



Housing Inspection Update and Action Plan

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Lead Member/Relevant Portfolio Holder	Leader of the Council & Portfolio Holder for Housing, Leisure & Landlord Services

Corporate Priority:	High Quality Homes and Landlord Services
Wards Affected:	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No
Key Decision:	No
Subject to call-in:	No

1 Summary

- 1.1 The Regulator of Social Housing (RSH) sets the standards which social landlords, including local authorities, must deliver to ensure tenants experience high quality homes and services.
- 1.2 The RSH has issued a Regulatory Judgement for Melton Borough Council, following one of the first planned inspections in the country against the new Consumer Standards, which took effect on 1st April 2024.
- 1.3 This report sets out the findings from the inspection and confirms the actions required to support outcomes for tenants across all aspects of the Consumer Standards.

2 Recommendations

That Cabinet:

- 2.1 **Receive and note the Regulatory Judgement issued by the Regulator of Social Housing following a proactive inspection of Melton Borough Council**
- 2.2 **Endorse the housing service plan which includes the actions required to ensure continuous improvement to address the improvement areas confirmed as part of the inspection process.**
- 2.3 **Agrees that the Landlord Assurance Board will receive and be able to comment on progress updates, detailing continued progress in line with the action plan, at each of its future meetings.**

3 Reason for Recommendations

- 3.1 It is important that Cabinet formally note the outcome of the proactive inspection, and further actions required to ensure strong outcomes for tenants across all aspects of the Consumer Standards.

4 Background

- 4.1 The Regulator of Social Housing (RSH) sets the standards which social landlords, including local authorities, must deliver to ensure tenants experience high quality homes and services.
- 4.2 In April 2024, the RSH assumed new powers arising from the Social Housing (Regulation) Act 2023, to proactively inspect all social landlords (local authority landlords and housing associations) with over 1000 homes, as part of a continuing effort to drive up standards within the social housing sector.
- 4.3 Landlords will be subject to proactive inspection every four years. The proactive inspection regime will lead to a 'Regulatory Judgement' for each social landlord, which will be published by the RSH. The judgement against the Consumer Standards, known as the 'C' Grade.
- 4.3.1 Registered Providers (Housing Associations) also receive gradings from the RSH for financial viability ('V' grade) and governance ('G' grade) however the Regulator has a narrower scope for Local Authorities.
- 4.4 The new [Consumer Standards](#) which took effect from April 2024 and which all social landlords will be assessed against and are expected to comply are:
 - 4.4.1 **Safety and Quality Standard** – which includes stock quality, repairs and maintenance, as well as landlord health and safety.
 - 4.4.2 **Neighbourhood and Community Standard** – which includes tackling anti-social behaviour.
 - 4.4.3 **Tenancy Standard** – which includes housing allocations, and tenant sustainability.

- 4.4.4 **Transparency, Influence and Accountability Standard** – which includes treating tenants with fairness and respect, engagement, and providing information which enables them to hold the council to account, as well as processing complaints effectively.
- 4.5 Melton Borough Council is one of the first councils in the country to go through the new inspection process.

5 Main Considerations

- 5.1 An inspection of Melton Borough Council as a social landlord took place between April and June 2024. All four consumer standards were in scope of the inspection, and the Regulatory Judgement has now been published.
- 5.2 The Council has been awarded a C2 grade, and a copy of the regulatory judgement can be found [here](#).
- 5.3 The Regulatory Judgement for Melton Borough Council recognises strong performance, good progress and plans for further improvement. The judgement confirms that the Council has provided assurance that it meets the consumer standards in many areas, but for one of the standards, there are areas where the council is at an earlier stage and needs to further develop to ensure consistently strong outcomes for tenants.
 - 5.3.1 A Regulatory Judgement of C2 is the second highest grade (out of 4 consumer grades). More details of how the regulator approaches [judgements and gradings](#) can be found through the link.
- 5.4 The specific wording for a C2 grade is: “Our judgement is that there are some weaknesses in the landlord delivering the outcomes of the consumer standards and improvement is needed”.
- 5.5 The RSH further states within its [guidance](#) that “where we judge a landlord to be C2 this is because we have identified some weaknesses which we consider are material to the landlord’s delivery of the outcomes of the consumer standards, which if not addressed, are likely to lead to poor outcomes for tenants. We expect that landlords graded at C2 will develop a plan to drive relevant improvement and will be able to show that weaknesses have been addressed so that outcomes for tenants are improved. We expect landlords to share relevant improvement plans with tenants.”
- 5.6 Given the challenges previously faced within the housing service, and the self-referral to the regulator the Council made in 2019, the achievement of a C2 grade is a positive outcome and testament to the considerable hard work, focus and effort by members and officers ever since. It is particularly reassuring that the areas of most concern previously are now recognised as areas of real strength, and that areas identified as needing to develop and improve had already been identified by the council. Importantly, there was nothing identified during the process that the Council was not aware of, did not make the inspection team aware of, or did not have credible plans in place to address.
- 5.7 Throughout this process, and the improvement work undertaken since 2019, the Council has been able to demonstrate a strong track record of identifying issues, developing credible plans, and then delivering the required improvements. The judgement confirms that the council is self-aware and has plans in place to bring about the remaining improvements required.

- 5.8 Within the Regulatory Judgement, the RSH identified many areas of strength and compliance, but also some weaknesses in one of the Consumer Standards, for which the council already has credible action plans in place. The Council must ensure it retains a grip and focus on all aspects of the Consumer Standards, and actively addresses the actions required to support continuous improvement in these areas.
- 5.9 The regulator gathered information through reviewing a wide range of documents and data, and by observing meetings, including the first meeting of the Landlord Assurance Board, a meeting of the Council's scrutiny committee with a tenant workshop, and a meeting with tenant representatives. The inspection team also met with engaged tenants, council officers, councillors and key stakeholders including those who work closely with the council, including police, fire, and county council colleagues.
- 5.10 In its judgement, the regulator recognised that the council:
- a) Is meeting its health and safety obligations, and outcomes across all key areas of compliance are good
 - b) Has an accurate record of the condition of tenants' homes and that a high percentage of homes meet the Decent Homes Standard, with costed investment plans in place
 - c) Has a focus on tenant experience and that this is supported by a range of processes, with good interactions observed between staff and tenants
 - d) Demonstrates a commitment to treating tenants with fairness and respect
 - e) Demonstrates a commitment to build on existing arrangements to support tenants in influencing and scrutinising policies and services
 - f) Publicises its approach to complaints and that this is accessible
 - g) Works in partnership with relevant organisations to deter and tackle anti-social behaviour
 - h) Uses its housing stock effectively and supports tenants to sustain their tenancies.
- 5.11 Areas requiring further development and improvement within one of the Consumer Standards – (the Transparency, Influence and Accountability Standard) are set out in the regulatory judgement. This also confirms that the council understands where it needs to make improvements, and that the regulator was assured that the council already had plans in progress to deliver them.
- 5.12 Specifically, the areas identified, and which the council is focussed on improving further are:
- a) Developing a more reciprocal approach to tenant engagement, so as to 'turn up the volume' on tenant voice
 - b) To improve the collection, quality, and use of tenant information to strengthen the Council's ability to proactively tailor services to tenants' needs and to more clearly demonstrate outcomes for tenants
 - c) To increase the visibility of performance information for tenants
 - d) To strengthen IT systems to support complaints reporting and monitoring
 - e) To improve the case management systems used to monitor and report on ASB trends and outcomes for tenants.

- 5.13 Self-awareness, strong governance and a commitment to continuous improvement are important factors in the Council's continued progress.
- 5.14 The Regulator requires that landlords graded at C2 will develop a plan to drive relevant improvement and will be able to show that weaknesses have been addressed so that outcomes for tenants are improved, and to share the plan with tenants.
- 5.15 All Landlords have a named contact within the Regulatory Engagement Team, and there will be ongoing dialogue with those contacts, including to demonstrate continued progress against the actions required.
- 5.16 The Council has already developed a service plan, which has been cross checked with the Regulatory Judgement to ensure it addresses the actions required. The service plan supports delivery of the Corporate Plan commitments and key projects linked to both service development and strong outcomes across all consumer standards. The plan had already been shared in draft form with the inspection team and will be used to provide ongoing updates and assurance to the Regulator.
- 5.17 The service plan is appended to this report. Members are asked to endorse the service plan, noting that it contains the actions required to address the requirements of the Regulatory Judgement.
- 5.18 For completeness, a summary of the actions relevant to the weaknesses identified in the Regulatory Judgement is provided below:

Actions as detailed within the Regulatory Judgement	Melton Borough Council Response
Developing a more reciprocal approach to tenant engagement	<p>Included within the Service Plan as a key programme of work: and enhance tenant engagement and scrutiny arrangements.</p> <p>A detailed action plan will be developed to support delivery and to demonstrate outcomes and impact. This is being directly supported by TPAS and will be coordinated by the Tenant Engagement and Regulatory Compliance Lead.</p>
To improve the collection, quality, and use of tenant information to strengthen the Council's ability to proactively tailor services to tenants' needs and to more clearly demonstrate outcomes for tenants	<p>Included within the Service Plan as a key programme of work: Strengthening our tenant data (Tenant Profile Data Project).</p> <p>A detailed action plan will be developed to support delivery and to demonstrate outcomes and impact. This will be overseen by the Helping People Board, as part of the Council's project management arrangements.</p>
To increase the visibility of performance information for tenants	Included Service Plan Operational Action Plan.

	Tenant Satisfaction information already added to the website.
To strengthen IT systems to support complaints reporting and monitoring	Included within the Service Plan as a key programme of work: Programme of complaints analysis and reflection. The Council has made a commitment to purchase a new complaints management system which will support complaints categorisation, reporting and learning.
To improve the case management systems used to monitor and report on ASB trends and outcomes for tenants	Service Plan Operational Action Plan. A review of further integration options linked to the council's corporate transition from Sentinel to a new case management system will also be carried out to maximise operational effectiveness and impact.

6 Options Considered

- 6.1 This report provides an update on the outcome of a regulatory inspection. It is important that Cabinet formally receive and consider the judgement, note the areas of strength and assurance and areas that require further improvement. It is also important that Cabinet formally receive details of the actions that are being taken to ensure continuous improvement and to address the areas of weakness identified through the inspection process.

7 Consultation and Engagement

- 7.1 There has been no consultation on this report, however, the inspection outcome includes consideration of feedback and views from tenants, staff members, councillors and stakeholders. As part of the inspection evidence review, the inspection team considered tenants views and feedback, including the outcome of the Tenant Satisfaction Measures perception survey 23/24.
- 7.2 The outcome of the inspection is a matter of public record, in the form of a Regulatory Judgement. The Council was able to check the judgement for accuracy prior to publication.
- 7.3 A press release has been issued to coincide with the publication of the final judgement and information has been published to the council's website and to the 'Tenants' Corner' webpages.
- 7.4 A member briefing has taken place and tenant representatives will be provided with an update at a future meeting. Information about the judgement and the action plan will also be communicated to tenants as part of the council's ongoing communication plans.
- 7.5 Tenant representatives have been consulted on the draft service plan, and tenant feedback is reflected within the plan.

8 Next Steps – Implementation and Communication

- 8.1 The Regulator requires that landlords graded at C2 will develop a plan to drive relevant improvement and will be able to show that weaknesses have been addressed so that outcomes for tenants are improved, and to share the plan with tenants. The Council has already developed a service plan, which has been cross checked with the Regulatory Judgement to ensure it addresses the actions required.
- 8.2 The service plan supports delivery of the Corporate Plan commitments and key projects linked to both service development and strong outcomes across all consumer standards. This document will be used to provide ongoing updates and assurance to the Regulator.
- 8.3 Given the Council has been inspected so early in the inspection regime, it is the Council's intention to complete the outstanding improvement work over the next 12-18 months, and should it be possible, seek a further review from the Regulator, such that we can demonstrate any gaps have been addressed, with a view securing a re-assessment.
- 8.4 The Council has established a Landlord Assurance Board. Representation on the board includes members, officers, and an external peer. A process to appoint tenant representative to the board is currently underway. It is proposed that progress against the action plan becomes a standing agenda item for the Landlord Assurance Board. Whilst the board does not have a decision making function, and does not replace the council's existing governance and decision making arrangements, representatives are well placed to ask questions, seek assurance and provide feedback relating to progress against the required actions.
- 8.5 The Council's scrutiny committee has included within its work programme, a report on 'Regulatory Compliance in Housing including Tenant Satisfaction Measures Review 24/25'. This is scheduled to take place in March 2025 and will provide the committee a formal opportunity to review and scrutinise compliance, complaints performance and tenant satisfaction improvements. The committee will feed back formally to Cabinet on their findings and any recommendations arising.

9 Financial Implications

- 9.1 There are no financial implications arising directly from this report. The Council will need to fund the additional costs in line with the requirements of the Social Housing Regulation Act 2023, for example – regulation and inspection fees, tenants' satisfaction measure reporting, staff training and qualifications, changes to decent homes criteria. Provision has been made within the Council's budget for this. Any operational actions, service changes or system changes will need to be funded from the HRA. Decisions will be taken on a case-by-case basis and in line with existing delegations and decision-making arrangements.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 The Social Housing (Regulation) Act 2023 extending the Regulator of Social Housing's inspection regime under the Housing and Regeneration Act 2008. It also introduced new duties for social landlords, including relating to health and safety and electrical safety. These new duties add to the Council's existing legal obligations towards its tenants, including repairing obligations.

- 10.2 Additionally, the Council must now comply with the and Housing Ombudsman Complaints Handling Code which is underpinned by statute. Any gaps or areas of concern must be brought to the attention of the Senior Leadership Team, Councillors and if applicable at any stage, the Regulator for Social Housing. The Regulatory Judgement provides positive assurance on a number of areas and clarity on the aspects where further improvement is required.
- 10.3 The outcome of the Regulatory Judgement will be shared proactively with the Council's Internal and External auditors.
- 10.4 Whilst it is essential that the Council has proper regard to the findings of the Regulatory Judgment, members are reminded that this is only one measure of compliance with the Council's legal obligations, and it must continue to proactively manage compliance with all such obligations whether or not expressly addressed in the Judgment.

Legal Implications reviewed by: Monitoring Officer

11 Equality and Safeguarding Implications

- 11.1 The Regulatory Judgement confirms that the Council provided assurance that it treats tenant with fairness and respect. The judgment also confirms that the council needs to improve the collection, quality, and use of tenant information to strengthen the Council's ability to proactively tailor services to tenants' needs and to more clearly demonstrate outcomes for tenants.
- 11.2 Under the equality duty (set out in the Equality Act 2010), public authorities must have 'due regard' to the need to eliminate unlawful discrimination and consider the potential impact decisions and actions on each of the protected characteristics.

12 Data Protection Implications (Mandatory)

- 12.1 A Data Protection Impact Assessments (DPIA) has not been completed as it was not considered relevant to this report.

13 Community Safety Implications

- 13.1 Local authorities have a duty under Section 17 of the Crime & Disorder Act 1998 to pay due regard to the likely effect of its functions on crime and disorder and is required to do all that it reasonably can to prevent crime and disorder in its area, enhance public reassurance and confidence in the services that are in place to improve community environment and its safety.
- 13.2 The Consumer Standards, and specifically the Neighbourhood and Community Standards consider the management of ASB.
- 13.3 The Regulatory Judgement confirms that the council provided assurance that it works in partnership with relevant organisations to deter and tackle anti-social behaviour but that it needs to improve the case management systems used to monitor and report on ASB trends and outcomes for tenants. Plans to develop the reporting capabilities of the ASB system are being progressed.

14 Environmental and Climate Change Implications

14.1 None arising directly from this report.

15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	The Council does not take the consumer standards or outcome of the Regulatory Judgement seriously, leading to poor outcomes for tenants.	Almost Impossible	Catastrophic	Low
2	The Council does not act on the improvement areas set out in the Regulatory Judgement, leading to an inability to demonstrate the necessary assurance.	Very Low	Critical	Low

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant				
	3 Low				
	2 Very Low			2	
	1 Almost impossible				1

Risk No	Mitigation
1	Maintain corporate focus, oversight, transparency and accountability. Ensure tenants are able to hold the council to account for compliance. Scrutiny focus on committee workplan (March 2025).
2	Actions to be delivered through service plan. Reported to Landlord Assurance Board. Scrutiny focus on committee workplan (March 2025). Ongoing dialogue with regulatory engagement team.

16 Background Papers

- 16.1 [Melton Borough Council Regulatory Judgement: 14th August 2024](#)
- 16.2 Internal Audit: Preparing for Regulatory Change in Housing (March 2024)
- 16.3 [Reshaping Consumer Regulation \(Regulator of Social Housing\)](#) (February 2024)
- 16.4 [Scrutiny Committee Report \(April 2024\): Preparing for Regulatory Change \(Housing\)](#)
- 16.5 [Cabinet Report \(January 2024\): Housing Regulation Update](#)
- 16.6 [Scrutiny Committee Report \(September 2023\) Preparing for Regulatory Change \(Housing\)](#)

17 Appendices

- 17.1 Appendix A - Housing Service Plan