Birmingham City Council

Report to Cabinet

13 May 2025

Title:	**Compliance against the Consumer Standards and Building Safety Act**
Lead Member:	Councillor Jayne Francis – Cabinet Member for Housing and Homelessness
Relevant Overview and Scrutiny Committee:	Homes Overview and Scrutiny Committee
Has this report been shared with the relevant Overview and Scrutiny Committee Chair?	Yes
Report Author:	Naomi Morris, Acting Director of Regulation and Strategy Naomi.morris@birmingham.gov.uk
Authorised by:	Paul Langford, Executive Director for City Housing
Is this a Key Decision?	Yes Forward Plan Reference: 013724/2025
Reason(s) why not included on the Forward Plan and confirm who has authorised it to be considered:	Not Applicable
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 This report sets out the Council's progress against both the Consumer Standards and Building Safety Act to provide assurance to Cabinet that regulatory compliance remains a priority for the Council. The report specifically covers the following areas:

i. Progress against the Regulator of Social Housing's Consumer Standards

ii. Progress against the Building Safety Act.

1.2 The tragic events at Grenfell Tower in 2017 brought building and fire safety within all social housing stock into sharp focus. In response to Grenfell, the Ministry of Housing, Communities and Local Government (MHCLG) implemented significant legislative changes, including a new regulatory framework aimed at putting the voice of residents at the centre of service delivery and ensuring that social landlords have appropriate compliance measures in place across building and fire safety to ensure that tenants are safe in their homes.

1.3 Phase 2 of the Grenfell Inquiry was released in September 2024, setting out some of the key recommendations to be adopted across the sector to improve the quality of social housing and the way in which households living in this type of accommodation are treated. The Social Housing Regulation Act, and subsequent Consumer Standards alongside the Building Safety Act are both direct consequences of the Grenfell disaster and the Council is working through a process to ensure compliance against these new standards.

1.4 The Council is currently engaged in formal intervention with the Regulator of Social Housing (RSH) following a breach notice issued in May 2023. The breach relates predominantly to the now renamed Safety & Quality Standard and Transparency, Influence and Accountability Standard. The Council were also previously formally engaged with the Housing Ombudsman, however this ended in February 2024 following confirmation from the Ombudsman that all actions have been completed by the Council.

1.5 The Council remains the largest social landlord in Europe, with responsibility for 58,625 units of stock across the city[1]. The Council's operation and management of its housing stock has a vital role to play in delivering the Council's priority outcomes, and in supporting the Improvement and Recovery Plan (IRP). Regular reporting on compliance related matters is issued to the Cabinet Member for Housing & Homelessness and Overview & Scrutiny Committee. This report provides Cabinet with an update on the Council's progress to achieve compliance.

[1] Correct as of 1 April 2025.

2 COMMISSIONERS' REVIEW

2.1 The recommendations are supported. The Council's progress, improvement, and approach to achieving compliance against the Consumer Standards and Building Safety are crucial elements of their improvement and recovery journey and plan. BCC continues to work closely to build trust, confidence and provide transparency and assurance to the Regulator of Social Housing, the Housing Ombudsman, and the Building Safety Regulator.

3 RECOMMENDATIONS

That Cabinet:

3.1 Endorse the Council's approach to achieve compliance against the Consumer Standards.

3.2 Endorse the Council's approach to achieve compliance against the Building Safety Act.

4 KEY INFORMATION

Context

4.1 **Consumer Standards**

4.2 The Social Housing (Regulation) Act 2023 introduced a new regulatory framework for all social landlords. Under this revised framework, the Regulator has greater powers to inspect landlords as part of a proactive inspection regime through a four-year rolling programme against the revised Consumer Standards, effective from April 2024. These standards are, in brief:

i. **The Tenancy Standard** – assessing compliance against statutory requirements in terms of the types of tenancies issued to our tenant's and the management and ending of tenancies (by way of eviction or transfer/mutual exchange etc).

ii. **The Transparency, Influence and Accountability Standard** – assessing compliance against the need to keep tenants informed of issues relevant to their tenancies and neighbourhoods, to engage and involve tenants in the management of their tenancies and neighbourhoods and ensure that tenants have a meaningful role in the decision-making process.

iii. **The Safety and Quality Standard** – assessing compliance against statutory requirements to ensure that homes are safe, and that appropriate data is held around our housing stock.

iv. **The Neighbourhood and Community Standard** – assessing compliance against the landlord's requirement to consider the wider needs of our neighbourhoods and communities.

4.3 The Council's preparation for inspection has been supported by strategic partners, Campbell Tickell who have helped to develop a robust self-assessment toolkit. This was originally delivered as a pilot approach in October 2023 and has been improved as part of a robust assurance process delivered in October 2024. We have received positive feedback from Campbell Tickell on the self-assessments carried out and, on the improvements, identified in response to these self-assessments. To support the preparation for inspection work, the Council has developed an Assurance Framework specifically for landlord services which is attached as Appendix 1.

4.4 In parallel, the Council has been responding to the areas of concern noted in the breach notice, issued by the Regulator of Social Housing in May 2023. This is monitored through engagement meetings with the Regulator of Social Housing which began in July 2023 where the Council is required to provide monthly monitoring information to demonstrate progress. The Council is making significant progress on areas of concern, building trust and confidence that services for residents continue to improve.

4.5 **Building Safety Act** – The Building Safety Act 2022 (BSA) introduced reforms to give greater rights and protections to residents and homeowners, and a regulatory framework for landlords responsible for the management of social housing, overseen via the Building Safety Regulator (BSR), to ensure that compliance with the regulatory standards is achieved and maintained.

4.6 In response to the requirements of the BSA, the Council conducted an exercise to identify and understand all high-rise blocks (those of a minimum of 7 storeys or over 18 metres height) and has now confirmed that 184 high-rise blocks are within the scope of the BSA and as a result are required to be registered with the BSR. All the blocks within scope were registered with the BSR ahead of the deadline of September 2023.

4.7 **Grenfell Response**

4.8 Given the large number of high and medium rise blocks that the Council maintains responsibility for (204), the response to Grenfell through the implementation of the Building Safety Act has been robust. The decision was made very early after the Grenfell tragedy to install sprinklers into all our high-risk buildings as an immediate safety measure that resulted in an investment spend of £33m.

4.9 The Council has assessed its response to Grenfell against the Phase 2 Inquiry Report that came out in early September 2024. The Council is confident that the progress made against implementing the BSA is significant, and high-risk buildings are adequately protected.

4.10 The Council has recruited and comprehensively trained 24 Building Safety Officers and 2 Building Safety Managers. The managers currently in place are interim resources who have long-standing experience in relation to fire safety, compliance and work with the fire service. The expertise in this area has been

vital in terms of providing assurance that the team are adequately trained and able to cope with the requirements of the BSA.

4.11 The Council still have three residential buildings where harmful cladding material is evident. These buildings are part of a remediation programme and work is ongoing. The harmful cladding materials are expected to be removed within the next 6 months. Outside of this, the Council can be confident that all other buildings are adequately managed in terms of risk mitigation and the materials used within the building.

4.12 The Council is committed to adopting all the recommendations of the Grenfell report and are closely with the BSR to ensure that the physical condition of these buildings has all the appropriate safety mechanisms in place. Following the release of the Phase 2 Inquiry Report, the Council has mobilised a dedicated phone line for residents in high-risk buildings who may feel concerned about their safety and want to ask questions or be reassured.

4.13 **Progress against the Landlord Health & Safety**

4.14 Landlord Health & Safety is measured by the Safety & Quality Standard. This is an area of concern for the Regulator and was included in the original breach notice issued in May 2023. Between April 2023 and March 2025, the Council have ensured that all testing programmes (asbestos, water, electrical safety, fire safety, gas safety and lifts) are over 90% completed and would be considered 'business as usual' activity. This is a significant achievement, given that programmes such as asbestos surveys and low-rise fire risk assessments were only circa 25% complete in April 2023.

4.15 **Progress against Decent Homes Standards**

4.16 The Council's compliance against Decent Homes Standards also features in the Council's breach notice (of May 2023). At this point, the Council is 29.31% compliant with Decent Homes Standards.

4.17 Whilst on the surface, it looks as if this figure has reduced following the Housing Revenue Account Business (HRA) Plan for 2024/2025 (measuring 61%), the HRA Business Plan for 2025/2026 explains that the benefit of an increased level of stock condition surveys has given a truer picture on the physical condition of the stock portfolio and a better understanding of compliance. In March 2025, the Council has undertaken physical stock condition surveys in 40% of the stock portfolio, amounting to over 20,000 homes. This means the Council remain on track with their commitment to deliver 20% stock condition surveys each year, over a 5-year period, which began in 2023/2024.

4.18 Over the course of 2024/2025, the Council has delivered over £240m of investment making just over 4000 additional homes compliant against the Decent Homes Standards. A further 8000 homes are planned for next year, with £1.6bn of investment planned over the next 7 years. This is a considerable commitment and provides a genuine benefit to residents living in poor condition.

The programme data for 202/25 has previously been shared with Members, and this will continue to ensure visibility and transparency.

4.19 **Complaints and the Housing Ombudsman**

4.20 In January 2023, the Housing Ombudsman published their Special Report into the Council's response to repairs, record keeping, compensation and complaints. This report was triggered by the Housing Ombudsman's concern regarding the number of severe maladministration determinations following complaints investigated.,

4.21 Following the publication of this report, the Council entered a period of intervention with the Housing Ombudsman. The Council made several changes to the approach to complaints including the implementation of a revised Compliments, Comments and Complaints Policy, a new Compensation Policy, the establishment of a dedicated Housing Ombudsman Case Management Team and a transition to intelligent reporting and monitoring of repairs via Power BI to ensure that areas of poor performance and properties of concern were escalated to senior management and actioned.

4.22 The Housing Ombudsman's Special Report and the increased levels of publicity around damp and mould, following the death of Awaab Ishak led to a significant increase in complaints seen from social housing residents across the country. The Council has done significant work to improve complaints performance, including increasing resources in the complaints team to ensure feedback is efficiently managed and robustly responded to.

4.23 In August 2023, the Council, jointly with the Housing Ombudsman delivered a 'Meet the Ombudsman' event, inviting residents into the Council to share their concerns with the Ombudsman and the Council. This was a vital learning exercise which has now resulted in quarterly tenant talks with residents who have a face-to-face opportunity to share their concerns and escalate ongoing issues. This approach was new for the Council in the sense that residents had fed back that the complaints process had felt arm's length and not personal enough.

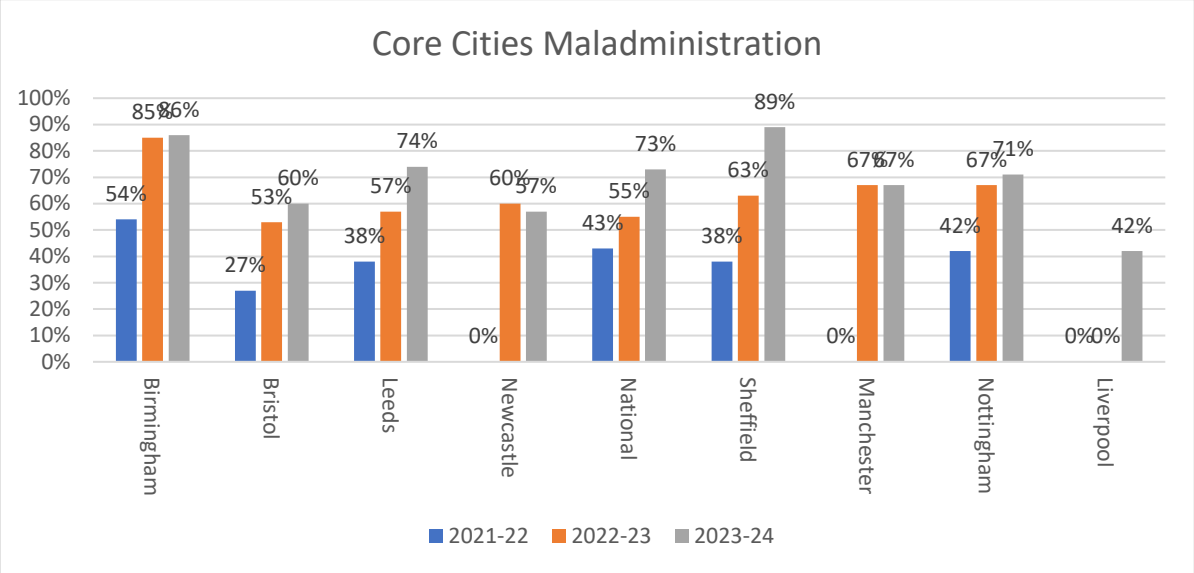
4.24 Below shows a breakdown of the Council's complaints performance since February 2023. Significant progress has been made in this area, in both the backlog numbers and the percentage of complaints managed within policy timescales. As the performance has improved over time, the Council has been able to be more proactive, including delivering root cause analysis work, tackling repeat complaints and working more closely with Repairs & Maintenance contractors to address patterns and themes as and when they arrive.

Breakdown of Complaints Performance

	Received this Month	Backlog

	Complaints Received	Completed Within SLA	SLA %	Number into Backlog	Total Backlog	Difference
Feb 23	768	258	34%	510	1598	-
Mar 23	996	448	46%	548	1641	+43
Apr 23	788	474	60%	314	1864	+223
May 23	727	457	63%	270	1684	-180
Jun 23	616	374	61%	242	1520	-164
Jul 23	614	346	55%	268	1321	-199
Aug 23	657	374	57%	283	966	-355
Sep 23	531	343	65%	188	908	-58
Oct 23	594	273	45%	321	857	-51
Nov 23	641	369	58%	272	849	-8
Dec 23	468	279	60%	189	882	+33
Jan 24	674	403	60%	271	913	+31
Feb 24	577	339	60%	237	773	-140
Mar 24	554	373	68%	181	462	-311
Apr 24	572	357	68%	215	267	-195
May 24	539	362	67%	177	190	-77
Jun 24	475	393	83%	82	124	-66
Jul 24	510	438	86%	72	65	-59
Aug 24	507	440	87%	67	64	-1
Sep 24	574	502	87%	72	69	+5
Oct 24	588	494	84%	94	70	+1
Nov 24	563	524	93%	40	53	-17
Dec 24	413	358	87%	55	44	-9
Jan 25	510	419	85%	91	NA	NA

4.25 The Council's response to Housing Ombudsman determinations has also significantly improved. The table sets out the Council's overall maladministration performance against the English Core Cities. This shows that Bristol, Leeds and Sheffield have experienced higher percentage increases than the Council in this time, whilst being lower stock-holding landlords. This further demonstrates the overall increasing trend nationally against the Council's relative stabilisation between 2022-23 and 2023-24.



4.26 Another indicator of improvement is resident perception. The Council has delivered and submitted tenant perception surveys, contributing to the Regulator of Social Housing's Tenant Satisfaction Measures. In 2023/2024 overall satisfaction measured at 53%, which has increased to 59% in 2024/2025. This shows Birmingham are now in line with the national average, 60% overall satisfaction for large landlords. There are aspirations to improve this moving forwards.

4.27 **Future Legislative Change**

4.28 The Council anticipates further changes to the social housing sector and the legislation which governs it. The Council will be expected to respond to these changes and have actively participated in consultations released over recent months.

4.29 **Awaab's Law** – in response to the tragic death of Awaab Ishak, and the publicity surrounding the link between poor housing conditions (in this case damp and mould) and ill health, Government consulted on significant changes to the way that landlords identify, respond to and manage reports of damp and mould. The consulted changes include:

- setting challenging timescales for responding to reports of damp and mould.
- carrying out inspections within specific timescales.
- identifying potential hazards within the property based on the vulnerabilities of household members.
- remedying repairs within challenging timescales.
- decanting tenants where repairs cannot be completed within a reasonable timescale.

4.30 The Council welcome proposed changes to the way in which damp and mould is managed. However, like other landlords, Birmingham is concerned about the

operational and financial burdens of these changes, particularly when there is no intention from Government to provide additional funding to support this work.

4.31 The Council has gone some way to prepare for the changes stipulated in the Awaab's Law consultation by increasing capacity in our repairs and maintenance service and setting up a dedicated target team to tackle damp and mould. This doesn't address all the proposed aspects of Awaab's Law but does improve the speed and efficiency damp and mould is addressed. This is shown by the 'right first time' data on damp and mould repairs, now reporting over 90% with an average of 2 visits per report to rectify the issue.

4.32 **Future Decent Homes Standard**

4.33 Following the implementation of the Social Housing Regulation Act and the initial White Paper that triggered its implementation in 2020, Government committed to a review of the Decent Homes Standards. The current standards have not been fully reviewed since 2006 and Government felt that following Grenfell they are no longer fit for purpose.

4.34 An initial consultation was carried out in 2022 which has not yet resulted in any formal action. The Council, like many other landlords only have a certain amount of headroom in the Housing Revenue Account and as a sector, there were direct challenges to Government about how landlords would be expected to fund an enhanced standard. This is particularly acute from a Birmingham perspective where the compliance position with current standards is so low, achieving enhanced standards at this time would be untenable.

4.35 **Competency and Conduct Standard**

4.36 Government consulted on the Competency and Conduct Standard in early 2024. The aim of this standard is to embed professionalism within housing services delivered by Local Authorities and to ensure that officers at senior/management grades have appropriate housing (or equivalent) qualifications.

4.37 The Council has carried out preparatory work for the implementation of the standard as consulted, however this again has potential to place further financial pressures on the HRA budget, where retraining and qualifications for existing staff is required to be funded by the Council. There is also a resource risk given current uncertainty over the timescales for compliance and the potential for large numbers of staff needing to attend training/learning simultaneously, which would influence service delivery.

Proposal and Reasons for Recommendations

4.38 The recommendations of this report are related to the Council's approach to achieving compliance against the Consumer Standards and Building Safety Act, requesting that Cabinet endorse the approach.

4.39 The Regulator of Social Housing, Housing Ombudsman and Building Safety Regulator have all relayed the need for visibility and transparency around landlord compliance and performance at the highest possible level of the organisation, mirroring the arrangements and governance in Housing Associations.

4.40 Whilst this approach is different and particularly challenging in a large Local Authority, it is important that Cabinet is given the opportunity to constructively challenge the approach to achieving compliance against these vital areas of business.

Other Options Considered

4.41 The Council is required to comply with the requirements of the Regulator of Social Housing and the Building Safety Regulator. Failure to achieve and evidence compliance with these statutory requirements would be likely to result in significant detriment to the Council both in financial and reputational terms and invite further intervention from the relevant governing bodies. As such, there are no other options available to the Council than to continue to seek to achieve and maintain compliance with the current and future regulatory framework.

5 RISK MANAGEMENT

5.1 The Housing Ombudsman Complaint Handling Code, Consumer Standards and Building Safety Act are all statutory responsibilities for social housing landlords. Failure to comply with the legislation carries multiple risks and these are set out below:

5.2 For landlords who fail to comply with the Building Safety Act, the Building Safety Regulator has the power to:

- Apply formal enforcement powers in relation to non-compliance with building regulations.
- Prosecute for offences under the Act (both for corporate bodies and any relevant director).
- Issue compliance and stop-work notices, enforceable by up to 2 years in prison and an unlimited fine.
- Use powers of entry to gather evidence.
- Hold Local Authorities to account by removing registered building inspectors from the register and to prosecute where appropriate.
- Apply to the First-tier Tribunal for an order appointing a Special Measures Manager to take over the functions of the accountable person.

5.3 For landlords who fail to comply with the Consumer Standards, the Regulator of Social Housing has the power to:

- Issue enforcement notices.
- Mandate and monitor through performance improvement plans.
- Carry out targeted investigations for non-compliant Local Authorities.
- Implementing financial penalties.

6 CONSULTATION

6.1 There is no duty to consult on this report, given that it is a progress update rather than a specific decision.

7 MEMBER ENGAGEMENT

Ward Councillor(s)

7.1 Not Applicable (all Wards impacted)

Overview and Scrutiny

7.2 This report has been shared with Councillor Tennant, Chair of the Homes Overview and Scrutiny Committee.

7.3 Overview & Scrutiny Committee receive quarterly reports on the Council's preparation for future inspection and on progress against the Regulatory breach notice.

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 Homes 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 The Council is a mandatory member of the Housing Ombudsman scheme. This is because the Council directly provides social housing, and it is a requirement as ordered by the Regulator of Social Housing for all social housing providers to be a member.

8.8 This obligation requires the Council to adhere to the Housing Ombudsman Complaint Handling Code and therefore the requirements set out in this report.

Equalities

8.9 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.

8.10 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

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

People Services

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

Climate Change, Nature and Net Zero

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

Corporate Parenting

8.14 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.

8.15 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

8.16 Not Applicable.

9 APPENDICES

9.1 Appendix 1 – City Housing Directorate Assurance Framework

10 BACKGROUND PAPERS

10.1 Not Applicable