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# Stock Condition Briefing Report

Lead Member Briefing

To be considered by: Cllr Cutkelvin

Date of meeting: 17<sup>th</sup> February 2015

City Mayor CDN 1-2-1

Date of meeting: 4<sup>th</sup> March 2025

Housing Scrutiny Commission

Date of Meeting: 10<sup>th</sup>. July 2025

Lead director: Chris Burgin

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## Useful information

- Ward(s) affected: potentially all.
- Report author: Simon Nicholls
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- Report version number: v.1

### 1. Summary

This report has been prepared to update members for the Housing Scrutiny commission on how the Division manage the condition of its homes.

Compliance is at the heart of the new Social Housing Regulation Act 2024 and as a social landlord we need to demonstrate compliance with the consumer standards as set out in the act. One of these relates to knowing the condition of your stock.

We consider that our stock is currently 99.5% compliant with the Decent Homes Standard and we are satisfied that it is in good condition. Every home has been visited by a council staff member in the last 5 years who is able to identify any risks and arrange for them to be remedied. Whilst it is accepted that we do not yet have a rolling 5-year programme of Home Health Safety Rating System (HHSRS) inspections in place as evidence this report will go into more detail on how we establish the current condition of our stock and propose a way forward to ensure that we have a full understanding of our stock's condition and that this is maintained going forward.

The new Assets module in NEC will be key to demonstrating compliance. The Organisational Review (OR) in Technical Services will ensure that we have the permanent physical resource needed.

In the interim we are currently carrying out HHSRS surveys ahead of the new NEC module and OR, progress will be reported to the Director of Housing monthly from April 2025.

### 2. Recommended actions/decision

That the contents of this report are noted.

### 3. Scrutiny / stakeholder engagement

### 4. Background and options with supporting evidence

What information do we have on stock condition now?

Current IT system

When the NEC Housing System was first introduced in January 2016, an integrated assets module was not available and has only recently become available and therefore not included. Therefore, it was agreed any processing of this data, such as decent homes reports or future element replacement planning, would be carried out on a separate, but related system, called SAM (Strategic Asset Management). Technical Services have been managing two separate systems.

### Capital works.

We have a significant capital programme that is agreed as part of the HRA budget and rent setting report.

	24/25 Capital Programme £000	25/26 Capital Programme Additions £000
Kitchens & Bathrooms	2,800	2,400
Boilers	2,500	2,000
Re-wiring	1,610	1,610
Re-roofing	1,000	1,500
Soffits & Facia	150	150
Windows and Doors	50	50
District Heating Maintenance	500	500
Communal Improvements & Environmental Works	200	200
Communal Flat Improvement Programme	0	200
Disabled Adaptations	1,200	1,200
Fire Risk Works	500	500
Safety Works including Targeted Alarms	100	100
Loft Insulation	50	100
Affordable Housing - Acquisitions & New Build	15,000	30,000
St Matthews Balcony/walkway Estate Work	200	200
Door entry replacements	0	250
<b>Total Capital Programme</b>	<b>25,860</b>	<b>40,960</b>

Elements on NEC are updated as part of the contract management process for capital works; for example, when we replace a roof, rewire a property or fit a new boiler, all of the information is recorded on NEC. This means that we have comprehensive records of all the works that we have carried out to our properties including what work was performed, the date it was completed and what the work cost.

Programmes of works are produced based on the last install date and remaining life (in years) of an element. The remaining life of older elements was derived from an estate condition survey carried out almost 16 years ago and therefore the usefulness of that information has since decreased over time. Where elements, such as new roofs, are identified for replacement based on estimated remaining life, these are all pre-inspected prior to an order being placed to ensure that we are only prioritising work that actually needs completing.

One of the biggest areas of work is kitchen and bathroom refurbishments. Our original target was to refurbish all kitchens and bathrooms by 2036. However, because of the pressures on the HRA capital budget and a significant increase in construction related inflation in recent years, our priority now is to ensure that all kitchens and bathrooms meet the decent homes criteria and to ensure that all properties have had either a new kitchen or bathroom as soon as possible. We currently have around one thousand eligible properties where tenants have not had the opportunity of having either a new kitchen or bathroom on this Programme. We aim to target these over the next 3 to 4 years. As this is one of our tenant's most popular and requested improvements, we also receive many requests from our Repairs Service, Housing Management and from other LCC colleagues such as those in Adults & Social Care, about reportedly poor condition kitchens and bathrooms. These are all investigated by Technical Services and any issues resolved.

**Capital programme main element completions  
over the last ten years**

	201 4/1 5	201 5/1 6	201 6/1 7	201 7/1 8	201 8/1 9	201 9/20	202 0/2 1	202 1/2 2	202 2/2 3	202 3/2 4	10 Year Average	Total s
<b>Kitchens/Bathrooms</b>	1034	1297	965	824	735	641	487	566	320	299	717	<b>7,168</b>
<b>Rewires/Up grades</b>	1537	1589	940	818	835	707	453	641	600	502	862	<b>8,622</b>
<b>Boilers</b>	1819	1859	1362	1343	1068	1031	675	764	703	601	1123	<b>11,225</b>
<b>Roofs</b>	67	96	77	108	79	90	108	113	12	22	77	<b>772</b>
<b>Total all elements</b>	<b>4,457</b>	<b>4,841</b>	<b>3,344</b>	<b>3,093</b>	<b>2,717</b>	<b>2,469</b>	<b>1,723</b>	<b>2,084</b>	<b>1,635</b>	<b>1,424</b>	<b>2,779</b>	<b>27,787</b>

**Other ways we establish the condition of our stock.**

Although we have not carried out a full stock condition survey for a number of years, we continuously assess the condition of our stock in the following less formal ways:

- We carry out approximately 1,060 surveys of void properties every year which gives us an opportunity to assess their condition and specify for works required to bring them up to our letting's standard, and to confirm compliance with the Decent Homes Standard. Therefore, we can be confident that over the last 5 years 5,300 properties, which is approximately 27% of our stock, has been through the process of a physical inspection. We do not currently do inspections on occupied properties specifically to ascertain their condition. We also carry out an Energy Performance Certificate (EPC) as part of the void process.
- Every year we carry out a gas safety inspection to 17,000 of our properties. The Gas Engineer's primary function is to ensure the safe operation of the gas appliances; however, they are also expected to report any concerns they have that relate to the property condition, this is then followed up by a further visit from the Neighbourhood Housing Officer.
- We have an ongoing 5-year electrical inspection programme for all our properties.

- We receive approximately 450 requests from tenants for permission to carry out their own alterations and improvements, again this means that a technician will visit the property and will identify any repair issues.
- We receive around 200 requests from existing tenants to mutually exchange into another LCC property. All of these are inspected by a technician as an exchange is not allowed to progress unless the properties meet both the Decent Homes standard and a HHSRS assessment. If any repair issues are identified these are reported to the relevant Housing Officer who will refer these to Repairs where appropriate. We also carry out an Energy Performance Certificate (EPC) as part of the mutual exchange process.
- We receive approximately 1,300 requests every year from tenants experiencing damp and mould. We have an established process for dealing with these requests which ensures that an inspection is carried out within 4 weeks and any priority repairs are identified and completed in 4 weeks.
- We receive approximately 700 disrepair claims every year where a full property inspection is carried out and any concerns identified and rectified.
- We carry out 80,000 responsive repairs every year. We have directly employed operatives attending to these repairs and if they identify any issue with the property these are escalated to Technical Services and appropriate action taken. For example, responding to a roof repair may result in a referral for a new roof.
- We also have 30 Neighbourhood Housing Officers who respond to tenancy management enquiries from tenants they carry out 6000 home visits per year. This may be to check on the welfare of the tenant however, if they identify any repair issues/risks they are referred to Technical Service to resolve.
- We work with our colleagues and partners within our organisation such as Social Workers, Occupational Therapists, Tenancy Support Workers and Environment Health Officers to investigate and resolve any reported repair issues that they and/or their LCC council tenant service users may have concerns about.
- We receive daily, several referrals from tenants through various LCC Customer Services Lines, direct tenant correspondence, MPs and Councillor enquiries about various disrepair issues that are investigated and resolved by Technical Services.
- We have resourced temporary HHSRS surveyors ahead of the roll out of the Organisational Review in Technical Services to carry out surveys, progress will be reported to the Director monthly from April 2025 until the implementation of the assets module on NEC when reporting will be via the compliance dashboard.
- Technical Services and Housing Management carry out regular fire safety audits of our communal areas and any disrepair issues such as damaged fire doors, inoperable bin chutes and defective way lighting are reported and dealt with by Technical Services.
- All communal areas that have been identified as having asbestos containing materials (ACMs) present are inspected annually.

- All communal areas have an electrical test carried out every 3 years.
- All communal areas have a fire risk assessment (FRA) carried out periodically based on risk.
- 160 communal areas inspections are carried out annually linked to Right to Buy applications.

Our Housing IT system confirms that all of our properties have been visited at least once in the last 5 years.

#### What will we be doing.

In Summer 2025 the new Technical Services structure will be in place. The primary reason for the Organisational Review is to ensure that the team has the skills and resources to meet the ongoing compliance requirements for the stock. Two specific areas have been prioritised ahead of full implementation:

#### Compliance Team:

We had previously recruited a Building Safety Manager as part of our approach to managing our high-risk high-rise blocks to ensure that we could meet the requirement of the Building Safety Regulator. This was the first stage of developing a Compliance Team that would form part of a revised structure in Technical Services. The creation of the team was advanced ahead of the full roll out and we now have a Fire Safety Compliance Officer, Water Hygiene and Electrical Safety compliance officer. There is an existing Asbestos Coordinator who manages a team of Asbestos Surveys, this currently sits in Quality Control, but this will be transferred to the Building Safety Team as part of the full roll out.

#### Building Safety Inspector Team.

As part of the new structure there will be a team that is solely responsible for condition surveys and HHSRS surveys. Information gathered as part of these surveys will be held on the new Assets Module on NEC and used to inform the 30-year business plan, as, until now, this has been ad hoc due to the current IT system, as explained in the following paragraphs.

Fundamental to its success will be the development and implementation of a comprehensive 'Asset Management Strategy' in order to provide clarity and direction for the Division and to ensure all employees understand their role in supporting the execution of the strategy in order to:

- Maintain compliance with the decent homes standard and provide safe homes for our residents.
- Meet all legislative compliance regarding Health & Safety.
- Continuously improve the understanding of our stock and its condition to enable effective investment decisions.
- Develop planned improvement programmes based on accurate asset data.

- Ensure the best use of adapted stock and deliver an efficient adaptation programme to meet the changing requirements of our residents.
- Reduce carbon emissions and improve energy efficiency.
- Use the options appraisal process to influence our investment decisions.
- Ensure value for money is considered when procuring works and services.

#### What IT we have now

We currently have a Strategic Asset Management System (SAM) that is used to inform our short term (1 year), medium term (3 – 5 years) and long term (30 years) capital programmes/business plans. It is also used to assess our housing stock's compliance to the Decent Homes Standard (DHS).

SAM is a bespoke standalone system that has a number of limitations:

- It is presently only available to the Capital Programme Planner and the Application Support Team (AST).
- SAM is not directly linked to NEC and imports are required from NEC
- SAM requires information to be exported into Excel so reporting is limited
- There is no current functionality within SAM to output mobile surveys, such as estate condition surveys, to external devices.

#### Where we aim to be following the implementation of the new Assets Module and post Technical Services Organisation Review

The new asset module is part of the main NEC housing system resolving all of the issues identified above.

Following the conclusion of the Technical Services Organisation Review in May 2025, a new team will be set up to manage all future stock surveys, these will be carried out on a rolling 5-year programme. They will be able to utilise the mobile surveys functionality, within the new asset module, to carry out various surveys including stock condition and HHSRS. This will enable surveyors, using their mobile devices in real time, to review and amend, where appropriate, existing element data. It will also allow them to add new data and to complement their findings where necessary with supporting photographic evidence.

Once stock surveys have recommenced, we will gradually gain a more comprehensive and accurate picture about the condition of our housing stock. This together with the new functionality within the asset module of being able to produce 1-to-30-year plans, and the ability to carry out scenario planning, will help to better inform our future expenditure requirements and the resulting programmes of work.

## 5. Financial, legal, equalities, climate emergency and other implications

### 5.1 Financial implications

There are no significant financial implications arising from the contents of this report. If the new Assets module is coming at a cost, this is likely to be in consultation with finance. Any system improvements that can help the accuracy of planning and reporting will also help finance better understand current works and assist housing colleagues as necessary.

Signed: Jade Draper, Principal Accountant

Dated: 28/01/2025

### 5.2 Legal implications

The Social Housing Regulation Act 2024 came into effect on 1 April 2024 and is designed to protect tenants and to improve the service they receive from landlords. It applies to all social landlords, including councils and housing associations. Arising from the Act, the Regulator for Social Housing (RSH) issued new standards that councils must comply with and the requirements of those standards as set out in this report. Landlords will be subject to inspections by the RSH to ensure that they are complying with the 2024 Act.

RSH have powers of enforcement under the Act and they have issued guidance entitled *“Investigating and taking action on serious failures in landlords”* which sets out their powers should landlords be found to be failing to comply with the 2024 Act. This ranges from setting out steps in writing that they expect a landlord to take, or to the service of formal performance improvement notices, to the taking of more serious enforcement action such as taking over management responsibilities, removing officers and even, in the most serious of cases, the power to transfer land from the non-complaint landlord (although this does not appear to apply to local authorities).

Signed: Zoe Iliffe, Principal Lawyer (Property, Highways and Planning)

Dated: 05/02/25

### 5.3 Equalities implications

The council has a duty to comply with the Public Sector Equality Duty (PSED) as set out at section 149 of the Equality Act 2010. The broad aim of PSED (also known as the general equality duty) is to integrate considerations of equality and good relations into the day-to-day business of public authorities, so that when exercising their functions, they have due regard to the need to:

- eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Equality Act 2010.
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not.
- foster good relations between people who share a relevant protected characteristic and those who do not.



The general equality duty covers the following protected characteristics: age (including children and young people), disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. Marriage or civil partnership is also a protected characteristic under the Equality Act 2010, although this is only relevant to the first aim of the general equality duty (eliminating discrimination etc.)

There are no direct equality implications arising from the report as it is for noting. However, it is important to note that having a better understanding of housing stock may help to improve the condition of social housing, which may have a positive impact on people from across all protected characteristics, especially older and disabled tenants, who are more likely to be impacted by poor quality housing.

Signed: Equalities Officer, Surinder Singh

Dated: 24 January 2025

#### 5.4 Climate Emergency implications

Housing is one of the biggest sources of carbon emissions from the city and the council's strategy for decarbonising existing housing is to focus on increasing energy efficiency of the stock and facilitating a transition from gas boilers to electric heating.\* Heat pumps are favoured where suitable, due to their much greater efficiency than other types of electric heating. By first making homes as energy efficient as they can be, the aim is to make sure that the change to electric heating, as and when it takes place, is affordable for people.

As the landlord for around ?? social housing tenants, the council has a key opportunity to progress the decarbonisation of housing. It has consistently invested in improved insulation and more efficient (generally gas) heating systems over many years and, as this report explains, is continuing to do so. This, along with the use of district heating in parts of the city, has delivered many thousands of tonnes of carbon emissions reductions.

As part of the council's Climate Ready Leicester Plan, the Housing Division has developed a decarbonisation plan for the council housing stock, focused initially on improving energy efficiency. This stage of the plan is being implemented as quickly as financial and other resources allow and it is to be hoped that future Government grant funding might allow the rate of stock condition improvement in terms of energy efficiency to be substantially increased.

In addition to improving the existing stock in terms of energy efficiency, the Housing Division is targeting high levels of energy efficiency in new council housing, along with the installation of heat pumps. By gaining experience of managing properties with heat pumps, this should help the council when it comes to starting to roll out heat pumps to suitably efficient properties in the existing stock, when affordable.

\* The Government is aiming for grid electricity to be net zero carbon by 2030, making electricity the only realistic solution for decarbonising domestic heating at scale in the foreseeable future. While hydrogen boilers are technically possible, net zero hydrogen is not expected to be widely available for domestic heating and will need to be prioritised for users with no alternative means of decarbonising, such as heavy industry.

Signed: Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249.
Dated: 29.01.25

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

**6. Background information and other papers:**

**7. Summary of appendices:**

**8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

**9. Is this a “key decision”? If so, why?**