

**BUSINESS SUPPORT
OVERVIEW AND SCRUTINY COMMITTEE
20 SEPTEMBER 2011**

**INTRODUCTION OF THE GOLD SERVICE
TENANTS INCENTIVE SCHEME**

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Summary

A report was presented to Members on 22 March 2011 outlining how a Tenant Incentive Scheme works. Members requested that Officers work with residents to prepare a scheme for Tenants and Leaseholders of Medway Council.

Consultation has been undertaken with Tenants and Leaseholders via the Resident Involvement Forum, Leaseholder Forum and a recent Resident Association meeting. The Housing Services Scrutiny Panel also considered a report on the scheme on 24 August 2011.

This report sets out the conclusions of the consultation and aspirations of Housing Service's tenants and leaseholders for a Tenant Incentive Scheme.

It is proposed to launch this scheme from 1 April 2012, subject to budgetary provision being identified.

1. Budget and Policy Framework

- 1.1 There has been an increased onus on examining the ways in which tenants can gain an equality stake in their home (OPDM Incentive and Beyond 2003). The introduction of the Tenant Services Authority Framework in April 2010 emphasised the need for tenants to have a greater influence on housing provision and urged providers to move from a 'penalty to reward scheme'.
- 1.2 The proposal is to provide a rewards scheme that encourages tenants and leaseholders to participate with consultation initiatives and promote specific aspects of good tenant behaviour such as rent payment and abiding by the terms of their tenancy. Collecting arrears and increasing income is a priority for the Housing Service. Money collected via rental income is ring fenced solely to services provided within the Housing Landlord Service. Some money currently

collected via rents is used to pursue those in arrears in an increasing circle of debt chasing meaning money from those who regular pay rent is not being utilised as it could be to be reinvested into service improvements, but rather diverted off for this purpose.

- 1.3 The development of the Gold Scheme in Housing Services would be funded from the Housing Revenue Account.

2. Background

- 2.1 Since the initial report to Members in March 2011, officers have undertaken a series of consultation meetings with residents to ascertain their aspirations for the development of a Tenant Incentive Scheme.
- 2.2 Consultation has included consultation with tenant and leaseholder focus groups conducting a comparison of other organisations award schemes, as detailed in appendix one, which have been used to develop one for Medway.

Increasingly housing organisations are operating reward schemes to encourage tenancies to be well maintained and for tenants to feel they have a stake in their home. Most schemes have been linked to;

- Rewarding positive behaviour
- Building communities
- Developing a reciprocal relationship between landlord and tenant
- Promoting customer rights and responsibilities
- Providing value for money by reducing negative expenditure.

- 2.3 The Gold Incentive Scheme for Medway will support the following objectives set out in the Councils Housing Strategy to;

- Develop sustainable communities and promote neighbourhood renewal
- Promote fair and better access to housing services.

3 Advice and Analysis

- 3.1 Following a series of meetings with Tenants and Leaseholders they have devised a scheme which would reward tenant and leaseholders as follows: -

- Provision of a handyman service for minor works
- Development of a prize draw incentive scheme for customers paying rent by Direct Debit.
- Development of an awards point system, which recognises the contribution made by customers as a result of participating in resident involvement and participation events.

Further details of these incentives would be operated as set out further in this report.

3.2 To enrol for this scheme tenants and leaseholders must apply for membership by completing a simple application form. To qualify tenants must: -

- Have been a Tenant or Leaseholder of Medway Council for eight weeks.
- Have no current or former rent arrears
- Owe no other housing debt i.e recharge repair costs or garage arrears
- Pay their rent by Direct Debit (with exception of customers who receive full Housing Benefit)
- Not break any other terms of their tenancy agreement (e.g. Anti social behaviour or not allowing access for a gas service check).

3.3 A Gold Service member will have their membership status suspended if they fail to meet the above criteria.

3.4 The Gold Scheme will be marketed in a variety of ways including;

- The Council website
- Production of a Gold Scheme Leaflet
- Advising tenants at their Tenancy Sign up
- Housing Matters magazine
- Contact Points
- Resident Involvement events.

4 Details of Gold Service Rewards Package

Details of the benefits of being a Gold member are;

4.1 Handyperson Service

The type of work that a Handyperson may undertake would be as follows : -

- Small household repairs e.g. attaching a curtain rail, putting up a shelf, etc
- Minor DIY jobs such as assembling furniture

It is proposed that some minor works that the responsive repairs contractor already undertakes as part of the day-to-day repair service would be undertaken by the handyperson. These repairs include minor repairs to gates, dripping taps kitchen fitments and draught proofing works. These types of works awarded to the repairs contractor over the last 18 months amount to £8,000. These costs would be offset against the overall cost of the handyman service.

4.2 Tenants and Leaseholders will be required to cover the costs of any materials such as paint.

4.3 It is proposed that officers develop this service with Mears, the council's repairs contractors.

5 Resident Participation Reward Points

- 5.1 Tenants and Leaseholders will be awarded with points for each Resident Participation event they attend. Two points will be allocated for each attendance at a focus group.
- 5.2 An additional three points will be awarded to a participant whose feedback directly results in an improvement to Housing Services policies or procedures or facilitates value for money. One point will also be awarded for completion of a survey.
- 5.3 Once a participant has achieved ten points, this can be redeemed for a ten pound shopping voucher, which can be used at a number of high street shops.
- 5.4 This year a total of 35 focus groups have been held, which would equate to a potential points allocation to the value of £70 should a customer attend each focus group. It was therefore agreed that a cap of a maximum amount of £70 shopping vouchers could be earned by an individual per annum. Vouchers will be distributed to customers on a set date on an annual basis.
- 5.5 The estimated cost of the rewards points scheme based on twenty customers obtaining the maximum allocation of £70 would be £1,372 per annum, accounting for a two percent discount on bulk orders of shopping vouchers.
- 5.6 Points will be recorded on the People bank database by the Community Development Officer and allocated from the attendance sheet at Resident Involvement meetings and survey response lists held within the Service Improvement Team.
- 5.7 Tenants and Leaseholders will not be awarded points should they fall into arrears or breach any other aspect of their tenancy agreement.

6 Direct Debit Prize Draw

- 6.1 Housing Services is currently in the process of developing the facility for tenants to pay rent by Direct Debit. This is a much cheaper way for the Council to collect rent payments.
- 6.2 In order to incentivise this method of payment a monthly prize draw of £50 is to be held for all those customers who have paid rent the previous month by this method. The cost of this incentive will be £600.

7 Medway City Card

- 7.1 Gold customers will automatically be enrolled into the Medway City card scheme. This will provide scheme members with discounts at local retail outlets and has no cost implications.

8 Risk Management

Risk	Description	Action to avoid or mitigate risk
Poor uptake of the scheme	Poor uptake of the scheme would mean that the objective to promote tenants to abide by their tenancy and pay rent by direct debit would not be met.	Widely publicising the scheme and supporting applicants through the Gold Scheme progress to enable uptake from tenants who may need this support.
Too many people attending meetings and overspending the budget.	The scheme maybe perceived as too generous and with more people attending meetings or events purely to obtain a reward.	Although, this is unlikely the points system will be managed to ensure that residents will have to attend a number of meetings as well as keeping a clear rent account to qualify and the rewards are capped at a financial limit of £70.

9 Financial and legal implications

- 9.1 The proposal for the implementation of a Handyperson Service would be provided under the terms of the responsive repairs contract, which has included within it the provision of this service. Currently there would be an additional cost of £3,600 per month. However analysis of the repair orders issued to Mears over the last 18 months have identified £18,000 of low level repair works that the Handyperson would assume responsibility for. This would reduce repairs expenditure on these types of jobs and be offset against the cost of the handyperson therefore reducing additional costs, which would be included in the cost of this scheme.
- 9.2 In terms of the implementation of the Direct Debit scheme this will substantially streamline processes and procedures currently undertaken by staff. The proposal is to encourage payment by direct debit. Since 1 April 2011 a total of £603,370.01 has been paid by Standing Order. Unlike Standing Orders, when there is a change of payment such as a rent increase the Council can take the increased payment from accounts, subject to prior notice, with Direct Debit whereby with Standing Order the Council is reliant on Customers making the adjustments. Officers spend significant amounts of time writing to customers advising them to change their Standing Order amounts, chasing those who do not make the changes. When changes are not made this contributes towards the arrears as the low level amounts are significant when amalgamated together. Direct Debit is therefore a much more preferred method of collecting charges as the Council has control over ensuring the correct amounts are collected.
- 9.3 A further current payment option for tenants is by cash and telephone payments of which £472,103.27 has been collected via this method since 1 April 2011. Again this is not the most effective method of collection and customers who use this method will be encouraged to utilise Direct Debit. This will save staff time, in terms of cash handling and manually assigning payments to accounts and speed up payment processes.

- 9.4 £701,592.20 of rental income has been collected via Allpay, which is a rent payment card system, in the same period, and can be used at Post Offices or local stores advertising this payment system. This too relies on tenants proactively paying their rent.
- 9.5 The costs for the Resident Participation Rewards Points scheme as set out in this report would be funded from the existing Resident Involvement Budget. Maximum budget cost of £4,000 is anticipated to sustain this scheme for the first year. Numbers of additionally involved tenants are not expected to increase significantly in the first year. Even if new-involved members attended all events to receive the maximum points based on this years attendance figures this budget figure is expected to be sufficient.
- 9.6 The direct debit prize draw would cost £600 to fund for one year. There is evidence from other organisations that rent arrears have reduced when this form of payment method has been introduced. The cost of promoting this draw will be offset against the anticipated reduction in the arrears and accuracy of collection via this method over Standing Orders. The cost of this scheme would be funded from Service Improvement Budget.
- 9.7 All budgets referred to above are from within the Housing Revenue Account.
- 9.8 Subject to agreement to the launch of the scheme it is proposed that an impact assessment be undertaken 12 month after the launch of the scheme to assess the impact on customer service, rental collection and take up of Direct Debit. This assessment will include costs to the Council against the benefits of managing this scheme.

10. Consultation and Feedback

- 10.1 This policy has been developed in consultation with the Resident Involvement Focus Group and Twydall Area Residents Association who requested that;
- Quarterly prize draws are held for residents who have signed up to Direct Debit and have no instances of Anti Social Behaviour or Rent Arrears.
 - The use of a Handyperson Service.
 - A points system is developed to reward tenants for participation in Resident Involvement events i.e. meetings, surveys, estate walkabouts. Once an agreed number of points had been accrued a shopping voucher would be rewarded to the participant on an annual basis. The focus groups agreed the allocation of two points for attendance at focus groups and one points for completion of a survey. Customers would be entitled to a ten pound shopping voucher once they had accumulated ten points.
- 10.2 This report has been reviewed by the Housing Services Scrutiny Panel who have raised the following recommendations;
- The Direct Debit is removed as a requirement to join the scheme, as this excludes tenants who pay by standing order and other methods.

- That the Handyperson Service is only available to elderly customers or those who have vulnerability.
- Tenants who pay by Housing Benefit should not be eligible for a prize draw.

10.3 Housing Services Scrutiny Panel members have been advised that Direct Debit has been included to incentivise customers to pay rent by Direct Debit, which will result in a reduction in rent arrears and assist the majority of customers to manage their rent payments in an effective manner. It is also the most effective, efficient and cheapest method for Housing Services to collect rent payments.

10.4 The Handyperson is intended to be available to all customers who qualify for the Incentive scheme irrespective of age, disability or vulnerability. The purpose of the scheme is to reward all tenants for adhering to their tenancy and should therefore be inclusive to all customers who meet the qualifying criteria.

10.5 All tenants who adhere to their tenancy conditions and manage their rent payments will qualify, irrespective of how these payments are awarded.

11. Recommendations

The Committee is requested to consider and comment on:

- (a) the benefits to be provided under this scheme;
- (b) the criteria for which the scheme can be applied.

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Background Papers:

Examining the ways in which tenants can gain an equality stake in their home (OPDM Incentive and Beyond 2003).

Report from The Gold Service Housing Organisation – January 2005.

Appendix One:

Name of Incentive Scheme	Membership criteria	Rewards Package	Cost of Scheme	Method of monitoring scheme	Benefit to customer	Benefit to Medway Council	Considerations	Housing providers who use Scheme
<p>Gold Service</p> <p>Gold Service Discount card</p>	<p>* A clear rent account for six consecutive weeks.</p> <p>* An agreement to pay off rent arrears maintained for twelve consecutive weeks.</p> <p>* No breaches of tenancy (e.g. Anti Social Behaviour).</p> <p>Sign up to a neighbourhood agreement/Residents Charter.</p> <p>* Participation in customer surveys and focus group events.</p> <p>* Customers in receipt of Housing Benefit are eligible to participate in the Gold Service, although there is a qualifying period and are expected to make sure that their benefits are being paid.</p> <p>Membership is suspended if customers fail to pay rent and/or any arrears or if customers are given a notice informing that they, a member of their family or a visitor to their home has breached the conditions of the tenancy.</p> <p>Membership open to tenants and leaseholders.</p>	<p>*Countdown card. A nationally recognised scheme with discounts available at over 25,000 outlets.</p> <p>Handyperson is available to all Gold Customers for one hour. The handyman service is able to complete all minor DIY jobs such as assembling furniture, fitting curtains.</p> <p>Home contents insurance negotiated with specialist insurer at discounted rate for residents(i.e. Jardin Lloyd Thompson).</p> <p>Faster repairs service</p> <p>Golden Goodbye payments for tenants leaving their property in good condition.</p>	<p>£10 per annum for every member.</p> <p>Employment of part-time handyperson (£14,000 approx per annum).</p>	<p>Housing officers monitor scheme through rent arrears and ASB monitoring process.</p> <p>Community Development Officer and Service Managers for relevant areas monitor attendance at focus groups and participation in surveys.</p> <p>Repairs team arrange bookings for Handyman.</p>	<p>Discounts available in local and national stores.</p> <p>Members magazine.</p> <p>Community Grant</p> <p>Handyperson is beneficial to all customer groups, particularly the young and the elderly who may require additional assistance with maintaining their property.</p> <p>Residents gain greater satisfaction from landlord and from all groups of tenants.</p> <p>Reduced ASB in neighbourhood.</p> <p>Expansion of choice in services</p>	<p>Ties into Medway Councils Sustainable Community Strategy ambitions that;</p> <p>* Medway to have a safe and high quality environment</p> <p>*Medway to be a place where people value one another, play an active part and have pride in their community and Medway as a whole.</p> <p>Improves and stabilises Communities.</p> <p>Reward and encourage positive behaviour through a culture of innovation.</p> <p>Make neighbourhoods desirable places to live.</p> <p>Promote reciprocal relationships between landlord and residents.</p> <p>Promote customer rights and customer responsibilities.</p> <p>Reduce ASB within neighbourhoods.</p> <p>Motivate and incentivise colleagues to improve performance.</p>	<p>Cost implications to organisation.</p> <p>Other housing providers have recently conducted value for money review on the provision of discount cards to customers which identified that the cost of providing the card in comparison with the number of customers who utilised the card for discounts did not represent value for money.</p> <p>Staff time.</p> <p>Each card has to be renewed on an annual basis.</p>	<p>New Forests District Council</p> <p>mhs homes</p> <p>Moat Housing</p> <p>Sanctuary Housing</p>

<p>Gold Points system</p>	<p>All members receive a Compliments card. The compliments card also doubles up as a credit card, which allows the resident to spend the cash-back they have accumulated throughout the year. Cash-back is paid to customers in December each year.</p> <p>Customers who attend resident association meetings receive an additional £2 paid into their resident association fund for each meeting attended.</p>	<p>For each week customers are a qualifying Gold points member they will receive £1 (1 point = £1 cash-back). Points accrue on the Gold system and paid out in November each year.</p> <p>An anniversary bonus of £10 is paid to customers for continuous Gold membership.</p>	<p>As above.</p>	<p>Customers can choose to redeem points at a variety of leisure or retail outlets including online retailers. Alternatively, customers can choose to have cash-back paid into of the following;</p> <p>An existing Credit Union Account.</p> <p>An existing community scheme.</p> <p>Rent account to offset outstanding arrears.</p>	<p>As above.</p>	<p>Cost implications to organisation.</p> <p>Staff time.</p> <p>Each card has to be renewed on an annual basis.</p>	<p>West Kent</p> <p>Irwell Valley Homes</p>
	<p>Discount card provided exclusively by Housing Provider for Social Housing residents</p>	<p>Housing provider negotiates special rates with local stores and leisure facilities.</p> <p>A discounted card to use in local shops and leisure facilities offering a range of discounts and special offers.</p> <p>Entry into regular competitions and prize draws for local events.</p>	<p>Medway City Card</p> <p>(No fee as retailers provides discounts in return for free advertising).</p> <p>Medway Passport to leisure equates to £2 approx. per customer.</p>	<p>As above.</p>	<p>Benefit to the individual and families through providing access to lower income households, as the cost of accessing leisure facilities can be prohibitive.</p>	<p>Scheme could be adapted through existing Medway City Card and Medway Passport to leisure scheme.</p> <p>A discounted membership for leisure facilities families would tie into the Councils Cultural Strategy.</p> <p>The Cultural Strategy sets out four strategic priorities:</p> <p>* Stewardship</p>	<p>As above</p>

	As above.							
STARS scheme for Tenant Achievement recognition.	Participation in consultation events and no instances of ASB or arrears.	Stars are gained by attending a local resident meeting, completing a survey form or attending one of the many forums or focus groups are given a 'star stamp'.	Once customers have collected 10 stars and qualify under the scheme criteria they are then rewarded with a cheque for £50. Attendees at participation events are also entered into an annual prize draw.	Community Development Officer records and monitors participation at events and through completion of surveys.	Customers are actively rewarded for feeding back on service provision, which in turn allows the Council to tailor services to customer requirements.	Scheme praised by Audit Commission. Promote reciprocal relationships between landlord and residents.	Cost implications to organisation. Staff time.	East Durham Homes.

* Engagement

* Contributing to economic prosperity

* Health Wellbeing.