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Mr Jason Perry
Mayor
Croydon Council
Town Hall
Katharine St
Croydon CR0 1NX

26 March 2024

Dear Mayor Perry,

UPDATE ON THE HOUSING TRANSFORMATION PROGRAMME JULY 2023

This letter contains the Improvement Board's observations on the officer report which you are considering at the 27 March Cabinet meeting. We support the recommendation that you note the progress made since October 2023 – subject to the observations set out below. I am sorry not to have been able to write earlier, because of a misunderstanding about the timing of the meeting.

Current status of housing transformation

As set out in the officer report, a number of important steps forward have been achieved in recent months:

- 1) **The acceptance by the Regulator of the Voluntary Undertaking.** This embodies a clear roadmap to take the Council out of the close regulatory supervision which has been in place since Spring 2021.
- 2) Putting in place a **strong performance management framework**, incorporating the satisfaction measures through which the Regulator will assess compliance with the new consumer standards.
- 3) A much-improved understanding of **stock condition**.

In process terms, the voice of tenants and residents is now firmly embedded in decision-making about the housing service, through the Improvement Board and the resident representative groups.

2) and 3) are the basic foundations of managing any social landlord organisation. Their absence, and failure to seek out and listen to the experience of tenants and residents, were the reasons why the service deteriorated unacceptably in the years before 2021. Now they are in place, the Council will be much better placed to ensure homes are sound, customer service is acceptable, and to put in place a solidly-based long term business plan for the service.

The Council also completed the major and high-risk process of putting in place new repairs and gas servicing suppliers and bringing the call centre in-house. The early months of the new arrangements have been challenging, with call volumes being much higher than the planning assumptions when they were put in place. Performance by the call centre and contractors has therefore not met aspirations at times, though latest information indicates recovery. We know officers too are very focused in that, and, with the much improved performance data which is now in place, are able to understand performance and address concerns. We will give this close focus at our quarterly meetings for as long as it takes.

Priorities for the next year

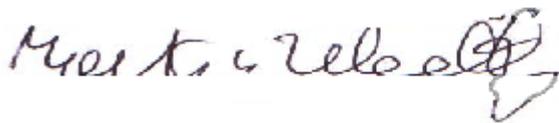
We make the following observations:

1. **Resident experience:** our resident members, and the rest of us, would want to emphasise the importance of **never losing sight of the actual experience of tenants and residents**. Despite the new repairs and call centre arrangements, that experience is still not as consistently good as it needs to be. Perhaps unsurprisingly at this phase in the improvement of the service, our resident members observe a gap between intentions and reality on the ground. For example, estate inspections are not as effective as they could be because of a lack of continuity in surveyors attending, patchy attendance from other parts of the service, and lack of remote access to the NEC system to log issues. Many aspects of NEC implementation have gone well, but we are disappointed that least progress seems to have been made on giving residents easy access to the system for obtaining basic information like rent statements. The important underlying technical improvements may well be happening, but there is insufficient attention to ensuring users can benefit from them and know how they can use the system simply and quickly.
2. Related to this, **the new consumer standards:** on current plans, the regulatory “special measures” which have been in place since 2021 should cease in the coming year. However, **the new standards pose, correctly, very profound challenges to all social landlords**, requiring Croydon, like others, to “run to stand still.” The Council will need to give its performance against those standards very close attention, and strong governance, over the coming years.
3. **Balancing ambition and achievability:** we support the high level of ambition in the current set of targets. It is better to set targets which are stretching, encourage focus on the extent of change needed, and drive innovation, even if some are, in the event, missed, than only to set them at a level at which meeting them is completely assured. However, we observe as a board that **the gaps between current performance and targets for later this year are, in some cases, extremely challenging**. We could not, as independent observers, say we can see with confidence how they can be met, though we would be delighted to be proved wrong. For example, void performance in the last quarter is over 130 days yet the target for September is 50 days. Satisfaction with repairs has clearly suffered as a result of the challenging early phase of the new arrangements: it stood at 56% in the last quarter, and, despite the real improvements now under way, we fear it will be a struggle to get it to the 70% September target. In our next meeting, we will engage further with officers with a view either to obtaining assurance that there are clear pathways to very rapid improvement to target, or to encourage a revision of some targets to levels which are ambitious, but achievable.
4. **Resident voice and influence:** core to that strong governance will be **further embedding the voice of tenants and residents in providing assurance about the performance of the service and driving further improvements**. The Board has been involved as a critical friend in supporting the development of proposals which will be coming to you for decision soon.

5. **Housing transformation as part of corporate transformation:** As by far the largest council service funded by paying customers, and subject to a statutory ring-fence, it is right that the housing service is managed as a distinct business entity. However, **it is also important that it operates as part of the corporate whole.** The Council corporately needs to support transformation in digital, finance, HR and supplier management. Tenants and residents must be able to count on much improved performance in their estates and neighbourhoods, not just by the housing service, but other parts of the council, notably environmental services. There is also opportunity for the housing service and other parts of the council to work smartly together on issues including homelessness, and improving the experiences of adults and children with support needs.

I am copying this letter to the Deputy Mayor, to Cllr Reshekaron, to colleagues on the improvement board, with my thanks for their hard work over the last seven months, 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,

A handwritten signature in dark ink, appearing to read 'Martin Wheatley', with a stylized flourish at the end.

Martin Wheatley
Chair, Independent Housing Improvement Board