

## RESOURCE ALLOCATIONS FOR SST IMPLEMENTATION

### Resource allocation – SST implementation

1. The group will recall that £10 million is to be made available over the next 2 years to assist local authorities and housing associations in implementing measures in the Housing (Scotland) Act 2001. This paper aims to update the group on resource allocation and sets out some of the issues that will need to be addressed as part of this allocation process.

### Indicative allocations

2. At the working group meeting held on 19<sup>th</sup> September 2001, it was agreed that a flat rate and per unit allocation to all providers would be adopted. The funding breakdown takes into account self-contained units and non-self contained accommodation. This refers to a building providing residential accommodation (not in separate self-contained spaces) and either board or facilities for the preparation of food. An additional issue has arisen with Abbeyfields registered with Communities Scotland. As a result we are proposing to extend the definition for the distribution of funds to include Abbeyfields registered with Communities Scotland. The effect of this broadening will be to slightly reduce the flat rate payment for organisations with over 250 units, but the impact on overall allocations will be marginal.

3. There is also the issue of the stock figures, which are used to calculate the payments to landlords. We propose to use the most up-to-date figures. The way that information is collected means that the latest local authority figures date from 30 September 2001, while the RSL figures are as of 31 March 2001. In effect the difference in this is will be marginal and it is proposed that we make the first year allocations based on stock figures on the above dates.

4. We need to take into account landlords who will currently have no stock, but will anticipate having stock after the initial allocations are made. This will effectively be where landlords are taking part in a stock transfer. It is important to be clear on the issues here. Any landlord receiving stock after the implementation date for the SST will be granting SSTs as part of their normal procedures. There will be costs, however, arising e.g. the development of short Scottish secure –tenancies and their links to anti-social behaviour orders. As a result it is proposed that the allocation for year one is based on figures outlined in para 3 above, and that the allocation for 2003/4 will be based on revised figures produced next year. This means that indicative allocations for 2003/4 may be subject to amendment as more landlords come on stream and some landlords dispose of stock. The practical effect of this is that new landlords coming on stream in a given year will not receive funding directly from the Scottish Executive in that year. They may, however, receive funds from the disposing landlord, as set out in para 5.

5. Once we calculate the allocation on the agreed formula, we will write to landlords informing them of their indicative allocation. As part of this there will be a statement of the outputs that they are required to deliver for the funds and guidance on

how funds should be treated, should their circumstances change, e.g. through stock transfer. Potential outputs are set out in para 6. Where a landlord disposes of stock in the course of a year then funds should be passed to the receiving landlord. The actual amount passed would be dependant on the funds used and the time of the transfer. The critical date here is the implementation date for the Act. Currently there are whole stock transfers proposed for Glasgow, Shetland, Dumfries and Galloway and Scottish Borders. Allocations for these areas will depend on the stage that the transfer has reached at 31 March 2002. As a result we will inform them of their indicative allocation early in the New Year, with payment subject to review of the stage that the transfer has reached. Where there is a stock transfer, we would expect the disposing landlord to agree a formula with the receiving landlord for the passing on of funds as part of an agreed plan.

6. Communities Scotland will carry out the distribution of funds. The detail of the timing of release of funds is yet to be agreed with Communities Scotland. It is likely that audit requirements will mean the funds are drawn down, probably on a quarterly basis. The basis for drawing down funds will be on the meeting of objectives set out for the funding. We are anxious not to be unduly prescriptive on this, but equally we have to ensure that funds are used appropriately. The general outputs that we are considering are:

- That the landlord has developed a Scottish Secure Tenancy agreement (and short SST where appropriate) by the end of the first quarter of 2002/3.
- That staff have received appropriate training on the implementation of the SST and its requirements by the implementation date.
- That landlords have developed structures to deal with the implementation of the short SST, particularly the provision of support where a short SST results from the taking out of and anti - social behaviour order – by implementation date.
- That landlords have systems in place to deal with questions from tenants and issues arising, by the implementation date.
- That policies and procedures are amended to take account of the requirements of the SST by the implementation date.
- Tenants have received full information on the SST and its implications by the implementation date.
- Where the landlord has introduced contractual elements into the SST, that all tenants are signed up by the end of year 2.
- That discussion with tenants groups on the issues around the introduction of the SST have taken place by the end of the fourth quarter.
- Tenants receive full information on the Right to Repair and the Right to Compensation for Improvements by the end of the third quarter of 2002/3.

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- That new and transferring tenants receive information on the revised Right to Buy – available from the implementation date.

Landlords will, of course, have to provide a return to Communities Scotland on their expenditure in meeting these objectives.

Views are particularly sought on the appropriateness of these indicators, the timescales attached and other indicators which might usefully be applied.

### **Conclusion**

7. The group is invited to comment on the above, specifically:
  - The issue of including Abbeyfields in the funding allocation
  - The use of best available figures for making the estimates
  - The principle for distributing funds set out in para 4 and 5
  - The suggested outputs in para 6.