

REPORT TO EXECUTIVE			
PORTFOLIO AREA: HEALTH & WELL-BEING			
Date of Meeting:	11 th March 2002		
Public			
Key Decision:	Yes	Recorded in Forward Plan:	Yes
Inside Policy Framework			

Title: RSL POLICY DEVELOPMENT

Report of: DIRECTOR OF HOUSING & CITY TREASURER

Report reference: H. 021/02

Summary:

This report presents the outcome of the RSL policy development process in the form of a number of policy proposals from Carlisle HA. It summarises each of the policy areas (attached as appendices) and highlights any significant issues for Carlisle City Council.

Recommendations:

The Health & Well Being Portfolio Holder recommends the Executive to approve the approach outlined in the policy statements provided by Carlisle HA subject to the comments in sections 1.4, 1.5, 2.9 & 3.9.

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Director of Housing

4th March 2002

H.021/02

RSL Policy Development

1. Background Information

1. Report H008/02 presented a policy development timetable for those policies which are required to inform the Stage 1 Offer notice to tenants.
2. This report presents the outcome of this policy development process in the form of a number of policy proposals from Carlisle HA (CHA). Sections 2-8 below summarise each of the seven key policy documents (attached as appendices) and highlights any significant issues for Carlisle City Council.

3. At this stage some of the detail of the policies still needs to be established, however this first stage gives the City Council and CHA enough information to properly prepare the offer, produce a summary for public consultation, and there is still sufficient time pre-transfer if further work is needed to develop the detail further. The prime intention in producing the policy statements at this stage is to outline the principles and intention of the policies.
4. Carlisle City Council will continue to be involved in any discussions on the detail of these policies and as appropriate updates will be brought to the Housing Consultative Group and/or Executive for comment.
5. Each of the statements may be subject to some minor amendments following further comments from the Council's professional advisors or the DTLR and Housing Corporation. However, the broad approach of each of the statements is not likely to alter.
6. The Tenant Advisory Group (TAG) have been involved in the development of the policies. Each of the policy areas have been the subject of robust discussion and debate at Tenants Advisory Group meetings over several weeks.
7. Where appropriate TAG's comments have become part of the policy statements which are presented in this report. The timetable for policy development has created large workload and considerable time commitment for TAG members but they have risen to the challenge. Officers from both Carlisle City Council and Carlisle HA will now ensure that they receive copies back of each of the policy statements which they have influenced.

2. Allocations and Lettings

1. In this policy statement, Carlisle HA proposal highlights an intention to move away from the points-based allocation system which the City Council now operates in favour of a choice-based system. The intention would be to have a more flexible, area-specific and creative approach which would be one part of Carlisle HA's approach to creating neighbourhoods which are stable and to which people would be attracted to.

This is in line with DTLR policy announcement in 2001 on the widespread introduction of choice-based schemes in both RSLs and councils.

2. The proposal from Carlisle HA seeks to strike a balance between the following:
 - Low demand for some neighbourhoods and property types;
 - To develop an integrated approach to allocations and management at neighbourhood level;
 - To respond to tenant concerns about neighbour nuisance and anti-social behaviour;
 - To give Carlisle City Council assurances about its' ability to meet its' statutory responsibilities in regard to homeless people;
 - To maximise demand for housing from within and outside the district;
 - To market tenancies and make them attractive to new tenants;
 - To maximise rental income and reduce voids, tenancy turnover and void periods;
 - To provide choice to applicants and existing tenants; and
 - To operate in a fair, open, accountable and non-discriminatory manner.
1. Carlisle HA is clear that this type of approach needs considerable further development and the intention is to set up a working party to look at the details of the policy. Tenants and residents would continue to be involved in its development through the TAG, Tenants' & Residents' Groups and the Carlisle & Rural Tenants' Federation.
2. Until such time as the policy was up and running it would be Carlisle HA's intention to continue with the Council's existing approach to allocations and lettings. In the proposal, Carlisle HA does not anticipate that the new system would be in place before June 2003.
3. The policy also proposes the use of 'Starter' tenancies, the RSL equivalent to the

Council's Introductory tenancies, but which will need the Housing Corporation's specific approval.

4. The most important consideration from the City Council's point of view in terms of allocations and lettings is its ability to meet its continuing statutory obligations in terms of homelessness if the transfer goes ahead. It is standard practice in stock transfers to seek to do this through a nominations protocol, which would form part of the transfer agreement between Carlisle City Council and Carlisle Housing Association.
5. Officers have been in discussion with the Riverside officers about this protocol and a first draft is attached as an Appendix to the Allocations and Lettings Policy Statement. The purpose of the protocol is to give Carlisle City Council assurances that it can continue to meet its existing homelessness responsibilities and any additional responsibilities placed on Local Authorities as a result of the impending Homelessness Act 2002. In addition, the policy statement should enable regular reviews of the protocol to reflect changes in legislation affecting the RSL including for example possible changes to charity laws.
6. Officers advise that the proposals within the Allocations & Lettings Policy Statement give enough detail for the offer document.
7. *The Health & Well-Being Portfolio holder recommends to the Executive the overall approach to allocations and lettings which Carlisle Housing Association wishes to adopt.*

In addition, the Executive is asked to note that further discussions will be needed before a nominations protocol can be finalised and that this will also be subject to a full review of the implications of the Homelessness Act 2002.

1. Rents and Service Charges

1. Carlisle Housing Associations policy proposal sets out its approach to:
 - o Rent setting;
 - o Service charge setting;
 - o Rent and service charge & collection;
 - o Rent and service charge and arrears; and
 - o Rent and service charge management information requirements.
1. In terms of **rent setting** the aim of Carlisle HA would be to set rents which reflect the attributes and amenities of the property and which are affordable to people in housing need. Carlisle HA like all RSL's and Local Authorities has to work within the Government's new system of target rents.
2. As members are aware this system seeks to harmonise all rents in the Social Housing sector by 2011/12. This means that tenants will be paying broadly the same rent regardless of whether the landlord is Carlisle Housing Association or Carlisle City Council. However, Carlisle HA's policy proposal includes a 5 year *contractual* rent guarantee which is something which Carlisle City Council is unable to offer.
3. **Service charges** would be calculated separately from rents and are not covered by the new target rents system. The service charge would be set for specific or special services e.g. the Housing Visitor service or grass cutting around flats. It is an additional charge to the rent. These charges would cover the full cost of the service that the tenant receives and cannot be 'pooled' in the way that Local Authorities have been able to do previously.
4. This would represent a change from the way in which these services are paid for now. However, new Government arrangements for Local Authorities mean that they too must show service charges separately in future. Carlisle City Council has already begun to introduce separate service charges for some services and will be bringing in the remaining charges from April 2003. All tenants have been made aware of these changes in a Council newsletter in January 2002 which formed part of the 2002/03 budget consultation process.
5. Carlisle HA would ensure that:

- Tenants would only pay for the actual cost of the service they receive;
 - Tenants would be sent a clear annual statement of their service charges; and
 - Service charge underspends were rebated through service charge adjustments.
1. Carlisle HA would seek to maximise its income and in doing so would ensure that there are a number of convenient and accessible methods of payment. **Rent collection** methods would include:
 - Cash payments at a Post Office using a swipe card;
 - Direct debit, standing order and at a bank by cheque;
 - By post using a cheque; and
 - Cash payments at the Civic Centre for at least a 15 month period after transfer.
 1. **In terms of rent and service charge arrears**, the policy refers to a "{...} firm, fair and prompt approach {...}" and the need for agreed procedures. The procedures which are to be adopted, and attached as an Appendix, are broadly based on those which are used by Carlisle City Council at the moment.
 2. Some amendments to the Council's current practice are being recommended by the Community Overview & Scrutiny Committee to the Executive on 11th March 2002 as a result of the Council's Best Value Review of Debt Recovery.

The portfolio-holder for health and Well-Being recommends that Carlisle Housing Association be asked to mirror these amendments in the proposed policy and recovery procedures.

1. Repairs & Maintenance

1. In the policy proposal on repairs & maintenance, Carlisle HA recognises the importance of this area of service in affecting customer satisfaction. It is also significant for the Stage 1 Offer document since a key reason for considering proposing the transfer is to deliver improved services. This is one area where service improvements should be clearly highlighted. The policy proposed covers all aspects of:
 - The repairs & maintenance service;
 - Reactive repairs;
 - Cyclical repairs;
 - Programmed repairs; and
 - Non-priority and discretionary work.
1. In terms of resources, the policy sets out a financial commitment in terms of its legal and contractual obligations and this has been included within the life of the 30 year Business Plan.
Carlisle HA also sets out its commitment to contracting with Carlisle Works for much of the work on responsive repairs and maintenance for up to 15 months following transfer, prior to the incorporation of the relevant part of the DSO into CHA.
2. The standard to be adopted will be the Housing Corporation's 'Temporary Social Housing Standard', i.e. that homes should be in a reasonable and lettable condition.
3. All repair requests would be assessed against five categories to determine whether they fall within the associations responsibility. Once categorised their relative importance and priority would then be assessed.
4. The repair categories, detailed in the policy statement, are: emergency, urgent, routine, programmed/cyclical and non-priority/discretionary. Response times and performance targets have been established for emergency, urgent and routine repairs. These categories of repair are different from those currently used by the Council, although the Housing Department's Repairs & Improvements section was already in discussion with Carlisle Works and tenants' groups about adopting a similar system to that proposed by Carlisle HA.
5. It is Carlisle HA's intention to improve both response times and performance targets

following transfer.

6. Carlisle HA plan to introduce an appointment system for all urgent and routine jobs so that repair work can be carried out at a time which is convenient to tenants. Where appointments are not kept, the tenant would be able to claim compensation from the Association. Details of this are not yet included within the policy. Carlisle City Council already operates a system of appointments for priority jobs i.e. those for completion after 20 days.
The appointments system proposed here would offer an enhanced service for tenants.
7. A code of conduct is proposed within the policy for all contractors who would have contact with tenants. This includes aspects which Carlisle City Council does not currently insist upon e.g. dress and approach.
8. Officers advise that the policy proposal on Repairs & Maintenance contains enough detail for the offer document, *and the Portfolio-Holder for health & Well-Being recommends the overall approach to the Executive.*

1. Stock Investment

1. Carlisle HA's policy proposals on stock investment are very significant for the Stage 1 Offer document because this is one of the intended key benefits of the transfer proposal.
2. The policy outlines the main areas of work which Carlisle HA would carry out after transfer and is enough for the offer document. Detailed stock investment expenditure by sub-area over the 30 year Business Plan will be provided at a later date.
3. Carlisle HA's stock investment programme is based upon FPDSavill's stock condition survey carried out on behalf of Carlisle City Council as part of the Options Appraisal in 2000 and includes the following:
 - o Full central heating installation to c.2,000 homes where there is none or only partial central heating. This includes system replacements and upgrades in over c.4,000 homes;
 - o Replacement of front and back doors in c.2,000 homes with new more secure doors with a choice of styles;
 - o Loft insulation to current building standards in all homes;
 - o C.2,500 Kitchen replacements, with a choice of units and worktops;
 - o Bathroom improvements in c.4,000 homes with new baths, wash hand basins and WC's;
 - o Rewiring of c.900 homes to current standards, including additional power points, smoke detectors and extractor fans in kitchens and bathrooms;
 - o Roof renewals where necessary and repair/renewal of rainwater pipes, gutters and fascia boards;
 - o Improvements to the external environment of homes (renewal of fencing and gates, repairs to tarmac and concrete drives, and footpath repairs); &
 - o Completion of the double glazed window renewal programme.

In developing this stock investment programme the Government's requirements on social landlords to achieve the 'Decent Homes' and 'Warm Homes' standards have been reflected.

Provision for the conversions of bed-sit accommodation in five of the sheltered housing schemes into self-contained flats plus a full upgrade of the Careline fixed network equipment have also been included.

1. As part of its proposal, Carlisle HA would spend £43m on catch-up repairs in the first five years following transfer to tackle improvements which are urgently needed. In addition, as part of its long term investment programme, Carlisle HA would spend a further £143m over the next 25 years. This amounts to £186 million over 30 years. These spending commitments have been built into the Business Plan.

2. In developing the detailed neighbourhood investment plans, Carlisle HA intend to consult with Tenants & Residents Groups and with individual tenants to ensure they are fully aware of the proposals for their homes.
3. *The approach to stock investment is recommended to the Executive by the portfolio-holder for Health & Well-Being.*

1. Specialist Services

1. Specialist Services includes all those services which are currently provided as part of the Elderly Services section of the Housing Department i.e. Careline, Sheltered Housing, Housing Visitors and the garden maintenance scheme for older tenants, vulnerable and disabled tenants.
2. The approach to support for other vulnerable client groups such as those with mental health problems, physical disabilities, drug/alcohol problems is also covered in this policy proposal.
3. Carlisle HA would ensure the continuation of these services and is committing itself to reviewing and developing these services in partnership with both Carlisle City Council and the latter's existing partners.
4. The approach outlined is basically similar to that of Carlisle City Council. The final policy approach will be determined following a review of these specialist services. However, the statement is clear that Careline Services, the Housing Visitor Service, the Sheltered Housing Service and the garden maintenance scheme will all be continued and invested in. Carlisle HA's planned investment in Sheltered Housing and Careline has already been highlighted in section 5 above. An aids and adaptations budget will also be maintained, but as with the City Council will be subject to budgetary constraints.

2. Equal Opportunities

1. Riverside Group has adopted an Equal Opportunities Policy which will apply to the activities of all of the subsidiary parts of the Group. Carlisle HA will adopt this policy, but will also develop its own set of procedures to ensure compliance with the requirements of the policy. These procedures will cover activities in the following areas:
 - Access to housing;
 - Employment and training;
 - Tenant involvement;
 - Development works procurement; and
 - Board membership
1. Carlisle HA will be required to have a representative on Riverside Group's Equal Opportunities Working Group.
2. Whilst Carlisle City Council seeks to promote equal opportunities, there is not a comparable policy statement as yet, although such a policy is due to be recommended to the Executive on 25th March 2002.
3. *The CHA approach should therefore be welcomed and is recommended to the Executive by the portfolio-holder for Health & Well-Being.*

1. Tenant Involvement

1. Carlisle City Council has a strong tradition of encouraging tenant and resident involvement in decision making. Carlisle HA, in its policy proposal, seeks to continue the approach by adopting the Council's Tenant Participation Compact and to build on it through the links to governance of the Association on the Board of Management and by the adoption of a Tenant Participation Charter.
2. Carlisle HA would continue to recognise and support the existing Tenant and Resident Groups and the Carlisle & Rural Tenants' Federation and would encourage new

groups to develop. In addition, Carlisle HA would continue to support the Tenant Advisory Group and look to extend its role as a wider forum for discussion about the future direction and activities of the RSL.

3. The St Martin's Association of Tenants & Residents group (SMART), which is currently developing its own Tenant Management Organisation (TMO), would continue to be supported. However, future TMO's cannot be supported in the same way as they are now as tenants do not have the '*Right to Manage*' under RSLs. However, Carlisle HA will positively consider requests from other Tenants' & Residents' Groups who might wish to look at setting up a TMO.

2. Options

1. As explained above the policies have been evolved in consultation with council officers, tenant representatives and advisors and frequently take as their starting point the City Council's own policies.
2. The content of the proposed policies is a matter for CHA to determine, however the Council needs to satisfy itself - before they form part of the final offer documentation to tenants - that they represent a comprehensive, clear, sustainable and deliverable set of policies which are consistent with the Council's housing objectives in pursuing stock transfer.

3. Consultation

1. To Date: the policies have been evolved over a number of months and involved extensive discussions with the Tenants' Advisory Group (TAG), Carlisle & Rural Tenants' Federation (C&RTF), PEP (North), individual tenants' and residents' groups and the Shadow Board of CHA.
2. Proposed: the agreement will form part of the 'offer' documentation sent out to all tenants on which their views will be invited.

4. Staffing/Resource Comments

1. Not applicable.

5. City Treasurer Comments

1. Included within the body of the report.

6. Legal Comments

1. Where relevant the policies have been reviewed by Riverside's legal advisers Trowers and Hamlins in consultation with the City Council's legal advisers Wright Hassall.

7. Corporate Comments

1. Not applicable.

8. Risk Management Assessment

1. Risk could conceivably arise in two distinct ways:

1. Defective Policies

Risk

If any of the policies were subsequently shown to be defective in some way this could either jeopardise the transfer process itself, the management capabilities of the RSL, or compromise the future City Council/RSL partnership - depending on precisely when the matter arose.

Management

The policies have been evolved in consultation with the City Council, the Council's tenant representatives and professional advisors and seek to create as appropriate either a hybrid of City Council policies redeveloped for an RSL context or brand new RSL policies.

Such policies will in any event be subject to review and refinement as times change but in the event that any problems were to arise then the transfer agreement between the City Council and CHA will contain a mechanism which allows for consultation on revisions.

In addition the policies are subject to scrutiny by both the Housing Corporation and DTLR.

2. Adverse Terms

Risk

When asked to comment/decide as part of the offer consultation process, tenants could judge the policies to be unfavourable to them.

Management

To the extent that the policies have been evolved in consultation with the Council's tenant representatives and professional advisors they should anticipate the former's prime concerns.

There will in any event be two further stages of consultation with tenants before the final terms are settled on which they will be asked to decide. This should give ample opportunity for both the City council and CHA to gauge the response to the policies and make revisions as necessary..

1. Equality Issues

1. The documents have been drafted both to comply with all relevant current legislation on discrimination and equality and to encourage/oblige tenants to behave in a reasonable and non-discriminatory manner.

2. Environmental Implications

1. At a subsequent stage when the level of detail is further advanced, CHA will need to conduct environmental impact assessments of its works programmes and produce an 'Egan Compliance' plan for its construction activities.

3. Crime & Disorder Implications

1. As the potential major social landlord in the city post-transfer, CHA would be an important partner in the delivery of the City Council's crime and disorder strategy. Any current or future scrutiny of the evolution of the RSL's policies must therefore continue to take account of this fact.

4. Recommendations

1. The Health & Well-Being Portfolio Holder recommends the Executive to approve the approach outlined in the policy statements provided by Carlisle HA subject to the comments in sections 1.4, 1.5, 2.9 & 3.9 of the covering report.

5. Reasons for Recommendation

1. The policy proposals have been jointly developed between the City Council, its tenant representatives and CHA and represent a comprehensive set of 'start-up' policies for the new RSL which properly reflect local circumstances.

T Bramley D.Thomas

Director of Housing City Treasurer