

Report to Community Overview and Scrutiny Panel

Agenda
Item:
A.2

Meeting Date: 13th February 2014
Portfolio: Communities and Housing
Key Decision: Not Applicable:
Within Policy and
Budget Framework YES
Public / Private Public

Title: RIVERSIDE CARLISLE
Report of: The Director of Economic Development
Report Number: ED 09/14

Purpose / Summary: This report provides Members of the Community Overview and Scrutiny Panel with an update on joint working between Riverside and Carlisle City Council

Recommendations: Members of Community Overview and Scrutiny Panel are invited to ask questions and comment on the contents of the report.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. BACKGROUND

1.1 Affordable Homes Programme 2014-17

The Riverside Group currently operate in over 150 local authorities managing over 50,000 homes. As part of its new Asset Rationalisation Strategy, Riverside aims to reduce its local authority footprint and rationalise its stock profile. Therefore Riverside will dispose of 1500 properties over the next three years in local authorities with less than 50 owned properties. In parallel Riverside will also concentrate its development strategy and resources in 20 key local authorities. This development programme will generate up to 500 new social rent and low cost home ownership properties per year during this period. Carlisle has been identified as one of the key local authority areas in which to develop more robust partnerships to meet local demand between 2014 and 2017 in line with the latest round of Housing and Communities Agency (HCA) funding submissions.

For schemes within the current programme, please note the following:-

- Borland Avenue – 11 units due for completion in April 2014.
- Arnside Court – 10 units due for completion in May 2014.
- Tomlinson Avenue – 21 units due for completion in December 2014.
- Dalton Avenue – 37 units due for completion in February 2015.

Riverside Cumbria continues to maintain strong operational and strategic links with Carlisle City Council, which also has four elected Members on Riverside Cumbria's Board.

1.2 Land Assets

As noted above the City Council, Riverside and other registered providers will continue to work in partnership to identify suitable development schemes and opportunities to meet the need for social rented and low cost home ownership properties in Carlisle, either through self funded schemes or in partnership with the HCA.

Both the Council and Riverside work closely to identify housing need, the changing demographic profile of the city's population and the current market potential to ensure any future pipeline schemes are sustainable and contribute towards wider Council and Riverside objectives.

1.3 Homelessness and Choice Based Lettings

The Council's Homeless Team continue to work closely with Riverside's Allocation Team on the administration on the Cumbria Choice allocation scheme. During the current 2013/14 financial year Riverside have re-housed 27 homeless people accepted by the Council as owing a duty under homeless legislation. The year to date figure for the number of people accepted by the Council as owing a duty to secure settled accommodation is 46.

However, during 2013/14 Riverside has seen the number of vacant properties it manages increase from around 40 to approximately 120 and the average re-let time increase from around 25 days to 42 days. This increased turnover of properties has increased Riverside's expenditure on vacant properties by approximately £800,000. While a number of factors have contributed towards these figures e.g. tenants downsizing due to welfare reforms and the increased competition from the private rented sector, the current choice based lettings scheme is failing to generate sufficient demand for the empty properties.

The Cumbria Housing Association Chief Officers Group are currently looking at whether this issue is replicated across all registered providers in Cumbria and are working with the National Housing Federation to develop a series of proposals, where appropriate, to assist the Choice Based Letting process increase demand and lower operating costs.

1.4 Welfare Reform

Following the implementation of the welfare reforms in April 2013 the Council and Riverside have continued to work in partnership to understand and mitigate the consequences of welfare reform on local people.

However, while the true cost of welfare reform has yet to be identified Riverside are estimating an increase in current tenant arrears of £150,000 to year end and that 9% of tenants who fall within the guidance of welfare reform will not have made any contribution towards the rent shortfall. This figure has fallen from 50% in May 2013. Evictions for rent arrears have remained relatively static when compared with 2012/13 with an estimated 26 tenants being evicted for non payment of rent during 2013/14.

Also, Riverside have assisted over 50 tenants move to smaller accommodation to reduce the impacts of welfare reform. However, as previously noted this has added to the pressure on vacant properties and increased operating costs. It is anticipated that Riverside will see further transfers to reduce the impact of welfare reform until March 2015.

1.5 Affordability

Riversides annual rent increase for 2014/15 is 3.7% and is in line with government policy on rent convergence. This increase is below the proposed rent increase for local authority retained landlords which is proposed at approximately 6.1%.

Riverside's rent for both social and affordable rents in Carlisle compare with other registered providers and the private rented sector.

1.6 Disabled Facilities Grants (DFG)

Riverside continues to fund major adaptations costing under £7000, for its tenants, in most cases. For adaptations costing over £7,000 a DFG application is made. Riverside make a contribution of up to £7000 towards the cost of the Grant funded cases. In 2013/14 the number of adaptations completed to date is 71 with a further 34 due for completion by 31st March 2014. The cost to Riverside is estimated to be £300,000 and an approximate cost to Carlisle City Council of £28,000 by year end.

The current partnership approach to DFG's between the Council and Riverside works well and delivers a quick and responsive service to the households affected.

1.7 Riverside Cumbria

In October 2013 Riverside Carlisle was officially rebranded Riverside Cumbria to coincide with the appointment of a new Divisional Director. This rebranding reflects Riversides aspirations to extend its operational footprint into other local authorities in Cumbria, namely Eden and South Lakeland.

Riverside Cumbria's Board is made up of 12 members, four Carlisle City Councillors, three Carlisle tenants, three independents and two Riverside representatives. At the January 2014 Board it was agreed to reduce the number of Carlisle Councillors to three and recruit a Councillor from Eden to represent the needs of the tenants in that local authority. This process will take place during 2014/15 to ensure a smooth transition of board governance.

2. PROPOSALS

2.1 N/A

3. CONSULTATION

3.1 N/A

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 N/A

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 The work we do with Riverside meets the Carlisle Plan Priorities for developing effective partnerships. The work that Riverside does helps to address the City Council's, Carlisle Plan priority of helping to address the Carlisle's housing needs.

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**Appendices
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Community Engagement –

Economic Development –

Governance –

Local Environment –

Resources -