

London Borough of Croydon: Voluntary Undertaking for Regulator of Social Housing – Sept 2023

1. Introduction

In March 2021, an ITV media show reported on the appalling living conditions of social housing residents living on the Regina Road Estate, South Norwood. As owners of these social housing properties, the London Borough of Croydon (LBC) commissioned the Ark consultancy to investigate the issues causing the conditions endured by residents. At the same time a self-referral was made to the Regulator for Social Housing (RSH) for breaching the Home Standard and Tenant Involvement and Empowerment standard.

In May 2021, LBC was served a regulatory notice by the RSH for breaching the Tenant Involvement and Empowerment Standard and the Home Standard.

The areas of the standards breached are:

Home Standard: Repairs and Maintenance

- Provide a cost-effective repairs and maintenance service to homes and communal areas that responds to the needs of, and offers choices to, tenants, and has the objective of completing repairs and improvements right first time
- Meet all applicable statutory requirements that provide for the health and safety of the occupants in their home

Tenant Involvement and Empowerment Standard

- Provide choices, information and communication appropriate to the diverse needs of their tenants in the delivery of all standards
- Have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly.
- Treat all tenants with fairness and respect
- Demonstrate that they understand the different needs of their tenants, including in relation to the equality strands and tenants with additional support needs.

In May 2021 the Ark Consultancy concluded from their investigation that there were several areas which led to severe failings within the Housing service:

- 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
- Poor use of data and 'intelligence' by the Council and its contractors

In the May 2021 Cabinet meeting, LBC accepted these findings and agreed to develop a Housing Improvement plan to address these issues and return to compliance.

2 Returning to Compliance

The Regulator expects registered providers to take responsibility for self-improvement and where they believe the social housing provider has the capacity and capability to respond to the issues, and they have a detailed plan to address compliance recovery, they will consider a voluntary undertaking.

The period since the breach of the consumer standards has been tumultuous for LBC. The immediate response to the breach focused on engaging with and rehousing of some of the key residents affected at Regina Road.

At the time of the breach, the teams responsible were dispersed across the council and an early action brought the teams together under one housing directorate with a view to recruit a permanent Corporate Director for Housing. This difficult early period was marred by intervals of interim managers and interim housing directors responding reactively and struggling to identify and address the deep-rooted dysfunction that existed. This resulted in a lack of direction within the directorate and without a clear plan of action to re-comply with the standards and deliver appropriate services to our customers. An independent Housing Improvement Board was established (Dec 2021) with resident representatives sitting alongside partners from the LGA, London Councils and the Council's Improvement & Assurance Panel. They worked closely with interim directors to drive improvements to the service but were unsupportive of the initial improvement plan which went to Cabinet in March 2022.

The election of a new Executive Mayor coupled with the recruitment of a permanent Corporate Director in May 2022 presented an opportunity to understand the deep-root failings that had led to non-compliance with a view to creating a programme of transformation which would address the core issues across the housing service. The Ark Consultancy findings were used as a starting point to inform a large-scale diagnostic involving, staff, managers and residents conducted between July – September 2022. This diagnostic identified several issues and was used to create a programme of projects to deliver sustainable change. This programme was approved by LBC Cabinet in December 2022 and endorsed by the independent Housing Improvement Board in the same month. It should be noted that the Housing Improvement Board have been instrumental in shaping the approach to the programme ensuring it is fit for purpose and providing continuous challenge.

Key initiatives within this programme are designed to address the issues which led to the breaches of the stated consumer standards. These initiatives form part of the undertaking to be monitored by the RSH and we have updated the RSH on progress in our regular meetings.

3 The Issues

The breaching of the consumer standards was due to numerous issues that are outlined below. Understanding these issues has been key to developing a programme to address them effectively.

The issues are sometimes distinct and relate to only one aspect of the breach but often the issues cut across the standards and across the housing service.

3.1 The Repairs Contractor and contract management

The Repairs Contractor had been underperforming for a substantial period of time. Contract management discussions resulted in occasional improvements, but these were not sustained. Data on performance (including repairs logged, appointments kept, repairs completed and direct complaints) was contractually held by the contractor. This dependency created an unreliability on the quality and integrity of data which made it harder to contract manage. The set-up of the contract also hampered improvements with a “Price per property” model failing to incentivise the contractor as costs sharply escalated over the preceding years. This coupled with insufficient contract management expertise and poor staff capability in leading this relationship, had a substantial cumulative impact on services delivered to customers. The Repairs contractor eventually gave notice on the contract with a termination date of July 31st 2023.

3.2 Escalation

Issues existed around poor escalation pathways for repairs. Customers, staff and managers struggled to escalate repairs and complaints which resulted in dissatisfaction amongst customers, staff and managers. A lack of response from the contractor and poor contract management led to high levels of complaints and frustration for many involved. Teams did not have sufficient pathways to escalate matters and little recourse given the looming departure of the existing contractor.

3.3 Poor organisation of resource and under-development of skill

From inception and as a result of the speed at which disparate teams from across the council were brought together, the housing directorate as a whole, struggled with direction and organisation. Bringing the teams together without an overarching model of service delivery resulted in duplication of effort within teams, poor strategic planning and disjointed interfaces. A lack of experienced leadership at director level led to poor organisation of resources, a general feeling of being overworked with little progress demonstrated and ineffective problem-solving. This impacted on the ability to manage complaints, manage requests, and deliver effective outcomes for customers. It also meant a lack of long-term planning and permanent firefighting without core issues being addressed. This can be evidenced in the lack of an up-to-date Housing strategy, Homelessness strategy, Asset Management Strategy and Housing Investment/build programme.

3.4 Under-development of skills

The housing service has had insufficient focus and effort on developing staff and managers over recent years. A lack of professional development and behavioural development coupled with insufficient management of poor practice has resulted in poor service delivery.

3.5 Inadequate data and deficient systems

Use of outdated and/or manual systems that didn't contain reliable customer or up-to-date asset data led to inefficient decision-making and a lack of joined up response. Teams were less able to assess trends in asset depletion and health and safety concerns as well as monitor contractor performance. Poor data, poor information sharing and the lack of a single view of the customer delivered sub-standard services as demonstrated by poor void turnaround, poor set-up times for rent accounts and a lack of long-term asset planning.

3.6 Inadequate Performance Management

Poor data across the housing teams and a lack of performance data monitoring resulted in poor performance management practices and a lack of emphasis on using Key Performance Indicators to manage service improvements and contractor performance. This translated into fewer appraisals,

fewer objective setting meetings and a loss of performance management overall. No reliable performance dashboards existed by which robust performance management occurred.

3.7 Fragmented Complaints system

Customers had been complaining to the housing teams via the corporate complaints system, via tenancy officers and via the corporate contact centre. These complaints were then distributed to the appropriate complaints' teams within the housing teams. Resource issues, poor escalation pathways (as described above) and a lack of trend analysis and learning from complaints led to recurring issues, customers feeling disrespected and ignored and issues that could have been more quickly eradicated. Residents also found it difficult to access the complaints system online and this led to further frustrations.

3.8 Poor behaviour

Residents described feeling disrespected by council officers, being blamed for the issues arising in their properties and generally not being heard. They had, on occasion, been left feeling like the officer they are engaging with did not demonstrate empathy with their situation or their needs and did not treat them with respect. When explored further with staff, there were issues of attitude and behaviour which need to be addressed, however there are also issues of processes that don't empower staff to deliver services to customers, frustration that the escalation processes don't work and that resources feel stretched. These are all issues that need to be addressed.

3.9 Poor engagement

The housing teams did not have an approach or strategy for engaging with residents in a meaningful way on key decisions which would impact them. When engagement did occur, it was considered tokenistic and not impactful. Again, residents were left to feel their views didn't count and they went unheard.

The issues outlined above are complex and intertwined with cultural issues that the housing directorate needed to address. The programme of transformation was designed to address the issues over a short, medium and longer-term period with the change being sustained through the designed interventions.

4 How we are addressing the Issues.

The new housing directorate leadership team, led by the permanent corporate director, designed a programme of transformation composed of eight workstreams and over seventy projects over a three to five-year time-frame (with a view that projects can also be added to the programme as time progresses and needs evolve). The workstreams address issues wider than those outlined above and broader than the breaches of the consumer standards, however the focus of this report will be on those projects which directly address the breaches so LBC can return to compliance. The programme is governed by the Transformation Steering Board which is chaired by the Corporate Director for Housing and attended by the Cabinet member for Homes and meets monthly to review progress. Colleagues from across the council are invited to attend as appropriate. Progress is also monitored regularly:

- by the Housing Improvement Board through formal board meetings and update workshops;
- By the Tenant and Leaseholder panel;
- With Cabinet receiving an update on progress on a quarterly basis;

- By Scrutiny; and
- Through regular engagement with the Improvement and Assurance Panel.

As of the end of August 2023, several projects have already completed which address in part, the breaches. These are outlined below:

4.1 Achievements to date:

Activity	Outcome
Vision & Mission set	Give direction to the housing directorate and set out the service expectations to all.
Regina Road short term remedy plan completed	Re-housing of worst-affected residents. An extensive programme of repairs, including fire safety works, has been carried out. Detailed surveys of all blocks have been undertaken and shared with residents.
Regina Road Long – term planning	Residents of Regina Road have been involved in an extensive engagement, consultation and ballot. As of June 2023, 88.1% of those voting (80%), voted to demolish the estate. Cabinet approval to demolish and rebuild provided in July 2023. Work is currently underway on next steps.
Change in leadership team	More experienced interim leaders brought into the service to drive improvements and re-structure services. Recruitment to new divisional leadership roles has commenced
Residents Charter co-created and approved	Declaration of our commitments to residents – embedded in restructures and operating models
Re-procurement and mobilisation completed for new Repairs contracts	Three new contractors selected to deliver improved services for repairs, voids and heating. There are 2 suppliers for repairs and voids; contract 1- 70% of the borough; contract 2- 30% of the borough. There will be one contract for heating maintenance. These contracts have now been mobilised.
Repairs Contact Centre	Insourced a new repairs contact centre to take calls and schedule repair appointments. Enable LBC to own initial relationship between customers and repairs service – delivering a better direct communication channel
Establishment of contract Management Hub	A new Contract Management Hub has been set-up for the new contractors to be more expertly managed
HRA recharges reviewed and SLAs created	Ring fenced funding is protected for services directly delivered to residents - circa £9m rectified
Rents consultation completed	Residents clearly informed of increases to rents and impact on services for 23/24 and a rolling programme in place for subsequent years
Drafted Voids Lettable standard	Clear standard set for acceptable voids for residents – ensuring fit for purpose homes with clear commitments

New Damp & Mould response team	Dedicated response team to triage and proactively manage damp & mould cases in stock
5% sample Stock Condition survey completed	Undertaken to understand the extent of survey required and reprogramme costs. Full survey programme now in place.
NEC system	New customer interface and asset management system now live. Removal of most manual and outdated systems.
Data Cleansing exercise	As part of the NEC system implementation programme, we have conducted a data cleanse exercise so that clean data is uploaded into our new systems
Estate walkabout/inspection programme	Programme of engagement with residents on estate improvements.
Consumer Standards review	Self-assessment against existing Consumer Standards informing service development plans
Compliance	A new and very experienced Head of Building Safety and Compliance manager has started working with us on restructuring the compliance function to ensure full compliance with our statutory obligations. Sufficient resource allowance made from HRA budgets.
Competency Model	New competency model designed setting out behavioural expectations of staff and managers

These projects demonstrate our commitment to making services better and form part of the journey to return to compliance.

4.2 Projects in progress to address the breaches:

The following projects are ongoing and contribute to our return to compliance. They are set out according to the standard which they address:

4.2.1 Projects which address the Home Standard

Project	Purpose	Milestones	Dates
1.5 Re-structure of the Housing Directorate	To conduct a review and restructuring of the Housing Directorate divisions following reviews of performance, operating practice and delivery to best deliver efficient and effective services to customers. To stabilise leadership at a senior level to deliver improvements and lead employees in transforming the service.	New Housing directorate structure finalised and posts recruited to	Dec-2023
2.1 - Performance review framework	To devise and implement a Performance framework which sets out clear measures of performance for service areas and enables appropriate objective setting for staff, projects and initiatives with focus on customer services. To refine which	Performance Dashboards with KPIs for DMT and the Housing Improvement Board are finalised.	July 2023

	KPIS are shared to improve business intelligence.		
4.3 Asset Management Strategy	The Strategy will detail our long-term plan for the management of our Council stock (as part of a ten-year rolling programme) and link in with clear financial planning.	Stock condition survey 1/3 target achieved	Dec-2023
		HRA Business Plan & Asset Management Strategy	Mar-2024
6.3 Repairs restructure and behaviour change programme	To have an effective, motivated and skilled workforce which can manage the new repairs contracts and deliver our capital and asset management programmes. To have sufficient capacity within the Compliance function to monitor and provide assurance against the big 6	Agree structure in alignment with operating model and statutory requirements	July 2023
		Implement/complete restructure including change mgmt. In alignment with operating model	Dec 2023
		Training plan	Mar-2024

4.2.2 Projects which address the Tenant Involvement and Empowerment Standard

Project	Purpose	Milestones	Dates
3.2 Resident engagement strategy	To set out how residents will be engaged in decision-making, information-sharing and consultation	Obtain feedback from stakeholders and wider residents on proposals	Jul-2023
		Draft strategy shared with HIB and TLP	Sept-2023
		Final strategy submitted to Cabinet for scrutiny and approval	Dec-2023
3.4 Customer Information Review	To evaluate the information captured for customers, profiling customer information, ensuring characteristics are	Gap Analysis completed on existing data	Jun-2023
		Action Plan implemented	Aug-2023

	used to inform communication channels and service delivery.	Profiling exercise - feeding into operating model	Nov-2023
3.7 Customer Care Training Programme	Transform customer interactions through a programme of training focused on behaviour and creating a positive customer experience	Procurement process	Jul-2023
		Commence delivery Phase 1	Sep-2023
		Delivery Phase 2	Nov 2023
3.8 Review of our Complaints Process	Improve and standardise responses, minimise backlogs and learn from complaints – ensure the process for managing complaints is easy to navigate for customers	Problem investigation complete	July-2023
		Solution designed and action plan & onboarding of Complaints Mgr	Aug-2023
		Review of approach	Oct-2023
6.6 Review of Policies and procedures	Aligned with a new operating model, new contractors, new service standards and utilising our customer data – a review of our procedures and policies to deliver better outcome for our customer base	Prioritisation of policies and procedures	May 2023
		Implement tier one review	June 2023
		Implement tier two review	Nov 2023
7.2 Enabling high-performing teams and setting behavioural expectations	Creation of a competency model setting out clear behavioural expectations and linking it with succession planning, recruitment and recognition	Competency Model drafted and shared with DMT	June 2023
		Competency Model consultation	August 2023
		Competency model launch	Sept 2023
		Link to appraisals	Mar 2024
		Link to recruitment	Mar 2024

4.2.3 Projects which address both Standards

Project	Purpose	Milestones	Dates
1.3 Housing Strategy	To compose a Housing Strategy which sets out the long-term Strategic Aims of the Housing directorate incorporating the environmental and organisation constraints	Draft priorities out for consultation	June/July 2023
		Strategy to Cabinet	November 2023
3.10 Consumer Standards Review	Assessment against the four consumer standards to ensure compliance and best practice and implementation of action plan	Consumer Stds audit and action plan	June 2023
		Update to Transformation Programme	Oct 2023

3.15 NEC	Delivery of NEC Housing in order to exploit the capabilities of a modern system presenting a single view of the customer. The relational database reduces data duplication and allows all service areas to share resident, property and repairs information.	New NEC Data Management System Implemented - Phase 1	June 2023
		New NEC Data Management System Implemented - Phase 2 initiated and planned	Oct 2023

5 Evidencing Compliance

The Housing Transformation Programme will deliver compliance against the consumer standards as projects directly target the cause of the breach and deliver improved outputs.

5.1 Milestones

Achieving the milestones is one form of evidence and we have sought to ensure the milestones clearly link to the return to compliance. Progress against the milestones will be monitored at meetings with the Regulator, Transformation Steering Board and Housing Improvement Board as stated above. In addition, we provide updates to Cabinet on a regularly basis and scrutiny subcommittee.

5.2 Key Performance Indicators

Key Performance Indicators are part of how we monitor impact of the projects, and these indicators are reviewed in Housing’s monthly performance meetings, the monthly corporate performance meetings as a senior leadership team and performance reporting to the Mayor. The KPIs which we monitor are mixed in terms of the direct causal relationship between indicator and intervention. In some cases, it is obvious and direct e.g. gas safety checks, however, for others e.g. TP08 Agreement that the landlord treats tenants fairly and with respect, it will be the case that numerous interventions will impact the TSM. We will continue to monitor and take a more holistic view on the impact the interventions are making. KPIs monitored for our journey back to compliance can be found in Appendix 1.

It is expected that we will be demonstrating a positive trajectory consistently against these KPIs from January 2024 onwards. This allows for the cleansing and rebasing of our performance data following the implementation of NEC and the onboarding of new contractors in August 2023. We will be using HouseMark data (annual data sets) to measure our performance against peers and will be expecting to start meeting Median targets by September 2024 if not earlier. This allows for the performance to be reflected in the data collection for which there will be a lag. Meeting (at least) the Median target is part of the journey and not the end destination for our performance and we will be looking to continuously improve from that position over the years ahead. The targets outlined in Appendix 1 are based on consideration being given to the transformation projects outlined within this report having an impact on those performance areas and is based on actuals known as of July 2023.

5.3 Timescales and impact

The housing directorate is on its way to compliance, but the transformation journey is one expected to take another two years. Having said that we are confident that we will be fully compliant with the consumer standards by September 2024. This allows for the Repairs contracts to be embedded and working well, providing significant improvements in customer satisfaction metrics by September 2024 (allowing for the lag in data collection). In addition, the restructures will be implemented and the majority of projects described above will be complete. Staff groups will be working in a new operating model with customers sitting at the core, performance will be monitored closely and issues or dips in performance will be picked up in our Performance Management Meetings (held monthly) and by our new Customer Insight team. We will have a complaints process in place which will allow customers to easily make contact to raise a concern and we will be monitoring trends in complaints to identify areas to improve and address in a more planned way.

Our Asset Management strategy will be agreed at Cabinet with a costed HRA Business plan associated with it guiding our planned programme of investment. A new “development and new supply division” will be working on our regeneration plans and looking at how we will address our remaining LPS blocks, in addition to looking at our wider supply plans with partners. Staff will have undergone a training audit and will be equipped with tools and the mindset to deliver better customer service whilst also awaiting any professional qualifications training/opportunities that have been identified for them.

We will be fully compliant with the consumer standards and our Tenant Satisfaction measures will be consistently improving. Our compliance teams will be appropriately resourced and we will have high levels of confidence in our metrics and in the actions we have completed to ensure compliance with the Building Safety Act and Fire Safety Act. The experience for our customers will feel markedly different with more engagement, empathy and respect demonstrated across the service. Whilst we may not always get the service right, we will keep customers informed of our actions, involve them in key decisions that affect them and seek to rectify issues quickly and fairly.

6.0 External Assurance

We will commission an external partner/s to assess how we are performing against the consumer standards to provide additional assurance to ourselves, our customers and the regulator for social housing. We will look to commission this provider in the summer of 2024 with a view to reporting back in October 2024.

Appendix 1 Performance Metrics

KPIs for the Tenant Involvement and Engagement Standard:

Measure	Median from HouseMark Annual report Jan 2023	Actual (Q1 23/24)	Target Sept 2024
Overall satisfaction	60%	60%	75%
Satisfaction that the landlord listens to tenant views and acts upon them	42%	45%	50 %
Satisfaction that the landlord keeps tenants informed about things that matter to them	55.4%	60%	80%
Agreement that the landlord treats tenants fairly and with respect	59%	65%	75%
Satisfaction with Complaint handling	26.8%	35%	60%
Complaints responded to within the CHC timescale	tbc	tbc	80%
% increase year on year of data profiling on our customers/Tenants	n/a	tbc	5%
Escalation of complaints to stage 2	n/a	9%	7%

KPIs for the Home Standard:

Measure	Median from HouseMark Annual report Jan 2023	Actual Q1 23/24	Target Sept 2024
Gas safety Checks	99.98%	99.5%	100%
Fire Safety Checks	99.4%	99%	100%
Asbestos Safety Checks	100%	98.5%	100%
Water Safety Checks	100%	100%	100%
Lift Safety Checks	100%	98.1%	100%
Electrical Checks (EHICS)	100%	93%	100%
Homes that do not meet the Decent Homes Standards	10.35% (July 23 benchmark)	0.13%*	0%
Repairs completed within target timescale	n/a	new contractor data	80%
Satisfaction with Repairs	63.7%	65%	70%
Satisfaction with time taken to complete recent repair	62%	53%	62%
Satisfaction that the home is well maintained	58%	52%	58%
Satisfaction that the home is safe	69%	65%	69%

Appointments made and kept	n/a	new contractor data	80%
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*Data reliant on APEX will be reviewed with stock condition outputs and Damp and Mould/disrepair cases