

Mr Jason Perry  
Mayor  
Croydon Council  
Town Hall  
Katherine Street  
Croydon  
CR0 1NX

Date: 24<sup>th</sup> October 2024

Dear Mayor Perry

## **UPDATE ON THE HOUSING TRANSFORMATION PROGRAMME OCTOBER 2024**

This letter contains the Improvement Board's observations on the officer report which you are considering at the 30 October Cabinet meeting. We support the recommendation that you note the progress made since March 2024. That progress is considerable, and we pay tribute to all who have made it happen: the housing service's leadership, the wider staff team, contractors and involved residents.

We know you, Cllr Hale, and the officer leadership of the housing service understand that, while we may be approaching the first stage of recovering the service, focus and momentum needs to be maintained, to make sure improvements are embedded and sustained. In the next stage, the Council also needs to make sure that commitment to improving the experience of residents of its housing is a strong priority for the council corporately. The Board does not see anything like sufficient evidence of that currently.

We set out our views in more detail below.

### Context: Policy and Regulatory Environment

The Council's housing landlord service has a business model very different from other council services and operates in an increasingly challenging policy and regulatory environment. The landlord service is distinct in that its costs are met from the rents and charges paid by its tenants and leaseholders – paying customers. Its income and expenditure are ring-fenced from the rest of the

Council's finances.

The Grenfell disaster and widespread exposure of poor customer service and building maintenance led the previous government to put in place a much more demanding regulatory regime focused on customer service and listening to residents. Among London council landlords in particular, the new regime is already bringing to light very significant issues of underperformance: last week the Regulator gave Newham Council an unprecedented C4 rating ("very serious failings"). The Housing Ombudsman has become much more assertive in challenging poor complaints handling and the performance and service issues which give rise to complaints. The new Government appears at least as determined as the previous Secretary of State to challenge the poor performance and lack of responsiveness to residents of too many social landlords.

Croydon is all the more exposed in this environment, because the performance of its landlord service became a national scandal in 2021, leading to the regulatory supervision which has been in place since 2021, and housing performance is a focus for the scrutiny and support provided by the IAP, alongside its corporate areas of focus.

### Headlines

Against that background, our headlines are:

- With strong political drive and commitment, excellent leadership in the housing service, input from I involved residents, and a lot of hard work by staff and contractors, the foundations of a functional housing service have been made, with tangible impact on resident experience. The basic systems of performance and asset management and health and safety which were previously wholly absent are now in place, and positive changes in resident experience are beginning to happen. Plans for the regeneration of Regina Road have been developed with impressive pace and a transformed relationship with local residents. However, maintaining and building on that improvement will be an exercise in "running to stand still."
- Corporate engagement and support for the housing service is inadequate, in terms of service delivery, corporate services and the approach to transformation.
- The oversight and governance of the housing service needs to evolve to support the next phase of improvement and ensure it is fully supported by the Council corporately.

### Improvement in the housing landlord service

As the report sets out, there has been significant further improvement in the housing service over the last 6 months. We particularly welcome the establishment and improved performance of the housing contact centre, progress on assessing stock condition (which is fundamental for developing a long-term financial strategy for the service), and further progress on regenerating Regina Road. The regular production of good quality performance data has enabled the Board (and we hope the Council's political and officer leadership) to understand how far the service is improving in providing a good service to residents and meeting regulatory

standards. The leaders and staff who have brought about these and other improvements should be commended strongly.

We are confident that further improvement can and will be made, but it will not be plain sailing. It is vital that positive changes are brought to completion and maintained. For example, the new resident engagement structure has potential to strengthen further the voice and impact of residents in the running of the service, but the Council needs to complete the process of putting it in place. Estate inspections need to continue on a regular cycle: we are concerned that some have not taken place recently. It is vital that pressure is maintained to ensure the Regina Road regeneration does not fall behind its timetable. At all levels, including senior leadership, the service is still too dependent on interim staff.

### Corporate engagement and support

In our view, the Council is at serious risk of undermining the progress which the leadership of the housing service has made, working with staff and residents, because other parts of the Council and the corporate centre are not making the necessary contributions to improvement. There are three elements to this:

- Transforming the experience of the Council's housing residents requires not just improvement within the housing service, but radically improved performance by other Council service functions, notably environmental services. Grounds maintenance of housing land is paid for by residents via the Housing Revenue Account, yet, all too often, it simply is not happening, with grass and weeds left to run riot, so open space on estates is not available for children's play and other uses. We understand the current grounds maintenance staffing level is 29, yet an independent consultant advises that the Council needs a staffing level of 100. We are looking forward to hearing from environmental managers at our November meeting about their plans for improvement.
- The housing service depends on key central services to bring about improvement, for example HR, digital, and complaints handling. Complaints handling (on which, as set out above, the Housing Ombudsman is challenging social landlords strongly), is not meeting targets or supporting the information about service improvements, so residents do not need to resort to formal complaints. Failure to address complaints at Stages 1 or 2 means too often residents must take their concerns to the Ombudsman, which is unsatisfactory to them, wastes resources, and undermines the Council's reputation. We suggest the Council should consider seriously transferring the handling of landlord service complaints to the housing service because of their additional Ombudsman and regulatory scrutiny.
- The corporate centre needs to be sufficiently involved in improvement and transformation in the housing service that it can play its part in securing the accountability of housing service leaders, providing them with back-up where needed, and ensuring that transformation in the landlord service and wider corporate transformation are properly directed alongside each other. There is a lot of potential for creative and strategic thinking, notably about how housing investment could contribute to better outcomes and value for money in the Council's homelessness and social

care responsibilities. Yet there are also serious risks that corporate transformation initiatives get applied to the housing service with insufficient understanding of its distinct character and the regulatory and government scrutiny to which it is exposed.

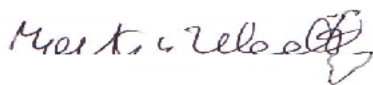
The Improvement Board's concerns were brought into focus when not one senior officer leader in the Council outside the housing service attended our important workshop session last month on the next phase of improvement and the oversight and governance arrangements needed to support it, arranged many weeks beforehand. Elected Members – administration, shadow and scrutiny – board members and housing service officers all attended and contributed thoughtfully and creatively. The absence of a corporate top management perspective was therefore even more regrettable.

### Oversight and governance of the housing service

The Housing Improvement Board has been in place for three years now. We hope we have provided useful challenge, assurance and support through the first phase of putting the Council's landlord function back on a sound footing. With the Council aspiring to exit regulatory supervision in the coming months, it is timely to review how the Mayor, Cabinet and Scrutiny are supported in their leadership and oversight of the Council's landlord function, with the distinct challenges and risks which its business model and regulatory regime poses. It is important that over the period up to the next progress report, a strong structure is put in place for the future, embedding resident voice strongly in oversight and decision-making, and – reflecting our concerns set out above – with strong and appropriate corporate involvement.

I am copying this letter to the Deputy Mayor, to Cllrs King, Reshekaron and Ben-Hassel, to colleagues on the improvement board, with my thanks for their hard work, to Katherine Kerswell, Susmita Sen, Lara Ashley, Paul Davey and Democratic Services, and to Tony McArdle (Improvement and Assurance Panel). It will be posted on the Board's web page.

Yours sincerely



Martin Wheatley  
**Chair, Independent Housing Improvement Board**