



Subject: RBH Performance Report

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Cabinet Member: Cabinet Member for Housing and Environment

Report of: Director of Neighbourhoods

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1 Purpose of Report

- 1.1 The report provides Members with an update on the performance of Rochdale Boroughwide Housing (RBH) for quarters 1 and 2 in 2015/16 in relation to the achievement of the aspirations, commitments and promises set out in the Councils formal tenants consultation (offer) document "Your Home Your Choice" for the housing stock transfer process.
- 1.2 Promises are new initiatives or projects that RBH has said it will deliver, commitments are pre-transfer service levels that RBH will maintain and aspirations are things that RBH would like to do, but are not guaranteed as there is no specific funding in its business plan and delivery may be adversely affected by issues such as the impact of welfare reform.
- 1.3 The report also provides some additional key performance information and updates on the organisations mutualisation process, development programme and on how RBH is working in partnership with the Council, local agencies, other registered providers, the Homes and Communities Agency (HCA), etc to deliver key strategic priorities.

2 Recommendations

- 2.1 Members are requested to note the performance of Rochdale Boroughwide Housing.

Reason for recommendation

- 2.2 The Overview and Scrutiny Committee at its meeting on 4th October 2012 agreed a process for monitoring the performance of Rochdale Boroughwide Housing (RBH), in relation to the aspirations, commitments and promises made to tenants by the Council in the formal stock transfer "offer" document. The process involves regular reports to Overview and Scrutiny Committee using the tables attached.

3 Background

- 3.1 On 26th March 2012 Rochdale Council transferred the ownership of 13,730 residential properties, 83 shops, 1606 garages, 40 playgrounds, various other assets and associated land to Rochdale Boroughwide Housing
- 3.2 The terms of the transfer, as set out in a Transfer Agreement between the Council and RBH, were approved by Council on 19th March 2012.
- 3.3 The formal “offer” document mentioned in paragraph 1.1 above provided tenants with details of the Council’s proposals under the stock transfer and included information on the aspirations, commitments and promises that would be delivered, if the transfer went ahead. The document was jointly developed by the Council, RBH and the Rochdale Borough Tenants’ Panel and incorporated the responses of a tenants survey carried out in 2011 and feedback from two tenants conferences.
- 3.4 The “offer” document contained a total of 50 promises, 50 ongoing commitments and 20 aspirations to be delivered by RBH over the 5 year period following the stock transfer.
- 3.5 The stock transfer agreement also has key areas which require monitoring by the Council, these include the following;
- Choice Based Lettings system
 - VAT Shelter
 - Right to Buy figures
 - Service Level Agreements
 - Support arrangements for the 3 Tenants Management Organisations that transferred with the stock. These organisations are Cloverhall Tenant Association Co-operative, Turf Hill Estate Management Board and Hollin Estate Management Board.
- 3.6 Attached as Appendix 1 and Appendix 2 to the report are updated tables showing the progress RBH has made in achieving the promises and commitments. The tables also set out how delivery is being measured.

Promises

- 3.7 With regards to the 50 Promises 22 have been completed. Of the remaining 28 promises 19 are categorised as green (on target), 2 are amber (concern that the target date may not be met) and 7 are behind target

The 7 promises behind target are:

- Work with the Council to provide an effective advice and guidance service for rehousing applicants (Promise No 1)
- Improved community caretaking and cleaning services (Promise No 9)
- Look at ways to respond faster to environmental issues and problems areas. (Promise No 13)
- Work more widely with Groundwork to tackle poorly maintained estate areas (Promise No 14)
- Involvement of tenants in paid work and volunteering to be a central aim of RBH Employment Strategy (Promise No 15)
- Further develop an approach to tackling nuisance and ASB ensuring it is dealt with effectively (Promise 20)

- Invest in more advice, guidance and signposting for tenants from its Employment Adviser giving them help to access training or find work (Promise No 22)

The 2 promises which are categorised as amber are:

- Encourage older residents to use IT (Promise No 30)
- Improved Repairs Response Times (Promise No 31)

Progress in respect of the promises is provided in Appendix 1.

Commitments

3.8 Progress in respect of the 50 commitments is provided in Appendix 2. One of the commitments has been completed and RBH is currently meeting all of the remaining 49 commitments set out in the offer document.

Aspirations

3.9 Appendix 3 shows the progress that RBH has made in respect of the 20 Aspirations in the offer document, five of which have been completed and signed off by RBH.

Performance

3.10 In addition to the submission of progress reports to Overview and Scrutiny Committee officers from Strategic Housing services meet on a regular basis with representatives from RBH to monitor performance in respect of a range of issues including stock transfer obligations, governance and risks and Service Level Agreements.

3.11 RBH have obtained grant funding through the Affordable Houses Programme 2015-18 to support the development of 5 new build housing schemes. These schemes will deliver a total of 79 homes for affordable rent.

3.12 One scheme has already commenced in the current financial year and a further two schemes are due to start in the final quarter of 2015/16. The three schemes commencing in 2015/16 are set out in the table below:

Scheme Title	Units
Longridge Drive, Heywood	26
Queens Drive, Rochdale	11
Daventry Road, Rochdale	20

3.13 The table below sets out RBH property sales for the previous 2 financial years and quarters 1 and 2 in 2015/16 through preserved right to buy (RTB) and the right to acquire schemes.

Scheme	2013/14	2014/15	Sales in Quarters 1 and 2 2015/16
Right to Buy	85	102	23
Right to Acquire	0	1	14

- 3.14 The Affordable Homes Programme Framework which was published in January 2011 introduced a new funding model based on affordable rents. The framework requires Registered Providers' to finance a greater proportion of the cost of new affordable homes themselves, through increased borrowing. In order to fund this borrowing Registered Providers are encouraged to convert existing social homes to affordable ~~rentaent~~ which will provide higher rental income.
- 3.15 The Strategic Housing Team is monitoring both the level and location of affordable rent conversions across the borough. The number of affordable rent conversions carried out by RBH between the start of April 2011 and the end of March 2015 was 247. The conversions figure for quarters 1 and 2 in 2015/16 was 25.
- 3.16 Since RBH launched its membership scheme in 2012/13 there has been a steady growth in the number of tenants and employees choosing to become members (co-owners of RBH). The position regarding tenant and employee members as at 30th September 2015 is set out in the table below:

Membership Type	Total	Current members as at 30/9/2016	Target figures up to July 2016
Tenants	15,799	4107 (26%)	25% (equates to 3949 members)
Employees	679	555 (81.7%)	80% (equates to 543 members)
Total	16,478	4662	4467

- 3.17. The RBH Representative Body have still to decide how it wishes to monitor membership in the future.
- 3.18 Reducing the number of empty homes remains one of main operational challenges faced by RBH. There are significant numbers of empty homes which are proving difficult to let due to low demand and as a result of the changes in welfare reform. The numbers of empty homes has fallen from 536 properties as 1st April 2014 to 303 properties as at 30th September 2015
- 3.19 RBH are continuing to focus significant investment on initiatives to address this problem including a major demolition programme in 2016/17 which involves the demolition of low demand properties on the Kirkholt, Smallbridge and Angel Meadow estates.
- 3.20 Other initiatives RBH has recently undertaken to help reduce the number of empty homes are as follows:
- Push Marketing through Facebook is being trialled by RBH. A Saturday lettings event was recently promoted by RBH on Facebook, the event was successful and helped reduce the number of empty homes to 275 in November 2015..
 - Further Saturday lettings events to attract people in employment are being planned by RBH. These events will focus on the letting of

properties in low demand areas.

- Additional marketing in relation to vacant sheltered accommodation is being undertaken by RBH in order to attract new tenants.

3.21 Under the terms of a Housing Agency Agreement, which forms part of the Transfer Agreement, RBH manages the Common Housing Register (CHR) and Choice Based Lettings (CBL) system within the framework provided by the Council's Allocations Policy. Eight housing associations are partners in the CHR and CBL schemes. Under this arrangement a close working relationship exists between RBH and the Council's Strategic Housing Team. In quarters 1 and 2 of 2015/16 RBH allocated a total of 842 homes including 45 homes for the 8 housing association partners.

3.22 As part of the transfer agreement a protocol was agreed regarding how enquiries from Councillors would be dealt with and responded to. Member complaints and enquiries to RBH are processed and monitored by the organisations Customer Feedback Co-ordinator. The figures for quarters 1 and 2 are shown in the table below. RBH aim to respond to Councillor enquiries within 10 working days although on some occasions, due to the complexity of certain cases, this may not be possible.

Business Area	Enquiries Q3	Enquiries Q4
Asset	6	5
Grounds Maintenance	3	6
Empty Homes		1
New Tenant		1
None RBH		2
Homechoice	18	18
Income		1
Homelessness	1	
Neighbourhoods	35	20
Repairs	17	24
New Build	3	
Right to Buys	1	1
Special Projects	2	
Rochdale Council	1	1
TOTALS	87	80

3.23 Of the 87 Councillor enquiries received and dealt with by RBH in quarter 1 a total of 5 were classed as complaints and the remainder as Service request. In quarter RBH received and dealt with 80 of which only 2 were classed as complaints. The table below shows the RBH timescales for dealing with Councillor enquiries received in quarters 1 and 2.

Days to Respond	Number Q1	Number Q2
0-5	40	19
5-10	33	60
10-15	7	1
15-20	4	0
20+	3	0

3.24 The stock transfer agreement requires RBH to continue to work with and support the Tenant Management Organisations (TMO's) at Turf Hill, Hollin and Coverhall as set out in the Consultation Document. The current position regarding the three TMO's is as follows:

Cloverhall Tenants Association Co-operative (CTAC) - As previously reported, on 6th March 2015 RBH served CTAC with a Supervision Notice in view of concerns around governance, financial management and the quality of the services being provided on the estate including delivery of the investment programme, rent collection and general housing management. Despite engaging the services of Rochdale CVS to develop a governance plan, CTAC was unable to meet the terms set out in this Supervision Notice, particularly in relation to financial management. At the same time other concerns were becoming apparent, for example, relating to the handling of anti-social behaviour on the estate. On 9th October 2015 RBH therefore terminated its management agreement with CTAC and assumed overall responsibility for management of all estate services. Throughout the period of the Supervision Notice, RBH ensured that RBC, local ward councillors and other key stakeholders were kept informed as to progress. RBH is now directly providing the majority of estate services including rent collection and housing management and is working with the existing repairs contractors until the end of March 2016 when this service will also be brought into RBH. While CTAC still exists as a legal entity it will no longer receive a management fee from RBH. Although it is not envisaged that CTAC will have a continuing role in providing direct housing services in the foreseeable future, we have agreed to meet with CTAC to talk about its potential role as a local co-op in providing services which will bring added benefit to the community, for example, provision of Youth Club, work and skills training.

Turf Hill Estate Management Board (EMB) - The management agreement between RBH and Turf Hill EMB has been in place for 12 months and RBH is continuing to monitor performance of the EMB. The EMB is also working with RBH to improve day to day performance and have requested some training for the Board with regards to HR policies and procedures to assist them with the line management of the seconded employee.

Hollin Estate Management Board (EMB) - Discussions have continued between RBH and Hollin EMB regarding a review of the existing management arrangements. They are currently considering three options for their future management arrangements:

- a) Formation of a TMO under Right to manage and negotiation of a Modular Management Agreement (MMA)
- b) Management contract for the EMB to perform specified management functions for RBH
- c) Community Group with access to RBH and external grant schemes

A decision will be made by September 2016

3.25 The stock transfer agreement contains a VAT shelter arrangement which allows RBH to obtain the same VAT exemption as the Council on its capital works . This was achieved by the Council entering into a development agreement with RBH, which allows full recovery of any VAT incurred by RBH in carrying out the works. The VAT shelter scheme applies to first time improvement works only and

Therefore will diminish over a period of time. The VAT shelter is expected to last for 15 years from the date of the stock transfer and all VAT will be recovered by RBH as the capital works are undertaken.

3.26 The VAT shelter arrangements enable VAT savings to be shared between The Council and RBH. The Council retained the first £8.3m of VAT shelter Savings generated to pay for the pension deficit (£6.1m) and the Council's costs of setting up the transfer (£2.2m).

3.27 Thereafter, the Council receives 40% of the VAT shelter, which was initially estimated to be £20.8m over 15 years. This figure was based on a 20% stock survey pre-transfer. However more detailed surveys have been carried out and these have revealed that some RBH estates do not require as much work as the initial surveys indicated and as a result the estimate of the Council's 40% share of the VAT shelter as at 30th September 2015 was estimated at £14.5 million.

3.28 Details of the current Service Level Agreements between the Council are set out in appendix 4.

3.29 Appendix 5 provides a progress update on the schemes included in the RBH Home and Environmental Improvement Programme for 2014/15

Alternatives considered

3.30 The Council has a duty to monitor the performance of RBH to ensure it is meeting Its obligations as set out in the formal "offer" document to tenants

4 Financial Implications

4.1 There are no specific financial implications relating to this monitoring report.

5 Legal Implications

5.1 The legal responsibilities, covenants and requirements of both the Council and RBH under the stock transfer are set out in the transfer agreement dated 26th March 2012.

5.2 The Council has representation on both the RBH Board and Representative Body Following the local election in May 2015 Councillors Richard Farnell and Sara Rowbotham are the Councils representatives on the Board and Councillors Amna Mir and Sameena Zaheer sit on the Representative Body.

6 Personnel Implications

6.1 There are no personnel implications.

7 Corporate Priorities

7.1 A key priority for Rochdale Council through the stock transfer process was to ensure that post transfer RBH, as a key partner, continues to support the Council's strategic objectives. Through the delivery of commitments in the offer document RBH will be involved in the achievement of the following objectives:

- Strategic Housing targets as set out in the Council's draft housing strategy

Homelessness Strategy and Empty Property Strategy

- Tackling deprivation through supporting Council strategies and initiatives aimed at reducing the boroughs overall deprivation levels particularly on the estates it manages
- Working with the Council and partners to address the impact of welfare reform.
- Contributing to the sustainability agenda in terms of reducing the carbon footprint, tackling fuel poverty, improving building standards and business practices
- Promoting and enabling healthy lifestyles and achieving good health and well being
- Encouraging people to take personal responsibility for their neighbourhoods and developing our communities to make them more resilient and cohesive.
- Promoting and supporting efficient and effective land use by ensuring that RBH developments are consistent with the Council's overall objectives.
- Promoting Rochdale as a place to live and work.

8. Risk Assessment Implications

8.1 There are no specific risk issues for the Overview and Scrutiny Committee to consider arising from this report.

9. Equalities Impacts

9.1 Workforce Equality Impacts Assessment

There are no significant workforce equality issues arising from this report.

9.2 Equality/Community Impact Assessments

An equality/community impact assessment was undertaken as part of the stock transfer process.