



Homes &
Communities
Agency

The Social Housing Regulator

March 2017

HCA Regulatory Notice

Registered Provider

Luminus Group Limited (Luminus) (L4398)

Regulatory Finding

The regulator has concluded that:

- a) Luminus has failed to meet the Home standard; and
- b) as a consequence of this breach, there was the potential for serious detriment to Luminus's tenants.

The Case

Luminus owns around 7,500 properties. As a registered provider, Luminus is required to comply with the consumer standards.

As part of planned regulatory engagement with Luminus via an In Depth Assessment, the regulator learned that following an internal audit in June 2016 Luminus had identified that 25% of a small sample of properties did not have valid gas safety certificates. Following a further full assessment, it was identified that more than one thousand properties had not had a valid gas safety certificate for at least some part of the previous two years. Most of the certificates had been overdue for a short period.

Inadequate policies and systems had caused failure to schedule and book inspections in a timely manner, and then problems gaining access to

properties. The failure was not reported to the regulator. Luminus is adopting new gas safety policies and procedures.

The Regulator's Findings

The regulator considered the case as a potential breach of the Home standard and specifically the regulatory requirement to 'meet all applicable statutory requirements that provide for the health and safety of occupants in their homes'.

The regulator has received evidence of failure to adhere to the Gas Safety (Installation and Use) Regulations 1998 which state that gas safety checks should be undertaken annually by a gas safe engineer. Although the gas safety inspections were typically overdue for a relatively short period of time, the number of homes that had been without valid certificates for at least some period was extremely high. This had been caused by failure to have adequate policies and systems in place to ensure gas safety inspections were carried out on time. This is clear evidence of a breach of the statutory obligation to carry out gas servicing and thus of the Home standard.

Notwithstanding the actions Luminus has taken, and is now taking, the regulator is of the view that it has failed to meet the Home standard. Having considered the number of properties affected, and the systemic nature of the problem, the regulator has concluded that the breach of the Home standard exposed tenants to the risk of serious harm.

Section 198A of the Housing and Regeneration Act 2008 (as amended), states that the regulator's regulatory and enforcement powers may be used if a registered provider has failed to meet a consumer standard. In order to use regulatory or enforcement powers, as well as the failure to meet the standard, there should also be reasonable grounds to suspect that the failure has resulted in a serious detriment to the provider's tenants (or potential tenants) or that there is a significant risk that, if no action is taken by the regulator, the failure will result in a serious detriment to the provider's tenants (or potential tenants).

Luminus has provided assurance that it has completed the outstanding gas safety checks and that it is developing and adopting a new gas safety policy. The regulator will work with Luminus as it addresses the issues which have led to this situation and will consider what, if any, further action to take in relation to the breach of the Home standard.

The regulator has also considered the implications of this matter for its published grading of Luminus' compliance with the Governance and Financial Viability standard as part of the regulator's broader consideration of Luminus' compliance arising from the In Depth Assessment. A non-

compliant G3 grading has been published via a separate Regulatory
Judgement.