector for costs that may be unconnected to the specific fee payer. Government amendments 1 and 2 support clause 4 by delivering a technical change that will ensure there is no confusion over the powers available to the regulator to deliver maximum cost recovery. On that basis, I commend the clause to the Committee and beg to move the amendments.

Matthew Pennycook: I thank the Minister for that explanation of Government amendments 1 and 2. As she makes clear, clause 4 amends section 117 of the Housing and Regeneration Act 2008 to clarify the extent of the regulator's fee-charging powers. New subsection (4A) adds to the 2008 Act and makes it clear that the regulator has the power to recover the cost of activities it does not currently charge social housing providers for.

If I understood the Minister correctly, Government amendment 2 revises section 202 of the 2008 Act because the powers in new subsection (4A) are sufficiently broad to cover charging providers fees for inspections. In short, as I hope she agrees, this is just a tidying-up exercise, the rationale for which is that the power is being omitted from section 202, concerning inspections only, because it more properly fits within section 117, concerning fees generally, to ensure that references to

fee charging are all in one place in the 2008 Act. If that is the case, and amendment 2 in no way prevents the regulator from charging fees for inspections, we take no issue with it, because it is important that the regulator is able to charge fees to cover the significant costs involved in overseeing the comprehensive and rigorous Ofsted-style inspections regime that the Bill introduces.

The amendment raises wider issues relating to the resourcing of the regulator. Since the Bill's publication, we have consistently expressed concern about the very real risk that the regulator will struggle to discharge its new functions and that it will not be adequately resourced to perform its enhanced role, in particular in relation to inspections. Prior to the Bill's publication there were already concerns, expressed by the Select Committee and others, as to whether the regulator had the resourcing, skills and capacity to continue to regulate economic standards adequately, given the complex financial and corporate structures proliferating in the sector.

The new consumer regulatory regime will impose significant burdens on the regulator. The Minister stated on Second Reading that the Government are

"firmly committed to ensuring that the regulator has the resources that it needs not only to deliver the new consumer regulation regime but to ensure that it continues to regulate its economic objectives effectively."—[*Official Report*, 7 November 2022; Vol. 722, c. 83.]

She also suggested that the Government were potentially minded to introduce changes to the fee regime to ensure that the regulator is funded appropriately. We accept that the Government have made limited additional funding available this financial year to support the new regime, but we are concerned that there may still be a resourcing challenge for the regulator. I would welcome any further assurances from the Minister that the regulator will have all the resources it needs to discharge the enhanced functions that the Bill requires of it.

Dehenna Davison: I am grateful to the shadow Minister for raising the question of resourcing. We touched on this on Second Reading, as he highlighted. He is right that in this financial year we are providing £4.8 million to aid the regulator in its vital work, but this is why it is so important that we get the fee charging regime right—to ensure that the regulator is properly resourced. As we have discussed today, on Second Reading and in the other place, the regulator needs the teeth to be able to do its job, and a huge part of that is resourcing. He is right that, effectively, we are tidying the legislation up to make it a bit neater and ensure further clarity, so I hope he will support these amendments.

Amendment 1 agreed to.

Amendment made: 2, in clause 4, page 4, line 16, at end insert—

'(7) In section 202 of the Housing and Regeneration Act 2008 (inspections: supplemental) omit subsections (4) to (7).'—*(Dehenna Davison.)*

This amendment repeals the provisions of the Housing and Regeneration Act 2008 which provide specific powers to enable the regulator to charge registered providers of social housing fees for inspections.

Clause 4, as amended, ordered to stand part of the Bill.

Clause 5

RELATIONSHIP BETWEEN REGULATOR AND HOUSING OMBUDSMAN

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: I will be brief, but there is an issue that we want to highlight in relation to clause 5, which is about the relationship between the regulator and housing ombudsman. Clause 5 amends the Housing and Regeneration Act 2008 and the Housing Act 1996 to add measures on the relationship between the two bodies, so that they can exchange information quickly and effectively to provide better protection for tenants, all of which is entirely to the good and uncontroversial. However, consideration of the clause provides me with an opportunity to seek clarification from the Minister about the precise role of each body in the reformed regulatory regime that the Bill establishes.

Taken at face value, the role of each body is clearly delineated: the regulator regulates registered providers in England, while the housing ombudsman seeks to resolve complaints from individual residents about their registered provider. The regulator operates on a top-down basis, and the housing ombudsman operates on a bottom-up basis. However, when one considers how the reformed regulatory regime will operate in practice, things start to appear somewhat more complicated.

First, if my reading of the Bill is correct, the regulator appears to be able to intervene in individual complaints. Clause 31, for example, enables the regulator to arrange for an authorised person to take emergency remedial action in respect of individual premises following completion of a survey. Presumably, it is therefore necessary for the regulator to receive a complaint from a tenant who fears they are at risk of an imminent serious health and safety risk. Otherwise, how could the regulator order the necessary survey of a given premises? It may be that that is not the case, and it will be for the ombudsman to refer an individual complaint to the regulator to allow them to make use of the provisions in clause 31; if that is the case, it is not clear from the Bill.

Secondly, following revisions to the housing ombudsman scheme enacted in September 2020, the ombudsman has a responsibility to publish a complaint handling code, enjoys a new power to issue complaint handling failure orders that can relate to a landlord's overall complaint-handling policy and, crucially, has the ability to investigate beyond an initial complaint to establish whether evidence might indicate a systemic failing by a registered provider. It may be that the ombudsman can address such systemic failings on the part of registered providers on the basis of suggested changes to their policies only with the regulator responsible for exploring whether changes to their systems are necessary, but again that is not immediately clear in the Bill.

Eddie Hughes: I understand the point that the hon. Gentleman is making, but it is based on the premise that these bodies operate in a completely siloed fashion. The relationship between them is a fluid one; they speak regularly and consider complaints and points that have been raised, which come to them from either direction. They work in a collaborative fashion and are then able to identify who should best proceed with a particular case. Obviously, it is governed by a memorandum of understanding, but it is a much more fluid and collaborative arrangement than that.

Matthew Pennycook: I thank the hon. Gentleman, and I fully understand his point. I met with senior staff from the housing ombudsman yesterday, and we were

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talking precisely about the ways in which the respective roles operate and how they could be clarified. What these examples seek to illustrate is that there is still an obvious risk of overlap and duplication of roles in respect of these two bodies. One could argue, as the hon. Gentleman just has, that those issues can be resolved by means of updating the non-statutory memorandum of understanding that already sets out the functions of both organisations and how they work together, but that throws up two distinct issues in and of itself.

First, is it appropriate for us to leave these matters to the two bodies themselves to resolve, rather than clarifying on the face of the Bill the precise role of each body in the new regulatory regime, so as to avoid the duplication of functions and potential gaps in coverage—even if only in the short term, before they update that memorandum of understanding to reflect the new regulatory system of proactive consumer regulation?

Secondly, I am sure that hon. Members have been contacted by tenants who are aware that the Bill is progressing through the House. The expectations around the Bill are such that, after it receives Royal Assent, tenants who feel that they have not secured appropriate redress by means of a standard complaint to their landlord and believe that their grievance might be systemic in nature will understandably be uncertain about whether they should approach the ombudsman or the regulator with their complaint. I appreciate that the Department is alive to the risk, has produced guidance in the form of a fact sheet and is apparently delivering a communications campaign to tenants so that they know where to go and are well informed but, without greater clarity prior to Royal Assent about the precise roles of each body in the regime established by the Bill, I fear that neither will be sufficient to prevent a large degree of confusion. When debating this matter in the other place, Baroness Scott of Bybrook conceded that fears about confusion of the kind that I alluded to are legitimate, and that greater clarity is required as a result; yet, despite her promise to take the matter back to the Department, the Government are not amending the Bill to provide greater clarity or committing to take any further concrete steps—that I am aware of, at least—to ensure that confusion will be avoided.

As Shelter and others have argued, it is essential that the roles of the regulator and the housing ombudsman are clearly defined, that tenants and tenant groups understand the appropriate way to make complaints and that any complaints process or system is easy to use, accessible and effective. I would be grateful if the Minister provided greater clarity today and, if not today, in writing. I hope that, in general terms, she will assure me that the issues that I have highlighted will be both considered and acted on by the Department before the Bill receives Royal Assent.

Dehenna Davison: I am grateful to the shadow Minister for raising his concerns and giving me the opportunity to provide some clarity. We will take it from the experience of one particular tenant, if we may. If a tenant has a complaint, they should first go to their landlord but, if that complaint cannot be resolved between tenants and the landlord, it can be escalated to the housing ombudsman to investigate individual complaints from tenants. If the ombudsman's investigation finds instances of maladministration on the part of the landlord, the ombudsman can issue orders to that landlord to put things right for the complainant. That can include requiring the landlord to pay compensation to the complainant or to undertake repairs.

If an investigation raises a potential breach of a regulatory standard or there is evidence of systemic failure by the landlord, the ombudsman can refer the matter to the regulator. In situations where the regulator has concerns that the provider is failing to maintain the premises in accordance with the regulatory standards, it can conduct a survey and, following the implementation of this Bill, arrange for emergency repairs to remediate the issue in cases where there is a risk of serious harm to tenants that is not being addressed by the landlord.

11 am

Matthew Pennycook: That is useful clarification. If I have correctly understood what the Minister is saying, emergency remedial action under clause 31 of the Bill stems, in the first instance, from a referral from the ombudsman. Let us think about that process in detail. To get to the ombudsman, a tenant would have to exhaust all stages of their resident provider's internal complaints process, which is three stages in most cases. It takes about a year to get through it. They would then have to go to the ombudsman, who has a huge backlog. Clause 31 is about emergency remedial action that poses an imminent threat to health and safety. I urge the Government to think again about how, in particular, clause 31 operates because tenants will need to give notice to the regulator about specific clause 31 failures far quicker than the process she has just described.

Siobhain McDonagh: The situation gets even more complicated when a tenant exasperatedly says, "I want to go to a lawyer" and then the whole thing closes down.

Matthew Pennycook: We are testing the patience of Sir Edward and the rules, but the point my hon. Friend highlights is a genuine one about the complication of legal matters and whether tenants abandon complaints at whatever point, which I hope adds to the weight of the point that I have just made. It is not immediately clear, and we have to be clear with, most importantly, tenants once this Bill is in force about where they go and how they can seek redress under the provisions of the Bill as quickly as they need to. As I said, in the case of clause 31, the process the Minister has described does not seem like it is fast enough to ensure that emergency remedial action of the kind provided for by clause 31 will happen. I hope the Government will take this and those other points away.

Dehenna Davison: Again, I am grateful to the shadow Minister and to the hon. Member for Mitcham and Morden. On the shadow Minister's point about communications ensuring that tenants know where to go and how this process works, we have been working with organisations that represent landlords, social housing residents and the housing ombudsman service. We delivered communications and marketing campaigns in 2021 and this year to ensure that social housing residents were aware of how to make a complaint and how to seek redress where appropriate. We are putting in the work

through communications to ensure that tenants understand the process, but I have heard his points on timeliness and I will endeavour to take that away.

Question put and agreed to.

Clause 5 accordingly ordered to stand part of the Bill.

Clauses 6 to 9 ordered to stand part of the Bill.

Clause 10

APPOINTMENT OF HEALTH AND SAFETY LEAD BY REGISTERED PROVIDER

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: Clause 10 is not contentious, and we broadly welcome it, but I would appreciate some clarification from the Minister on a specific issue arising from it. At present, proposed new section 126B ensures that

"The functions of the health and safety lead"

are to

"monitor the provider's compliance with health and safety requirements"

and to notify the provider's responsible body of any material risk to or failures of compliance, and to advise on steps to ensure the provider addresses them.

As Ministers may be aware, the Local Government Association, among others, has inquired what—if any—channels of communication or reporting mechanisms will exist between the health and safety leads of registered providers and the regulator itself. The LGA also highlighted the obvious need for sufficient new burdens funding in the case of local authority landlords. Will the Minister provide answers today or in writing to the following questions? First, did the Government intend to establish any direct permanent relationship between the regulator and RP health and safety leads? Secondly, what is the rationale for not requiring health and safety leads to report any material risks or failures of compliance directly to the regulator, as well as the responsible body, as a matter of course? Thirdly, can the Minister guarantee that the Government will make sufficient new burdens funding available to local authorities to fully implement the provisions in the clause?

Dehenna Davison: I will follow up in writing with a bit more clarity and specific detail on the questions the shadow Minister has raised.

Question put and agreed to.

Clause 10 accordingly ordered to stand part of the Bill.

Clause 11

ELECTRICAL SAFETY STANDARDS

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: We welcome the Government's decision, in response to concerns raised during the passage of the Building Safety Act 2022, to carry out a consultation on the introduction of mandatory checks on electrical installations for social housing at least once every five years and to include measures within this Bill to partially implement such checks—only partially, because the section of the Housing and Planning Act 2016 that this clause seeks to amend is concerned with properties let by landlords, not owner-occupier leaseholders. That is an important distinction, for reasons I will explain.

As we know, there is currently no legal requirement in England for social landlords or leaseholders to undertake electrical safety checks of their dwellings. The situation is distinct from that in the private rented sector, where the Housing and Planning Act introduced mandatory safety checks on electrical installations at least once every five years.

We know that fires in numerous tower blocks, including Grenfell, Shepherd's Court, and Lakanal House, were caused by electricity. Home Office fire data shows a consistently high level of accidental electrical fires in high-rise buildings with 10 or more flats. Campaign groups such as Electrical Safety First have been at pains to stress that those buildings were mixed-tenure buildings containing an assortment of owner-occupier leasehold and social rented units and that there is therefore a case, given that the fire safety of a building depends on the safety of all the units within it, for ensuring parity in electrical safety standards across all tenures in high-rise residential blocks.

The Government's own consultation on this issue noted that the National Federation of ALMOs supported introducing electrical safety requirements for owner-occupiers in mixed-tenure blocks and highlighted that properties being considered by authorities for London's right to buy-back programme often have electrical installations that are

"in a state of significant disrepair."

Given that we know that many high-rise social housing blocks contain owner-occupied flats owned on a leasehold basis, it surely cannot be right that a leaseholder living next door to a social renter will not have their electrical installations mandated to be checked every five years. To put it another way, what good is having the electrical installations of two thirds of a building checked every five years if the other third is not? The risk of a potentially life-threatening fire obviously does not discriminate by tenure.

Bob Blackman: This is a very significant point, particularly with what happened at Grenfell. We should reflect on that carefully. Who does the hon. Gentleman suggest should carry out the inspections and how would they be enforced? One of the problems that is clearly still relevant is people buying second-hand white goods that are not safety checked, which could then be faulty and cause electrical fires. In his research, has the hon. Member come up with any proposals as to how this measure could be implemented and work could be undertaken?

Matthew Pennycook: I thank the hon. Gentleman for that point—it is a point well made. I do not have a comprehensive answer to hand. There are provisions in this clause that apply to mandatory electrical safety checks for social rented properties. There are similar requirements in place for the private rented sector. My instinct is that it would seem obvious that those could be applied to the owner-occupier sector in a way that the provisions in the clause perhaps could not be. Whatever

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way we cut it, what we want to see are mandatory checks on all electrical installations in all units in high-rise buildings, because, as I said, fire does not discriminate between tenure. I hope the Minister will take the points away for further consideration.

Dehenna Davison: The shadow Minister is right to highlight the consultation, which concluded in August. It included a call for evidence seeking views on whether leasehold properties in mixed tenure social housing blocks should have mandatory five-year checks. My hon. Friend the Member for Harrow East was right to say that we need to get this mechanism right to ensure that people living in mixed-use blocks are protected. I am grateful to the shadow Minister for his pragmatism on this point. We are still assessing the responses to the consultation, so it is a bit too early to say what the outcome will be and we do not wish to pre-empt it. However, we will announce further details as the work progresses, and I will endeavour to keep the shadow Minister informed.

Question put and agreed to.

Clause 11 accordingly ordered to stand part of the Bill.

Clauses 12 and 13 ordered to stand part of the Bill.

Schedule 1 agreed to.

Clause 14 ordered to stand part of the Bill.

Schedule 2 agreed to.

Clauses 15 to 20 ordered to stand part of the Bill.

Ordered, That further consideration be now adjourned.—*(Julie Marson.)*

11.12 am

Adjourned till this day at Two o'clock.