Birmingham City Council

Report to Cabinet

13 May 2025

Title:	**CITY HOUSING ANNUAL SUBMISSION TO THE HOUSING OMBUDSMAN**
Lead Member:	Councillor Jayne Francis – Cabinet Member for Housing and Homelessness
Relevant Overview and Scrutiny Committee:	Councillor Jamie Tennant – Homes Overview and Scrutiny Committee
Has this report been shared with the relevant Overview and Scrutiny Committee Chair?	Yes
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Authorised by:	Paul Langford – Executive Director, City Housing
Is this a Key Decision?	Yes Forward Plan Reference: 013184/2025
Reason(s) why not included on the Forward Plan and confirm who has authorised it to be considered:	NA
Is this a Late Report?	No
Reason(s) why Late and confirm who has authorised it to be considered:	Not Applicable
Is this decision eligible for 'call in?'	Yes
If 'call-in' has been dis-applied, please provide reason(s) and confirm who has authorised:	Not Applicable

Wards: All wards

Does this report contain exempt or confidential information? No

1 EXECUTIVE SUMMARY

1.1 The Council is a mandatory member of the Housing Ombudsman Scheme. This is a requirement for all social housing providers, as set out by the Regulator of Social Housing. The Housing Ombudsman investigates complaints and resolves disputes involving the tenants and leaseholders of social landlords.

1.2 The Housing Ombudsman updated their Complaint Handling Code in February 2024; the Code became statutory on 1 April 2024, meaning that landlords are obliged by law to comply.

1.3 The Social Housing (Regulation) Act 2023 places a duty on the Housing Ombudsman to monitor compliance with the Code. This means that the Housing Ombudsman is required to ensure that all landlords meet the standards set out in the Code for complaint handling, regardless of their size and operating model.

1.4 One of the core requirements of the Code is that the Council must make an annual submission to the Housing Ombudsman every year, including the publication of four key elements:

1.4.1 The Council's annual self-assessment against the Complaint Handling Code

1.4.2 The Council's Annual Complaint Performance and Service Improvement Report

1.4.3 The governing body's response to the Annual Complaint Performance and Service Improvement Report

1.4.4 The Council's Compliments, Comments and Complaints Policy

1.5 The relevant documents are appended to this report as follows:

1.5.1 The Council's annual Complaint Performance and Service Improvement Report – Appendix 1

1.5.2 The Council's Annual Self-Assessment against the Housing Ombudsman's Complaint Handling Code – Appendix 2

1.5.3 The Housing Ombudsman's findings of non-compliance with the Complaint Handling Code in 2024-25 – Appendix 3

1.6 The annual submission to the Housing Ombudsman is made electronically, including links to the relevant documents where these are accessible online.

1.7 Prior to the Council making its submission to the Housing Ombudsman and publication of the relevant documents on the Council's website, the Council's governing body is required to review the documents at Appendices 1-3 and provide a formal response.

1.8 If the Council fails to make a submission to the Housing Ombudsman by the given deadline (30 June) or to publish the required documents, the Housing Ombudsman has the power to issue a Complaint Handling Failure Order.

Where a Council is threatened with a Complaint Handling Failure Order, they are provided with a short timescale to evidence compliance. Failing this, a formal Complaint Handling Failure Order is issued and published, with the associated reputational damage.

1.9 Under the revised regulatory framework, the Housing Ombudsman also has the power to make a referral to the Regulator of Social Housing based on non-compliance with statutory requirements, with the risk of triggering active intervention or an inspection under the new inspection regime, which also became effective on 1 April 2024.

1.10 The purpose of this report is to ensure that Cabinet have sight of the relevant documents and have had an opportunity to provide a response to the contents ahead of the submission and publication deadline.

2 COMMISSIONERS' REVIEW

2.1 The recommendations are supported. The sustained progress on improving complaints handling is noted and welcomed, as well as being required to maintain ongoing compliance with the Housing Ombudsman's Complaint Handling Code, the Regulator of Social Housing's Consumer Standards and BCC's commitment to using complaints to learn lessons and to resolve issues at the earliest point. As BCC achieves H & S compliance and increases decency rates by the delivery of significant capital investment into its housing stock, the number of complaints and escalations to stage 2 and on to the Housing Ombudsman should reduce.

3 RECOMMENDATIONS

That Cabinet:

3.1 Notes the contents of the Council's annual self-assessment against the Complaint Handling Code.

3.2 Notes the contents of the Annual Complaint Performance and Service Improvement Report.

3.3 Notes the Housing Ombudsman's findings of non-compliance with the Complaint Handling Code in 2024-25.

3.4 Notes the contents of the Council's Compliments, Comments and Complaints Policy.

3.5 Provides a written response to the documents at 3.1 to 3.3 for submission to the Housing Ombudsman ahead of the 30 June 2025 deadline.

4 KEY INFORMATION

Context

4.1 The Social Housing (Regulation) Act 2023 introduced a new regulatory framework for all social landlords. Under this revised framework, the Regulator of Social Housing has greater powers to inspect landlords as part of a proactive inspection regime on a four-year rolling programme, against the revised Consumer Standards, which became effective on 1 April 2024.

4.2 The Act also embedded closer links between the Regulator and the and the Housing Ombudsman, including a referral mechanism from the Housing Ombudsman where they have concerns regarding the performance of a social landlord.

4.3 In January 2023 the Housing Ombudsman published a Special Report into the Council's historic handling of repairs, complaints, record-keeping and our approach to compensation payments as part of the complaint resolution process. This followed an Ombudsman audit of complaints that were closed prior to May 2022 when the audit began.

4.4 Between January 2023 and February 2024, the Council was engaged in a formal process with the Housing Ombudsman. This ceased in February 2024, with the Housing Ombudsman being satisfied with the Council's progress.

4.5 The Council is required to maintain ongoing compliance both with the Housing Ombudsman's Complaint Handling Code and the Regulator of Social Housing's Consumer Standards. Any failure to make the relevant annual submissions to either the Housing Ombudsman or will result in further scrutiny and intervention from both parties, as well as negative publicity for the Council.

4.6 It is therefore imperative that the Council is compliant with the requirements set out at section 1.4.

4.7 Appendix 1 sets out the Council's annual submission to the Housing Ombudsman. Whilst the Council are in a significantly better position than the 2023/2024 reporting period and have stabilised both the response times to complaints at Stage 1 and Stage 2, as well as preventing an increase in maladministration rates from the last reporting period, there is still significant work to do to improve the experience of tenants and leaseholders.

4.8 Appendix 1 demonstrates that the reason for housing related complaints is predominately attributed to repairs. This is unsurprising given the volume and condition of the Council's stock portfolio, and that complaints about the repairs service consistently make up circa 3% of the repairs undertaken. The Council's current compliance levels with Decent Homes Standards sits at circa 30% and the Council have just finished year 1 of a 7-year investment programme to rectify the issues with physical condition. This means it is unlikely to see levels of resident satisfaction with the physical condition of their home improve significantly until several years of investment have been undertaken,

contributing to the Council's decision to resource the complaints service in housing accordingly.

4.9 The Council's objectives over the next year are to improve the response to housing related issues when things do go wrong. From a Housing Ombudsman perspective, this means continuing the current trajectory by reducing the number of severe maladministration determinations made, eventually seeking to lower the maladministration overall. Severe maladministration determinations are made when several aspects of the Council's overall response to a specific issue deemed inappropriate and not in line with the Housing Ombudsman Complaint Handling Code. The Council have historically had very high numbers of severe maladministration determinations, leading to the special report being issued in January 2023. This has not been the case in 2024/2025, where significantly lower volumes of severe maladministration have been identified.

4.10 Appendix 1 sets out several areas of achievement over the past year, as well as areas of continued challenge. Appendix 1 also looks at complaint's performance for housing in the round, with a view to provide Cabinet with a transparent picture on the service's performance. This is a requirement of the Housing Ombudsman, and the report will be submitted formally to them to show compliance with the Housing Ombudsman Complaint Handling Code.

Other Options Considered

4.11 There are limited other options in this instance:

4.12 **Making an annual submission without Cabinet review and response**- review of the annual report by the governing body is a regulatory requirement. Submission and publication of the required elements without the provision of a response from Cabinet would be considered an incomplete submission and would be likely to lead to further intervention from both the Housing Ombudsman and the Regulator of Social Housing and a potential Complaint Handling Failure Order. For this reason, this option is not appropriate.

4.13 **Exploring an alternative approval route**- in 2023-24, the Council proposed to the Housing Ombudsman an alternative approval route via the Cabinet Member responsible for Housing and Homelessness. The Housing Ombudsman confirmed that this proposal was not acceptable and that only review and response from the Council's Cabinet would be considered compliant. For this reason, this option is not appropriate.

4.14 **Not making an annual submission**- failure to make an annual submission to the Housing Ombudsman would be a regulatory breach and would be likely to lead to further scrutiny and intervention from both the Housing Ombudsman and the Regulator of Social Housing and a potential Complaint Handling Failure Order. For this reason, this option is not appropriate.

5 RISK MANAGEMENT

5.1 The main risk associated with the Housing Ombudsman annual submission is any failure to make the submission to the Housing Ombudsman and publish it on the Council's website will lead to increased intervention with either the Regulator or the Housing Ombudsman.

5.2 This risk is mitigated by the timely completion of the report each year, and submission to Cabinet ahead of the submission deadline to ensure compliance. This report will continue to be brought to Cabinet in May of each year to ensure that this risk is managed on an ongoing basis.

6 CONSULTATION

6.1 There is no duty to consult on this decision.

7 MEMBER ENGAGEMENT

Ward Councillor(s)

7.1 Not applicable.

Overview and Scrutiny

7.2 This report and the Appendices have been shared with Councillor Jamie Tenant, Chair of the Homes Overview and Scrutiny Committee.

Other

7.3 Not applicable.

8 IMPACT AND IMPLICATIONS

Finance and Best Value

8.1 The Housing Ombudsman's statutory powers enables them to make determinations that result in compensation being paid to tenants and leaseholders. The Council's forecast for compensation payments for 2023-24 was £500,000 for the financial year.

8.2 The £500,000 figure was made given the Council's current challenges around stock quality, in particular compliance with the Decent Hoes Standard. It was anticipated that this would and will continue to cause high levels of tenant dissatisfaction and complaints to the Housing Ombudsman.

8.3 The City Housing Compensation Policy, approved by Cabinet in January 2024, also enables the Council to make offers of financial redress during the assessment of a complaint, both to resolve the complaint in line with the Complaint Handling Code and to prevent escalation to the Housing Ombudsman where the Council is offering effective remedy at the earliest

opportunity. Offers of compensation vary but are based on the Housing Ombudsman's Guidance on Remedies.

8.4 In 2023-24 and 2024-25, the Council remained in budget against the forecast amount. As a result, this has been reduced to £300,000 for 2025-26.

8.5 The Council is a mandatory member of the Housing Ombudsman scheme and is required to make an annual membership payment on a per-property basis. The payment for 2024-25 was £525,000 and is likely to be a similar amount for 2025-25, given that our stock level has remained relatively consistent.

8.6 Failure to comply with the Housing Ombudsman's requirements around submission and publication of our annual report would be likely to result in a Complaint Handling Failure Order, with an associated financial consequence determined by the Housing Ombudsman.

Legal

8.7 Membership of the Housing Ombudsman Scheme is compulsory for social landlords; primarily housing associations and Local Authorities, who are or have been registered with the Regulator of Social Housing (RSH). All bodies registered with the Regulator for Social Housing (RSH) must be a member in the Ombudsman's jurisdiction by effect of the Housing Act 1996 and Localism Act 2011.

8.8 Registered Providers (RPs) of social housing are generally non-profit landlords such as housing associations and local authorities who hold housing stock but can also be for-profit organisations. A mandatory membership covers all housing activity of the bodies concerned if the issues to be considered are about the landlord and tenant relationship and covers all types of tenure, including periodic and long lease.

8.9 Organisations which have been registered with RSH but later deregister, will remain within the jurisdiction of the Ombudsman. This obligation requires the Council to adhere to the Housing Ombudsman Complaint Handling Code and therefore the requirements set out in this report.

Equalities

8.10 There is no direct equality implications present in the report. However, it should be noted that the Housing Ombudsman governs all social housing providers. Social housing is allocated based on an income threshold and it is likely that those on a lower income will be the complainant in most cases that are determined by the Housing Ombudsman.

8.11 Whilst financial status is not a protected characteristic, it should be noted that service failure in this aspect is likely to disproportionately affect households on a low income because of the way that social housing is allocated.

Procurement

8.12 There are no procurement implications as part of this report.

People Services

8.13 There are no people services implications present in this report.

Climate Change, Nature and Net Zero

8.14 There is no climate change, net zero or nature implication present in this report.

Corporate Parenting

8.15 There is no direct corporate parenting implications present in this report. However, it should be noted that many Housing Ombudsman determinations are made where there are children present in the household.

8.16 The Housing Ombudsman will highlight any concerns whereby dependent children have been put at risk because of either poor service delivery or complaint handling. This is reflected in the recommendations made, including financial recommendations regarding compensation.

Other

8.17 Not applicable.

9 APPENDICES

9.1 Appendix 1- Annual Housing Complaint Performance and Service Improvement Report.

9.2 Appendix 2 – Annual Self-Assessment against the Housing Ombudsman's Complaint Handling Code.

9.3 Appendix 3 – Housing Ombudsman's findings of the Council's non-compliance against the Complaint Handling Code in 2024-25.