

<b>Item No.</b> N/A	<b>Classification:</b> Open	<b>Date:</b> May 2017	<b>Meeting Name:</b> Deputy Leader and Cabinet Member for Housing
<b>Report title:</b>		Tenant Fund Budget 2017-2018	
<b>Wards or groups affected:</b>		All	
<b>From:</b>		Director of Communities	

## RECOMMENDATIONS

1. That the deputy leader and cabinet member for housing approves the proposed 2017-18 Tenant Fund budget of £518k, as summarised in Appendix 1, following consultation with the Tenant Fund Management Committee (TFMC) and Tenant Council (TC).
2. That the deputy leader and cabinet member for housing notes the specific budget commitments for projects to develop tenant and resident skills and participation, and the grant budget for Southwark Group of Tenants Organisations (SGTO) of £239k for 2017-18.

## BACKGROUND INFORMATION

3. The Tenant Fund was established in 1989 to fund and support the tenant movement and to provide grants to Tenants and Residents Associations (TRAs). The income in the fund is made up of a notional amount of tenants' rents, calculated at £0.2729 per week per property for 2017-18. Further contributions are made to the fund from the Home Owner Fund for 27% of the amount actually paid to TRAs in grants during the course of the financial year.
4. The Tenant Fund base budget is set every year. The figure is derived from the current number of secure tenanted properties within housing management and is linked to the annual rent setting and rent collection rate so that the notional amount is adjusted upwards or downwards accordingly. The number of properties on which the budget is based for 2017-18 is 37,349 compared to 37,526 for 2016-17.
5. The 2017-18 budget has been set on the basis of the previous year's budget for the main budget elements. These are for the TRA grants, the grant to SGTO and officer resources to provide training and support to TRAs.
6. In addition there are a number of developmental projects for which budget provision is made. These support tenant and resident community participation. They include a small grants programme, a digital inclusion programme and additional external training provision.
7. The Tenant Fund carry forward budget from the 2016-17 budget was £250k on 1 April 2017. The carry forward at the start of 2016-17 was £336k. Some of these resources will be allocated after the end of the current financial year. This process of delayed budget allocation is linked to the timelines and process for Tenant Fund applications with a September cut-off date for awards for the previous financial year.

8. The number of payments made to TRAs to date in 2016-17 is 108 for a total of £197k. 68 are for the year 2016-17 and 31 are for 2015-16 (with the latter relating to applications made before the September cut-off) and 5 for 2014-15.
9. In September 2016-17 TFMC considered and approved additional expenditure. This was to support the following partnership projects which the council has led on developing:
  - £50k commitment for capital investment for the conversion of the Old Kent Road garages to create a new community resource to be known as the Livesey Exchange
  - £20k contribution towards the cost of commissioning independent social research into the impact of Universal Credit (UC) roll-out among affected social housing tenants in Southwark.
10. The funding commitment is from the Tenant Fund carry forward budget and was approved by the deputy leader and cabinet member for housing in an IDM report setting out the budget variation to the previously agreed 2016-17 Tenant Fund budget.
11. TFMC's support for these projects reflects a commitment to support tenants and residents affected by significant major changes in the areas of regeneration and the welfare benefits system and to ensure that wherever possible the impact of these are understood and mitigated.

## **KEY ISSUES FOR CONSIDERATION**

12. There has been a slight reduction in the budget for 2017-18 which reflects the 1% rent decrease, the slight reduction in the number of secure tenanted properties and an adjustment for the rent collection rate.
13. This year the TRA grant payable will be increased. This was last increased in 2015-16 which was the first increase since 2006. The basic level of TRA grant will increase from £1,200 to £1,300 for estates where the property count is up to 240 tenancies. For estates where the property count exceeds 240 tenancies, the increase in the additional amount is from £5 to £5.50 allowed per tenancy.
14. The increase in the grant will help TRAs to meet increased running costs particularly utility bills. TRAs are also able to access a range of other sources of income including other council funding streams. These include:
  - Tenant Fund Small Grants Scheme of up to £1k for estate based events aimed at the whole community (see paragraph 22 for more information)
  - Neighbourhoods Fund
  - Tenants and Residents Social Improvement Grants (TRSIG previously known as Joint Security Initiative)
  - Cleaner Greener Safer
  - Funding from independent funders such as United St Saviours
  - TRAs that manage halls can generate income from this source.

15. In the last couple of years, the work that TFMC and officers had put in to reviewing elements of the Tenant Fund, with the aim of maintaining or increasing TRA participation and activity have started to bear fruit in the following ways:
  - Streamlined application process as a result of Tenant Fund applications being provided directly by officers after attendance and verification at the AGM
  - Less onerous requirements for TRAs with a reduction in the number of meetings required as contained in the new model constitution
  - A number of sheltered housing units forming associations and applying for grants
  - An improved training offer to TRAs with a greater range of courses meeting training needs made available
  - Greater tenant and resident digital inclusion with digital skills training and resources provided in hubs in addition to the services and facilities provided by officers in the resource centres.
16. The projects that will continue to be funded will be shown as part of the annual budget rather than from the carry forward. This will allow for a clearer understanding of the overall budget position and what it is proposed to spend. The approval process for additional expenditure during the course of the year not covered by the budget provisions set out in this report will continue to be through the deputy leader and cabinet member for housing following approval by TFMC.
17. A review of the framework for tenant and resident engagement is currently about to begin and this includes within its terms of reference the engagement structures of which TFMC is a part.
18. There is funding committed for thirty digital inclusion hubs for tenants and residents which have been set up in partnership with Thames Reach Academy across the borough. These provide training and access to computers. These are located in TRA halls, sheltered housing units and community organisations.
19. Supporting volunteer residents to train other residents on digital skills is the most widely used method across the UK to augment more formal classroom learning opportunities; which in Southwark are freely available at most libraries. Many people without digital skills lack the confidence to join a class, perhaps because they fear being left behind the rest of the class. Digital skills feel like they are something most people in the UK gain without really trying too hard, whilst in fact it takes years of computer use to be fully able to manage digital skills. The problem being that this “learning” is done at work or at home without any fuss or even much awareness that “learning” is taking place.
20. The TFMC fully appreciate all of this, as they are all involved with the daily life of Southwark communities, and so the TFMC are willing to continue their support for the Go-On Southwark tenants and resident based digital skills project for 2017-18. This will be done through a grant sum of £45,000 for 2017-18.
21. The proposed maximum budget for project based elements of the Tenant Fund for 2017-18 is set out below:
  - Continued roll out of Digital Inclusion services to include training, provision and access to equipment - £45k

- Commissioned training additional to the in-house accredited training programme - maximum £55k
  - Small grants scheme for community events £30k with the option for this to be increased up to £50 during the course of the year if the £30k threshold is reached without the need for further approval
  - Funding contribution for a welfare rights caseworker at Southwark Law Centre - £12,500
  - Other engagement maximum total of £20k consisting of:
    - Resident Involvement youth engagement to cover borough wide young person's engagement on housing issues including but not limited to tenants - £10k
    - Engagement with tenants led by Resident Involvement aged 18-30 - £5k
    - Independent advice and support for TRAs - £5k.
22. Expenditure for each of the projects listed above has been significantly lower than the maximum allocated budget. There is regular reporting to TFMC by the officers for each of the projects to ensure that delivery is on track for agreed expenditure. In the case of the digital inclusion project, authorisation for additional expenditure was sought and approved by TFMC.
23. The Tenant Fund small grants scheme for estate based community events with a maximum grant of £1k available and with 31 payments being made in the current year of which 10 were to sheltered housing units was for a total value of £11k in 2016-17.
24. The SGTO funding application for 2017-18 was considered by TFMC on 14 February. The budget of £239k compares with a grant award of £249k for 2016-17 and represents a 4% decrease on that year. The budget proposed contains a detailed breakdown of budget elements with a rationale for each change to the budget item, whether it is an increase or a decrease. It is attached as Appendix 1.
25. TFMC and officers sought clarification to the changes to the budget line items at TFMC. There are 5 full time staff consisting of a manager, office administrator, 2 outreach workers - one who carries out TRA account verification - and campaign and policy officer. The most significant element of the decrease is the funding costs for a part time outreach worker for 6 months previously appointed and who will be funded from the SGTO reserve.
26. SGTO's Monitoring Reports have evidenced service delivery in the following areas:
- Housing relating support and advice to TRAs
  - Account verification service to TRAs
  - Access to printing services
  - Building engagement with young people
  - Support to residents provided as one of the Southwark Digital Inclusion/Go-On Southwark Hubs.

27. SGTO have taken an active role in disseminating information to TRAs about changes to housing, planning and welfare benefits.
28. Following consultation with TC and TFMC officers are further clarifying the grant of £239k with SGTO again subject to the normal conditions of grant funding that apply to all voluntary and community sector organisations.

### **Policy implications**

29. There are no specific policy implications relevant to the Tenant Fund budget for 2017-18 specifically as it is yearly budget for the purposes described.
30. TRAs are an important part of the fabric of the borough. The Tenant Fund provides resources to enable TRAs to operate and to manage themselves.
31. TRA grants ensure that associations are able to hold and service meetings and meet the basic costs of doing so. In addition they enable TRAs to organize activities and social events that are open to all tenants and residents on an estate. Recognised TRAs are entitled to be consulted on matters affecting their community and are also a part of the council's engagement structure with residents. Getting involved in a TRA is a good way for residents to meet their neighbours and to take an active part in the life of the estate.
32. Tenant Fund activity and projects is supporting digital inclusion in by providing access to computers and training for residents across the borough through the hubs and resource centres and supporting residents to sign up for My Southwark.

### **Budget elements**

33. The reference letters **A-K** used in this part of the report relate to the relevant lines of the budget in Table 1.

### **Expenditure**

#### **A. Salaries and staffing**

The staff funded is within the council's Communities Division: two Community Training Officers and one Tenant Grants Officer. An uplift of TBC is applied in line with Southwark Council's uplift.

#### **B. Training**

With the additional maximum amount of commissioned training of £55k moved from the carry forward budget to the main budget this appears as an increase from £5k to £60k. This is support TRAs with the management of halls to cover health and safety risk assessments, employment procedures, fire risk, and food hygiene.

#### **C. Cab fares**

Expenditure is limited to use of cabs in line with the policy with further information relevant to this budget element contained in G. Cab expenditure is for attendance by residents with disabilities at TC, TFMC and attendance at working parties.

#### ***D. Equipment lease/repair***

The budget covers the hire of photocopiers as well as quarterly costs for the number of copies. The base budget has been set at £7k.

#### ***E. Refreshments/meetings***

Food will no longer be provided for TC so the budget will cover drinks.

#### ***F. Tenants conference***

This is reduced from the 2016/17 level of £10k to £8k to reflect expenditure and the good value provided by the William Booth College (Salvation Army) as a venue.

#### ***G. Telephones***

This is maintained at the 2016-17 level and includes mobile phones.

#### ***H. Printing and stationery***

This is maintained at the 2016-17 level of £5k.

#### ***I. Grants to T & RAs***

The budget for grants to T & RAs is the balancing figure for the Tenant Fund and is set after the other budget elements have been determined. The budget makes provision for expenditure on TRA grants of £238,248. Based on expenditure in the current year there is adequate provision as current expenditure on grants is just over £153,190 with 87 applications processed. Based on previous patterns of expenditure it is unlikely that the full allocation will be used even taking into account the increase in the amount of the TRA grant.

#### ***J. Grant to SGTO***

The details of this are contained in paragraph 23 and in Appendix 1.

#### ***K. Home Owners contribution***

This figure is based on the agreement with the Home Owners' Fund to contribute 27% of a particular year's actual grant payments by the Tenants fund to T & RAs. It simply represents 27% of the budgeted amount for Grants to T & RAs. It is paid quarterly based on the actual TRA spend figure for the quarter.

#### ***L. Tenant Fund projects***

These total £107,500 and include digital inclusion, the small grants scheme, engagement projects and the funding for the welfare benefits caseworker. The projects are listed as part of the overall budget.

#### **Tenant Fund management committee**

34. TFMC is a sub-committee of TC. The Tenant Fund budget is presented to TC after TFMC has finalised its recommendations.
35. This report in draft form was presented to TFMC on the 4 April and to Tenant Council on 10 April for discussion and comment.

## **Funding of the Southwark Group of Tenant Organisations (SGTO)**

36. SGTO in line with the funding requirements for 2016-17 has been a signatory to the council's standard conditions of grant funding. Performance monitoring has been carried out jointly by TFMC and council officers. In addition the council's standard assessment on the adequacy of internal controls and financial management for voluntary and community sector organisations has been carried out by council officers after completion of the monitoring self-assessment by SGTO.

## **Community impact statement**

37. The Tenant Fund supports tenant and resident associations and related support services including training, two resource centres, and SGTO.
38. Services provided through the resource centres in the form of access to IT and printing facilities as well as the training offer, have the objective of promoting TRA member involvement. This is to support the development of engaged and inclusive tenant and resident communities across the borough by providing opportunities for participation that reduces exclusion and inactivity.
39. The activities to be funded through the Tenant Fund will build strong, inclusive and connected communities where people feel they belong and have a strong sense of pride and place. TFMC is mindful that loneliness and isolation amongst older people is a potential risk to health and well being. Officers have been working to support the setting up of associations in sheltered housing units. A number of sheltered housing units have been awarded Tenant Fund grants in the past year and one has also been supported as a digital inclusion hub.
40. A known gap is that of young people, who are under-represented within TRAs. In the last year new initiatives led by SGTO and officers have reached out to young people and will serve as a launch pad for further engagement work that will be led by the ideas and involvement of those taking part. Officers working with TFMC and other partners will scope setting up an apprenticeship scheme with the support of the Tenant Fund.

## **Consultation**

41. Consultation has been carried out in the usual way as in previous years with TFMC and TC. TFMC and TC have scrutinised the budget proposals, including the SGTO budget. Proposals have been made by both bodies relating to the proposed budget expenditure and what resources should be allocated to which priorities. Officers have taken these into account and changes have been made to a number of the budget allocations. There is an increase in the TRA grant, funding for a welfare benefits caseworker and an increase in the training budget. Representatives have proposed that the baseline reserve for the budget is £50,000.
42. The budget was prepared by officers based on the previous year and accounting for any known changes. This was presented to TFMC on 4 April 2017 and to TC on 10 April 2017.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

43. The approval of grants over £2,500 to voluntary organisations is reserved to individual cabinet members under Part 3D of the council's constitution.

#### **Strategic Director of Finance and Governance (FIN0971)**

44. The 2017-18 Tenant fund budget is sufficient to fund the proposals outlined in this report.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Tenant fund IDM report 2016-17	Communities Division, 160 Tooley Street SE1P 5LQ	Andy Matheson Tel: 02075257648
Variation to Tenant Fund Budget 2016-2017 for investment in Old Kent Road Studios Capital Works	Communities Division 160 Tooley Street SE1P 5LQ	Andy Matheson Tel: 02075257648

### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Southwark Group of Tenants Organisations Budget 2017-18

### **AUDIT TRAIL**

<b>Lead Officer</b>	Stephen Douglass, Director of Communities		
<b>Report Author</b>	Andrew Matheson, Senior Commissioning Officer		
<b>Version</b>	Final		
<b>Dated</b>	18 May 2017		
<b>Key Decision?</b>	Yes		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments sought</b>		<b>Comments included</b>
Director of Law and Democracy	Yes		Yes
Strategic Director of Finance and Governance	Yes		Yes
Head of Procurement	Yes		Yes
<b>Cabinet Member</b>	Yes		Yes
<b>Date final report sent to Constitutional Team</b>			18 May 2017



Table 1

## Tenant Fund 2017-18 and 2016-17 budget comparison

Budget elements	Cost elements	2017-18 Budget	2016-17 Budget	% budget change
A	Salaries	116,338	120,429	-3%
B	Training	60,000	5,050	See note B above
C	Cab fares	500	500	0%
D	Equipment leasing	7,000	7,000	0%
E	Refreshments for meetings	500	1,200	-58%
F	Marketing & publicity (Tenants conference)	8,000	10,000	-20%
G	Telephones	500	500	0%
H	Printing & Stationery	5,000	5,000	0%
I	Grants (Budget Balancing Figure Indicative)	238,248	189,971	25%
J	External agencies and bodies (S.G.T.O)	238,650	249,630	-4%
K	Home Owners' Contribution	-64,327	-51,292	25%
L	Projects	107,500	0	
	Tenant Fund Reserve	<b>50,000</b>	<b>336,092</b>	
	<b>Funds available</b>	<b>767,909</b>	<b>874,080</b>	-12%
	Budget	<b>530,012</b>	<b>537,988</b>	-1%
	Tenant Fund Reserve position 31/3/2017	<b>249,610</b>	<b>336,092</b>	-26%
	<b>Total</b>	<b>767,909</b>	<b>874,080</b>	-12%