



AGENDA ITEM: 5(b)

CABINET: 19th March 2013

Report of: Assistant Director Housing and Regeneration

Relevant Managing Director: Managing Director (Transformation)

Relevant Portfolio Holder: Councillors V Hopley & A Owens

**Contact for further information: Mr P Holland (Extn. 5226)
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SUBJECT: TENANT'S CASH BACK SCHEME

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To update Cabinet on the Government's proposals for the involvement of tenants in the repair and maintenance of their homes and provide the latest information in relation to three pilot schemes commissioned by the Government
- 1.2 To advise Cabinet on the outcome of consultations with the Tenant's Task and Finish Group in relation to a cash back scheme for WLBC.

2.0 RECOMMENDATIONS

- 2.1 That the report be noted.
- 2.2 That the suggestions made by the Task & Finish Group be considered, and that a further report be submitted to Cabinet following the findings of the three pilot schemes referred to in the report

3.0 BACKGROUND

- 3.1 From 7th April 2012, new standards applying to all social landlords were introduced that included plans for a scheme called Tenants Cash Back.

3.2 The scheme aims to: -

- Offer tenants the opportunity to be involved in the management of repair and maintenance services for their homes rather than social landlords carrying out repairs or commissioning repairs with their contractors
- Allow tenants to carry out simple repairs themselves, or seek help from neighbours or family members or to contract with local traders.
- Benefit tenants through a share in any financial savings that are made by their landlord.

3.3 Details of the standards are contained within a document published by the Home and Communities Agency entitled “The Regulatory Framework for Social Housing in England From April 2012”

3.4 The section headed Consumer Standards, (page 17) subsection Tenant Involvement and Empowerment Standard, paragraph 2, Involvement and Empowerment states: -

Registered providers shall ensure that tenants are given a wide range of opportunities to influence and be involved in:

1. the formulation of their landlord’s housing related policies and strategic priorities
2. the making of decisions about how housing related services are delivered, including the setting of service standards
3. the scrutiny of their landlord’s performance and the making of recommendations to their landlord about how performance might be improved
4. the management of their homes, where applicable
5. the management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, as agreed with landlords, and the sharing in savings made, and
6. agreeing local offers for service delivery.

3.5 The Council already complies with the first four items of this standard by way of Tenant involvement generally and a Tenant Group’s involvement in the tender process for the Housing Repair and Maintenance Contract 2012 – 2017.

3.6 Items five and six encompass the Tenant Cash Back Scheme. However the wording of these paragraphs is such that they can be interpreted in many ways and it is the interpretation that has given the organisations that have been

involved in running the pilot schemes - described below - license to decide how best their schemes should operate.

3.7 Tenant consultation has been at the centre of all the pilot schemes.

4.0 RESEARCH – OTHER AUTHORITIES / HOUSING ASSOCIATIONS

4.1 A number of organisations were contacted to determine what progress they either had made, or were making in respect of the Tenant's Cash Back scheme. Up to the end of January 2013 the following organisations replied that were not taking any action for the foreseeable future.

- Places for People – Bamber Bridge but operating nationally.
- Eastland Housing – Manchester City stock transfer
- Parkway Green – Manchester City stock transfer
- Weaver Vale Housing – Vale Royal (Northwich) stock transfer
- Golden Gates - Warrington stock transfer
- City South - Manchester City stock transfer
- Southway – Manchester City Stock transfer

4.2 The following Social Landlords are acting as follows:

- Northwards Housing. (Manchester City Council ALMO) has prepared reports for its Area Panels recommending that they await the publication of reports from the three Government sponsored pilots before they consider how they will develop their own scheme. To date they have taken no further action.
- Willow Park Housing (Manchester City stock transfer) introduced a scheme in September 2012. Their scheme is summarised as follows:

“Repairs that the tenants will be allowed to carry out under the scheme will be limited to the value of £200 and must be those that are normally the responsibility of Willow Park Housing Trust. Repairs that have been denoted as Tenant's Responsibility will not form part of the scheme. Electrical and Gas repairs will not be included. When a tenant applies to carry out a repair included in the scheme a pre – inspection charge of £25 will be made. When the repair is completed a post – inspection charge of £25 will be made. The tenant must pay these charges. Any breaches of Health and Safety regulations or any unsatisfactory work will be put right by the Trust and will be recharged to the tenant”.

The scheme has been formulated in close consultation with all of their Tenant Groups. The Groups were opposed to their tenants becoming involved in carrying out their own repairs. The Trust's Management Board has approved the scheme. There has been no take up of Scheme to date.

5.0 PILOT SCHEMES

5.1 In his letter dated 19th April 2012, the Minister for Housing and Local Government named pilot schemes that are currently in progress. A copy is attached at Appendix 1. Below is a brief synopsis of the schemes from information available:

5.1.1 **Together Housing Group Pilot Scheme**

The Together Housing Group is made up as follows:-

- Trans-Pennine Housing: - Pennine Housing 2000 in Calderdale and Sheffield & Green Vale Homes in Pennine Lancashire
- Chevin Housing: - Chevin Housing Association, Harewood Housing Society, and Synergy Housing Solutions operating in the Yorkshire and Humber regions
- Prospect Homes: - Twin Valley Homes & Housing Pendle, both in Pennine Lancashire.

Initial research indicated that there might be problems with insurance by paying Tenants to carry out their own repairs, having taken advice from their insurers, therefore considered a different approach

- Targeted problem areas of their stock – hard to let / problem areas.
- Asked for volunteers to participate from the targeted areas.
- Initially targeted 2000 tenants and received replies from 200
130 turned up to first consultative meeting.
37 tenants initially participated in the scheme.
There are currently 20 tenants participating
- Began by coaching participants on the contents of their Tenancy Agreement and re-endorsed their responsibilities.
- Carried out basic DIY training.
- Supplies decorating materials to those who wanted to decorate their properties and supervised the work.

The areas involved suffered high turnover of tenancies prior to the scheme. Since the scheme has been running they have experienced a reduction in Voids in the areas and their 1st void was in good decorative order.

Spent £15k to date - funded from Repairs Budget. No cash has been paid to tenants but tenants have benefited from the training provided and free materials.

The company have also trained two tenants to carry out fencing repairs. These tenants have since started their own business.

5.1.2 **Home Housing Group Pilot Scheme**

Home Housing Group is one of the leading providers of affordable and supported housing for people in the UK.

Home has a turnover in excess of £310m, manages 51,000 homes and provides care and support services to more than 20,000 people across the UK each year and comprises:-

Nashayman Housing Association (a Black and Minority Ethnic association).

Copeland Homes (a large-scale voluntary transfer from Copeland Borough Council).

Paramount Homes, now known as Live Smart @ Home
Home Group Developments Limited

Three pilot schemes are underway:-

Coulby Newham (North East) – 40 customers participating

Braintree (Essex) – 35 customers participating

Egremont (Cumbria) – 50 customers participating

As part of the pilot customers agreed to have three inspections carried out by external surveyors. This allowed them to track the general condition of the property both inside and out as well as any garden areas.

Participating customers were provided with a list of maintenance activities that they are expected to be responsible for during the pilot scheme. If customers called to request a repair from the agreed list they are prompted that they are responsible for the repair under the terms of the pilot. If they preferred Home Group to do the repair they would be supported by them but it may mean they would be removed from the pilot.

These repairs include:

Toilet - Re-fix toilet seat, renew toilet seat, re-fix loose WC pan, remake joints to WC pan, re-fix WC, clear blockage.

Cistern - Overhaul WC cistern.

Bath - Clear blockage, renew plug and chain, renew joints.

Wash hand basin - Re-fix wash hand basin, renew plug and chain, clear blockage, renew sealant, renew joint

Taps - Fix dripping tap or loose tap, re-fix loose basin, re-fix loose sink tap, re-fix loose bath tap

Tiles - Splash back to basin, bath or sink, remove and re-fix tiles, rake out and re-grout, renew tiles to window sill, renew sealant to worktop.

Internal doors - Ease and adjust door, re-fix any loose fitting, renew internal door

Locks - Replace or repair lock

External door - Re-fix loose fittings, renew external sealant, renew draught proof, ease and adjust door

Kitchen - Renew shelf to base unit, renew shelf to wall unit, adjust door front and handle and drawer runners, re-fix existing worktop, unblock kitchen sink

Windows - Re-fix ease and adjust window fittings

Fence - Make safe fence, re-fix fence post, renew fence post, renew fence, re-fix loose clothes post, ease timber gate, repair or renew fittings.

Home Group partnered with B&Q who offered training and advice to customers in the scheme. Training Workshops and demonstrations were held in local stores and advice was available online to all customers. B&Q also held an interactive decorating demonstration. Customers on the scheme have been offered B&Q advice sessions on topics such as gardening, tiling, painting and wallpapering.

Customers received a mixture of rewards as follows:-

Coulby Newham pilot

Customers receive a B&Q gift card in advance. £200 was paid at the beginning of the scheme and an additional £200 paid after six months.

Egremont, Cumbria, pilot

The first reward of a £200 B&Q gift card is issued after six months, followed by a second reward of £200 at 12 months.

Braintree, Essex

Customers receive a four-week rent holiday. Following customer feedback this was split between a two week rent holiday in December 2011 and another two weeks in June 2012.

Legal implications of allowing Tenants to be rewarded for carrying out work in their rented properties was considered and Home Group's insurers were consulted, both Public Liability and Buildings

Both insurers believed that steps had been taken to mitigate the risk of future claims as:

- There is a specified restriction on the types of repairs that customers can undertake.
- They are not expected to work at heights, interfere with gas or electric supplies.
- It was compulsory for customers to take out home contents insurance throughout the pilot and to prove to the Group that they have done so
- Full training was made available through the partnership with B&Q
- Customers were required to sign additional terms and conditions complying with these requirements.

Claims will be monitored throughout the pilot to identify any increase as a result of the scheme and this information will help to scope how the programme will work when rolled out beyond pilot period.

Looking at the percentage of repairs reported and comparing them to the year before the scheme started it was reported that minor repairs had reduced. Home Group will continue to monitor this throughout the life of the pilot and this picture will become more accurate as more data is available.

5.1.3 Bromford Group Pilot Scheme

The Bromford Group is made up of three organisations; Bromford Living; Bromford Support and Bromford Homes.

The Group has launched a Home Reward Club that encompasses tenant involvement in Repairs and low level Housing Management.

Customers who sign up for the repairs trial will be able to share in the savings that should be made– up to £300 over the course of 12 months to cover the cost of typical day-to-day repairs such as re-hanging cupboard doors, replacing handles and light-bulbs and changing tap washers. The Group will still maintain boilers, heating and hot-water systems and carry out electrical work, and will continue to offer an emergency repairs service.

A further £200 can be claimed at the end of the 12-month trial if customers sign up to carry out their own low-level housing management.

A guidance leaflet has been produced for tenants and a screen print is attached at Appendix 2

The pilot began in November 2011 and will run for a period of 12 months.

The Group, along with Together Housing, will be publishing a Toolkit at the end of May that they say will fully explain how their schemes were set up and how they operate with guidance for Social Landlords. They have indicated that the Toolkit will be available for sale.

5.1.4 **Hastoe Housing**

This organisation has yet to start a scheme. Take up by tenants within the pilot areas appears to have been very low. Together Housing Group manages 35,000 homes and have only 20 tenants participating in their pilot. Home Housing Group manage 51,000 homes and have 125 tenants participating whilst Bromford Group, who manage 26,000 homes have only 130 tenants taking part.

6.0 FEEDBACK FROM TENANT'S TASK GROUP

- 6.1 A Tenants Task Group was set up at the end of June 2012 with the aim of reviewing the pilot schemes in progress and considering options for a pilot scheme within WLBC.
- 6.2 The Group's general view was that tenants should not receive direct payments for carrying out repairs, but rather have a scheme offering some training in DIY skills combined with the provision of materials that might then involve community based projects.
- 6.3 Such training will also better equip tenants with the skills required to carry out repairs that are earmarked as Tenant Responsibility in the WLBC Repairs Handbook.
- 6.4 This approach, the Tenant Group believe, will be more beneficial to both the Council and its tenants; might encourage increased tenant interest in their

communities and promote increased tenant participation in the well-being of the local environment.

- 6.5 The internal decoration of tenant's own properties might also form part of the scheme, and although it was acknowledged that internal decoration is the responsibility of tenants it was suggested that by encouraging tenants to keep their property in good decorative order, there could be a payback to the Council when properties are vacated as there could be less work to do at re let stage.
- 6.6 It was suggested that the skills training might also include basic advice on gardening and that the training in total may encourage some participants to seek ongoing further training that might lead to full-time employment.
- 6.7 The Group suggested that Tenants would be invited to join a scheme on a voluntary basis but they would need to comply with a suggested list of criteria as follows:
- Have a clear rent account (no arrears).
 - Hold "House Contents" insurance. (Indicates an element of responsibility).
 - Agree to keep garden up to a basic standard of tidiness.
 - Keep internal decoration of their property in reasonable condition
 - All repairs listed in Repairs Handbook as Tenant's Responsibility are in order.
 - Comply with terms of Tenancy Agreement at all times.
- 6.8 The Group's view on scheme content was as follows:
- Provision of training in basic DIY skills. West Lancashire College currently provide a 10-week (one afternoon per week) course covering basic joinery; plumbing and decorating. The course could be adapted to suit our requirements. Also the Council will have four Contractors involved in Repair and Maintenance and the renewal of Kitchens and Bathrooms for the coming five years. It might be possible to arrange for these contractors to offer training locally.
 - The Council to provide materials free of charge for approved projects. Where tenants wanted to decorate their own property internally there could be a link to the current Paint Pack scheme.
 - Gardening advice might then lead to the setting up of a Garden Tool Loan scheme. Such a scheme will enable those tenants who cannot afford to purchase their own gardening equipment to maintain their gardens.
 - Supervision and advice be available when required.
 - Other than internal decoration of tenant's own properties, all projects would be restricted to community-based repairs and to be of a "Repair" nature – no improvements.

6.9 It was the view of the Group that any pilot scheme should consist of a broad tenant profile and therefore tenants from a number of different areas of the Borough, rather than a single area, should be invited to participate.

7.0 The Way Forward

7.1 There appears to be no consistency in the way that the three Social Landlords, who have taken part in the Government pilots, have approached the scheme. This is a reflection of the way in which the regulations have been worded, and confirmed by the Housing Minister in his letter attached at Appendix 1, thus allowing providers to work with their tenants to find a mutually agreeable solution. Although Government publicity indicated that tenants might be paid for any repairs they carry out not all Social Landlords, who have formulated schemes so far, have made payments.

7.2 The Council has, for many years, had a scheme in being that intended to reward tenants who (when they vacate their homes give the required notice and leave the property in a condition to a required standard) with a cash sum of £25. It may be that this scheme could be further considered and modified to satisfy the requirements of the Tenants Cashback Scheme.

7.3 The Council needs to consider how it intends to move forward in response to the regulations, and in consultation with tenants, on how a scheme might operate. In particular consideration needs to be given to the aspect of insurance and liability, particularly in the light of recent legal action concerning the London Borough of Hillingdon (see Appendix 3) where liability for work carried out by a tenant was deemed to be the responsibility of that Council. Although not directly linked to Tenant's Cash Back the implications appear to suggest that the ruling might have an effect on how schemes might operate.

7.4 The organisations that are undertaking the pilots schemes are due to report on progress during February / March 2013, although two of the participants; Bromford Housing Group and Together Housing Group together with a consultant; have produced a Tool Kit aimed at helping organisations to understand more about Tenant Cash Back and how it has been developed. The Tool Kit is priced at £699 + VAT

7.5 It is recommended that the Council should await the publication of the report from the pilot schemes before taking any further action.

8.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

8.1 There are no Sustainability implications.

9.0 FINANCIAL AND RESOURCE IMPLICATIONS

9.1 There are no Financial or Resource implications at this stage.

10.0 RISK ASSESSMENT

10.1 This item is for information only and makes no recommendations. It therefore does not require a formal risk assessment and no changes have been made to risk registers

Background Documents

The following background documents (as defined in Part 7 Chapter 5 of the Localism Act 2011) have been relied on to a material extent in preparing this Report.

<u>Date</u>	<u>Document</u>	<u>File Ref</u>
March 2012	The Regulatory Framework For Social Housing in England From April 2012	Page 17 “Consumer Standards”

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix 1 - Letter from Minister for Housing and Local Government dated 19th April 2012

Appendix 2 - Bromford Housing Group Tenant’s Leaflet

Appendix 3 - TEAMnet Member’s update.

Appendix 4 – Minute of Landlord Services Committee (Cabinet Working Group) held on 13 March 2013 – to follow



The Rt Hon Grant Shapps MP
Minister for Housing and Local Government

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Dear Leader

19 April 2012

TENANT CASHBACK

Tenant cashback schemes provide opportunities for tenants to learn new skills, to take on greater responsibility for their homes, and to share with their landlords savings in repair budgets. When I met last month with a number of landlords running pilots, and others who are developing ideas, I was hugely impressed with the range of opportunities that are already being offered to tenants.

To help more landlords and tenants work together to develop ambitious schemes that benefit tenants, I am grateful to the current pilots – Home Group, Bromford Group, Together Group and Hastoe Housing – for sharing their experiences and the lessons they are learning. For example, the excellent progress demonstrated by Home Group can be viewed at:

www.homegroup.org.uk/housing/services/Documents/Customer%20Reward/Customer%20Reward%20Data%20Report%20March%202012.pdf

From 1 April, new standards applying to all social landlords include the requirement to offer tenants opportunities to be involved in the management of repairs and maintenance, and to share in any savings made. Details of the standards can be found here:

www.homesandcommunities.co.uk/sites/default/files/our-work/regulatory_framework_2012.pdf

There is a great deal of freedom within the new standards for landlords to design schemes, in consultation with their tenants, to meet local needs. Schemes could focus on individual tenants, but may also provide opportunities for neighbourhoods to take on shared responsibilities and to invest savings in community projects. I have no doubt that the creativity and innovation within the social housing sector will lead to many exciting new proposals.

A handwritten signature in black ink, appearing to read "Grant Shapps".

GRANT SHAPPS MP

Bromford - Home Rewards Club x www.bromfordgroup.co.uk do x


www.bromfordgroup.co.uk/documents/website/Home%20Rewards%20Club/Bromford%20Rewards%20Club.pdf

Join our Home Rewards Club and we will reward you by giving you a share of our savings up to **£500**


Your Membership Also Includes



We will tell you which repairs you should do, and which repairs you should leave to us.



A guide to Health and Safety



A members' area on Facebook and Twitter where we'll share with you some online DIY support and advice


You will enjoy discounts on a wide range of products from **Dulux** and a host of other great offers online and in-store

Here is what you will need to do

1. Choose your level of Membership

To do your own repairs will mean a reward of **£300**
 To live independently without a Housing Management Service will get you cashback of **£200**
 Do both and get maximum rewards of **£500**
 You can choose Gift Cards or Cash Reward.


By joining the club you also agree to:




2. Let us in to do your Property Surveys and Gas Safety Checks
Keeping your home safe



3. Keep a diary of what you do




4. Keep your home and garden in at least the same condition as when you joined the club



5. Return our calls when we need to speak to you - this stops us having to chase you & saves customers money



6. You will need to seek out advice without using our customer contact centre - except in emergencies.



7. Take part in any reviews - just a conversation to see how you are getting on

£150 + £150 + £200 =

towards repairs towards repairs for living independently
when you join 6 months later for 12 months

Home Rewards Club

TEAMnet: members' update

Wednesday, 25 July 2012

Inspection of tenant repairs and cashback – recent court hearing

TEAMnet has been tracking the progress of the Tenant Cashback pilot schemes and members who attended our recent repairs master classes will have heard presentations from two of the main pilot landlords, Bromford Group and Together Housing Group.

There has been a recent court case of major significance for landlords delivering repairs services as a general point of principle but also in respect of the cashback scheme. The ruling seems to suggest that landlords will have to carry out further inspections on their properties after the ruling that they are liable for injury caused by work carried out by tenants.

The case was held in London's High Court recently, so is of more significance and persuasive authority than if it had been held in a lower court. One of Hillingdon's repairs and maintenance contractors T Brown Group sued Hillingdon Council after one of its contractors (we assume an agency operative or sub-contractor) hurt their ankle after falling from a stairway where tenants had removed the banisters.

The judge at the High Court found that Hillingdon was responsible for the contract worker's injuries, which left him unable to work, even though it had not approved or authorised the tenants 'improvements'. The council now faces paying damages though at the time of preparing this brief an exact figure had not been determined.

There have been concerns raised about cashback, particularly around injury and insurance issues. TEAMnet wonders whether if the scheme takes off to any extent how many additional post inspections of tenant repairs are to be required, at a time when more sophisticated post inspection systems are being developed beyond the old blanket random 10% approach.

Ian Rumsam, who spoke at the TEAMnet repairs master class in Manchester, manages the Tenant Cashback pilot scheme at Together Housing Group (THG), and advised that THG ensured tenants only carried out minor works in order to avoid potential legal challenges