
Briefing on Regulator of Social Housing Inspection of Leicester City Council

Housing Scrutiny Commission: 26 August 2025

Decision to be taken by:

Lead director: Chris Burgin

Lead Member : Cllr Elly Cutkelvin

Useful information

- Ward(s) affected: All
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- Report version number: Ver 1.3

1. Summary and overview

- 1.1. This briefing paper updates the City Mayor, Lead member, Executive and Housing Scrutiny members following the first inspection of the Landlord function of the Housing Division by the Regulator of Social Housing (RSH).
- 1.2. The briefing provides an updated position and follows on from the papers presented in February, March and April 2025.
- 1.3. The RSH, following an inspection, issues gradings against the consumer standards. The ratings are
 - 1.3.1. C1 – fully compliant
 - 1.3.2. C2 – broadly compliant but with some areas of improvement identified
 - 1.3.3. C3 – not complaint with weaknesses / serious failings in one or more areas
 - 1.3.4. C4 – not compliant with very serious failings in one or more areas and/or RSH has no assurance the landlord can put things right.
- 1.4. As set out in the previous reports, it is important to consider the context (both national and local) which surrounds the provision of social housing in Leicester. In common with many other large urban Local Authorities, Leicester faces a situation where demand for housing far outstrips supply. There are continued financial pressures on the Housing Revenue Account (HRA) in the form of rent increases lower than inflation rates and Right to Buy (RTB) sales continuing to reduce forecast income year on year. An ageing housing stock profile means that more and more investment is needed to keep homes to a level of expected (and regulatory) decency and there are new regulatory requirements to ensure that the level of detail on assets, both domestic and communal is updated on a cyclical basis, which requires additional resource. Regulation also places additional financial pressure on HRA to complete electrical inspections on domestic properties every five years.
- 1.5. While the consumer standards are welcomed across the housing sector, it is clear that to achieve full compliance (a C1 grading) will require considerable investment in both stock and resource. The aim of the RSH is for all landlords to achieve a C1 grading in the future, however, under the current financial arrangements, C1 ratings may not be realistically achievable by any large Local Authority without considerable external investment. Comparably, those Local Authorities that have chosen to ALMO their housing stock got access to a fund of £2.5bn in order to improve their Housing stock which has enabled them to invest significantly higher levels in their stock.

- 1.6. The Regulator of Social Housing was introduced from April 2024 for Local Authorities alongside new Consumer standards.
- 1.7. Since April 2024, the RSH has published results of 44 inspections on Local Authorities. Of these, 11 are comparable large Cities to Leicester All have been rated as C3. In addition all unitary authorities that manage their own stock have received a C3. The main reasons for non-compliance for those Local Authorities can be summarised as:
 - 1.7.1. Lack of up-to-date stock condition data *
 - 1.7.2. Lack of engagement opportunities
 - 1.7.3. Not providing information to tenants allowing full scrutiny of services *
 - 1.7.4. Poor day to day repairs services, often with high numbers of outstanding and/or overdue orders *
 - 1.7.5. Some examples where landlords did not have clear information on the “big six”¹ compliance areas
 - 1.7.6. Examples where landlords had a number of outstanding urgent fire remedial actions

Of these common areas the ones that have an * are areas identified for Leicester.
- 1.8. In early 2024, the division carried out a self-assessment against the new consumer standards and identified areas for improvement which fed into an overarching action plan. Immediately we started work after identifying these areas
- 1.9. The resulting action plan was a useful tool in preparing the division for the regulatory inspection submission, as it allowed an honest and open appraisal of services provided, both good and where improvement was identified. The division recognised that there were gaps in some areas, and that in some cases, providing assurance of compliance was hampered by reporting difficulties or where data was held outside the main ICT system, NEC. It must be stressed that work was underway to improve these matters, not because of the RSH’s decision to carry out an inspection in 2025, but to ensure that the division was working towards full compliance with the revised consumer standards regardless of the inspection date.
- 1.10. The on-site inspection was an opportunity for the division to highlight the areas of work which the RSH were not inspected. These include the excellent tenancy sustainment rate of 95.29%, the rent collection rates of 98.8% the support offered by the internal STAR and tenancy management services, the transitional satisfaction of the repairs service of 92.91% and our commitment to improve the lives of all the residents who live on our estates through corporate initiatives such as “Let’s Get Together” and Leading Better Lives alongside the annual programme of environmental improvements and public realm.
- 1.10 The outcome of the Regulatory inspection for Leicester was a C3.

2. Recommended actions/decision

- 2.1. To note the Regulatory outcome
- 2.2. To note the position and actions taken by the division to address gaps and/or weaknesses in delivering the consumer standards.

¹ Fire, water, gas, lifts, electrical, asbestos.

3. Scrutiny / stakeholder engagement

- 3.1. Following the adoption of the revised Engagement and Communication strategy and appointment of the new engagement team, consultation with residents will be placed at the heart of service delivery.
- 3.2. The division has already formed a Tenant Scrutiny Panel (TSP), which comprises some 12 – 18 members from a variety of backgrounds and estates. The division will build on this to create a structure where the tenant voice is integral to the governance structure. This will include scrutiny of performance and meaningful consultation on proposal to amend policies and processes.
- 3.3. This report will be presented for comment to the Housing Scrutiny Commission on 26th August 2025.
- 3.4. The report will also be presented to the Tenant Scrutiny Panel in September and be reported to all tenants in the Annual report to tenants also in September.

4. Background

- 4.1. We previously reported that the RSH would look at all four consumer standards during the inspection, these being Safety and Quality Standard, Transparency, Influence and Accountability Standard, Neighbourhood and Community Standard and the Tenancy Standard.
- 4.2. The RSH were on site on 7 and 8 May 2025 where a number of face-to-face sessions took place (timetable enclosed as Appendix 1). During the inspection phase, further documents and evidence were provided
- 4.3. Following the on-site stage, the RSH requested further evidence to provide clarity on assurance in other areas.
- 4.4. The inspection outcome was issued on the 30 July 2025 when the RSH published their C3 judgment of Leicester City Council. A C3 grading means the division is not compliant with all of the consumer standards. The judgment is in line with our own assessment of compliance against these new standards at this stage and is comparable to similar Local Authorities (as set out in section 1, above.)
- 4.5. It is worth noting that the Regulator recognised the significant work that was underway in working towards compliance and praised the Council for its open and transparent approach. In addition the Regulator was complimentary about the Council's work in meeting the standards around delivery of services (details included in Section 5.)
- 4.6. The RSH were assured that the consumer standards were being met in the following areas;
 - 4.6.1. Safety and Quality
Assurance that the division is meeting legal requirements in terms of gas safety, smoke and carbon monoxide safety, fire safety, water safety and lift safety.
 - 4.6.2. Transparency, influence and accountability

The division understand the diverse needs to the tenants, and uses this information when designing services

The division takes tenants' views into account when making decisions and communicates this.

4.6.3. Neighbourhood and Community

Assurance that the council deals effectively with Anti-social Behaviour and works in partnership with relevant organisations.

4.6.4. Tenancy

The Regulator saw evidence that Leicester CC is offering tenancies or terms of occupation that were compatible with the purpose of its accommodation, the needs of individual households, the sustainability of the community, and the efficient use of its housing stock.

Leicester's mutual exchanges processes also meet the required outcomes of the Tenancy Standard

5. Areas identified

5.1. The RSH judgment found weaknesses and/or gaps in assurance the following consumer standards:

5.1.1. Safety and Quality

- Need to better evidence stock condition using the HHSRS (Housing Health & Safety Rating) inspection regime
- As a result of this we will be able to better evidence homes are free from category 1 hazards at an individual level.
- In additions these inspections will give full assurance in the level of decent homes
- Newly introduced Electrical inspection certification regime (EICR) to domestic homes must be undertaken on a five-year programme
- Additional oversight of health and safety performance (although assurance was provided that the division is meeting its legal requirements)
- Strengthening the repairs and maintenance service

5.1.2. Transparency, influence and accountability

- Additional performance information to tenants or information so tenants know what to expect from the division
- Increased opportunities for tenants to scrutinise and influence services is
- Enhanced complaint handling on reporting and oversight, the accessibility of processes and formalising the reporting on learning from complaints.

5.1.3. Neighbourhood and Community

- Fully Compliant with this standard.

5.1.4. Tenancy

- Fully Compliant with this standard.

6. Next Steps and action planning

6.1. An action plan has been developed to address the assurance gaps

6.1.1. Safety and Quality standard

The division recognised that this was an area for strengthening prior to the inspection because of the new requirements in the Consumer Standards however to give reassurance that the matter has previously been prioritised, monitored and overseen effectively, the Council holds the position that we do have strong stock knowledge because of the high level of investment in Leicester's Housing stock standing at over £169m in the last 10 years and the fact that we have detailed information about all property elements (such as roof, windows, boilers, electrics etc) and their life cycle, when they have been replaced and when they are required to be replaced which we have supplied detailed evidence that sets out all the elements on the properties to the Regulator,

To add to that reassurance, the report sets out more detail in this area:

- **External doors and windows:** A total of 18,897 (98.2%) properties have had their doors and windows replaced in the DHS life cycle.
- **Central Heating:** A total of 15,598(92%) central heating have been replaced or refused by tenants in the DHS life cycle
- **Electrical:** A total of 17,538 electrical systems (91.2%) have been replaced in the DHS life cycle. 3,688 attempted to but refused by tenants which now remain active for replacement subject to tenant agreement or void
- **Kitchens and Bathrooms:** A total of 17,231(88%) kitchens and 14,922 (77%) bathrooms have been replaced in the DHS life cycle
- **Roofs:** A total of 14,354 roofs (74%) do not exceed the DHS life cycle of 50 years. The DHS life cycles do not take account of the different roof covering types available and our assessment is that a blanket target of 50 years is too rigid. We have an ongoing roofing programme that is based on remaining life, localised condition surveys and repairs. We are confident that we know the condition of our roofs because we inspect them when they reach the end of their DHS life cycle and that the HRA capital programme is used to target the roofs that require replacement, in the correct order.
- **EPC Certification:** We have valid EPC's for 13,831 of our properties and that we download data from the .gov website and cross reference with this our stock, this together with the information we hold on NEC for elements such as boilers, insulation and windows etc. reassures us that our stock meets the requirements for thermal comfort as per the decency standard. We have provided the number of properties that are currently showing as having an EPC rating of F and G, 114 and 31 respectively, 145 in total, this is a very small percentage of our stock. (0.74%). we expect to have completed all visits by the **end of July 2025**. In terms of thermal comfort, our data demonstrates that all of properties have a minimum of 50mm of insulation and gas central heating or electrical efficiency, alongside double glazing, cavity wall insulation etc.
- **Condition Surveys:** The council carries out 1060 surveys a year alongside 20,000 visits which review condition and has allowed 6000 repairs to be pro-actively reported, and 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.

- **Asset Management:** As part of our asset management plan, as an element comes up for replacement on a forward capital plan, this is surveyed prior to work commencing, which allows us to carry out a condition-based asset of the property. This approach determines if the life cycle replacement takes place as part of the capital replacement programme or life cycle should be extended. This means, every home has been visited by a council staff member in the last 5 years who is able to identify any risks and condition arrange for them to be remedied.

In response to the mandatory requirement to complete HHSRS surveys which came into force in April 2024, the council has recognised this change and as at the end May 2025 we have completed over 1,000 surveys, and we are very confident our survey teams are able to exceed our target of 500 surveys a month going forward. Of the surveys carried out to date and those analysed we have identified that 3 Cat 1 hazards, all of which were caused by the removal of smoke detection by the tenants, and all have been rectified. Properties have been chosen based on their size, construction type and locations. While the HHSRS was introduced as an available tool in the 2004 Housing Act a 5 year inspection cycle did not become a legal requirement until this new inspection programme and Consumer standards got introduced in April 2024. Prior to this the authority was required to keep housing conditions under review and to take action when category 1 hazards were identified. Something that we have evidenced to the Regulator & Scrutiny commission and in this report.

It would have been physically impossible to complete the EICRs and HHSRS on Leicester's 19,000 Council homes during the 13 month period since the introduction of the new standards. Because of this it would have therefore been impossible for the Authority to achieve anything better than a C3.

An organisation review has taken place in the Technical Services Team which has realign resources to carry out individual property inspections on a cyclical basis. The surveys will satisfy the requirements of HHSRS and provide detailed information about stock condition and Category 1 hazards

In relation to repairs and maintenance, the HRA repairs project board overseen by Richard Sword, Strategic Director, is tasked with reducing the overdue and out of category repairs. As set out in the RSH's judgment, the division has provided evidence that improvement is ongoing. These improvements are subject to separate oversight.

With reference to Damp and Mould significant additional resource has already been added to this area of work, a task and finish group is also in the process of redesigning the end-to-end process and the group will be looking at the resource needed to keep up with demand. From October 2025, all social landlords will have to comply with the requirements of Awaab's Law in terms of emergency hazards and category 1 hazards relating to damp and mould and work is ongoing to ensure we change service to ensure we meet this new law.

In relation to general repairs and maintenance the Division has a clear pathway to addressing out of category repairs, through procuring additional contractor

resources something which has been difficult to successfully achieve over recent years. Craft staffing has equally been a challenge for the Division, however streamlined processes have led to a position where we have fewer vacancies.

Prior to the inspection, the division had recognised that it needed to carry out cyclical electrical checks to domestic properties, and a programme of EICR checks has commenced, to date we have undertaken 27% of all housing stock. This work will be speeded up with the procurement exercise to identify suitable contractors to assist in meeting the requirements. It should be noted that EICRs are even now not a legal requirement to be undertaken on a 5 year cyclical basis, legislation is moving forward to implement this. The Local Authority was only required to commence this formal 5 year cycle in 2024 and this is why we are not yet fully compliant. Prior to this the Local Authority has used other ways in which to check electrical safety, by taking a risk-based approach and been satisfied that its stock is safe based on the following actions:

- A full rewire and electrical upgrade programme which means no property has electrical wiring that is older than 30 years old. We have completed 2,905 over the last 5 years.
- An EICR is carried out when a property is let or there is a mutual exchange. On average we carry out 950 per year this way.
- Minor works certificates are issued when work is carried out on an electrical circuit and a visual inspection is carried out on the consumer unit. This equates to around 4,000 minor works certificates per year.
- Electrical installation certificates are issued when installing any new circuit, which entails a full test of the circuit, as well as a full inspection of supply equipment and the consumer unit.
- Tenants can report electrical faults, and these are responded to primarily as a CAT 1 or CAT 2 repair with a physical response in 24 hours or 14 calendar days respectively

The Regulator confirmed they are fully assured that Leicester was meeting legal requirements in areas of health and safety in respect of gas safety, smoke and carbon monoxide safety, fire safety, water safety and lift safety. There is assurance people are safe in their homes.

In relation to Asbestos in communal areas, the Council already had full data set and evidence and the Council took the decision to reinspect all of its blocks to keep this up to date and was in the middle of this process during the inspection, something that the Regulator picked up as a concern. We can report here that all inspections have now been completed and no issues have been identified from the re-inspections. The Regulator was confident that the council has very strong management arrangements and oversight involving asbestos in residential properties.

Oversight and more regular reporting to tenants and Councillors was identified by the Regulator as needing enhancing in this area. To meet this requirement additional reports have already been presented to both the Housing Scrutiny

Commission and Tenant Scrutiny Panel (Gas, Fire, Stock Condition) and other reports to give full visibility have been added to this years HSC programme.

The division is in the process of implementing two new modules to the NEC system, a risk module and an asset module. Once these are in place, it is anticipated that more detailed reports will be devised so that further assurance can be gained and provided.

6.1.2. Transparency, influence and accountability

The Regulator stated that Leicester provided evidence that it understands the diverse needs of tenants and uses this information to determine the accessibility of its services. It stated that the Regulator gained assurance that Leicester takes tenants' views into account in its decision making and communicates how tenants' views have been considered.

The Engagement and Communication strategy and action plan which was brought to the Housing Scrutiny Commission in March 2025 sets out the steps that the division wants to undertake in the short, medium and longer term to achieve full compliance with all this standard. The Regulator would like to see effective outcomes from this work. The division is confident that the results of a new dedicated engagement team of three officers and a manager will deliver further positive outcomes for residents. This team will focus upon reaching under represented groups, an area the Regulator identified as an area to improve.

In addition, the division is in the process of recruiting to a new position of Communication Co-ordinator who will be tasked with reviewing, refreshing and revising all communication with and information sent to residents. This will also include a full overhaul of the division's section of the external website, alongside a review of the methods used to provide proactive updates to customers including the use of semi-automated SMS and emails. Work is already underway in this area and the Council are working with Big Blue Door to review and update the content of its web pages starting with Housing.

6.1.3. Complaints

In March 2025 the complaints function transferred to the Housing Division after an internal review recognised that the processes did not meet the requirements of the consumer standards. There was a need identified for better trends and themes reporting and whilst we take learning from complaint process evidence of this needs to be formalised.

Following the transfer of the function a full in-depth service review is underway. Several improvement actions have been identified which include resourcing, process amendments, training and reporting. Work is underway to scope a bespoke complaint handling ICT system which will allow the division to more accurately record and evaluate data around complaints enabling more effective complaint handling and service improvements to be made. In addition, work is underway to review how we publicise how to make a complaint.

- 6.2. The division will be subject to on-going engagement from the RSH. This should be seen as a positive step and the intentions is to work closely with the RSH to achieve compliance with all the consumer standards (C2) in a reasonable period of time.
- 6.3. The indications from other landlords who have been through a similar process is that the initial engagement from the RSH will be intensive, with regular (monthly or

more frequent) meetings to check in on progress with the action plan, and as the RSH gains more confidence in the ability of the landlord to deliver, the engagement becomes less frequent. It is proposed to update the Housing Scrutiny commission on a regular basis with a further update on progress planning in to the Commissions timetable later this year. KPIs are regularly reported and will continue to be to Housing Scrutiny as part of more detailed reports on Housing service areas such as Repairs, Voids and H&S. This will include detailed reporting against compliance and delivery for EICRs and HHSRS inspections.

- 6.4. Key to meeting the standards is the ability of the division to provide evidence on progress, back up the position on service delivery, and provide assurance that services are delivered in a fair and equitable manner. Work is underway to enhance and improve the reporting mechanisms used. Part of this will be to review the Key Performance Indicators (KPI) and Management information (MI) data which is provided to both SMT, Service Managers & Scrutiny on a regular basis.
- 6.5. Of equal importance is the provision of performance information to tenants and residents. The division will be working with the Tenant Scrutiny Panel (TSP) to design and agree division wide service standards and a suite of reports which will allow the TSP (and the wider resident base) to scrutinise performance.
- 6.6. To note at present there are four Consumer Standards (as set out above). There is a fifth standard on Professionalism and Conduct which is likely to be in place from April 2026 onwards. Moving forwards, this standard will also form part of the RSH's inspection processes, so the division will be taking appropriate steps to work towards full compliance as soon as the final standard is released.
- 6.7. Whilst noting this is a journey of improvement to meet the recently established standards the division is confident that it has established improvement plans in place to enable future compliance. These improvement plans, delivery and performance will be monitored by the Regulator of Social Housing Board which is Chaired by Richard Sword.

7. Financial, legal, equalities, climate emergency and other implications

7.1 Financial implications

This report highlights areas requiring improvement identified by the Regulator of Social Housing. Whilst some of these had already been recognised and built into the 2025/26 HRA budget (approved by Council in February 2025), clearly further work is required. Whilst some actions can be absorbed within current roles, the Action Plan will need to be costed and budgets identified to support the immediate work being undertaken in 2025/26; the 2026/27 HRA budget will need to recognise the on-going costs of this work.

Signed: Stuart McAvoy – Head of Finance

Dated: 17 July 2025

7.2 Legal implications

The Housing Act 2004 (Part 1), introduced the health and safety rating system and came into force in April 2006, following enactment of the Housing Health and Safety Rating System (England) Regulations 2005. Part I of the Act sets out how Local Authorities are to assess different categories of hazard within any property; the regulation gives details about the different categories and how to assess the same.

Prior to the Regulations coming into effect, the test for the standards of properties was whether they were fit enough to be habitable (the fitness test), this was replaced by the Decent Homes Standard in 2006.

S.193 of the Social Housing Regulation Act 2023 (SHRA) introduced the inspection programme which states that the *'regulator may set Standards for registered providers as to the nature, extent, safety, energy efficiency and quality of accommodation, facilities or services provided by them in connection with social housing'*.

S.195(1) of this Act states that *'the regulator may issue a code of practice which (a) relates to a matter addressed by a standard and (b) amplifies the standard.'*

(2) In considering whether standards have been met the regulator may have regard to a code of practice'.

The Standards are amplified by the Consumer Standards Code of Practice 2024 and are designed to help social housing providers understand the requirements under the standards.

The Regulator has applied the standards to LCC's stock and found that there are failings in the safety and quality standard and in the transparency, influence and accountability standard. These failings should be addressed with the Regulator to ensure compliance moving forward.

As the report mentions, there will be further regulation of social housing over the coming months with the implementation of the Hazards in Social Housing (Prescribed Requirements) (England) Regulations 2025 (Awaab's Law) in October 2025 and due to implementation of mandatory checks on electrical installation in social housing in November 2025 (for new tenancies) and May 2026 (for existing tenancies).

Failure to adhere to the recommendations of the Regulator and continued failings in the decent home standard will have consequences. It is imperative that the Regulators recommendations are considered and implemented as practicably as possible.

Signed: Shazmina Ghumra

Dated: 17 July 2025

7.3 Equalities implications

This paper provides an update following the recent inspection of the Landlord function of the Housing Division by the Regulator of Social Housing. Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity

between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The division is aware of the need to address equality, particularly through enhanced tenant engagement, improved complaints handling, and addressing housing quality and safety issues that can disproportionately impact vulnerable groups. The identification of weaknesses by the RSH highlights areas where the local authority may have historically fallen short and the proposed actions indicate a commitment to rectifying these. This aligns with the PSED's aim to "advance equality of opportunity" by recognising and responding to the varied needs of tenants, including those with protected characteristics. The commitment to consultation which must be accessible, is a positive step for all residents, but particularly relevant for the PSED in ensuring the voices of diverse groups are heard. The division will be working with the Tenant Scrutiny Panel to design and agree division wide service standards, this is a proactive approach to enabling tenant scrutiny, which can help identify and address any discriminatory practices or unequal outcomes, thereby supporting the elimination of discrimination and advancement of equality.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 16th July 2025

7.4 Climate Emergency implications

Housing remains the biggest source of Leicester's direct carbon emissions, with the use of gas boilers for heating and hot water being the biggest contributor to those emissions. To reach net zero emissions, work will need to continue to make housing more energy efficient and, over time, to replace gas boilers with electric forms of heating.

As a major landlord in the city, the council has an opportunity to support the decarbonisation of housing by ensuring that the investment it makes in the council housing stock aligns with net zero. For the existing stock, in the immediate future, this means continuing to improve thermal performance, using knowledge of the stock to focus on homes performing less well – as identified in the report. In recent years this has included programmes to top up loft insulation and to install external wall insulation to solid wall homes. This all contributes to meeting required standards for quality, while helping keep tenants' energy bills down. It also helps prepare the housing for the future introduction of electric heating, which for most houses is likely to be heat pumps. The council is already future-proofing new council housing currently being built, by building to high standards of energy efficiency and fitting air source heat pumps and solar panels.

Signed: Duncan Bell, Change Manager (Climate Emergency)

Dated: 17 July 2025

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

8. Background information and other papers:

9. Summary of appendices:

10. 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)?

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

