Report To:	Cabinet
Date:	18th February 2025
Subject:	Social Housing Regulation – Q3 2024/25 update
Purpose:	To provide Cabinet with an update on progress made towards meeting the outcomes of the Social Housing (Regulation) Act 2023, including revised consumer standards.
Key Decision:	No.
Portfolio Holder:	Portfolio Holder for Strategic and Operational Housing
Report Of:	Jason King, Assistant Director - Housing
Report Author:	Vikki Cherry, Housing Transformation Programme Manager
Ward(s) Affected:	All wards.
Exempt Report:	No.

Summary

The Regulator of Social Housing adopts a co-regulatory approach, holding Councillors responsible for ensuring that the Council, in its role as a registered provider of social housing, is delivering the outcomes of consumer standards.

This paper reflects on the changes introduced by the Social Housing (Regulation) Act 2023 and the Council's progress towards meeting the outcomes of the consumer standards.

Recommendations

That Cabinet notes the work underway towards delivering the outcomes of the consumer standards and notes the progress towards aligning services with the new regulatory regime.

Reasons for Recommendations

To provide assurance to Cabinet on the Council's preparations for regulatory inspection and provide updated information regarding ongoing work towards meeting the outcomes of the consumer standards.

Other Options Considered

Do nothing – to retain progress updates through operational arrangements with the Portfolio Holder for Strategic and Operational Housing. This option is not considered to be appropriate as the Regulator of Social Housing is clear that Councillors are responsible for ensuring that the Council, in its role as a registered provider, is meeting the regulatory standards set.

1. BACKGROUND

1.1 As a social landlord, the Regulator of Social Housing (RSH) expects the Council to meet the outcomes of the Consumer Standards. These standards are designed to ensure that social landlords provide high-quality services and maintain safe, decent homes for tenants. The Regulator is not prescriptive about how landlords should achieve the required standards, instead emphasises that landlords should work with tenants to define the services and approaches that meet tenants needs and service expectations, agreeing them on a local level. From 1 April 2024 progress towards meeting the outcomes is determined as part of a Regulatory inspection, held at least every 4 years.

1.2 Quarterly updates are provided to Cabinet to provide assurance on the Council's preparations for regulatory inspection and progress towards meeting the outcomes of the consumer standards.

2 REPORT

2.1 Notice of programmed inspection

2.2 On Monday 3 February 2025, South Holland District Council was notified by the Regulator of Social Housing that a programmed inspection would take place between April and June 2025. It is anticipated that the Regulator will publish their findings (Regulatory judgement) in July 2025.

2.3 Social Housing sector update

2.4 Regulatory Judgements have been published for 26 Councils to date*, summarised in the table below (with C1 being the highest grade - "delivering the outcomes of the consumer standards" and C4 the lowest grade - "very serious failings with improvement needed").

Outcome of inspection	C1	C2	C3	C4
Programmed inspection	1	9	2	2
Landlord self-referred to RSH	0	0	13	0
Total number of gradings	**1**	**9**	**15**	**2**

2.5 *Castle Point Borough Council has been inspected twice during the last quarter,

being downgraded from a C3 to a C4 during this time. C3 and C4 Registered Providers are subject to “intensive engagement” whereby RSH seeks evidence to assure them that sufficient change and progress is being made against the improvement plan (set by RSH). Use of enforcement powers are under review during this period.

2.6 The Housing Transformation Team review judgements and report findings to the Housing Landlord Board every six weeks. Reports include learnings and recommendations for additional items to be added to the Programme and/or picked up by service managers.

2.7 **Meeting the specific expectations of the consumer standards**

2.8 Officers have conducted a further self-assessment against the consumer standards, as set out in appendix 1. Items have been RAG rated, with the current position summarised in the table below:

Position		Number of expectations
	Meeting specific expectations	32
	Partially meeting specific expectations	25
	Not currently meeting specific expectations	3
	Not applicable	2

2.9 Whilst there are a number of specific expectations that are partially met/not met, these items are included in the HRA Transformation and Service Improvement Programme. Evidenced plans are in place to deliver all expectations of the consumer standards. Regulatory Judgements have referenced fully costed plans as being considered during the assessment process.

2.10 Having reviewed the content of the self-assessment, the Assistant Director-Housing/Person Responsible for Compliance with the Consumer Standards, does not consider there to be any material issues that relate to non-compliance or potential non-compliance with the consumer standards that are necessary to communicate to the Regulator of Social Housing.

2.11 Progress towards meeting the outcomes continues to be monitored by Assistant Director -Housing and Portfolio Holder for Strategic and Operational Housing, with quarterly updates reported to Cabinet and HRA Transformation Board.

2.12 An Internal Audit on the Council’s preparedness for the regulatory change and inspection commenced in January 2025. This audit was paused following receiving notification from the Regulator of Social Housing of a programmed inspection.

2.13 **Rent standard**

2.14 Social housing landlords must meet the Rent Standard, set by the Regulator of Social Housing.

2.15 A rent standard is published annually by the Regulator, confirming the maximum rent adjustment for the following financial year. A submission has been completed for 23/24.

2.16 The 2025 standard caps rent increases at CPI+1%. Rent setting for the financial year 2025/26 was considered by Full Council on 29 January 2025.

2.17 **Housing Ombudsman Complaint Handling Code (1 April 2024)**

2.18 This is now covered by a standalone report, shared with Cabinet every six months.

2.19 **Housing Landlord Strategy and Transformation and Service Improvement Programme update**

2.20 Landlord Strategy

2.21 The following progress has been made:

- Culture and Operational Excellence - Procurement and contract management guidance established with PSPS, being piloted by HRA staff with the intention to role out across the Partnership. Tenancy Strategy adopted by Cabinet.
- Quality Homes and Connected Neighbourhoods – over 55% of stock condition surveys completed (representative sample being fed into HRA business plan modelling). Bid submitted to Warm Homes: Social Housing Fund Wave 3 to continue improvements in the energy efficiency of homes. Self-assessment completed against Grenfell Inquiry recommendations (and action plan adopted) – see appendix 2.
- Accountability and Transparency – Tenant Satisfaction Measure results for 23/24 scrutinised by PMP and published with benchmarking (following RSH releasing data in November 2024). TSM surveys currently being conducted for 24/25. Knowledge and Information Management Strategy (and action plan) adopted by Cabinet. Cost per Unit calculation completed and published (providing information about remuneration and management costs allowing tenants to analyse their landlord's performance alongside other landlords). New KPI established monitoring overdue repairs.
- Tenant Voice and Opportunity – Tenant Engagement strategy drafted with tenants and officers, with a further round of consultation planned for February 2025. Equality Impact Assessment completed regarding accessibility to the Housing Landlord Service, and action plan adopted. (See appendix 3 for more information).

2.22 Programme update

2.23 The programme has now been established 12 months. A vast amount of work has been completed during this time including enhancements to governance and oversight of the HRA, improved complaint handling (with changes being implemented in response to tenant feedback) and commencement of establishing a variety of tenant engagement mechanisms.

2.24 In October 2024, the Housing Transformation Board agreed to amend the order of programme. Due to continued increased expenditure in Housing Repairs and urgent reprioritisation of the Capital programme, if was agreed that the Repairs

Review and Property Services Review projects should be brought forward. The HRA Transformation Team would use Q3 & Q4 2024/25 to focus on delivering actions on projects that have commenced i.e.:

- Tenant engagement options
- Data and Information Management (Data project phase 1)
- Disabled aids and adaptations review
- Damp, Condensation and Mould Project.

2.25 A revised programme for 25/26 for the financial year 2025/26 was considered by the Transformation Board on 27 January 2025, focussed on delivering the Safety and Quality Standard and Transparency, Accountability and Influence Standard. Note that this programme may change following the outcome of the programmed inspection.

2.26 Prioritisation within the programme continues to be based on a dynamic assessment of risk. Specifically, the Council's ability to demonstrate outcomes of the Consumer Standards together with the current and future ability to meet tenants wants and needs. As the Council has the existing operational arrangements for ASB, Domestic Abuse and Safeguarding, it was determined that establishing our tenant engagement offer should take precedence so that tenants can be truly engaged in helping to shape the future delivering of services for ASB, Domestic Abuse and Safeguarding.

2.27 The Competence and Conduct project has also been paused following delays in MHCLG publishing the findings of their consultation (anticipated to be postponed until 2026). In response to this, Managers continue with their studies and work continues around enhancing the culture within the service, with workshops planned for Spring 2025.

2.28 Appendix 4 summarises the progress over the last 12 months as well as the focus for 25/26.

2.29 **Responses submitted to MHCLG/Housing Ombudsman consultations**

2.30 A response has been submitted to the MHCLG Reforming the Right to Buy consultation.

2.31 A consultation around EPCs is currently live and will be responded to. An update on the implications will be provided in the next quarterly report.

2.32 MHLCG has advised of the following consultation over the next 12 months:

- Decent Homes 2 – 'early 2025'.

2.31 Registered Providers have been consulted on the following, with dates for findings and next steps yet to be published:

- Competence & Conduct standard – not expected during 2025
- Awaab's law – TBC.

3. Conclusion

3.1 The legislative and regulatory changes which have been introduced are significant and wide-reaching, impacting the operational and strategic approaches taken in

delivering housing services in the future, including where funds are allocated, the range of data collected and the way our tenants are involved in all that we do.

3.2 To summarise, the following have been RAG rated:

Item	RAG rating	Comments
Consumer Standards		New self-assessment (appendix 1) does not highlight issues of material concern however there are areas for improvement including: • tenant engagement and scrutiny - tenants will shortly be consulted on a draft Tenant Engagement Strategy following TPAS reengineering engagement piece produced with tenants) • stock condition data (contract awarded to survey all stock including HHSRS surveys - over 55% of surveys now compete). Future report to follow explaining the findings and impact. • updating the HRA business plan (contract awarded modelled on latest stock data) • producing additional polices (with tenants) • adapting and tailoring services to tenants' needs to ensure we deliver fair and equitable outcomes for tenants.
Rent standard		Data submitted for 2024/25.
Tenant Satisfaction Measures		Data submitted to Regulator and published with tenants. Scrutinised by PMP in December. Contract procured for 2024/25 and surveys currently being conducted.

3.4 The progress of the Housing Landlord Service continues to be monitored by the Housing Transformation and Service Improvement Programme Board (sponsored by the Deputy Chief Executive (Corporate Development) and s151 Officer and chaired by the Portfolio Holder for Strategic and Operational Housing). Service performance continues to be monitored by the Assistant Director - Housing and reported through the Housing Compliance and Housing Governance Clinic, followed by formal scrutiny oversight.

4. EXPECTED BENEFITS TO THE PARTNERSHIP

4.1. There are no immediate benefits to the Partnership. However, South Holland as a sovereign partner Council continues to contribute to the overall reputation of the Partnership. Therefore, continuing to show preparedness for an upcoming external inspection will support the Partnership's reputation.

5. IMPLICATIONS

Implications

South and East Lincolnshire Councils Partnership

None.

Corporate Priorities

None.

Staffing

The Transformation Programme will involve a review of the resourcing and skills of the Landlord Service and arrangements where other Council departments provide services for the Housing landlord Service (funded by the Housing Revenue Account). A paper on resources will be brought to Members in due course.

Workforce Capacity Implications

Housing Managers and the Assistant Director – Housing are currently studying for relevant Chartered Institute of Housing qualifications. Whilst officers are committed to completing the qualifications, it should be noted that the Chartered Institute of Housing advises that the study requires a commitment of 8 hours per week to be completed (over a period of 12 months).

Constitutional and Legal Implications

None.

Data Protection

None.

Financial

The Social Housing (Regulation) Act 2023 has focussed the Council on the following activities which have incurred the expenditure below for 2024/25:

Q1	HRA Transformation Programme Team (including on-costs)	£145,000
	Property surveys (Cabinet decision 4/6/24)	£275,000
	HRA business plan and asset management strategy (Pro-forma B)	£49,000
	Re-engineering tenant engagement offer and TPAS membership (funded from existing budget)	£13,200
	Housing manager qualifications (funded from existing budget)	£20,000
	Housemark membership (benchmarking)	£5,000
	Association of Retained Council Housing membership (local authority registered providers policy and practice)	£2,000
Q2	Housemark cost mapping exercise	£,1500

	Housing Complaints Officer (cost for six months of 24/25)	£10,000
	Additional HRA Transformation Programme Officer (including on-costs) – Note salary funded from wider salary savings within HRA due to vacant post)	£29k
Q3	*No further expenditure*	£0k
Total to date for 2024/25		**£550K**

In addition to the above, the Council is subject to the following mandatory fees for 2024/25:

Regulator of Social Housing	£24k
Housing Ombudsman	£31k
Total for 2024/25	**£55k**

It is noted that it has been a transitional year for the HRA finances, and additional oversight and scrutiny will be required as part of adopting the HRA Business Plan. The Council was awarded £16k in additional burdens funding in September 2024 towards delivering the Tenant Satisfaction Measure surveys.

Risk Management

None.

Stakeholder / Consultation / Timescales

The Portfolio Holder - Strategic and Operational Housing and the Deputy Chief Executive (Corporate Development) and S151 Officer have been consulted. They continue to be regularly updated as Chair and Sponsor, of the Housing Transformation and Improvement Programme Board.

Regular briefings are being held with Housing Landlord Service Managers, the wider Housing Service, Senior Leadership Team and all Members (informally) to keep them updated on the progress of the Housing Transformation and Improvement Programme and sector updates.

Quarterly updates are provided to Cabinet on progress made towards delivering the outcomes of the Social Housing (Regulation) Act 2023, including revised consumer standards.

Reputation

The Council has been notified that a programmed inspection will take place between April and June 2025. It is anticipated that the Regulator will publish their findings (Regulatory judgement) in July 2025.

The increased public focus on social housing issues could increase the risk of reputational damage to the Council if findings of non-compliance were published by the regulator.

Contracts

None.

Crime and Disorder

None.

Equality and Diversity / Human Rights / Safeguarding

None.

Health and Wellbeing

None.

Climate Change and Environmental Implications

None.

Acronyms

- SELCP – South and East Lincolnshire Councils Partnership
- MHCLG – Ministry for Housing Communities and Local Government
- TPAS – Tenant Participation Advisory Services.
- RSH – Regulator of Social Housing.

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1	Consumer Standards Self-Assessment (January 2025)
Appendix 2	Grenfell Tower Inquiry Recommendations – self-assessment
Appendix 3	Equality Impact Assessment: Access to Housing Landlord Services
Appendix 4	Housing Transformation Programme Mandate Update February 2025

Background Papers

Background papers used in the production of this report are listed below: -

Document title	**Where the document can be viewed**
Regulator of Social Housing - Consumer Standards	www.gov.uk/government/consultations/consultation-on-the-consumer-standards
SHDC Landlord Strategy 2024-2026	https://www.sholland.gov.uk/media/24482/SHDC-Housing-Landlord-Strategy-2024-2026/pdf/SHDC_Housing_Landlord_Strategy_2024-2026.pdf?m=1707905746373

Chronological History of this Report

A report on this item has previously been considered by a Council body:

Name of Body	**Date**
Cabinet	November 2024

Report Approval

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Approved for publication:	Councillor Tracey Carter, Portfolio Holder for Strategic and Operational Housing