
Update on the Housing Crisis Declaration and Refresh

Lead Member Briefing – 3rd August 2026

CND 1:1 – 2nd September 2026

HEN Board – 16th September 2026

Housing Scrutiny Commission -7th September 2026

Assistant Mayor for Housing: Cllr Cutkelvin

Lead director/officer: Chris Burgin

Useful information

- Ward(s) affected: All
- Report author: Chris Burgin
- Author contact details: chris.burgin@leicester.gov.uk
- Report version number: v1

1. Summary

- 1.1 The Council declared a Housing crisis on the 24th November 2022.
- 1.2 This report provides a progress update to the Lead Member, City Mayor and Housing Scrutiny commission setting out progress on delivery of the Housing Crisis actions.
- 1.3 The report sets out the National & Local Housing landscape and pressures in 2026 and proposes new National & Local Government actions required to continue to tackle the crisis.
- 1.4 Very good progress has been made with the delivery of the action plan from 2022 associated to Government demands. Out of 16 demands, 10 have been completed and 6 remain ongoing.
- 1.5 Excellent progress has also been made with the delivery of the action plan in relation to Local Authority demands and progress. Out of 16 actions, 15 have been completed and 1 remains ongoing.
- 1.6 The report considers and draws together a new set of next step actions and demands for both Government and the Council.

2. Recommended actions/decision

- 2.1 To note the progress made with the Housing Crisis Actions from 2022
- 2.2 To consider proposed Housing crisis actions and steps in 2026.

3. Scrutiny / stakeholder engagement

- 3.1 Report is to be considered by the Housing Scrutiny commission on the 7th September 2026

4. Detailed report

4.1 In November 2022 Leicester City Council declared a Housing crisis calling for urgent action from central Government to ease pressure caused by the growing demand for affordable, decent housing.

4.2 Factors including the loss of thousands of council homes under the Government's Right to Buy scheme, a growing population and the cost of living crisis meant that thousands of families in the city are in desperate need of homes.

4.2 In advance of the Council declaration the Housing Scrutiny committee undertook a task group on the matter, chaired by Cllr Stephen Gee. The outcome of this Task Group was a number of recommended actions required of government and of Leicester City Council. The recommendations report is embedded in Appendix 3.

4.3 This report provides an update setting out progress on delivery of the Housing Crisis actions.

4.4 Leicester City Council Actions

A full table containing the 16 actions required of Leicester City Council is contained within Appendix 1.

Overall, very good progress has been made with the delivery of the action plan, out of a total of 16 LCC actions 15 have been completed and 1 is in progress.

To draw out headline progress;

Maximise Council Housing Delivery

The Council has a very clear pipeline of Council and Affordable housing delivery for the period 2023 to 2027 of 1,500 new homes and the focus of attention has been on the delivery with good progress being made on these. The Council continues to be on track to deliver 1,500 units with over £400m being invested in the City delivering Affordable Housing. Reports have been provided separately to update the Housing Scrutiny Commission on this matter setting out how the Council has continued to work agilely to deliver the pathway and attract contractors and builders to bid for current procurement opportunities. This delivery is in extension to the 1,100 Affordable homes delivered during the period 2019 and 2023. The Council have continued to work to maximise the use of brownfield sites such as Border House, Stocking Farm and Southfields & Newry

Trainer accommodation units have been launched as part of the ZIP acquisition with additional funding of over £1m secured from Homes England towards this acquisition.

A successful bid is in for Homes England funding for 20 units of acquired accommodation securing £1.5m. The Council has also secured a total of £6.6m of Local Authority Housing funding, has delivered a total of 59 units and now has secured funding to deliver 56 units with a further £6.6m funding.

The Council has also submitted a bid to Homes England for £54m of Homes England Social Affordable Homes Programme to support the development of 5 new build sites and a total of 169 units

A further 225 Temporary accommodation homes and 125 leased properties have been bought at a cost of £45m in 2024 and 2025. All have now been purchased. A further approval of £50m to increase LCC owned self contained Temporary accommodation units by 250 in 25/26 was approved in February 2026 and work has commenced on the delivery of these units. This has avoided financial pressures for Leicester City Council in the region of £29m by 26/27 with this impact expected to grow to £36m in 27/28. Strong wrap around support and help has been provided to families in Temporary accommodation with the procurement of specialist services directly linked to the accommodation. Beyond this additional support has been provided through Public Health, Help the Homeless and Help Beyond Housing.

The Housing Division have employed a Supported Housing Manager in a step towards developing a growing alternative offer for those that General needs Housing is not suitable.

Tackle poor quality housing in the City

The council has a live Private Rented Sector Strategy that has a robust action plan that is being actively delivered upon to tackle poor quality Housing in the City. Excellent progress has been made on most of the PRS strategy actions and this includes the delivery of a new Selective Licencing scheme in designated part of the City and a Call before you serve offer to PRS landlords and their tenants to prevent Homelessness. The Council has also recently enhanced its PRS offer to private landlords to work with them to increase access to the PRS for those facing Homelessness. The PRS strategy progress update is provided periodically to CMB & HSC.

Work with other providers to facilitate affordable housing in the city

Partners are set to deliver 346 units between the period 2023 to 2027. The Council continue to work with Registered providers in the City to deliver new Affordable Housing, Midland Heart delivered 72 new Affordable homes on Abbey Park Road ex bus depot and 13 on Barkythorpe Road site. Nottingham Community Housing association have also delivering 58 new homes in 2025 on Meadows Way in the City.

4.5 Central Government demands & actions

A full table containing the 16 actions demanded and required of government is contained within Appendix 2.

Again, overall good progress has been made with the delivery of the action plan associated to Government demands. Out of 16 demands, 10 are complete and 6 are in progress.

To draw out headline progress;

Funding for 150,000 new Social Homes a year

The Government has committed £27.3 billion in funding for the period 2026 to 2036 over the ten year Affordable Housing Programme (AHP) with all this money funnelled through Homes England and this is expected to support the delivery of up to 180,000

Large, sustained increase in Local Housing Allowance rates to address affordability

The council has successfully lobbied government on this matter and government have responded and agreed in the Autumn 2023 budget statement to increase National Housing Allowance rates to the 30th percentile level from April 2024.

Rates are set out in the following table for Leicester.

Leicester	LHA Rate per week 2023/24	LHA rate per week 2024/25
Shared Accommodation	78.00	91.00
1 bed	103.56	124.27
2 bed	130.03	149.59
3 bed	155.34	178.36
4 bed	205.97	241.64

Legislate to end Section 21 "no fault" evictions & Legislate to create 5-year minimum Private Rented Sector tenancies

Successful lobbying and meetings with Senior Directors have been undertaken and this matter highlighted this as a significant reason for Leicester's Homelessness promoting the need to change the law on this matter.

The Renters Right Act has change and significantly strengthen tenants rights in PRS

The main actions and rules of the Act include:

- **No-Fault Evictions Banned:** Section 21 evictions are abolished. Landlords must now have a valid legal reason (such as selling the house or tenant rent arrears) to evict someone.
- **Rolling Tenancies:** Fixed-term tenancies are banned. All tenancies now roll from month to month. Renters can leave by giving just 2 months' notice.
- **Rent Increase Limits:** Rent can only be raised once a year. Landlords must use a special form and give 2 months' notice.
- **Ban on Rental Bidding:** It is illegal for landlords or agents to ask for or accept offers higher than the advertised rent. Advertised properties must list the asking price.
- **No Blanket Bans:** Landlords cannot refuse to rent to people on benefits or tenants with children.
- **Right to Keep Pets:** Tenants can ask to keep a pet. Landlords must consider the request and cannot say no without a good reason.
- **Renting Limits:** Landlords cannot ask for more than one month's rent in advance.
- **Strict Rules for Landlords:** Landlords must provide a written tenancy agreement and give renters the new RRA Information Sheet to explain their rights.
- **New Landlord Database:** Landlords will need to register themselves and their properties on a new government database.

Right to Buy

The UK government has significantly scaled back the Right to Buy in England. Reforms include increasing the qualifying period to 10 years, drastically cutting discount percentages, and allowing councils to retain 100% of sales receipts to build new homes.

Here is a summary of the major rule changes:

Eligibility & Rules

- **Longer Wait:** Government has announced reforms which will require tenants to registration be a public sector tenant for **10 years** (up from 3 years) before you can apply.
- **Prior Owners:** Existing property owners or those who have previously used the scheme are generally banned.
- **Family Rules:** Family members who are not joint tenants must live with you for **5 years** before qualifying (up from 12 months).

Reduced Discounts

- **Lower Starting Rates:** The starting discount is now just **5%** of your home's value (down from 35% for houses and 50% for flats).
- **Capped Limits:** The discount increases by **1%** for each additional year you are a tenant. It is capped at a maximum of **15%** or the regional cash cap, whichever is lower.
- **Smaller Cash Caps:** Maximum cash discounts are much lower, ranging between **£16,000 to £38,000** depending on where you live.

Selling Your Home Later

- **Longer Repayment Period:** If you sell your home, your local council can ask you to pay back all or part of your discount if you sell within **10 years** (up from 5 years).
- **Right of First Refusal:** Councils now have an indefinite right of first refusal to buy the property back if you decide to sell.

Protecting Social Housing Stock

- **New Build Exemption:** Newly built social homes cannot be sold under Right to Buy for **35 years** after they are built.
- **Cost Floor Protection:** Councils can now limit discounts for up to **30 years** (up from 15) to ensure homes are not sold for less than what was spent on building or maintaining them

Close loopholes with regulation on holiday accommodation

The UK government has closed major tax for short-term holiday lets to protect local housing markets. Key reforms include abolishing the Furnished Holiday Lettings (FHL) tax regime, tightening the **70-day rental rule** for business rates,

These recent regulatory changes completely overhaul how second homes and holiday lets are treated:

1. Abolition of FHL Tax Reliefs

- **The Old Way:** Landlords used to get special tax breaks, lower capital gains taxes, and perks for their pension contributions.
- **The Change:** The FHL tax regime is completely abolished. Income and gains from short-term holiday homes are now taxed just like standard residential property income.

2. The 70-Day Business Rates Rule

- **The Old Way:** Second homeowners used to declare a property was a holiday let to dodge Council Tax and claim small business relief, even if it sat empty.
- **The Change:** To qualify for business rates, owners must prove the property is actually rented to guests for at least **70 days** in a year, and available to let for 140 days.

Give local control and ownership of setting Holiday Home Council tax levels

Recent UK legislation shifts power to local councils, granting them the ability to raise council tax premiums and regulate holiday lets. These changes aim to address housing shortages and ensure properties contribute fairly to local economies.

Local authorities can now implement the following controls over holiday homes:

- **Increased Council Tax Premiums:** Under the Levelling Up & Regeneration Act 2023, local councils in England have discretionary powers to charge up to 200% extra (triple the standard bill) on second homes. Many local authorities now utilize these new premium tiers.
- **Business Rates Reclassification:** To avoid higher council tax bills, some owners previously registered their properties for cheaper business rates. Stricter regulations now require owners in England to prove their holiday home is available to rent for at least 140 days and actually let for a minimum of 70 days per year to qualify.
- **Devolved Regional Rules:** In Wales, rules require self-catering properties to be available to let for at least 252 days and actually let for 182 days per year, or face higher second-home council tax charges.

In Leicester this has been applied by utilising the **Second Home Double Charges:** Leicester City Council approved these changes to tackle housing shortages, bringing in a full 100% premium for second homes.

With the implementation of the higher charges, official figures have shown a significant shift: the number of registered second homes in Leicester plunged by more than 40% (from over 4,400 to around 2,600) as owners either sold up or reclassified their properties

Cancel Housing Revenue Account Council house debt

The Council has been working with the twenty largest stock owning Local Authorities including Southwark, Bristol, Sheffield, Leeds and Birmingham to propose solutions to government which included the proposal to scrap existing HRA debt.

[20 largest local authority landlords call for new government to save council homes](#)

Their recommendations include urgent action to restore lost income and unlock local authority capacity to work with the new government to deliver its promises for new, affordable homes throughout the country.

The five solutions set out detailed and practical recommendations to the new government:

- A new fair and sustainable HRA model – including an urgent £644 million one-off rescue injection, and long-term, certain rent and debt agreements.
- Reforms to unsustainable Right to Buy policies
- Removing red tape on existing funding
- A new, long-term Green & Decent Homes Programme
- Urgent action to restart stalled building projects, avoiding the loss of construction sector capacity and a market downturn

They make up a plan for a ‘decade of renewal’, with local authorities and central government working together to get ‘Housing Revenue Accounts’ (HRAs) back on stable foundations, bring all homes up to modern and green standards, and deliver the next generation of council homes.

The UK government is under intense pressure to cancel historic Housing Revenue Account (HRA) debt but has not yet committed to a blanket write-off. Housing charity Shelter and the Chartered Institute of Housing have urged the government to forgive this debt to help councils build more homes.

Introduce a National Landlord Register

The government is introducing a **National Landlord Register** in England.

Known officially as the **Private Rented Sector (PRS) Database** or **Property Portal**, this new system is being rolled out as a central part of the **Renters' Rights Act**.

Key details of the new register:

- **What it is:** A mandatory digital database where every landlord in England must register themselves and their rental properties.
- **Timeline:** Registration opens in late 2026, and full mandatory compliance is expected for all landlords by 2027.
- **Fees:** Landlords will pay an annual registration fee for each property they let.
- **Penalties:** Unregistered landlords may face fines of up to £40,000 and will lose the ability to reclaim their properties through certain legal possession grounds.

5.0 The Current 2026 Position

The housing crisis in 2026 remains a **systemic national issue**, characterised by a sustained imbalance between housing supply and demand, worsening affordability, and increasing levels of homelessness.

In Leicester, these national pressures are **amplified**, resulting in:

- Significant growth in homelessness demand
- Increased reliance on temporary accommodation
- Escalating financial pressures on the Council
- A widening gap between housing need and supply
- Increasing delays in accessing Council and Affordable Housing

Headline statistics show that;

- **Homelessness demand up 219%** since 2014/15
- **700 families + 400 singles in Temporary Accommodation**
- **£24m+ annual revenue cost** – (was £5m) unsustainable financial pressures on General Fund
- **£95m** spent on new self contained Temporary Accommodation
- **Housing Register: 6,368 households** waiting for housing
- **82% of need driven by overcrowding (54%) and homelessness (28%)**
- **Demand vs supply gap (2 bed): 2,093 demand vs 320 lets (15%)**
- **Waiting times doubled (2 bed 8 to 18 months)**
- Only **3% of PRS is affordable** to those on benefits or low salaries
- **Forecast revenue pressure of £8m extra by 27/28 taking budget to £32m+ a 540% increase in budget in 4 years.**

The core conclusion is that **housing demand continues to rise faster than supply, affordability, and delivery capacity**, both nationally and locally.

6.0 National Housing Crisis Context (2026)

Structural Nature of the Crisis

Across England, the housing crisis is no longer cyclical but **structural**, driven by long-term imbalances including:

- Chronic under-supply of affordable housing
- Loss of social housing stock over decades
- Rising private sector rents and reduced affordability
- Increasing population and demographic pressures
- Greater complexity of housing need

Nationally, homelessness and housing pressures are widely recognised as **multi-factor and system-wide**, not confined to housing services alone.

Demand Pressures

Evidence reflects sustained and increasing demand pressures:

- Rising numbers of households seeking housing assistance
- Increasing use of temporary accommodation
- Continued reliance on the private rented sector

Demand is being driven by a combination of:

- Affordability challenges in the PRS
- Section 21 evictions and insecurity of tenure
- Institutional discharges (prison, hospital, care)
- Impact of Renters Rights Act

- Cost of Living – Conflict in Iran
- Youth Homelessness (NEET)
- Increase complexity of support needs
- Migration and asylum pressures
- Institutional discharges (prison, hospital, care)
- Cost of living impacts

These factors combine to create **persistent inflow into homelessness systems**.

Supply Constraints

At a national level:

- Housing supply is not keeping pace with demand
- Affordable housing delivery remains insufficient
- Viability and construction market constraints are limiting delivery

While national policy includes ambitions such as delivering **1.5 million homes**, the available evidence indicates that **delivery is not yet closing the gap** between supply and need.

Affordability Crisis

Affordability remains a central issue:

- Private rents have increased beyond wage growth
- Access to PRS is restricted for low-income households
- Housing benefit (LHA), while improved, does not fully bridge affordability gaps

The consequence is that **more households are priced out of the market**, increasing demand for social housing.

System-Wide Impacts

The housing crisis is increasingly seen as:

- A **cross-government issue** impacting health, justice, and social care
- A driver of inequalities and poverty
- A major pressure on local authority finances

National policy direction reflects this, with increased emphasis on:

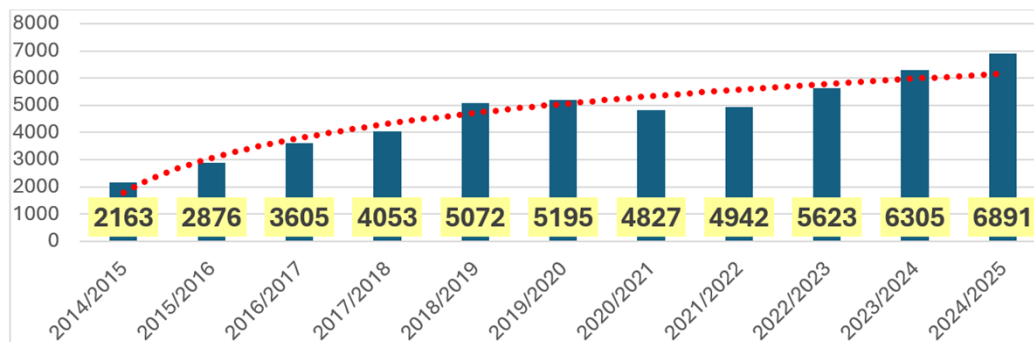
- Prevention
- Cross-agency responsibility
- Long-term housing supply solutions

7.0 Leicester Housing Crisis Context (2026)

7.1 Scale of Demand

Leicester reflects and intensifies national trends:

- Homelessness demand has increased by **219% since 2014/15**



- Annual approaches have risen from approximately **2,100 to nearly 6,900 households**
- Over **6,300 households** are currently waiting for housing
- This demonstrates **sustained and accelerating system pressure**.

7.2 Temporary Accommodation Pressures

- Around **700 families** are in temporary accommodation
- A further **400+ single households** rely on hostel, B&B or commissioned provision

Temporary accommodation is:

- Increasing in scale
- Being used for longer periods
- Becoming a core part of the housing system rather than a short-term solution

7.3 Financial Impact

The financial implications are substantial:

- Temporary accommodation costs have risen from **£5m to over £24m annually**
- Forecast pressures could increase total costs to **£32m+ by 2027/28**

This represents **unsustainable pressure on the General Fund**, limiting wider service capacity.

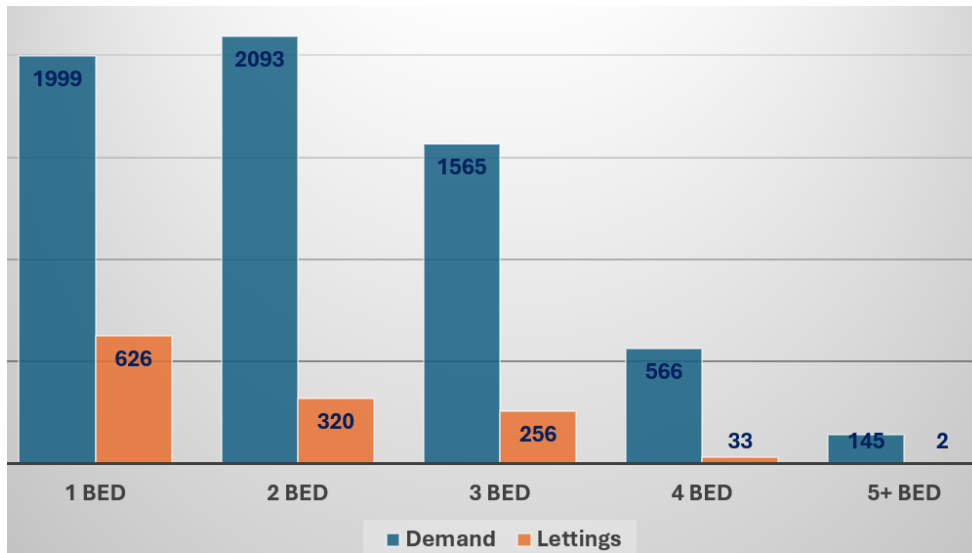
7.4 Supply vs Demand Gap

The Leicester data clearly illustrates the structural imbalance:

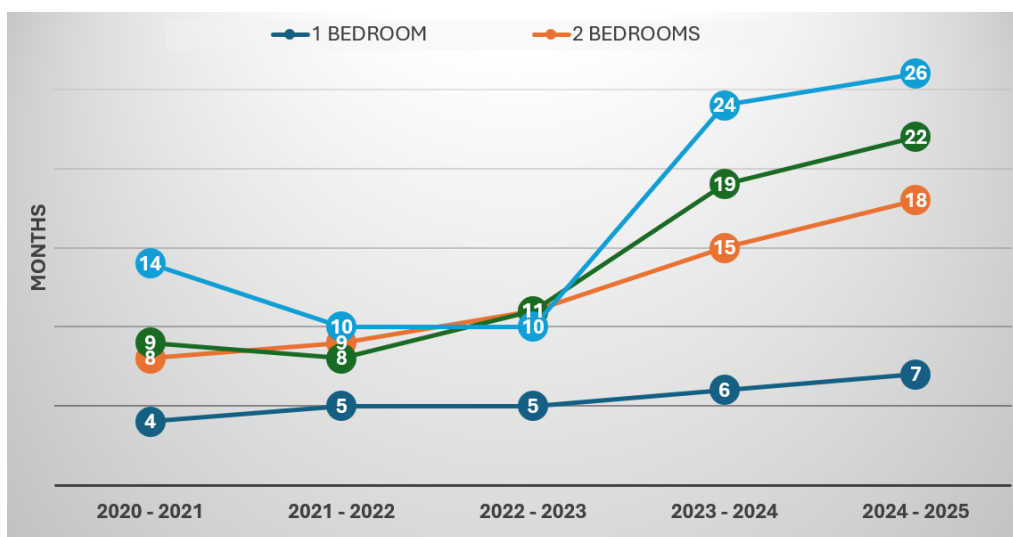
- Example: **2,093 households needing 2-bed homes vs ~320 lettings available**
- Only **~15% of demand is met through lettings annually**

The result is:

- Increasing waiting times (e.g. 2-bed properties rising from 8 to 18 months)



- Limited move-on pathways from temporary accommodation



The lack of affordable housing supply in the City and the lack of Council Housing has led to a doubling of wait times for those seeking 2 to 4 bed Council properties even for those in the highest band 1.

7.5 Affordability and PRS Challenges

- Only **~3% of PRS properties are affordable** to households on benefits or low incomes

This significantly restricts the role of the PRS in relieving pressure, meaning:

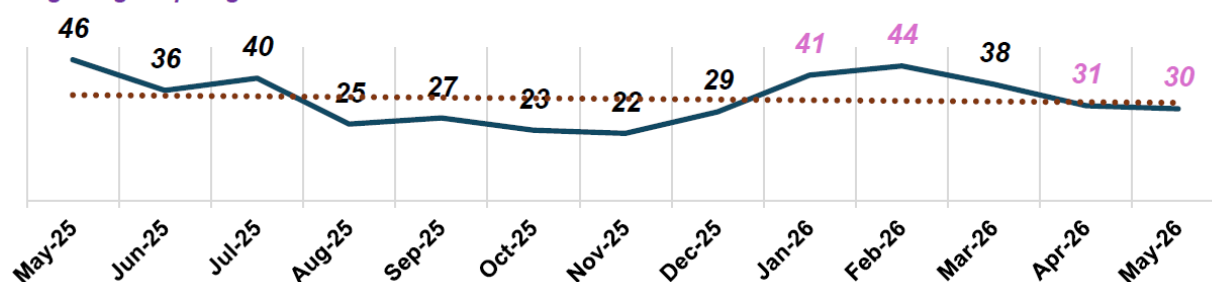
- More households rely on council housing

- Prevention options are limited
- Homelessness duration increases

7.6 Rough Sleepers

Although the total number of rough sleepers on the streets has remained consistent. The table below demonstrates that the total numbers seen on our streets has grown significantly with over 1,000 people seen during April 2025 and April 2026

Single Night Spotlight EBC /SBC

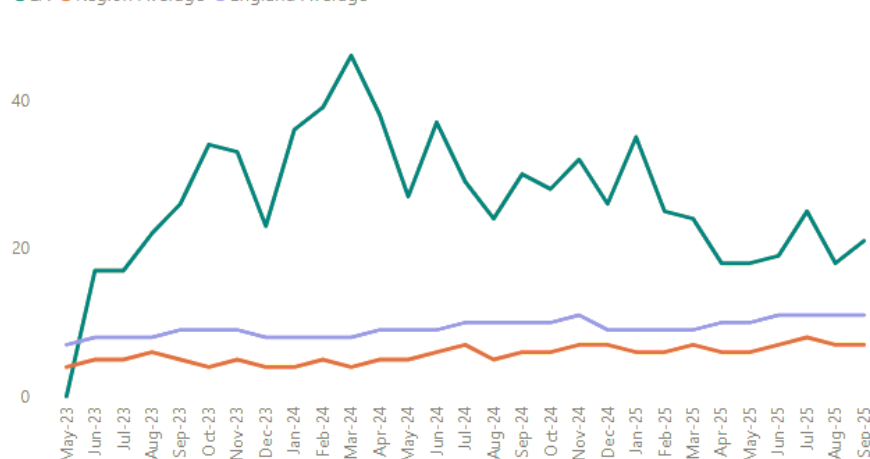


	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25
Total rough sleepers found each month.	87	102	92	97	93	89	125	111	73	121	128	105	107
Long term rough sleepers found each month.	15	16	24	29	21	20	27	21	18	25	19	18	18
% of all rough sleepers found each month that are classed as long term.	17%	18%	28%	33%	24%	23%	31%	24%	21%	29%	22%	21%	21%

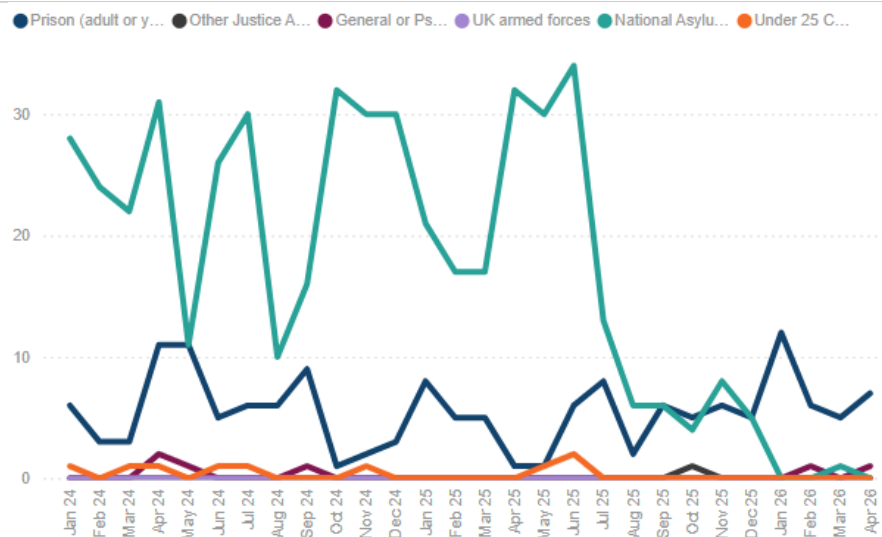
The chart below clearly sets out that Leicester has consistently recorded higher levels of long-term rough sleeping than both the regional and England averages throughout the reporting period. Whilst the regional average has generally remained between 4 and 7 individuals per month and the national average between 7 and 11 individuals, Leicester's figures have been higher.

People sleeping rough over the month (long term)

● LA ● Region Average ● England Average



The chart below clearly shows that until the middle of 2025 the biggest issue faced was from those leaving asylum accommodation and sleeping rough which accounted for 20 to 30 individuals per month at its peak. There are however multiple routes that feed in to Rough Sleeper numbers in the City including prison leavers which typically accounts for between 3 and 12 individuals.



7.7 Lack of funding to deliver new Affordable Housing

While the Council has sufficient funding to deliver the existing 1,500 between 2023 and 2027 mainly through the use of Right to Buy receipts and loans, the success and level of delivery leaves the Council with very limited Right to Buy receipts beyond 2027.

In order to deliver a similar programme of new Affordable housing in the City the total cost to deliver the programme is around £400m and the Council currently have is £88m (a combination of expected Retained Right to Buy Receipts (RTRB), allowable debt and prudential borrowing) assuming the current Homes England (HE) bids are successful (if not then this is lower at £54m). This leaves a significant gap of between £312m to £346m that we will need to work with HE and Registered Providers to fill to facilitate a robust affordable housing pipeline for the city.

This creates significant uncertainty and risk around the Council's ability to be able to deliver new Affordable Housing because it will now be reliant on external funding sources.

7.8 Key Drivers in Leicester

The main drivers of the crisis locally align with national factors:

- Affordability challenges in the PRS
- Section 21 evictions and insecurity of tenure
- Institutional discharges (prison, hospital, care)
- Impact of Renters Rights Act
- Cost of Living – Conflict in Iran
- Youth Homelessness (NEET)
- Increase complexity of support needs
- Migration and asylum pressures

- Institutional discharges (prison, hospital, care)
- Cost of living impacts
- These issues are **interconnected and cumulative**, rather than isolated.

7.9 Core Insight – Nature of the Crisis

Across both national and Leicester contexts, the housing crisis in 2026 can be summarised as:

A structural imbalance where demand for housing consistently outstrips supply, compounded by affordability constraints and increasing complexity of need.

In Leicester specifically:

- The system is **absorbing more households, for longer, with fewer exit routes**
- Demand continues to grow faster than interventions can offset
- Short-term measures (TA, PRS schemes) are necessary but insufficient

7.10 Conclusion

The housing crisis in 2026 is:

- **Deep-rooted and structural**
- **National in scale but locally intensified**
- **Driven by both supply failure and affordability pressures**

For Leicester:

- Strong delivery and intervention activity is underway
- However, the scale of demand means the system remains under sustained pressure

The central conclusion remains clear:

The only long-term solution to the housing crisis is a substantial and sustained increase in the supply of genuinely affordable, permanent homes.

8.0 Future Options & Actions

8.1 Refreshed Council Priorities (2026–2028)

Accelerate Housing Delivery through the delivery of Council Housing in the City with the ongoing development of a clear delivery plan from 2027 onwards and work to secure funding from the Affordable Housing fund 2026 – 2036 along with maximization of use of Local Plan sites. To achieve this a demand has also been placed on Government to provide adequate Affordable Housing funding.

Full review of the current PRS Strategy to create new actions to continue to drive forward improvement in standards in the PRS.

Review of the Housing Allocations Policy to ensure those in most urgent need are prioritised

Strengthen Private Rented Sector (PRS) Intervention and continue to offer an enhanced offer to attract PRS landlords and their stock.

Work with Registered providers to increase the supply of permanent affordable housing in the City

Work with Homecome to increase the supply of permanent Affordable Housing in the City

Development of a Supported Housing strategy for the city and creation of the nationally mandated supported housing standards, developing effective accommodation and support pathways to meet different needs

Strengthen both singles and families Temporary Accommodation pathways

Increasing the number of self contained Temporary accommodation units and also the pathways and support surrounding these

Maximise use of existing housing stock through the ongoing review of the Housing Allocations policy by prioritization of band 1 priorities, simplifying overcrowding & under occupation rules, ensuring that Council Housing continues to be targeted at those most in need including financially and working to achieve full use of properties offered

Consider the implementation of fixed term tenancies to ensure Council Housing continues to be used by those most in need and meets the needs of those in it.

8.2 Refreshed Government Priorities

Ongoing delivery of existing asks from 2022 including;

- Enhance arrangements to enable developers deliver Affordable homes
- Long term, no-strings fully funded Climate Retro Fitting for Council Housing
- Cancel Housing Revenue Account Council house debt
- Long term and increased levels of viability land funding
- End the Right to Buy Scheme
- Policy change to help those with No Recourse to Public Funds access Housing

New Government demands;

Direct allocation of the Affordable Housing funding to Local Authorities to enable LA's to deliver new Affordable homes along with increased grant rates per unit

Reform of government funding and fiscal rules to incentivise long-term public investment in social housing

Delivery of ongoing Right to Buy reform

A new fair and sustainable Housing Revenue Account model – including an urgent £644 million one-off injection, and long-term, certain debt agreements

Delivery of the actions within the Renters Rights Act including the creation of a PRS landlord register

Realignment & Annual Local Housing Allowance LHA uprating

Review and increase of HB rates for Temporary accommodation units

Increase national funding capital & revenue funding for Domestic & Sexual abuse accommodation.

Planning reform to enable fast track planning permissions, increasing the number of planning officers and redefining underutilized land.

Specialist NHS help and support for more complex individuals facing Homelessness as part of the Local Area based provision

Long-term, ring-fenced and increased funding for supported housing and support services

Increase funding and the number of approved Probation premises to support people coming out of prison in their journey (currently only 106 nationally) and this needs to increase as SOMETIMES people leaving prison are too high risk for LA accommodation

Legal Comments

There are no direct legal implications arising from this report.

Kevin Carter, Head of Law – Commercial, Property and Planning

18th July 2026

Finance Comments

The report is primarily a progress update on the Housing Crisis Action Plan and sets out strategic priorities for future delivery. Existing housing delivery and temporary accommodation programmes referred to within the report are being delivered through previously approved capital and revenue budgets.

Delivery of the future ambitions set out in the report will be dependent on securing external funding, future Government policy decisions and approval through the Council's normal budget and decision making processes. Any additional financial commitments

arising from these proposals will therefore be subject to separate consideration and approval

Jade Draper – Principle Accountant – HRA

22nd July 2026

Climate Comments

There are no climate emergency implications arising directly from this report. However, the energy efficiency of housing contributes to the affordability of tenancies, as well as to reducing carbon emissions. So, if opportunities arise to make energy improvements to properties alongside other refurbishments as part of the provision of new social housing, then this could help reduce fuel poverty while cutting emissions.

Duncan Bell, Change Manager (Climate Emergency)

21st July 2026

5. Background information and other papers:

6. Summary of appendices:

Appendix 1 – LCC Actions

Appendix 2 – Government Demands

Appendix 3 – Housing Scrutiny Commission Task Group Report

7. 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)?

No

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

No

Appendix 1 – LCC Demand

Housing Crisis Action Plan - LCC actions						
Council Housing - general						
Outcome	Detail	Lead Task Owner	Resource requirement	Completion timescales	Progress update	RAG Rating
Maximise Council Housing Delivery	Develop an active Housing delivery plan for the next 10 years	Chris Burgin	Officer time	Ongoing	The Council has a very clear pipeline of Council and Affordable housing delivery for 2023 to 2027 of 1,500 new homes and the focus of attention has been on the delivery with good progress being made on these. The Council continues to be on track to deliver 1,500 units. Reports have been provided separately to update the Housing Scrutiny Commission on this matter setting out how the Council has continued to work agilely to deliver the pathway and attract contractors and builders to bid for current procurement opportunities.	Ongoing
	Seek opportunities to invest in Council owned social housing with	Chris Burgin	Officer time	Complete / Business as usual	All available sites as being individually planned are considered to meet the highest sustainable specification. A number of existing sites are particularly focussed on delivering	Complete

	highly sustainable specification				as examples of this including Saffron Lane, Lanesborough Road and Stocking Farm	
	Provide more suitable and affordable, temporary and stepped accommodation with a long-term sheltered accommodation offer	Chris Burgin	Officer time, development and building costs	Completed	Trainer accommodation units being developed as part of the ZIP acquisition. A report was submitted and approved at Full Council to deliver 225 Temporary accommodation homes and 125 leased properties at a cost of £45m in February 2024. All have now been delivered. A further approval of £50m to increase LCC owned self contained TA units by 250 in 25/26 was approved in February 2026 and work has commenced on the delivery of these units. The Housing Division have employed a Supported Housing Manager in a step towards developing a growing alternative offer for those that General needs Housing is not suitable for.	Complete
	The council delivery programme to have clearly	Chris Burgin	Officer time	Complete / Business as usual	A full delivery programme that sets out the total delivery expected for the next 4 years, annual delivery and also site delivery dates has been	Complete

	identified objectives and targets over the time of the programme.				completed and agreed. This is now being monitored and overseen by the Housing Deliver Board and will report in periodically to LMB, CMB and HSC.	
Increase and free up existing Council Housing for those in greatest need	Use some of the Affordable Housing Revenue to introduce payments to those council tenants downsizing to make the move more attractive and affordable in order to free up homes for families	Chris Burgin	Recourses to be allocated from the Housing Revenue Account	Complete / Business as usual	Housing have introduced a new scheme called 'Easy Move' to support and incentivise tenants moving out of underoccupied properties. Housing have also promoted the use of Mutual Exchange and the use of the national Home Swapper IT system to deliver more over and under occupying swaps. A budget is also available to facilitate extensions for suitable LCC owned properties to generate space to address overcrowding	Complete
The Council to deliver exemplar low and no carbon new build sites	The council establish the development of an exemplar site of low carbon modular housing, to show that development	Chris Burgin	Officer time, development and building costs	Complete / Business as usual	All available sites as being individually planned are considered to meet the highest sustainable specification. A number of existing sites are particularly focussed on delivering exemplar schemes including Saffron Lane, Lanesborough Road and Stocking Farm	Complete

	s like this can be both stylish and great to live in					
Tackle overcrowding and the need for adaptations in the City	The Council utilises its Overcrowding Strategy to help those on the Housing Register in the most serious housing need	Chris Burgin	Officer time	Timescales set within the Overcrowding Strategy and Adaptation Strategy action plans	LCC now have a live Overcrowding strategy with a defined action plan to start to tackle the levels of overcrowding in LCC owned stock initially. The Council also amended its Housing applications policy to add additional priority for those facing the most severe Statutory overcrowding which has had a positive impact on helpful those in this position to secure a let.	Complete

Private Sector Housing						
Outcome	Detail	Lead Task Owner	Resource requirement	Completion timescales	Progress update	RAG Rating
Tackle poor quality housing in the City	The Council to deliver its PRS Strategy, including PRS consultation and implementation to drive up the standard in this sector. Expand the PRS regulatory framework and improve the lives of tenants in the private sector	Chris Burgin / Sean Atterbury	Officer time	Complete / Business as usual	The council has a live PRS Strategy that has a robust Action plan that is being actively delivered upon. Excellent progress has been made on most of the PRS strategy actions. The PRS strategy progress update is provided periodically to CMB & HSC.	Complete

	The Council to rigorously pursue unauthorised developments and breaches of planning control to safeguard residential amenity and improve the quality of stock	Andrew L Smith	Officer time Legal fees	Complete / Business as usual	Ongoing work by the Planning Enforcement Team to respond proactively to unauthorised development	Complete
	Further promote the Private Rented Sector offer from the Council to Private Landlords to make properties available for local families in need	Chris Burgin	Officer time	Complete / Business as Usual	Ongoing promotion of the live scheme. A review of the scheme has also been undertaken to ensure it continues to be good value in attracting more private landlords to the scheme. The scheme offer was strengthened as a result of this review and an increase in the level of support available up to 35% above LHR rate available as part of the scheme	Complete

Work with other providers to facilitate affordable housing in the city	Work closely with registered providers to ensure the best use of those properties, such as to encourage tenants to downsize where possible and make larger properties available for larger households	Chris Burgin	Officer time	Complete / Business as usual	As part of development of a suite of sites for the next 4 and 10 years delivery of 1500+ units, specific sites have been identified that will be made available for RPs to deliver new affordable housing for the City. The release of these sites is subject to the Local Plan approval.	Complete
Assessment of the viability and effectiveness of a Housing Company to meet market needs is delivered	Investigate the viability and justification for a Housing Company for Leicester	Chris Burgin	Officer time	Complete	Completed and consideration of this option which determined that at this time the best model for the Council remains internal delivery Leicester will continue to keep this option under review should there be further significant legislation or funding changes affecting future delivery.	Complete

New House Building						
Outcome	Detail	Lead Task Owner	Resource requirement	Completion timescales	Progress update	RAG Rating
Work with other providers to facilitate affordable housing in the city	Secure more house building sites through a review of existing underdeveloped Local Plan sites, designated for non-housing purposes. To include a review of all brownfield sites in the city. Develop a programme for the delivery of new Council	Andrew L Smith Chris Burgin	Officer time	Ongoing / 2025	A review of the Local Plan has completed and a new Local Plan has been launched in 2026	Complete

	housing on these sites					
	Set up a mechanism to enable Ward Councillors to feed in any localised sites that should be reviewed for Housing	Chris Burgin	Officer time	Nov-23	All site suggestions can be submitted for consideration and evaluation to HousingDevelopment@leicester.gov.uk. A process is in place to evaluate the site and provide direct feedback to the Ward Councillor	Complete
	Maximise the opportunities with the new Local Plan to secure sufficient Housing land plots suitable to achieve the strategic and political aims of the local authority	Andrew L Smith	Officer time	Ongoing / 2025	New Local Plan launched in 2026	Complete

	over the next 10 years					
	The work of the Housing Board to concentrate on identifying development or conversion opportunities to provide the urgently required social and other housing needed in the city. The Housing Board to report to Scrutiny within 6-months on its aims, objectives and work done so far	Chris Burgin	Officer time	Completed / Ongoing with 6 monthly report to Scrutiny	Housing Board is now embedded with an Housing Operational Delivery Board now being set up to manage a big uplift in work. Reports have been considered at the Housing, Neighbourhoods & City Centre Board on the 14th June 2023 and the Housing Scrutiny Commission on the 31st July 2023 and updates will continue to be brought to HNCC and HSC meetings periodically.	Complete

Appendix 2 – Government Demands

Housing Crisis Action Plan - Government Demands							
Central Government Demands - General							
Outcome	Detail	Action	Lead Task Owner	Resource	Completion timescales	Progress update	RAG
Funding for 150,000 new Social Homes a year	Fully fund councils to deliver the building of 150,000 social rent homes each year, including 100,000 council homes. Invest £12.8 billion a year over the next ten years to deliver the social rented homes needed to break the back of the national housing crisis.	Advocate this commitment at future meetings with Homes England	Chris Burgin / Andrew L Smith	Officer time	Complete / Business as usual	Additional £500m added to the Affordable Housing programme for 25/26 and promise of further funding to delivery more Housing from Government. LCC are working with Homes England to secure more funding from the City from these pots of funding.	Complete

	Government to announce the next 10 years of the Affordable Homes Programme (AHP) now, rather than waiting until 2025/6 to announce the next tranche of funding.	Advocate this commitment at future meetings with Homes England	Chris Burgin / Andrew L Smith	Officer time	Ongoing	Additional funding of over £1m has been secured from Homes England towards the ZIP purchase, a successful bid is in for Homes England funding for 20 units of acquired accommodation securing £xxm. The Council has also secured a total of £6.6m of Local Authority Housing funding, has delivered a total of 59 units and now has secured	Complete
--	---	--	-------------------------------	--------------	---------	---	----------

						funding to deliver the remaining 56 units with a further £6.6m funding. The Council has been working with Homes England on a bid for £30m of Homes England Social Affordable Homes Programme.	
Long term, no-strings fully funded Climate Retro Fitting for Council Housing	Government funding for the retrofitting of council housing to cut greenhouse gases, provide jobs	Advocate this commitment at future meetings with Homes England	Chris Burgin / Matt Wallace	Officer time	Ongoing	Available meetings and opportunities have been used to promote the need for this funding to enable this work (and the	Ongoing

	and promote a shift from outsourcing to Direct Labour Organisations. To include a pilot programme of Net Zero social housing to help deploy and reduce the cost of technology needed to meet the Future Home Standard and deliver on our commitment to Net Zero					lack of funding in the HRA to achieve the required work) - using data from LCC Housing stock on known pathways of net zero. LCC have formed a part of the top 20 Stock owned authorities to approach Government to ask for additional funding to meet this demand.	
Cancel Housing Revenue Account Council house debt	Council housing debt is removed to address underfunding of Housing Revenue Accounts	Lobbying of government	Amy Oliver	Officer time	Ongoing	All opportunities have been taken to promote the need for this action	Ongoing

End the Right to Buy Scheme	End the Right to Buy Scheme to stop the loss of truly affordable housing for those people that cannot afford to access other Housing	Political lobbying of Government	Cllr Cutkelvin	Councillor time	Completed & Business as usual	Significant changes have been made to the RTB scheme to reduce down its impact on loss of Social Housing stock but the scheme has not ceased	Ongoing
Long term and increased levels of viability land funding	Government funding support to help with the release of new housing sites, including those on brownfield land, to increase viability and delivery	Advocate this commitment at future meetings with Homes England	Chris Burgin / Andrew L Smith	Officer time	Ongoing	Regular meetings being held with Homes England to secure potential future grant funding to develop regeneration sites which may include social rented homes. Meeting in April with DHLUC senior civil servants to encourage investment in Leicester. Investment has been secured through the Brownfield land funding specifically for the	Complete

						development fo the FLEC site	
Outcome	Detail	Action	Lead Task Owner	Resource requirement	Completion timescales	Progress update	RAG
Large, sustained increase in Local Housing Allowance rates to address affordability	Government to increase Local Housing Allowance levels in line with inflation. Local Housing Allowance must be unfrozen and kept in line with at least the 30th percentile of rents to enable people on benefits to access Private	Promotion at S151 officer and other appropriate meetings. Letter to the Minister responsible for DWP and this allowance	Amy Oliver / Cllr Cutkelvin	Officer and Councillor time	Complete	Amy, Cllr Cutkelvin and all relevant Directors have used the opportunities to set out the growing need for this and unaffordability of PRS in the City. Government have responded and agreed in the Autumn budget statement to	Complete

	Sector Housing					increase NHA rates to the 30th percentile level from April 2024	
Legislate to end Section 21 "no fault" evictions	End Section 21 evictions to reduce the number of people going through homelessness and spending time in temporary accommodation	Political lobbying of Government	Chris Burgin	Officer time	Ongoing	Removed S21 as part of RRA	Complete
Legislate to create 5-year minimum Private Rented Sector tenancies	To include a rolling back clause of 2 months to allow tenants flexibility to increase tenancy sustainment	Political lobbying of Government	Cllr Cutkelvin	Councillor time	Ongoing	RRA has moved to periodic tenancies to strengthen tenants rights	Complete

Close loopholes with regulation on holiday accommodation	Government to review policies to ensure all holiday accommodation is properly regulated, complying with local planning policies and taxes. This could include an extension of the 90-day short let legislation, a proper planning class for short lets and proper licencing for them. With the focus of preventing people finding loopholes in the taxation system and prevent too many local homes being converted to holiday homes	Political Lobbying of Government	Cllr Cutkelvin	Officer time	Ongoing	The UK government has closed major tax and planning loopholes for short-term holiday lets to protect local housing markets. Key reforms include abolishing the Furnished Holiday Lettings (FHL) tax regime, tightening the 70-day rental rule for business rates, and introducing mandatory planning permission	Complete
--	---	---	-----------------------	---------------------	----------------	--	------------------------

						for frequent letting	
Give local control and ownership of setting Holiday Home Council tax levels	Local control of Government to allow local councils to be able to charge 200% Council Tax on second / holiday homes, as they do in Wales	Political lobbying of Government	Cllr Cutklevin	Officer and Councillor time	Ongoing	Homes empty for more than five years will be charged three times the council tax of occupied homes. From April 2021, homes empty for more than 10 years will be charged four times the council tax of occupied homes.	Complete

Policy change to help those with No Recourse to Public Funds access Housing	To support those currently unable to access benefits support to access Housing to be able to do so	Political lobbying of Government	Cllr Cutkelvin	Councillor time	Ongoing	Ongoing representations to government on this matter at available meetings with Senior Government officers	Ongoing
Introduce a National Landlord Register	To give oversight of the Private Rented Sector, including rogue landlords	Political Lobbying for a National Landlord Register	Cllr Cutkelvin	Councillor time	Ongoing	RRA confirms this is to be rolled out in 2026 to 2027	Complete
New House building							
Outcome	Detail	Action	Lead Task Owner	Resource requirement	Completion timescales	Progress update	RAG Rating

New Council Tax charges on undeveloped Housing sites	Government to allow a Council Tax charge on housing plots with planning permission if they have not been built after a specified period. This would encourage developers to build their sites without delay. Also lobby to introduce planning contracts rather than permissions with penalties for undue delays	Political lobbying of Government	Cllr Cutkelvin	Councillor time	Ongoing	To date the Government have not introduced New Council tax charges on undeveloped Housing sites	Ongoing
Enhance arrangements to enable developers deliver Affordable homes	In the wholesale review of S106 arrangements (linked to Levelling up) taking place, Government should	Political lobbying of Government	Cllr Cutkelvin	Officer time	Ongoing	Ongoing Political lobbying	Ongoing

	strengthen arrangements to ensure delivery of the required affordable housing and remove the opportunity for developers to avoid Affordable housing delivery for "viability" reasons						
Government to review their Refugee Resettlement Programme	The city welcomes incoming communities, but the Government's refugee settlement programmes be on a national basis rather than focussed on already crowded urban settlements.	Political lobbying of Government	Cllr Cutkelvin	Councillor time	Ongoing	National Mandatory Asylum Resettlement programme now in operation for 12 months.	Complete

Appendix 3 – Housing Scrutiny Commission – Task Group report on the Housing Crisis