

Item No.	Classification: Open	Date: 16 March 2015	Decision Taker: Cabinet Member for Housing
Report title:		Tenant Fund Budget 2015/2016	
Ward(s) or groups affected:		All	
From:		Strategic Director of Housing and Community Services	

Recommendations

1. That the Cabinet member for housing approves the proposed 2015/16 Tenant Fund budget as summarised in Appendix 1 following consultation with the Tenant Fund Management Committee (TFMC) and Tenant Council (TC).
2. That the Cabinet member for housing notes the increase in the amount of grant payable to tenants' and residents' associations (TRAs) from the Tenant Fund, additional budget commitments for specific projects and a 1.14% decrease in the grant payable to Southwark Group of Tenants Organisations (SGTO). The increase in the grant amount payable to TRAs is the first since 2006/07 and details of this are set out in paragraph 11.

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, calculated at £0.2785 **per week per property** for 2015/16. Further contributions are made from the Home Owner Fund for 25% 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 according to the current number of secure tenanted properties in management and any rent increase. The number for 2015/16 is 37,593 compared to 37,913 for 2014/15.
5. The proposed 2015/16 budget has been set on the basis of the previous year's budget accounting for any trends in expenditure and assumes an increase of 1.2% for salaries.
6. It is currently estimated that the Tenant Fund carry forward budget will be in the region of £360k on 1 April 2015. This represents an increase of about £36k in the amount in the reserve on 1 April 2014. 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 with a September cut-off date for awards for the previous financial year.
7. TFMC has also approved additional expenditure to support the following projects:
8. Digital Inclusion amongst tenant groups
 - TRA organised events that encourage more people to become involved, promote TRAs, build community cohesion and the capacity of local TRAs
 - The continuation of engagement work with young people

- A bursary scheme so that four tenants a year can apply for sponsorship to do Chartered Institute of Housing training
 - The fund and design of a series of “How to...” leaflets to support tenant and TRA involvement and capacity building
 - Staff resources to provide a service to TRAs in the north of the borough based at the Millpond (see paragraph 13)
9. Expenditure for these projects will be drawn from the Tenant Fund carry forward budget. Proposals for the delivery of the projects and the estimated cost have been brought to February TFMC. The maximum estimated total budget for the delivery of the projects referred to above is £100k.
10. In the last two years TFMC and officers worked jointly on reviewing elements of the Tenant Fund. These have resulted in the following outcomes which aim to increase TRA participation and activity:
- Streamlined Tenant Fund criteria and simplified TRA grant application form (for implementation in April 2015) and to be made available online
 - The development of a new model TRA constitution
 - An improved training offer to TRAs with a greater range of courses meeting training needs made available
 - The installation of new computer and printing facilities in the 3 resource centres – Taplow, Albrighton and SGTO at Bells Gardens to meet the needs of TRA members
11. A number of other changes have also already been implemented in 2014/15. These are:
- A clear cut off point for making grant applications with a deadline of 30 September applied to applications relating to the previous financial year
 - An enhanced training offer through the availability of new accredited bespoke training programmes for TRA members covering health & safety risk assessments, employment procedures, fire risk and food hygiene and with all area housing forum representatives having received a briefing in housing finance
 - Training officers gaining accredited status for the delivery of courses to improve the quality of the training offer
 - Premises training delivered by an independent organisation Community Matters with the objective of building TRA awareness of legal liabilities and responsibilities in the management and use of halls and community spaces
 - Supporting activities that encourage more people to become involved

Key issues for consideration

12. The Tenant Fund supports resident involvement and TRA activities including:
- Grants to TRAs
 - Services and facilities in the resource centres
 - Funding to SGTO
 - Training and capacity building
 - Digital Inclusion

13. The consultation framework for the Tenant Fund 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.
14. TFMC and TC have proposed an increase to the TRA grant. This will be the first increase since 2006. The basic level of TRA grant will rise from £1,100 to £1,200. There will be a similar increase in the calculation for estates where the property count exceeds 240 tenancies from £4.50 to £5.00 per tenancy. Financial modeling has been carried out which indicates that increasing grants by these amounts will not impact on the Tenant Fund carry forward figure and that the resources required can be met from within the projected grants budget heading for 2015/16 without the need to reconfigure the budget heading amounts.
15. The council's existing model constitution has been in place for twenty years. Work began early this financial year, with the Constitutions Working Party, to review this document and produce accompanying guidelines. A further meeting of the Working Party will take place to agree and finalise the new constitution. This will then be brought to Tenant Council for approval with the intention that it will be rolled out in the next financial year 2015-16.
16. Work is underway to establish a Tenants' Resource facility in the north of the borough. Millpond TRA hall is currently being refurbished and it is anticipated that all works will be completed by March. The refurbishment included the provision of ground floor IT/resource room. The council is developing proposals for this facility. This includes: staffing, equipment and printing/photocopier. In addition, the council is currently in negotiations with the local TRA and voluntary groups with regard to the future management arrangements for the building.
17. The TRA organised events for which additional expenditure is authorised and referred to in paragraph 7, will support TRA sustainability and growth and the building of community cohesion through managing a grant scheme for TRAs existing and emerging to hold an open event for residents up to a sum of £1k to put on a festival, party or open days.
18. The details of the scheme are subject to finalisation but must not duplicate what is available elsewhere through the new Neighbourhoods Fund or the Joint Security Initiative. It is proposed that:
 - The grant is only available to TRAs that have funds under £10k
 - Proposals are made jointly with Resident Service Managers/Resident Service Officers /Tenant & Resident Organisation Officers
 - The application process is very simple
 - The TRA can demonstrate that it has not received funding for a similar project in the same financial year
19. It is proposed that the following criteria apply to the fund:
 - Must be an event - community party, fun day, coffee morning, lunch
 - Must be open to anyone who lives in the relevant area (so not a trip or older people's lunch)
 - The purpose of the event should be to bring people together, neighbours getting to know each other – which will through positive activity raise the profile of the TRA

20. The target for the funding will be:
- New TRAs
 - Emerging TRAs to build their capacity and attract other members
 - Re-launching TRAs/TRAs with new boards
 - Other TRAs with a view to refresh and renew their membership
21. The SGTO funding application for 2015/16 was considered by TFMC on 3 February 2015 and totalled £235,290. This compares with a grant award of £238k for 2014/15 and represents a decrease of 1.14% on that year. Following consultation with TC and TFMC officers are recommending the grant of £235,290 is awarded with SGTO again subject to the normal conditions of grant funding that apply to all voluntary and community sector organisations.

Budget elements

22. The reference letters **A-K** 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 1.2% is applied in line with Southwark Council's uplift.

B. Training

Set at the same level as last year at £5k. An additional maximum amount of £38k was earmarked for new training initiatives last year. This was for 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 was drawn from Tenant Fund carry forward and approximately £12.5k remains available.

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 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.

TFMC and TC allocated an additional amount of £40k to improve the IT facilities at Taplow, Albrighton and Bells Gardens during 2014/15. The latest position is that £33k of this has been spent to date.

E. Refreshments / Meetings

This is maintained at the 2014/15 level for TC refreshments.

F. Marketing/Publicity (Tenants Conference)

This is maintained at the 2014/15 level at £10k.

G. Telephones

This is maintained at the 2014/15 level and includes mobile phones.

H. Printing & Stationery

This is maintained at the 2014/15 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 £214,260. Based on expenditure in the current year there is adequate provision as current expenditure is just over £102,019 with 56 applications processed.

J. Grant to SGTO

The details of this are contained in paragraph 18.

K. 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 I). It is paid quarterly based on the actual TRA spend figure for the quarter.

Tenant Fund management committee

23. TFMC is a sub-committee of TC. The Tenant Fund budget is presented to TC after TFMC has finalised its recommendations.
24. This report in draft form was presented to TFMC on the 3 February and 3 March 2015 and to Tenant Council on 16 March for discussion and comment. The budget recommendations were agreed with officers.

Funding of the Southwark Group of Tenant Organisations (SGTO)

25. SGTO in line with the funding requirements for 2014/15 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. Revision of SGTO's KPIs has been carried out during the year and an updated version is nearing completion.

Community impact statement

26. The Tenant Fund supports tenant and resident associations and related support services including training, two resource centres, and SGTO.
27. 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.
28. The activities to be funded through the Tenant Fund carry forward budget will support the objective of building strong, inclusive and connected communities where people feel they belong and with a strong sense of place.
29. A known gap is that of young people, who are under-represented within TRAs. An event aimed at building engagement with young people called #CHATBACK is taking place in February. This new initiative will actively promote the involvement of young people and serve as a launch pad for further engagement work that will be led by the ideas and involvement of those taking part.
30. 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.

Consultation

31. Consultation has been carried out in the usual way as in previous years with TFMC and TC.
32. The budget was prepared by officers based on the previous year and accounting for any known changes. This was presented to TFMC on 3 February and 3 March 2015 and subsequently to TC on 16 March 2015.

Supplementary Advice from Other Officers

Director of Legal Services

33. 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 Corporate Services (35DKz14/15)

34. The 2015/16 Tenant fund budget is sufficient to fund the proposals outlined in this report.
In addition to the annual expenditure budget, a number of items outlined in paragraph 7 and totalling about £100k are planned to be funded from the tenant fund reserve. This reserve is currently forecasted to be in the region of £360k at the start of 2015/16.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Tenant fund IDM report 2014/15	Community Engagement Team, 160 Tooley Street	Tel: 020 7525 7648

APPENDICES

Appendices	
Appendix 1	Tenant Fund Budget 2015/16

AUDIT TRAIL

Lead Officer	Stephen Douglass, Head of Community Engagement	
Report Author	Andrew Matheson, Senior Commissioning Officer	
Version	Final	
Dated	15 March 2015	
Key Decision	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	17 March 2015	

APPENDIX 1

Tenant Fund 2014/15 and 2015/16 budget comparison

Budget elements	Cost elements	2014/15 Budget	2015/16 Budget	% budget change
A	Salaries	96063	97216	+1.2%
A	National Insurance	7830	7924	+1.2%
A	Pensions	13930	14097	+1.2%
B	Training	5000	5000	0%
C	Cab fares	500	500	0%
D	Equipment leasing	7000	7000	0%
E	Refreshments for meetings	1200	1200	0%
F	Marketing & publicity (Tenants conference)	10000	10000	0%
G	Telephones	500	500	0%
H	Printing & Stationery	5000	5000	0%
I	Grants	202,938	214,260	+5.4%
J	External agencies and bodies (S.G.T.O)	238,000	235,290	-1.14%
K	General recharges (Home Owners' Levy)	-50,734	-53,565	
	Total budget for the year	537,227	544,422	+1.33%
	Estimated Tenant Fund reserve 1/4/2015		360,000	
	Total estimated funds available for 2015/16		904,422	