

CROYDON
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CROYDON COUNCIL

Independent Investigation

May 2021

CONTEXT

1. Croydon is an outer London borough located in the south of London. The borough has a rising population of around 400,000¹, the second largest population of all London boroughs, of which 53.1 per cent are from Black, Asian and Minority Ethnic communities².
2. There are 160,100 homes in Croydon³. Rates of owner occupation are lower than the England average at around 59 per cent compared to the England average of around 64 per cent (as at the last census in 2011). The private rented sector accounts for 21 per cent of the stock well above the national average of around 18 per cent⁴.
3. Social renting, including the Council's 14,360 homes and a further 11,500 housing association homes, accounts for around 18 per cent of homes – in line with the national average. The Council's housing service normally completes about 65,000 repairs a year to its housing stock – comparatively a very high number of repairs.

BACKGROUND

4. A relatively routine building component failure (a water leak) went undiagnosed and unrepaired in 1-87 Regina Road, South Norwood, for a combined period of around 4 years. In this time, left unchecked it was allowed to grow from a minor defect into a major problem that presented a risk to the health and safety and significantly impacted the quality of life of residents.
5. Residents' concerns were left unresolved and opportunities to resolve the problem were missed from 2017 onwards. Ultimately this resulted in a high-profile news report on 22nd March 2021 which led to this investigation.
6. ARK understand the cause of the water leaks into Flats A, B, C and to a lesser extent D Regina Road were caused by a corroded copper rising main in the slab between Flats C and D. This detail exists throughout the building. The block is also known to experience other water leaks caused by corrosion in the pipework, as well as a leaking roof. (The flat addresses have been changed to protect the privacy of individuals).
7. 1-87 Regina Road is an 11-storey block consisting of 44 one-bedroom flats. It was built in 1965 and was re-clad in 1999. In 2018/19 the block was fitted with a water sprinkler system which involved fitting a new water tank on the roof. It has had its kitchens and bathrooms updated, as well as some fire safety work such as the installation of fire doors. There was a limited stock condition survey of the block completed in 2017.

¹ Source: ONS population projections, Croydon Observatory

² Source: GLA 2016-based Round of Demographic Projections, November 2017

³ Source: Valuation Office Agency - Council Tax: Stock of Properties, published 24/9/20

⁴ ONS 2011 census

ARK'S FINDINGS

8. ARK's investigation identified no single reason as to why the problems at Regina Road occurred. Rather there are a range of issues primarily across the Council's operational teams (repairs, asset management and tenancy management) and to some extent with its contractor.
9. In ARK's view these issues led to a failure to deliver even basic 'core' housing services effectively. They are potentially symptomatic of poor performance across the Council's housing service and impact on its ability to drive self-improvement. These issues are:
 - a lack of capacity and competence;
 - a poor operating culture with a lack of care and respect for tenants;
 - systemic problems in how the Council communicates and deals with tenants' concerns and complaints;
 - weak performance management meaning senior managers do not appear to know what is going on; and
 - poor use of data and 'intelligence' by the Council and its contractors.

DISCLAIMER

10. The London Borough of Croydon (the Council) asked ARK Consultancy (ARK) to conduct an independent urgent fact-finding investigation. The immediate focus was on the events which led to a high-profile news report covering the housing conditions experienced by residents of the block 1-87 Regina Road in South Norwood.
11. The report sets out ARK's key findings. Because of the urgency needed ARK acknowledge that potentially not all the issues that may have contributed to the problems have yet been identified. The report also does not seek to provide a 'balanced' picture – ARK's focus has been on identifying the key areas for improvement and lessons to be learnt.
12. The report solely reflects ARK's views based on the information made available to date. ARK has highlighted some concerns to the Council about the accuracy, completeness and reliability of the information provided. ARK has not conducted a forensic investigation or an audit of the information and do not accept liability for this report's accuracy or completeness.
13. ARK do not accept a duty of care or liability to any person in respect of this report or any actions or decisions taken in relation to its key findings. No third party may rely on its contents.
14. The report has been prepared for the Council's sole use and has been published at their request.
15. ARK would like to thank all staff, councillors and stakeholders who contributed to this report. In particular our thanks are extended to the tenants from 1-87 Regina Road who readily gave of their time to help us with the investigation.

A. KEY FINDING: A LACK OF CAPACITY AND COMPETENCE.

- The Council’s housing service is experiencing significant issues with staffing resources. Resources are stretched with problems with recruitment and low morale. High vacancy rates exist across the service but are highest in the repairs teams – some are operating with only half their staffing complement. Consequently, the service is focused on ‘firefighting’ and reacting to circumstances and events, rather than getting ahead of things and being proactive.
- Resourcing of the Council’s Compliance function which oversees the delivery of the Council’s health & safety activities within the housing service, including fire safety and gas servicing, is inadequate. Currently only one of three posts is filled. *This issue requires an immediate response.*
- ARK understand each tenancy officer is responsible for a patch of more than 1,000 properties, which is double what ARK might typically see from a high-performing housing provider.
- The Council’s staff do not appear to understand their role in delivering even basic ‘core’ housing services effectively. There is little emphasis on gaining professional skills or qualifications within the housing service. Recruitment and retention issues means that an increasing proportion of staff lack the experience and skills needed. Training and development opportunities to upskill staff have been limited.
- ARK found the Council’s managers have insufficient focus on housing issues. This is driven by the fragmentation of housing roles across the Council. A form of matrix management is employed. This model is potentially making it harder for the Council to address issues with performance, communication and working across teams. ARK is also concerned about the spans of management control particularly for such complex and dynamic services in a context where staff capacity and competence is poor.
- The Council’s housing service is inward-looking and failing to keep up to date with good practice. Access to good practice notes and standardised procedures appears limited. There is little or no recent evidence of learning from benchmarking or from other social landlords.
- Basic ‘core’ housing management practices were not followed to resolve problems or to protect tenants from risk. After more than two years of failed attempts to remedy the problems, the Council agreed to decant the tenant of Flat C in early December 2019. However, the Council did not agree to decant the tenant of the flat above (Flat D), or to arrange access to their flat for investigatory work to identify and fix the leak. *This was the first of several missed opportunities by the Council’s operational staff to resolve the problems at Regina Road.*
- It took the Council 7 months to arrange to move the tenant from Flat C despite the unsatisfactory housing conditions experienced. Almost 10 months later, Flat C is still vacant. *There were further missed opportunities by the Council’s operational staff to resolve the problem during this period.*
- It is unclear why the tenant of Flat D was not decanted at the same time as Flat C, even if this was only for a short period. This would have allowed the Council to diagnose and remedy the problem much more easily. ARK understand some Council staff believed the tenant of Flat D to be ‘difficult’.
- Efforts to gain access to Flat D from December 2019 onwards were unfocussed and uncoordinated. ARK found no evidence that the Council had a clear operational procedure or an awareness of best practice in its approach. After a delay of 9

months (following repeated contractor requests and the decant of Flat C at the end of June 2020) the Council moved to use its draconian powers of entry to gain access to Flat D in March 2021.

- A co-ordinated series of actions applied on an escalating scale in line with operational procedures or best practice to encourage the tenant of Flat D to allow access or leave (if only for a few days) does not appear to have been attempted.
- The housing service failed to call on knowledge and experience from across the Council for example, social care or environmental health to support and encourage the resident to provide access.
- The Council also failed to draw on knowledge from a specialist company (between 2017 and late 2019) to diagnose and resolve the leak between Flats C and D.
- From July 2020 Council and contractor staff dealt with Flat C as a 'standard void'. This means they carried out repairs while water was still pooling on the floor and running down through the walls and ceilings into Flats A and B. This was a waste of resources.
- Repeated call-outs continued to be made with the contractor attempting to tackle leaks and remedy associated electrical faults in Flats A and B. Despite this because the Council did not gain access to Flat D the source of the ongoing leak between Flats C and D was left unresolved. Successful action in stopping the leak was not taken until the tenants of Flats A, B and D had all been moved into emergency accommodation in late March 2021 – almost 4 years after the tenant of Flat C had started reporting problems of water leaking into their flat.
- In January 2021, the contractor advised the Council by email that without access to Flat D to stop the leak, then flat B would be uninhabitable. This did not lead to effective action Council staff.
- ARK identified other problems in the block, such as a leaking roof, which is causing damp and mould problems to flats in the upper storeys. Once again these appear to be treated as 'one-off' repairs. ARK understand some of these are now being progressed as disrepair claims against the Council. The growing number of disrepair cases represents a significant further risk to the Council. *This issue requires an immediate response.*

B. KEY FINDING: A POOR OPERATING CULTURE WITH A LACK OF CARE AND RESPECT FOR TENANTS.

- ARK identified an outmoded culture and attitude among a number of Council staff towards tenants. Tenants were often seen as demanding, difficult to deal with and less worthy of respect. Some Council staff lack empathy with tenants, failing to put themselves ‘in their shoes’ when dealing with problems. These attitudes appear to be going unchallenged. *This issue requires an immediate response.*
- Council and contractor staff do not always treat all tenants with care and respect. The Regina Road tenants’ experience of contacting the service was mixed. Tenants reported to ARK that they made multiple calls including to the contractor’s call centre to report the same issue and that some calls were ended abruptly.
- Contractor call centre staff appeared not to be able to track previous contact or repairs history. Tenants of the Regina Road flats had to repeatedly explain in detail problems they had already reported on previous occasions. ARK has established that this was in part due to COVID-19 working practices which meant call centre staff were working from home and may not have had full access to the contractor’s IT systems at all times. This also means ARK was unable to review any recordings of tenants’ telephone calls to the call centre.
- Council staff repeatedly failed to provide advice and support to tenants. No-one took ownership of the problem and sought to ensure everyone pulled together to get the problems resolved effectively. Tenants were left to repeatedly try to resolve reported problems without support from staff.
- Importantly, an appointment for an operational staff member from the Council to visit the tenant of Flat D in November 2020 did not take place. No contact or follow-up appointment appears to have been made perhaps involving a tenancy officer. *This was a significant missed opportunity to help resolve the leak / no access problem.*
- Council staff failed in their duty of care to manage risks and keep tenants safe. The tenants of Flats A and C reported they were forced at times to live in one room because of the clear problems of damp and mould. Tenants also reported problems with the electricity supply to at least two flats (“a buzz or tingle” was reported by one tenant when using the light switch in their kitchen, while an operative or inspector was present).
- ARK is also concerned that at some points disruptive work may have compromised fire safety measures in the block. ARK is concerned that the door to Flat B does not meet the required safety standard. Importantly, ARK has also asked for confirmation that works identified in a Fire Risk Assessment undertaken in October 2020 have been completed in line with recommended timescales. *This issue requires an immediate response.*
- Importantly, in ARK’s view the Council’s and (to some degree) the contractor’s operational staff repeatedly failed in their duties to act as the ‘eyes & ears’ of the Council by ensuring hazards and risks are removed. ARK also heard reports of problems repeatedly being left unresolved by Council staff. These include long-standing communal repairs, such as a broken or missing manhole cover, a malfunctioning front entrance door and large amounts of rubbish accumulating in communal areas over the weekend.
- ARK did not find clear evidence of discrimination on race grounds as part of this investigation. Instead, there appears to be a wider issue, with all tenants being

stigmatised and seen as less worthy of respect. However, ARK has some concerns about allocations, tenants understanding of their tenancy status and overcrowding within the block that should be explored further. *This issue requires an immediate response.*

- Around the date of the news broadcast on 22nd March 2021, the Council responded quickly to move the tenants still living in Flats A, B and D to emergency accommodation.
- ARK is reassured that the tenants of Flats A and B have subsequently been rehoused in permanent housing but notes with concern that the tenant of Flat D and their young child are still in temporary housing. ARK was surprised the Council did not assign a dedicated 'point of contact' or caseworker to provide advice and assistance to tenants after their move. As a consequence, the process has been more stressful and confusing for tenants than it should have been.

C. KEY FINDING: SYSTEMIC PROBLEMS IN HOW THE COUNCIL COMMUNICATES AND DEALS WITH TENANTS' CONCERNS AND COMPLAINTS.

- Tenants' experience shows that the Council lacks a simple, effective, clear and accessible route for getting concerns and complaints resolved. *This issue requires an immediate response.*
- Tenants properly reported the problem on multiple occasions to Council and contractor staff from 2017 onwards. The tenant of Flat C made at least 2 formal complaints about the delays in resolving the leak and the ongoing damage to their property and the disturbance caused, as well as the time taken to arrange their decant.
- In September / October 2020 and again in the early part of 2021, the problems were escalated to councillors and the MP by tenants. Tenants were understandably frustrated that the Council's own complaints processes were not working effectively or in a timely manner.
- The MP raised a number of matters on behalf of the tenant of Flat A and received a reply in February 2021 from the Council advising him that all repairs had been completed. This was clearly incorrect.
- ARK is puzzled as to why issues being raised by councillors and the MP would not spur senior managers at the Council to take ownership of the problems. This situation continued until February 2021 when a councillor raised the circumstances of the tenant of Flat D with senior staff in the tenancy management service. *Arguably this was the final opportunity for the Council's operational staff to intervene before the conditions inside Flats A and B worsened.*
- The Council is moving many of its services online. Currently tenants reported to ARK difficulties in using the website to access services or the information they need.
- Tenancy and Repair handbooks are no longer provided to tenants to set out their mutual roles and responsibilities and the standards tenant should expect. Unlike many housing providers the Council does not provide clear and accessible service standards which would allow tenants to monitor the quality of service received and hold their landlord (the Council) to account. Tenants ARK spoke to did not know what they should expect from the Council and its repairs contractor.
- The Council is not visible or seen as open and accessible to tenants. Tenants lack awareness of who they should report failures in the day-to-day repairs service or non-repair issues to. They were often unaware of who their tenancy officer is. *This issue requires an immediate response.*
- There is no Tenants and Residents Group operating on the estate where the Regina Road block is located. Tenants are not aware of other engagement opportunities or mechanisms to have their voices heard.

D. KEY FINDING: WEAK PERFORMANCE MANAGEMENT.

- The Council’s housing service appears to lack a common understanding of the roles that teams collectively play in delivering even basic ‘core’ housing services effectively. Council staff operate in ‘silos’ resulting in a lack of a ‘joined-up’ service delivery and resources being wasted.
- There are ‘blurred lines’ of responsibility and accountability between the Council and its main repairs contractor. This undoubtedly played a part in the problems going unresolved at Regina Road.
- Some joint visits by staff from the Council and the contractor took place but these also failed to correct the problems caused by the leak. In addition, during 2020 contractor staff operatives made at least a dozen visits to Flat A to undertake repairs. Despite this no Council staff took ownership of the problems, nor do they appear to have escalated them to senior managers. *All of these visits in 2020 represent a missed opportunity by the Council’s operational staff and contractor staff to rectify the leak and associated problems.*
- This investigation identified a ‘leadership vacuum’ with an absence of active or visible leadership to front-line Council staff. ARK cannot understand why this problem was not escalated by front-line staff to their managers. Similarly, why it was not identified by managers as part of their one-to-one discussions with staff.
- Performance management processes are weak and senior managers do not appear to have known what was going on – although this is disputed by some Council staff ARK spoke to. ARK heard conflicting accounts of discussions about the issues at Regina Road among managers within the Council’s repairs team.
- Contractor staff raised the need to access Flat D with Council staff on a number of occasions from December 2019. ARK has also been advised that the status of Flat C and the need to access Flat D (to repair the leaking pipe) was regularly discussed at the weekly voids meetings between the Council and the contractor from August 2020 onwards. However, no effective action was taken.
- In ARK’s experience any competent housing provider would have readily identified these problems. The issues could have been identified from a number of different perspectives - the number of call-outs, the number of repairs, long-standing empty properties, complaints from tenants and councillors and MPs enquiries.
- The Council does not appear to have a ‘mature’ partnership relationship with its main contractor. Relationships appear to operate on a client/contractor basis with a focus on monitoring performance indicators rather than actively managing performance. ARK would expect discussions to be forward-looking, seeking to identify trends and working together to resolve operational problems and drive continuous improvement. *This issue requires an immediate response.*
- ARK understand the contractor shapes their service around available budget on a price per property basis. This model can work effectively but without the right relationships can act as a barrier to contractor working proactively and collaboratively to address larger problems.

E. KEY FINDING: POOR USE OF DATA AND ‘INTELLIGENCE’ BY THE COUNCIL AND ITS CONTRACTORS.

- The Council is not using its data and intelligence to identify and learn from problems or to underpin its decision-making. Intelligence and data exists in ‘silos’

and does not appear to be drawn together to provide a holistic view of asset performance. ARK is unclear to what extent the Council uses its intelligence to inform strategic decision making or budget-setting. *This issue requires an immediate response.*

- ARK was told that management reports can be produced to identify issues such as the high numbers of repairs at specific properties or block of flats. However, in the past year for a variety of reasons, there has been little systematic use of such reports. Using the available reporting, supervisors and operational managers in the Council (and to some extent its contractor) should have identified the obvious issues at Regina Road.
- The Council is over reliant on contractor data to monitor repairs performance. ARK cannot identify the extent to which scrutiny and validation of this key repairs data is undertaken but are concerned about its reliability to drive performance management and good decision-making. For example, data from the Council's main repairs contractor suggests that in 2019/20 around 90 per cent of tenants were satisfied with the last repair completed. However, Council-commissioned independent surveys over the same period suggest satisfaction with the repairs service was much lower at just 73 per cent. In the following year, 2020/21, satisfaction levels varied between 57 and 62 per cent. Key issues identified as part of the independent surveys include dealing with outstanding repairs and wanting the contractor to complete repairs faster and to a better standard.
- ARK was surprised to learn that the problems with the pipework in 1-87 Regina Road were well-known in some parts of the Council's repair service and by the contractor. The knowledge and experience that already exists across the Council does not appear to be harnessed effectively.
- ARK understand the Council holds information on stock condition based on around 60 per cent stock surveys, although much of it is dated. This data appears to direct future investment. However, ARK was told that investment decisions failed to reflect repairs information. The Council needs to ensure its investment decisions are based on a robust assessment of stock condition and performance and responds to the 'real-life' problems that tenants experience.
- The Council is embarking on significant changes to improve its ICT infrastructure to improve the effectiveness of the service. It is important that plans around these improvements include measures to cleanse data and improve performance reporting and do not disrupt service recovery measures.
- Over half of the homes in Regina Road have been surveyed to varying degrees. These surveys identified issues relating to damp, mould and condensation. Indeed, the Council planned to investigate the installation of a mechanical ventilation system into flats before the COVID-19 pandemic struck. ARK understands the Regina Road roof was programmed to be replaced some time ago. However, in 2018/19 as part of the Council's installation of a sprinkler system the roof was considered 'fit for purpose'. Leaks into flats on the upper floors of 1-87 are now common, with patch repairs having limited effect. *This issue requires an immediate response.*
- ARK repeatedly heard concerns that the Council is not investing sufficiently in planned improvement to ensure its homes are sustainable over the longer-term - in demand, reflecting tenants needs and providing good value for money. The high level of responsive repairs demanded suggests the need to proactively invest in

homes. Also based on what Council staff have said ARK recommend the Council assure themselves that all key data covering stock condition (Decent Homes Standard) and landlord health and safety responsibilities is accurate. *This issue requires an immediate response.*

- In previous years major investment decisions were reviewed and decided on by a body known as the Assets Board. This was attended by staff from various teams and was chaired by a Director. ARK was told by a number of staff that the Assets Board has not met in over a year and this was viewed as a retrograde step.
- In 2018/19 the Council embarked on a large-scale programme of installing sprinkler systems in all of its high-rise blocks. This was a positive response to the Grenfell Tower tragedy. Positively, the Council has successfully installed sprinklers in all but 12 of its 1,252 high-rise flats.
- Regina Road is typical of a number of other Council blocks. There are 26 blocks of a similar age and construction type and the problems experienced at Regina Road are likely to be replicated elsewhere. The Council should be proactively surveying other similar blocks and developing clear plans for their future. *This issue requires an immediate response.*

IMMEDIATE ACTIONS

16. ARK has identified a number of key issues throughout this report the Council where the Council should take immediate action. The actions below generally reflect a realignment of resources which should help provide the ‘building blocks’ for further service improvement.
- Establish a ‘team’ (or project group) focussed on policy and performance and ‘control’ of service delivery. This team should work in a co-ordinated way to oversee and report ‘independently’ on all aspects of housing performance (including a review of historic allocations), programme delivery, disrepair cases and landlord’s health and safety (currently part of the Compliance Team). The team should be able to provide ‘expert’ support to operational teams and work with them (and contractors) to develop policies and procedures, technical standards and specifications and to support improvements in complaints handling and contract management;
 - Establish a ‘team’ (or project group) focussed on improving investment planning to ensure homes are sustainable over the longer-term. This team should focus immediately on developing a robust short-term investment programme that includes work to address the issues highlighted in this report. Their function should include managing stock condition surveys, harnessing the Council’s data and ‘intelligence’ (including information from the contractor) to understand stock performance and ensuring all investment decisions represent good value for money.
 - Establish a strategic group with the ‘power’ to oversee the development and implementation of a recovery plan and to direct the initial work of the investment planning and control teams. As a minimum provide opportunities for tenants to be involved in the development of plans and scrutiny of outcomes.

RECOMMENDATIONS FOR IMPROVEMENT

17. To help the Council improve ARK has set out a number of key strategic recommendations based on our findings. These are subject to further discussion and scoping with the Council.

Recommendation 1

Establish clear governance arrangements to provide strategic leadership to the service. This strategic group should direct future strategy around a common vision for the service. Their role should include ensuring robust performance management and decision-making, agreeing policy and practice (including service standards) and ensuring there is a 'joined-up' approach across all Council services.

Recommendation 2

Undertake a forward-looking skills gap analysis. Develop a workforce plan to recruit, train and develop staff (including mentoring and involvement of good practice networks) to fill any gaps.

Recommendation 3

Implement a development programme to ensure all staff consistently demonstrate the attitudinal and behavioural competences needed to support the Council's values and help shape its culture. This should include steps to ensure the Council (and contractors) consistently deliver a tenant-focussed service and have a 'safety first' culture.

Recommendation 4

Strengthen the Council's capacity, competence and commitment to tenant involvement through training and development of staff and councillors and reviewing existing structures to ensure they are 'fit-for-purpose' and ensure tenants have their voices heard.

Recommendation 5

Develop 'business intelligence' systems that allow the Council to collect and share real-time information on asset condition and performance (including from the contractor). This should enable the Council to proactively identify and learn from problems, manage disrepair claims more effectively and drive better investment decisions.

Recommendation 6

Conduct a fundamental review of existing performance management arrangements. Develop a comprehensive performance management 'suite' with bespoke reporting relevant to the 'audience' (for example, councillors, senior managers, operational managers and, tenants scrutiny groups). All indicators should be outcome-focused and underpinned by robust assurance 'arrangements' covering data quality and outcomes delivered.

Recommendation 7

Make improvements to complaints handling in line with the Housing Ombudsman's Complaint Handling Code and publicise how the Council is using complaints to drive service improvements.

ARK Consultancy Limited**May 2021**