

# Report to Community Overview and Scrutiny Panel

Agenda  
Item:  
**A.2**

Meeting Date: 12 January 2017  
Portfolio: Economy, Enterprise and Housing  
Key Decision:  
Within Policy and  
Budget Framework  
Public / Private Public  
  
Title: UPDATE REPORT FROM RIVERSIDE HOUSING  
Report of: Sarah Paton, Regional Director Riverside  
Report Number: ED.01/17

**Purpose / Summary:**

Attached is the update report from Riverside Housing

**Report to: Carlisle Overview & Scrutiny Panel**

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**Date of meeting: 12 January 2017**

## **UPDATE REPORT FROM RIVERSIDE HOUSING**

### **1. Update on flood recovery work**

The residents of 19 Riverside properties damaged by the floods in December 2015 had to move out of their homes. A further 30 homes were damaged.

Of those who had to move out, most people chose to move back to their homes after the repair work was completed with all tenants having returned by the end of July 2016.

All repair work was completed by August 2016.

### **2. Update on voluntary Right to Buy**

We were one of five pilot associations who piloted the voluntary Right to Buy in 2016.

Our pilot area was Merseyside and we've sold or are in the process of selling between 200 & 250 homes in Liverpool City Region.

Pilot members and the National Housing Federation have commissioned some research by Sheffield Hallam University to help us understand demand from residents for the voluntary Right to Buy. This will be published in January and we'll share the findings.

In the recent autumn statement, the Government announced a further, expanded, regional pilot but there are no further details of this yet.

### **3. Proposed changes to Riverside tenancy policy**

We are proposing some changes to our tenancy policy and we're currently consulting with local authorities on these proposals.

The main change is that from April 2017 we are proposing to offer a 2 year fixed term tenancy to applicants who:

- Will under occupy their new home, or
- Are single and under 35

The reason for this is that, if these households are claiming benefits, they'll be affected by the cap on Housing Benefit to the Local Housing Allowance level. This will apply from April 2018 to tenants whose tenancies started after April 2016.

This will not apply to applicants for supported or sheltered housing.

We want to continue to house those customers we've always helped and who have limited alternative options whilst recognising that changes to welfare benefit entitlement mean that this presents additional challenges.

The objective of our tenancy policy is to offer the most secure form of tenure while mitigating risk and not to reduce security of tenure or increase potential tenancy failure.

Our overriding aim is to ensure that tenancies we offer are sustainable and successful. We'll continue to actively support tenants to remain in their homes and offer appropriate advice and support to enable them to fulfil the conditions of their tenancy agreements.

We believe that the introduction of a two year fixed term tenancy option as a response to the challenges presented by changes to welfare benefit entitlement allows us the best opportunity to mitigate financial risk to Riverside while still enabling us to continue to house a similar profile of customers.

Our assumption would be that these tenancies would be renewed or if the risk factors no longer applied replaced with a more secure form of tenancy agreement.

Any breaches of tenancy during the fixed term period will be addressed through the appropriate legal action.

#### **4. Impact of rent reduction**

In July 2015 the Government announced that housing associations must reduce their rents by 1% per year from April 2016.

Our business plan assumes an annual rent increase in line with CPI (consumer price index) of 2%.

The impact of a 1% rent reduction on our budgeted income is therefore 3%.

In Cumbria, this equates to a reduction in anticipated rental income of just over £1 million in the first year, 16-17, and around 12.3 million over 4 years.

We're making the necessary savings across Riverside by changing the way we provide services.

#### **5. Update on changes at Riverside**

We're changing the way services are provided to reduce duplication and ensure that we provide good quality, consistent services in all areas.

This will enable us to make the necessary savings whilst maintaining and improving services to customers.

Some services will become 'shared services' which means they will be provided to all areas by one team either nationally or regionally.

Generally, staff providing shared services will be based at hub offices. These are: Leicester, Carlisle and Speke (Liverpool).

The process of moving to the new structure has started and will continue during 2017.

It's not possible to quantify any gain or loss of jobs in Carlisle but we recognise our role as a large employer and this is reflected in Carlisle being a 'hub' office.

We're also improving all aspects of our asset management services (repairs, planned and cyclical maintenance) to be more cost effective without negatively affecting the services we provide to customers.

This includes 'multi-skilling' operatives, improvements to scheduling, delivering gas servicing in house to save VAT, introducing property 'MOTs' and reinforcing tenants' responsibilities.

## **6. Key performance Indicators (KPIs)**

Riverside monitors a range of key performance indicators and, as part of discussions about our future relationship with Carlisle city council, it may be worth considering what information will be useful to support this.

The Cumbria area continues to perform well within Riverside.

At 30 November, the average time taken to re-let an empty property was 17.4 days compared to a Riverside average of 19.3 days.

1.33% of our stock in Cumbria was empty on 30 November and this compares well to 2.13% nationally. Some empty properties will be awaiting major works or a decision may have been made to dispose of them.

Rent arrears in Cumbria was 3.07% of the annual debit compared to a Riverside average of 3.61%.

100% of properties in Cumbria had a current gas safety certificate.