

# Report to Economic Growth Scrutiny Panel

Agenda  
Item:

**A.3**

Meeting Date: 7 September 2017  
Portfolio: Economy, Enterprise and Housing  
Key Decision: No  
Within Policy and Budget Framework: No  
Public / Private: Public

Title: Update on Riverside's Proposals to Vary the Stock Transfer Agreement  
Report of: Corporate Director of Economic Services  
Report Number: ED 29/17

## Purpose / Summary:

To provide Members of the Panel with details of Riverside's response to the priorities identified at the Community Overview and Scrutiny Panel workshop on 2 March 2017, in respect of Riverside's governance arrangements. Riverside will need to formally request Executive approval to vary the stock transfer agreement.

## Recommendations:

That the Economic Growth Scrutiny Panel provides constructive feedback on the Riverside proposals to help inform Riverside's written request to Executive to vary the transfer agreement.

## Tracking

Executive:	
Overview and Scrutiny:	
Council:	

## **1. BACKGROUND**

- 1.1** The Council's housing stock was transferred to the Riverside Group through a *Large Scale Voluntary Transfer (LSVT)* in December 2002. Following stock transfer the subsidiary was originally known as Carlisle Housing Association, but since then, there have been a number of organisational changes - becoming Riverside Carlisle, Riverside Cumbria, and most recently Riverside North Region.
- 1.2** A Community Overview & Scrutiny Panel (COSP) workshop was held on 2 March 2017 to discuss the Council's future joint working arrangements with Riverside, with the invitation extended to all Councillors. The meeting was arranged following proposals by the former Director of Riverside Cumbria to dissolve the Divisional Board, which includes representation from City Councillors. Matters relating to housing strategy and housing support now fall within the remit of the Economic Growth Scrutiny Panel).
- 1.3** It is understood that Riverside's rationale for wishing to change the existing structure was prompted by a national re-organisation within the Riverside Group, which involved a move from a Divisional to a Regional structure, with Riverside Cumbria (formerly a Division) now subsumed within the North Region.

## **2. LEGAL UPDATE**

- 2.1** A report was distributed at the 2 March 2017 COSP workshop by the Corporate Director of Governance and Regulatory Services (attached to this report as *Appendix 1*). In summary, the Corporate Director's report confirms that Riverside cannot contractually dissolve the Divisional Board without the Council's agreement. Any alternative arrangement proposed by Riverside to replace the Divisional Board would require the approval of the Council.

## **3. COUNCIL PRIORITIES**

- 3.1** The Members present at the 2 March COSP Workshop considered the following requirements should be integral to any revised arrangement with Riverside to replace the Divisional Board:-
- Any new arrangement should be covered by a legal agreement
  - The new Board (or alternative structure) should have genuine influence – Riverside's national Board should discuss strategic plans for Carlisle with local

representatives (it wasn't acceptable for Councillors to find out about changes affecting Carlisle from the local press)

- A strong relationship between the Council and Riverside was required, with regular joint meetings including Riverside's Regional Director
- Local representation was important
- Transparency/ clarity was needed re Riverside complaints procedure – local Board could investigate complaints
- It would be helpful if Riverside had a designated member of staff who could act as a Councillor Liaison Officer, and also a generic e-mail address for Councillor enquiries
- Regular updates from Riverside's Regional Director at COSP
- Appropriate structures were needed to disseminate information – also necessary to look at this within the Council.

#### 4. RIVERSIDE RESPONSE

**4.1** It was agreed that the Corporate Director of Economic Development would feedback the Council's position to Riverside's Director for the North Region to help inform Riverside's proposals for any revised structure to replace the Divisional Board.

**4.2** The table below sets out the response received from Riverside on 21 June 2017, and also includes comments on those proposals provided by Officers.

<b>COSP Working Group Priorities</b>		<b>Riverside Proposals</b>	<b>Comments</b>
1.	Any new arrangement should be covered by a legal agreement	Riverside agree to a Deed of Variation to the existing stock transfer agreement, which Riverside will ask their solicitors to draft once the key points are agreed.	Will require approval from the Council's Legal Services team.
2.	The new Board (or alternative structure) should have genuine influence, and Riverside's national Board should discuss strategic plans for Carlisle with local representatives	Proposal to establish a 'Regional Liaison Group' with the Regional Director or Riverside and Carlisle CC officers and elected Members to meet on an agreed frequency and with an agreed agenda and terms of reference.  Riverside also undertake to consult Carlisle City Council on	The proposed Regional Liaison Group would provide a regular meeting structure and agreed terms of reference.  This is a positive step as Councillors have

		any significant changes in services to residents in Carlisle and consider any representations made by them in response.	previously complained about finding out about local changes affecting Carlisle in the local media.
3.	A strong relationship between the Council and Riverside was required, with regular joint meetings including Riverside's Regional Director	See point 2 (above).	Regular joint meetings, enhancing a two-way information exchange would help to build stronger relationships.
4.	Local representation was important	<p>Riverside will maintain a tenants' scrutiny panel or other arrangement for the same purpose locally to ensure that Carlisle residents can scrutinise and influence services.</p> <p>Riverside will make reasonable efforts to recruit residents in Carlisle to get involved in customer involvement opportunities – Riverside will engage with involved customers on any changes in services.</p>	COSP have previously stressed the importance they place on tenant involvement and participation, so this represents a welcome commitment from Riverside.
5.	Transparency/ clarity was needed re Riverside complaints procedure – local Board could investigate complaints	Riverside are keen to work with the Council to address and resolve any issues raised by customers or local Councillors. Riverside will supply them with a copy of the Group's complaints policy and keep people updated.	Transparency is essential in addressing complaints in a clear and open manner.
6.	It would be helpful if Riverside had a designated member of staff who could act as a Councillor Liaison Officer, and also a generic e-mail address	Riverside will designate a named officer and deputy to receive enquiries from Council Members.	This proposal would be beneficial in respect of Councillor enquiries to Riverside regarding complaints.

	for Councillor enquiries		
7.	Regular updates from Riverside's Regional Director at COSP	The Regional Director will attend COSP regularly.	Regular attendance at COSP will help to keep the Panel up to date with the latest developments relating to Riverside and the Housing Association sector.
8.	Appropriate structures were needed to disseminate information – also necessary to look at this within the Council	Riverside are happy to agree arrangements to ensure communications reach the right people.	It is important that an appropriate information sharing protocol is in place so that the appropriate people in both organisations are kept informed.

## 5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

**5.1** Riverside will need to formally write to the Council with a proposal to vary the stock transfer agreement. The proposal will then go to Executive for approval. Riverside's proposal will be informed by the outcomes of the 2 March 2017 COSP workshop, followed up by input from the new Economic Growth Scrutiny Panel.

## 6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

**6.1** Address current and future housing needs to protect and improve residents' quality of life.

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**Appendices attached to report:** *Appendix 1: Report provided for COSP workshop on 2 March 2017 by the Corporate Director of Governance and Regulatory Services*

## **CORPORATE IMPLICATIONS/RISKS:**

**Community Services -**

**Corporate Support and Resources –**

**Economic Development –**

**Governance and Regulatory Services –** At the time of the last variation, i.e. when Carlisle Housing Association became part of the Riverside Organisation, the Council was concerned that on amalgamation, the independence of the management of the Carlisle Stock would not remain. In order to preserve this independence, Members agreed to a legal requirement in the agreement between the Parties to replicate the existing CHA Board structure which would then be known as the 'Local Divisional Board'. It was felt that the establishment of such a Board would address the Council's concerns on securing local control. Appendix 1 sets out the aforementioned Board and also explains the other obligation to which Riverside are subject.

## **Appendix 1 – Report of Corporate Director of Governance and Regulatory Services**

### **Community Overview & Scrutiny Panel – Riverside Housing Association Workshop**

**2 March 2017**

Large Legal Agreement covering many aspects. This note covers some pertinent points as regards issues where we will have to form a view in the near future.

As Members are aware, Carlisle Housing Association came into existence when the City Council, following a vote of tenants, formed the Association from what was its Housing Department. The Association and its relationship with the Council were enshrined in a contract (December 2009). In March 2009, the Council, at the request of CHA and Riverside, agreed to vary the original contract to amalgamate those two organisations. In approving the change, the Council sought and received certain assurances. Hereinafter, the amalgamated organisation will be referred to as “RC” representing Riverside Carlisle.

#### **1. Divisional Board**

- a. At the time, quite rightly, the Council was concerned that, upon amalgamation, the independence of the Carlisle Stock would not remain. In order to safeguard this, it was agreed that there would be a legal obligation on RC to have a Carlisle Divisional Board (“the Board”).
- b. The Board had to be comprised of equal numbers of:
  - i. Nominees of Carlisle City Council
  - ii. Residents of housing stock owned or managed by RC and
  - iii. Independent Persons
  - iv. Together with the divisional director and up to one other employee of the Riverside Group as nominated by their Board.
- c. The delegated authority of the Board is to ensure the development, monitoring and accountability of the services to residents of the RC housing stock shall be led by the Board, such things to be substantially in accordance with terms set out in the contract (the contract contains a terms of reference for the Board.).
- d. In addition to any other monitoring role of the Board, it shall receive regular reports on the rental income and receipts arising from its housing stock and upon expenditure on the management, maintenance, repair, modernisation, improvement and any other expenses reasonably relating to such housing stock.
- e. The Riverside Group are required to ensure that RC is serviced by one or more employees of sufficient seniority and responsibility to act effectively as local champion.
- f. **Importantly:** any changes to the above may only be made by RC with the consent of the Council, such consent not to be unreasonably withheld or delayed.

## **2. Use of Income and Receipts**

- a. To use income and receipts from the sale of its (local) property for the management, maintenance, repair, modernisation and improvement of its other (local) property. On request they must provide accounts.

## **3. Open Space and Amenity Land**

- a. To keep and maintain it in good order. This extends to private roads, drains etc.

## **4. Assured Tenant's Charter**

- a. They must observe and in all respects comply with the standards of service and rights for tenants as set out in the Assured Tenant's Charter published from time to time by the Housing Corporation.

## **5. Tenants' Representation**

- a. RC had to adopt a framework for tenant involvement based on the Council's compact and for so long as it's properly constituted and representative of the views of tenants and residents to continue to recognise Tenants' and Residents' associations previously recognised by the Council (including the Tenants' Advisory Group) and to provide a reasonable level of financial and other support to assist them in representing views.
- b. To develop the setting up of a Tenant Management Organisation.

## **6. Partnership Working**

- a. To work in partnership with the City Council by joining the City Vision Partnership (or any future strategic framework) which will include supporting and developing initiatives, but not exclusively, relating to social exclusion, community safety, community planning, improvement energy efficiency, health partnerships, sustainable environment and employment.
- b. RC to assist the Council in meeting the needs of the increasingly older population, including retaining and developing careline service to support vulnerable individuals in their homes.

## **7. Right to Nominate**

- a. The Council has the ability to nominate persons pursuant to our homelessness duty. This is done through Choice Based Lettings.

## **8. Emergency Centres**

- a. RC has assisted with the operation of these but this is in the process of changing.

NB: This document is a summary briefing note giving a general overview for this working group.

Mark Lambert – Director of Governance