

Item No.	Classification: Open	Date: 20 March 2014	Decision Taker: Deputy Leader and Cabinet Member for Housing Management
Report title:		Tenant Fund Budget 2014/2015	
Ward(s) or groups affected:		All	
From:		Head of Community Engagement	

Recommendations

1. That the Deputy Leader and Cabinet Member for housing management approves the proposed 2014/2015 Tenant Fund budget 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 Management notes that the funding of £238,000 recommended for Southwark Group of Tenants Organisations (SGTO) subject to SGTO signed acceptance of the Council's Standard Conditions of Funding (COGF), an agreed specification with clear outcomes and performance monitoring of these outcomes.

Background

3. The Tenant Fund was established in 1989 to fund and support the tenant movement. It derives its income from a precept on tenants' rents, which currently stands at £0.2725p per week per property for 2014/15. Further contributions are made from the home owner fund for 25% of the amount actually paid to tenants' & residents' associations (TRAs) during the year.
4. The Tenant Fund base budget is set every year according to the current number of secure tenanted properties in management and any rent increase. This has been the case every year since the Tenant Fund was introduced.
5. In previous years, the budget has been set after the start of the financial year rather than in advance because it was not possible to have full certainty about the income available until out-turn figures were available and both the carry forward and expected home owner fund contributions were known.
6. In 2012 it was agreed that the budget should be set at the start of the year. The proposed 2014/15 budget has been set on the basis of the previous year's budget accounting for any trends in expenditure and assumes an increase of 1% for salaries
7. It is currently estimated that the Tenant Fund reserve will be in the region of £313k on 1 April 2014. This is an increase of £75k on the amount in the reserve on 1 April 2013. However, some of these resources though not currently allocated may 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. TFMC has also approved additional expenditure for IT and training.

Details of this are set out in paragraph 9 below and expenditure will be drawn from the Tenant Fund reserve.

Review of Tenant Fund

8. In 2013/14 TFMC and officers worked jointly on reviewing the following elements of the Tenant Fund:
 - Tenant Fund criteria and TRA grant application form
 - Training offer to TRAs and their training needs
 - The standard of the computer and printing facilities in the 3 resource centres – Taplow, Albrighton and SGTO at Bells Gardens to meet the needs of TRA members

9. Following the review a number of changes and improvements are proposed, and subject to final consultation and agreement with TFMC and TC will be implemented from the start of the 2014/15 financial year:
 - Availability of a simplified Tenant Fund grant application form including the availability of the form online.
 - A clear cut off point for making grant applications with a deadline of the 30 September applied to applications relating to the previous financial year.
 - A reduction in the requirement for TRAs to hold general meetings from 4 to 2 a year.
 - An enhanced training offer through the availability of new bespoke training programmes for TRA members covering Health & Safety Risk Assessments, Employment procedures, Fire Risk and Food Hygiene and a pilot scheme for training area housing forum representatives in housing finance
 - Training officers gaining accredited status for the delivery of courses to improve the quality of the training offer. TFMC has agreed a budget of £38,000 for the improved training offer and these new initiatives. This one-off expenditure is to be funded from the Tenant Fund reserve.
 - Improved computer and printing facilities for the use of TRA members in each of the 3 resource centres. Following a request made by SGTO in January 2014 for improved IT infrastructure work has been carried out to identify how their specific computer needs can be met in the most efficient and cost effective way. In order to maximise value, the purchase of equipment through one order will achieve best value and consistency across the 3 resource centres. TFMC has agreed a maximum budget of £40,000 for the upgrading and replacement of the current equipment including a 3 year maintenance contract. This one-off expenditure is to be funded from the Tenant Fund reserve.

Key issues for consideration

10. The Tenant Fund supports resident involvement and TRA activities including:
 - Grants to TRAs

- Services and facilities in the resource centres
- Funding to Southwark Group of Tenants Organisations
- Training and capacity building.

The consultation framework consists of area housing forums that nominate representatives to Tenant Council, which then elects a sub-group to manage the Tenant Fund: the Tenant Fund Management Committee.

11. In 2011 TFMC and TC recommended a total budget of £539,833 with a grant of £160,562 to SGTO for 2011/2012. In 2012/2013 TFMC and TC recommended a total budget of £509,320 with a grant of £175,000 to SGTO. The IDM report for 2012/13 is available as background papers. The report included a recommendation that a request for an additional £40,000 received from SGTO to fund a Research and Campaigns Officer was subject to the submission of a formal business case for funding from contingency and that a further report was to be brought back for consideration in July 2012. The report was considered by TC on 16 April 2012.
12. The SGTO funding application for the year 2014/15 was considered by TFMC on 4 February 2014 and totalled £250,000. Following clarification with SGTO on project costs, the application was revised to £243,000. This is attached as Appendix 2. Following further clarification the amount was amended to £238,000 at the request of TC on 3 March 2014. This sum includes an amount for salaries for the current complement of 5 staff including the Research and Campaign Officer at a total of £157,500. Following consultation with TC and TFMC officers are recommending a grant of £238,000 subject to the normal conditions of grant funding that apply to all voluntary and community sector organisations. This brings SGTO into line with all voluntary sector funded organisations.

Budget elements

13. The reference letters **A - N** used in this part of the report relate to the relevant lines of the budget in Appendix 1.

Expenditure

A. Salaries and staffing

The staff funded is within the council's Community Engagement team: two Community Training Officers and one Tenant Grants Officer. An uplift of 1% is applied in line with Southwark Council's uplift.

B. Training

Set at the same level as last year at £5000. An additional maximum amount of £38,000 has been earmarked for new training initiatives. These are the delivery of new training by external trainers to cover Health & Safety Risk Assessments, Employment procedures, Fire Risk, and Food Hygiene. There are also costs for accreditation of the trainers and the piloting of training in housing finance for area housing forum representatives. This expenditure has been approved by TFMC and TC and will be drawn from Tenant Fund reserve.

C. Other employee expenses

This budget has been changed to zero. Costs in the year 2013/14 related to the cost of an employee's season ticket travel loan which was repaid through monthly salary deduction.

D. 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 at TC, TFMC and attendance at working parties.

E. 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 £7000. However, TFMC and TC has allocated an additional estimated amount of £40,000 to improve the IT facilities at Taplow, Albrighton and Bells Gardens which will be drawn from Tenant Fund reserve.

F. Refreshments / Meetings

This is maintained at the 2013/14 level for TC refreshments.

G. Marketing/Publicity (Tenants Conference)

This is maintained at the 2013/14 level at £10,000.

H. Telephones

This is maintained at the 2013/14 level and includes mobiles phones.

I. Printing & Stationery

This is maintained at the 2013/14 level of £5000.

J. 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 £202,938. Based on expenditure in the current year there is adequate provision as current expenditure is just over £162k with 55 applications processed.

K. Grant to SGTO

The details of this are contained in paragraphs 11 and 12.

L. Income

Total Income

Following the rent increase, the weekly precept on the rent for 2014/15 is £0.2725. When multiplied by 52 weeks and then by 37,913 tenanted properties, the base budget calculates as £537,227.

M. Home Owners Levy

This figure is based on the agreement with the Home Owners' Fund to contribute 25% of a particular year's actual grant payments by the Tenants fund to T&RAs. It simply represents 25% of the budgeted amount for Grants to T&RAs (budget item J). It is paid quarterly based on the actual TRA spend figure for the quarter.

N. Carry forward

The estimated Tenant Fund budget carry forward is £312,637. A significant number of further grant applications for the current year will continue to be received up to September 2014. It is estimated that these may number between 20 and 30. There is a possibility that further applications might in exceptional circumstances be received for previous years. £78,000 has been earmarked for expenditure for new training initiatives and for upgrading ITC equipment as indicated under budget items B and E. Officers will work with TFMC to consider proposals for use of the reserve in the year to come.

Tenant Fund management committee

14. TFMC is a sub-committee of TC. The Tenant Fund budget is presented to TC after TFMC has finalised its recommendations.
15. This report in draft form was presented to TFMC on the 18 February 2014 for discussion and comment. The budget recommendations were agreed with officers with the exception of the recommendation for SGTO. After further discussion and clarification a final recommendation of £238,000 has been agreed.

Funding of the Southwark Group of Tenant Organisations (SGTO)

16. For 2014/15 the grant to SGTO will be paid quarterly in advance in 2014/15.
17. The grant to SGTO is the largest council grant to any voluntary and community sector organisation. It is not currently subject to standard monitoring arrangements. These are the requirements to submit a grant application setting out the purpose of the grant and the outcomes to be achieved and a requirement to sign the standard conditions of grant funding.
18. All independent organisations funded by the council are subject to funding agreements in the form of grants or contracts. These include the law centre and other advocacy organisations that enable the community to challenge statutory bodies when appropriate. The agreements provide a framework which confer rights and responsibilities on both sides and recognise the independence of the organisation.
19. Putting in place an agreed specification with outcomes and a signed grant agreement would provide greater clarity of purpose and a clear set of objectives for all tenants to be able to see how the organisation meets their needs. It would enable TC and TFMC to set objectives and measure the impact of the work carried out against a business plan. It would also enable SGTO to respond to changes in needs and to develop new strategic objectives in consultation with the broader

tenant movement as well as TFMC. The specification will be developed by officers in consultation with SGTO.

Community impact statement

20. The Tenant Fund supports tenant and resident associations and related support services including training, two resource centres and the SGTO.
21. 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.
22. A known gap is that of young people, who are under-represented within TRAs. One TRA is piloting setting up a youth TRA to increase the engagement of young people with housing and decision making. Officers and the TFMC will actively support initiatives that promote the involvement of young people where possible.
23. SGTO has been responding to the increasing needs of tenants impacted by welfare reform changes. This includes supporting tenants with meeting benefit conditionality requirements and accessing services online.
24. In order to achieve greater consistency and synergy in relation to the services and support provided by the 3 resource centres for tenants it is also proposed that an evaluation of these services is carried out, testing footfall and the needs that tenants present with in order to improve the service offer.

Consultation

25. Consultation has been carried out in the usual way as in previous years with TFMC and TC.
26. The draft budget was prepared by officers based on the previous year and accounting for any known changes. This was presented to TFMC 18 February 2014 and subsequently to TC on 3 March 2014. TC formally recommended the revised funding recommendation from TFMC for SGTO of £238,000 for 2014/15. Officers restated that their funding recommendation for SGTO is for £204,732 with agreement on all other Tenant Council proposed budget recommendations.
27. TFMC were invited to make a representation if deemed appropriate and this was received on 19 March 2014 and focused on the award to SGTO. This has been presented to the Cabinet member for consideration in advance of the decision being taken. In summary TFMC agreed with the recommendation for funding to SGTO but requested that the Cabinet Member should not agree the second recommendation that SGTO funding be approved subject to the agreement that the SGTO signs acceptance of the Council's Conditions of Grant Funding (COGF).

Supplementary Advice from Other Officers

Director of Legal Services

28. The approval of grants over £2500 to voluntary organisations is reserved to individual cabinet members under Part 3D of the council's constitution.

Strategic Director of Finance and Corporate Services (DKz34 2013/14)

29. The 2014/15 Tenant fund budget provision is sufficient to fund the budget proposals for 2014/15 as outlined in this report. Two items of one-off spending totalling £78k are to be funded from the tenant fund reserve. This reserve is currently forecasted to be about £313k at the start of 2014/15.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Tenant fund IDM report 2012/13	Community Engagement Team, 160 Tooley Street	020 7525 7648

APPENDICES

Appendices	
Appendix 1	Tenant Fund Budget 2014/15
Appendix 2	Southwark Group of Tenant Organisations budget application 2014/15

AUDIT TRAIL

Lead Officer	Stephen Douglass, Head of Community Engagement	
Report Author	Andrew Matheson, Senior Commissioning Officer	
Version	Final	
Dated	19 March 2014	
Key Decision	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	No	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	19 March 2014	

APPENDIX 1

Tenant Fund budget and actual summary 2013/14 and 2014/15

Budget elements	Cost elements	2013/14 Budget	2013/14 spend to 28/02/14	2014/15 proposed budget	% budget change
A	Salaries	95112	85555	96063	1%
A	National Insurance	7752	8109	7830	1%
A	Pensions	13792	8780	13930	1%
B	Training	5000	1645	5000	0%
C	Other employee expenses	5000	3799	0	0%
D	Cab fares	500	3790	500	0%
E	Equipment leasing	26412	7691	7000	-73%
F	Refreshments for meetings	1200	956	1200	0%
G	Marketing & publicity (Tenants conference)	10000	4039	10000	0%
	Computer maintenance	0	270		
H	Telephones (land lines)	500	515	500	0%
H	Telephones (mobiles)	0	411	0	
I	Printing	1500	-313	0	-100%
I	Stationery	5000	3670	5000	0%
	Information management		11	0	
J	Grants	236606	155774	202,938	-14%
K	External agencies and bodies (S.G.T.O)	190829	189716	238,000	25%
L	General recharges (Home Owners' Levy)	-59152	-31139	-50,734	-14%
	Salary deductions	0	-2072		
	Total	540051	441207	537227	-1%

M	In addition, the reserve carried forward into 2014/15 is estimated at:	312637
	Total funds available for 2014/15 budget:	849,864

Note: The reserve will be utilised to fund one-off expenditure in two areas, as follows:

Training	£30000
ICT equipment	£40000

Notes:

Line B

Training reduced back to £5k as requested by Chair of TFMC

Line E

Budget reduced to £7k to fund Copier leasing costs; budget line description changed to Equipment leasing

Line I

Printing budget removed and now total budget for element I = £5k in line with Chair of TFMC request

Line J

Grants is a balancing figure (in conjunction with HOL)- used as a balancing figure because bottom line budget is fixed at £537,227, so in all cases where the budget on a specific line is adjusted, the Grants & HOL budgets will automatically change as well. The figure for SGTO was amended from £243 to £238,000 following a request from Tenant Council at its meeting of 3 March 2014

APPENDIX 2

SOUTHWARK GROUP OF TENANTS ORGANISATION			
Annual Budget 2014 -2015			
Description	SGTO 2014/2015		
Staff Salaries	137,000	}	5 members of staff
Employer NIC	13,500		
Employer Pension	7,000		
Advertising & Recruitment Cost	1,200		South London Press £1,000, Southwark News £200
Replacement & Renewal-furniture	1,500		
Insurance	550		
Cleaning & Maintenance	1,392		
Rent			
Office Stationery	3,000		
Photocopier - Lease and Maintenance	12,800		Rental and cost per copy is charged quarterly, at approx £3,200
Printing & Publicity Material including Newsletter	7,500		
Hall Hire (away day eg.)	800		
Computer Maintenance (Contract) occ. call-out	1,000		
Meeting Expenses	1,800		Group, board,
Volunteer Expenses	1,560		Average 5 volunteers at £3.00 per day, twice a week = 15 x 2 =£30 x 52 weeks
Water (Drinking)	240		
Subscription and fees	335		Southwark News £85, Inside Housing £134, Community Matters £74.50, SPG £5, Information Commissioners Office £35
Legal Advice Cost/Support	5,000		
H.R Support	1,000		

Audit & Accountancy Fees	3,800		
Sage	1,600		Yearly membership £750, monthly fee £70
Bank Interest/ Charges	240		
Travel, Motor and Subsistence	350		Taxi £200, diesel £100, oyster £50
Parking Permit	125		
Postage and Franking Machine	2,900		Month £75, Top-up £500 per quarter
Telephone (land & Franking Machine)	1,640		Land £350, fax £60 = £410 per quarter
Mobile Phones	1,680		5 phones £140 per month
Internet Charges/Domain Name/Websites for T & RA	5,400		Claranet £850, Hands-on £1000, H.P £350, Easy-space £150, Trend £170, Websposure £2900
Resource Room - Repairs & Renewal - ICT	500		
Furniture & Fittings Replacement			
Training Costs - Staff & Board	7,500		
- Resource Room			Courses brought & offered free of charge to tenants & residents of Southwark.
Heating Costs	7,200		Aprox £600 per month, until the actual amount is established.
Youth Participation Project (Research & Conference)			
Books & Resources	1,000		Keep library up to date with current books to assist residents
BME or Repairs Conference 2014			
Campaign	4,000		Printing, banners, travel to conferences
Refuse Collection (veolia)	288		Percentage of charge
Management/Support/Hours	0		
Total Budget Expenses	235,400		
Funded by:			
TFMC			
Free printing to TRAs	8,000		
TOTAL	243,400		
Note:			
Salary figures above is inclusive of 12 months salary			
for the Campaign and Research Officer.			

