

Key communications Implications (Informal Cabinet only)	This report sets out the further progress made in improving housing conditions in council blocks at Regina Road and rebuilding the housing service and increasing resident engagement. It presents the Terms of Reference for a Housing Improvement Board and provides an update on the development of a Housing Improvement Plan.
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For General Release

REPORT TO:	INFORMAL CABINET 12 JULY 2021
SUBJECT:	Housing Improvement Plan and Board
LEAD OFFICER:	Alison Knight, Interim Executive Director of Housing
CABINET MEMBER:	Councillor Patricia Hay-Justice, Cabinet Member for Homes
WARDS:	All
COUNCIL PRIORITIES 2020-2024	
Implementation of the council's response to the independent investigation's recommendations through the Housing Improvement Plan, overseen by the Housing Improvement Board, is essential in order to ensure that the council provides the best quality core housing management service that it can afford and provides value for money for its tenants and leaseholders.	
FINANCIAL IMPACT	
The financial impact of each workstream will be calculated and brought back to a future meeting of Cabinet, once the Housing Improvement Plan has been finalised and recommended to Cabinet by the Housing Improvement Board.	
FORWARD PLAN KEY DECISION REFERENCE NO.:	

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below	
1.	DRAFT RECOMMENDATIONS
	The Cabinet is recommended to
1.1	Note the further progress in improving housing conditions at 1-87 Regina Road and further actions in response to the recommendations of the report by ARK, detailed at Appendix 1.
1.2	Approve the Terms of Reference of the Housing Improvement Board, detailed at Appendix 2.

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| 1.3 Note the approach to development of the emerging improvement plan for the housing service to be put to the Housing Improvement Board. |
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2. EXECUTIVE SUMMARY

- 2.1 Following an investigation into the housing conditions at some council-owned flats at 1-87 Regina Road, ARK Consultancy published a report with recommendations for improvement. On 17 May 2021 Cabinet approved an initial action plan for the housing service and agreed to the establishment of an independently-chaired Housing Improvement Board. An interim Executive Director of Housing was appointed by the Interim Chief Executive for an initial period of six months to bring additional capacity to provide new leadership and direction for the housing service, conduct a review of the wider housing service, and lead the development and implementation of a longer-term Housing Improvement Plan for the service.
- 2.2 This report updates Cabinet on further progress to resolve problems at Regina Road and assist the residents affected, and actions taken to address the issues identified by ARK as requiring an immediate response. The report asks Cabinet to approve the terms of reference of the Housing Improvement Board that will oversee implementation of the Housing Improvement Plan and ensure that tenants and leaseholders have a say in shaping the future of the housing service. The report also asks Cabinet to note the approach to development of the emerging Croydon Housing Improvement Plan for the housing service, to be put to the Housing Improvement Board for further shaping and development. The Improvement Plan will address ARK's recommendations for improvement and ensure the Council delivers the best core housing service that it can afford, in line with its priorities, and demonstrates to the Regulator of Social Housing that it how it will remedy its breach of the Home Standard and the Tenant Involvement and Empowerment Standard. Once developed, the Plan will return to a future meeting of Cabinet for adoption.

3. BACKGROUND

- 3.1 The council commissioned ARK Consultancy (ARK) to conduct an urgent independent investigation to understand the circumstances that led to residents of three Croydon Council-owned flats at 1-87 Regina Road, South Norwood living in the conditions as publicised in the national news report on 22 March 2021. The council also referred itself to the Health and Safety Executive (HSE) and the Regulator of Social Housing.
- 3.2 The investigation identified no single reason as to why the situation at Regina Road occurred. ARK's report stated that these issues represented *'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 for self-improvement'*. The five key findings about the housing service were:
- 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.

3.3 ARK's report recommended, as an immediate action, the realignment of resources to establish:

- a team focussed on policy and performance and control of service delivery.
- a team focussed on improving investment planning to ensure homes are sustainable over the longer-term.
- 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.

3.4 ARK also made recommendations for improvement in seven areas, on governance and strategic leadership of the housing service; workforce planning and skills development; cultural and behavioural change both of council staff and contractor operatives; tenant involvement; business intelligence; performance management; and complaints handling.

3.5 The HSE decided not to pursue any action against the Council. However, the Regulator of Social Housing issued a regulatory notice on 20 May 2021, detailing its conclusion that the Council had breached the Home Standard and the Tenant Involvement and Empowerment Standard and that consequently there was actual and potential serious detriment to council tenants. The Home Standard requires registered providers to have a cost-effective repairs and maintenance service and to meet all applicable statutory health and safety requirements. The Tenant Involvement and Empowerment Standard requires registered providers to treat tenants with fairness and respect and to have an approach that ensures complaints are resolved promptly, politely and fairly. The regulator stated that it would work with the Council as it sought to remedy this breach, including monitoring how it delivered its improvement programme and mitigated risks to tenants throughout. It also stated that it would keep under review whether further regulatory action was necessary.

3.6 The Council appointed an Interim Executive Director of Housing, who started on 24 May 2021, and Cabinet approved an Initial Action Plan on 17 May 2021.

4 IMPROVEMENT UPDATE

4.1 There has been progress in implementing the initial action plan developed in response to the ARK report and approved by Cabinet on 17 May 2021. The table at Appendix 1 details progress made in addressing each of the 12 Issues Requiring an Immediate Response identified by ARK. These are reported under the headings:

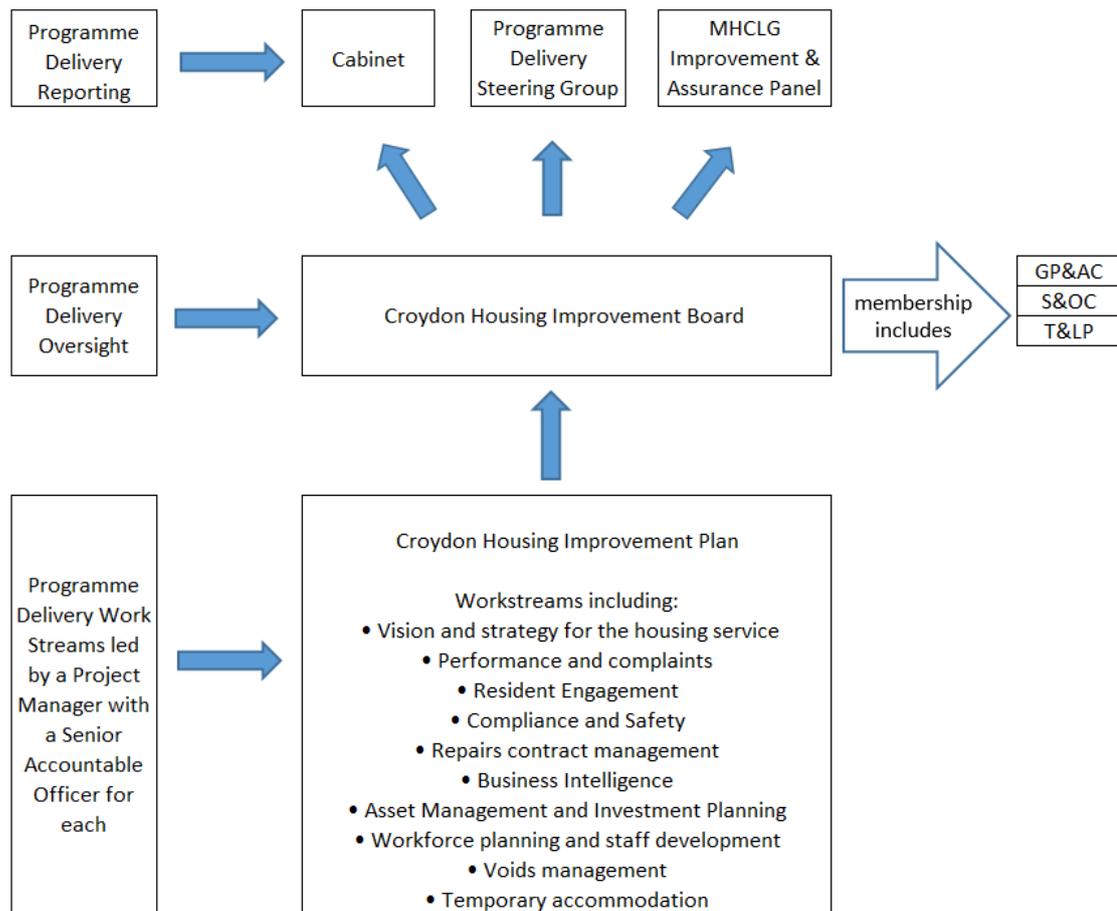
- Compliance and fire safety
 - Repair issues at Regina Road
 - Culture and behaviours
 - Resident engagement and accessibility of the housing service
 - Contract management
 - Asset management.
- 4.2 Development of the Council's Cultural Transformation Programme is underway and will also address the need to transform the culture of the housing service while enhancing skills and capability.
- 4.3 A number of operational and strategic meetings and workshops have been held with Axis to consider future development of the relationship between the Council and its main contractor. There is better use of data to identify properties requiring preventative work.
- 4.4 A cleaning regime has been established, with all high rise blocks receiving a deep clean. Tenants have expressed their appreciation to caretakers.
- 4.5 Officers are improving resident engagement to increase their visibility and accessibility and help to develop a resident-focussed housing service. Roadshows will take place around the borough between July and September. This initiative was piloted at Regina Road and welcomed by residents.
- 4.6 A full and comprehensive technical assessment of the Council's 26 tower blocks is underway, beginning with seven blocks in South Norwood, Waddon and New Addington North wards (including all three blocks in Regina Road). Once completed, the scope of works will be defined and specifications and technical drawings produced, before delivery of the programme of works commences.
- 4.7 Understaffing was identified by ARK as a contributory factor. The following posts are being recruited to in the housing service:
- Interim Head of Repairs and Maintenance, started on 28 June
 - Compliance Manager, recruited and starting on 2 August
 - Senior Fire Safety Surveyor, at interview stage
 - Two principal asset management analysts (one a secondment), both at interview stage
 - Recruitment to fill caretaker vacancies is underway.

5 HOUSING IMPROVEMENT BOARD

- 5.1 The Housing Improvement Board will be an independently chaired body reporting and making recommendations to Cabinet. It will influence development of and approve the Croydon Housing Improvement Plan (CHIP), and recommend it to Cabinet for adoption. It will hold the Council to account for its delivery. The Board's Terms of Reference are at Appendix 1 and its part in the governance arrangements for the CHIP are illustrated in Figure 1 below.

- 5.2 The Board will provide support, challenge, oversight and governance that ensures council officers deliver the outcomes of the CHIP, which reflect the aims of the Social Housing White Paper – “The Charter for Social Housing Residents” - with particular emphasis on 1- 6 below):
1. To be safe in your home.
 2. To know how your landlord is performing.
 3. To have your complaints dealt with promptly and fairly.
 4. To be treated with respect.
 5. To have your voice heard by your landlord.
 6. To have a good quality home to live in.
 7. To be supported to take your first steps to ownership.
- 5.4 It will ensure the Council is constantly seeking to learn from best practice elsewhere and builds a learning methodology into its improvement work. The Board will be able to invite external advice where relevant. In addition, it will monitor the Council to ensure that the Improvement Plan encompasses key provisions in the Building Safety Bill and Fire Safety Bill.
- 5.5 The Board will oversee the Council’s work with the Regulator of Social Housing (RSH) to ensure the Council resolves the current breach and regains the confidence of both the Regulator and council tenants.
- 5.6 It will agree and implement a communication plan to ensure that stakeholders including residents are both updated on progress and have the opportunity to challenge the delivery of the CHIP.
- 5.7 The Board’s membership will include resident representation and reflect the diversity of the borough, so that it has a strong, authentic resident voice. It is critical that the lived experience of residents is heard, understood and responded to. In addition to its independent chair, it will comprise:
- Two/three representatives of Croydon tenants and residents’ associations (including Regina Road)
 - Tenants & Leaseholder Panel (T&LP) member
 - Croydon Improvement and Assurance Panel representative
 - Local Government Association representative
 - Housing Association/London Council - housing representative
 - Representative(s) of the voluntary and community sector in the area(s) of family support &/or, housing experience &/or equality and diversity.
- 5.8 Elected members, including the Leader and Cabinet member for Housing, and officers, including the Chief Executive and Executive Director of Housing, will be in attendance in an advisory capacity. Others will be invited as required, including the Chairs of the General Purposes and Audit Committee (GPAC) and the Scrutiny and Overview Committee (S&OC).

Figure 1: Governance Arrangements for delivery of the CHIP



Key:

- GP&AC – General Purposes and Audit Committee
- S&OC – Scrutiny and Overview Committee
- T&LP – Tenants and Leaseholders Panel

6 HOUSING IMPROVEMENT PLAN

6.1 The Housing Improvement Plan will build on the recommendations of the ARK Report and the initial action plan adopted by Cabinet on 17 May 2021. It aims to deliver the best core housing service for residents that the Council can afford, in line with its priorities, and will demonstrate to the Regulator of Social Housing how it will remedy its breach of the Home Standard and the Tenant Involvement and Empowerment Standard. It will put in place strengthened governance and management controls, improved tenancy engagement and robust asset management plans, measured by key performance indicators, to ensure council housing across the borough is safe, warm and decent for our residents.

6.2 The key work streams of delivery include:

- Vision and strategy for the housing service
- Performance and complaints
- Resident Engagement
- Compliance and Safety

- Management of the Repairs Contract
 - Business Intelligence
 - Asset Management and Investment Planning
 - Workforce Planning and Staff Development
 - Voids management
 - Temporary Accommodation.
- 6.3 The Housing Improvement Plan will incorporate the work required by the Regulator of Social Housing including the voluntary undertaking about improvements to the housing service that the Council will make to the Regulator.
- 6.4 The Council's commitment to equality, diversity and inclusion will be integral to each of the work streams listed above.
- 6.5 Development of the Plan will be overseen by the Housing Improvement Board, with input from Board members, including resident representatives. It will also be informed by resident feedback from a 'roadshow' door-knocking exercise between July and September 2021.
- 6.6 The Board will recommend the completed Housing Improvement Plan to a future meeting of Cabinet for consideration and adoption.

7. CONSULTATION

- 7.1 As part of its independent investigation, ARK interviewed council staff, councillors and stakeholders as well as tenants from 1-87 Regina Road. Officers and elected members have held a number of meetings with tenants in the council owned blocks in Regina Road.
- 7.2 Officers are organising a 'roadshow' door-knocking exercise across the borough between July and September 2021 to create opportunities for residents to share their experiences of the council's housing services. The feedback residents provide will help to inform the housing improvement plan and deliver a truly resident-focussed housing service. A similar approach has been piloted over the past few weeks at Regina Road with a dedicated team comprising a tenancy sustainment officer, resident involvement officer, community development officer, repairs inspector and caretaker onsite.
- 7.3 Membership of the Housing Improvement Board will include resident representation and reflect the diversity of the borough, so that it has a strong, authentic resident voice. It is critical that the lived experience of residents is heard, understood and responded to. In this way the Council intends to develop the Housing Improvement Plan with tenants and leaseholders.
- 7.4 The Council is consulting with the Regulator of Social Housing and the MHCLG Improvement and Assurance Panel on the Housing Improvement Board Terms of Reference and the Housing Improvement Plan.

- 7.5 The Terms of Reference of the Housing Improvement Board and the Housing Improvement Plan will be informed by input from the Board and the Tenants and Leaseholders Panel.

8 PRE-DECISION SCRUTINY

- 8.1 This draft report is due to go to the Streets, Environment and Homes Scrutiny Subcommittee on 13 July 2021 for pre-decision debate. .

- 8.2 **INSERT relevant information on the outcome of the discussion.**

9 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

DRAFT

- 9.1 The financial impact of implementing the Initial Action and Improvement plan will include an unquantified increase in responsive repairs costs; additional staffing costs to create the Policy and Performance and Investment Planning teams; an increase in training and development and other HR support costs and the cost of investment in digital systems and reporting tools (Business Intelligence). Detail of the plans for this increased spend will need to be approved via appropriate governance mechanisms. The financial impact of each workstream will be calculated and brought back to a future meeting of Cabinet, once the Housing Improvement Plan has been finalised and recommended to Cabinet by the Housing Improvement Board.
- 9.2 The Responsive Repairs budget is £14.18m for 2021-22 and the base budget for Planned Maintenance work is £26.771m. Both of these budgets will need to be reviewed for 2021-22 and future years to ensure that assets are appropriately maintained, tenants are provided with services that are fit for purpose and that the long term financial stability of the Housing Revenue Account (HRA) is secured.

2 The effect of the decision

- 9.3 The challenge will be to ensure that robust controls and monitoring measures are in place around the implementation of improvement plans that must be set out in more detail at a later date.

3 Risks

- 9.45 In developing its action plan the council recognises the importance of listening to its tenants and leaseholders in identifying and reducing risk to them and for the council. There is a long term financial risk in insufficiently investing in HRA assets that must be considered in reviewing and setting the budget.

4 Options

- 10.6 The plan will include a review of the Housing Revenue Account (HRA). The options to best meet the needs of council tenants and to manage and maintain the HRA stock should be considered as plans are developed. This will include

looking at contracts and building maintenance and considering value for money and the quality of work.

5 Future savings/efficiencies

- 10.7 No opportunities for savings or efficiencies are presented at this stage of the review process.

(Approved by: *A N. Other*, Department Head(s) of Finance/nominated deputy(ies))

10. LEGAL CONSIDERATIONS

Comments for report to Cabinet on 17 May 2021

- 10.1 The Head of Litigation and Corporate Law comments on behalf of the interim Director of Law and Governance that the Council is generally responsible for making sure the structure of rented property is kept in good condition (which includes the walls, ceiling, roof and windows); gas and electricity appliances work safely; and shared parts of a building or housing estate are kept in good condition.
- 10.2 The Council's Tenancy or Lease Agreements set out express terms in relation to both the rights and obligations of the Landlord and the Tenant regarding repair and maintenance responsibilities.
- 10.3 Whether a housing disrepair claim can be made against the Council, principally arises out of contract and statute law.
- 10.4 The basis of a claim can arise under s.11 of the Landlord and Tenant Act 1985 (LTA 1985). In addition, repairing obligations are implied in certain circumstances pursuant to a range of other legislation such as the Defective Premises Act 1972. There are also some standard implied terms developed by the Courts that:
- 1) if a landlord carries out repairs, they must be done with reasonable skill and care using proper materials; and
 - 2) a landlord must not derogate from its grant. This means where a landlord has taken steps, or granted rights to another party, which render the premises unfit or unsuitable for the purpose for which they were let.
- 10.5 Failure to comply with these implied terms can result in a civil claim for damages and specific performance. A claim for compensation can also be made under the Housing Act 1985. Claims in common law nuisance or negligence can similarly arise. Allegations of statutory nuisance can also be pleaded in the Magistrates' Court under the Environmental Protection Act 1990 where this is evidence to support such a claim. A housing conditions claim may include a personal injury element.
- 10.6 Separately the Homes (Fit for Human Habitation) Act 2018 contains implied

covenants that residential rented accommodation is provided and maintained in a state of fitness for human habitation.

- 10.7 The Housing Ombudsman (THO) established under the Housing Act 1996 (as amended by the Localism Act 2011) is responsible for investigating complaints about member landlords in accordance with a scheme approved by the Secretary of State. The role of THO is to seek to resolve disputes involving members of the Scheme, including making awards of compensation or other remedies when appropriate, and to support effective landlord-resident dispute resolution by others.
- 10.8 In addition, the Housing and Regeneration Act 2008 established the Regulator of Social Housing (RSH) an executive non-departmental public body of the MHCLG. The RSH sets regulatory standards, codes of practice and guidance for registered providers of social housing. The regulator will consider complaints and referrals to determine whether there is evidence of a breach of its regulatory standards. The Council has self-referred itself to the regulator.
- 10.9 The *Charter for Social Housing Residents – the Social Housing White Paper* published in November 2020 sets out actions the government propose to take to include a Charter for Social Housing Residents, plans for new regulation, a strengthened Housing Ombudsman to speed up complaints, and a set of tenant satisfaction measures that social landlords will have to report against.
- 10.10 The power to appoint staff under the Local Government Act 1972 section 112 is specifically designated as a non-executive function under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and sits with the Council's Head of Paid Service and its Appointments Committee.
- 10.11 The Local Government Act 1999 imposes a requirement on all local authorities to deliver 'best value' which requires the Council to demonstrate that it is making arrangements that are economic, efficient and effective and the Council has had regard to the need to secure continuous improvement in how it carries out its work. The investigation and the proposed review of the Council's housing function will be a significant contributor to meeting the Council's legal duty of 'best value' and therefore this report complies with that legal duty.

Approved by (name), Head of xxx (Job Title) on behalf of the Director of Law and Governance & Deputy Monitoring Officer

11. HUMAN RESOURCES IMPACT

- 11.1 The Cultural Transformation Programme is essential for successful implementation of the Housing Improvement Plan. The programme will establish and strengthen the behaviours required to transform the housing service, along with the rest of the Council, so that services are delivered in a financially disciplined and motivated way. It will include a programme of training for tenancy officers on setting new standards, bench marking our services and ensuring that outmoded attitudes are addressed. There will be training sessions around customer service, equality and diversity and unconscious bias. Staff will

have clarity on what they have to deliver and have the skills and tools to fulfil their roles effectively, while managers will consistently model the Council's values and behaviours, use systems and data to drive improvement and identify and manage poor performance early.

- 11.2 The senior management restructure and any future planned service changes, will be conducted in accordance with the council's organisational change policies and procedures and consultation with staff and trade unions.

(Approved by: *A. N. Other* on behalf of the Director of Human Resources)

12. EQUALITIES IMPACT

- 12.1 The interim action plan will achieve an improvement in the quality, visibility, accessibility and responsiveness of the housing service to the needs of all tenants and leaseholders and improve housing conditions in council homes for all tenants. There are no negative impacts for people with protected characteristics.
- 12.2 The ARK report found no clear evidence of racial discrimination, but did find that there were wider issues, with all tenants being seen as less worthy of respect. Immediate measures are under way to improve the operating culture and attitude of staff toward tenants and a longer term cultural transformation programme is being planned to ensure council staff and contractor operatives consistently deliver a tenant-focussed service and have a culture of 'safety first', respect and empathy for tenants. The Council will ensure staff are aware of its Code of Conduct, Commitment to Equality and Equality in Employment Policy, and complete Equality and Diversity ELearning.
- 12.3 Given the high percentage of households from black and ethnic minority backgrounds in the Regina Road flats in particular, among homeless households and council homes generally, compared with the borough as a whole, the work to improve council homes will have a positive impact. This is also true of the planned wider ranging review of the housing service – including the quality and cost of temporary accommodation and the review of historic housing allocations (as the percentage of tenants of flats in Regina Road who are from BAME communities is disproportionately high, compared to the percentage of Croydon Council tenants generally and the population in the borough) and assessment of the housing need of those who need to move to larger accommodation, which will lay the basis for a longer term plan for further improvements to the housing service.
- 12.4 The Housing Improvement Plan will need to take account of the needs of vulnerable tenants, some with other protected characteristics, such as disabilities, to ensure that the housing service is responsive to their needs and works with other council services, such as children's services and adult social care, as well as services from external organisations.
- 12.5 As part of its investigation, ARK interviewed council staff, councillors and tenants from 1-87 Regina Road. Residents of the three blocks at Regina Road

have also met with the Leader, Cabinet Member and Ward Councillors. The wider review of the housing service will consider in particular how the council fully involves all its tenants and leaseholders, both in terms of responding to issues raised and in the co-design and co-delivery of services. Tenants and leaseholders will be included in the membership of the Housing Improvement Board that will oversee the review as well as the development and implementation of the more detailed Housing Improvement Plan. Tenants directly affected by the Regina Road situation have been invited to take part. The council will ensure that the resident participation is representative of the council tenants and leaseholders generally and the tenants who occupy the Regina Road flats in particular.

13. ENVIRONMENTAL IMPACT

13.1 There is no environmental impact arising from this report.

14. CRIME AND DISORDER REDUCTION IMPACT

14.1 There is no crime and disorder impact arising from this report.

15. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

15.1 This report informs Cabinet of the further progress made in improving housing conditions in council blocks at Regina Road and rebuilding the housing service and increasing resident engagement. It seeks approval for the Terms of Reference for a Housing Improvement Board to inform development of an improvement plan and oversee and challenge the Council's delivery of it. The report also asks Cabinet to note and endorse the approach taken to develop the emerging improvement plan for the housing service before it is put to the Housing Improvement Board for their input.

16. OPTIONS CONSIDERED AND REJECTED

16.1 TBC

17. DATA PROTECTION IMPLICATIONS

17.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

YES

17.2 **HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

NO

The Interim Executive Director of Housing comments that the housing conditions experienced by tenants of 1-87 Regina Road and other council properties have been noted in order to arrange repair, and their housing needs have been recorded in order to arrange alternative accommodation where this is appropriate. Personal data held as part of housing IT systems within the council is managed carefully and shared with contractors and partners only as appropriate, in line with GDP regulations.

The management and use of personal data to inform the investigation, this report and the subsequent action plan will not vary from established systems and data management that are deemed compliant with GDP regulations.

(Approved by: Alison Knight, Interim Executive Director of Housing)

CONTACT OFFICER: John Montes, Senior Strategy Officer, 020 8726 6000 ext 61613

APPENDICES TO THIS REPORT

Appendix 1 Progress on Issues for Immediate Response identified by ARK
Appendix 2 Housing Improvement Board Terms of Reference

BACKGROUND PAPERS - None