

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> March 2016	<b>Meeting Name:</b> Cabinet Member for Housing
<b>Report title:</b>		Tenant Fund Budget 2016/2017	
<b>Wards or groups affected:</b>		All	
<b>From:</b>		Director of Communities	

## RECOMMENDATIONS

1. That the Cabinet member for housing approves the proposed 2016/17 Tenant Fund budget of £537,988 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 specific budget commitments for projects that will increase tenant and resident involvement and skills, and the grant budget for Southwark Group of Tenants Organizations' (SGTO) of £249,630.

## 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). It derives its income from a precept on tenants' rents, calculated at £0.2757 per week per property for 2016/17. 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 figure so that the precept is adjusted upwards or downwards accordingly. The number of properties on which the budget is based for 2016/17 is 37,526 compared to 37,593 for 2015/16.
5. The proposed 2016/17 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. 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.
6. It is currently estimated that the Tenant Fund carry forward budget from the 2015/16 budget will be in the region of £324k with a total projected carry forward budget of £350k. The carry forward at the start of 2015/16 was £358k. The carry forward figure at the start of 2016/17 may increase or decrease subject to the number of TRA grants processed by the time the budgets are closed for the year. However, some of these resources though not currently allocated 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.
7. The number of payments made to TRAs to date in 2015/16 is 109 for a total of £193,031. 70 are for the year 2015/16 and 39 for 2014/15 (with the latter relating to applications made before the September cut-off).
8. In 2015/16 TFMC approved additional expenditure from the Tenant Fund carry forward budget to support the following projects:
  - Digital Inclusion/Go-On Southwark amongst tenant groups

- TRA organised events that encourage more people to become involved, promote TRAs, build community cohesion and the capacity of local TRAs through a small grants scheme
- The continuation of engagement work with young people

Fifteen Digital Inclusion hubs for tenants and residents 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 and are listed in paragraph 12 below.

Expenditure for these projects has been drawn from the Tenant Fund carry forward budget. Project delivery and expenditure has been reported to TFMC through the course of the year. The maximum total budget for the delivery of the projects was set at £100k. Expenditure during the year to date is currently £45k.

The budget report sets out indicative budget expenditure for the continuation of the existing projects and to meet additional specific needs. These are set out below in paragraph 11.

## KEY ISSUES FOR CONSIDERATION

9. In 2015/16 there was the first increase to the TRA grant since 2006. The basic level of TRA grant increased from £1,100 to £1,200. There was an increase in the grant calculation for estates where the property count exceeds 240 tenancies from £4.50 to £5.00 per tenancy. The increase in the grant payable was met from within the grants budget heading without the need to reconfigure the budget amounts. The increase in the grant payable helped TRAs to meet increased running costs. This year the grant payable will remain unchanged.
10. In the current financial year, 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:
  - 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
  - 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
11. 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.
12. The proposed maximum budget for project based elements of the Tenant Fund for 2016/17 is set out below:
  - Continued roll out of Digital Inclusion services to include training, provision and access to equipment - £43k
  - Specialist commissioned training additional to the In-house accredited training programme - £37k (details are provided below)
  - Costs in support of the development of the three RELESE resident led service pilots £10k
  - Small grants scheme for community events £30k
  - Youth Engagement led by Resident Involvement 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 on halls management agreements £5k

Additional training covers the following elements and will be commissioned according to need:

- Hall training provided by Community Matters – £5k
- Chartered Institute of Environmental Health training courses £18k

13. Each of these projects is funded through the carry forward budget. Expenditure for each of the projects listed above has been significantly lower than the maximum allocated budget. In the current year, the only one of the above project funding streams that has spent the allocated indicative budget is the Digital Inclusion/Go-On Southwark. 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. The Digital Inclusion projects developed in the current year are listed in Table 1 below.

Table 1

1. Silverlock TRA
2. Elmington TRA
3. Southwark Group of Tenants Organisations
4. Buchan TRA
5. Crawford TRA
6. North Peckham TRA.
7. Lucy Brown Sheltered Housing Unit.
8. Neckinger TRA
9. Southwark Travellers Action Group
10. Cambridge House
11. Blackfriars Settlement
12. Southwark hOURbank
13. Time and Talents Befriending Project
14. Southwark Deaf Forum
15. Nunhead Community Centre

14. The Tenant Fund small grants scheme for estate based community events has resulted in 42 applications being made in the first 2 rounds of the scheme, resulting in 28 awards for a budget of £20,600. The scheme is also designed to include events organising training for TRAs. The aim of this is to support the capacity of TRAs to take an active part in bringing residents together to build inclusive, cohesive and strong communities.
15. The SGTO funding application for 2016/17 was considered by TFMC on 25 January. The budget of £249k compares with a grant award of £235k for 2015/16 and represents a 6% increase 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.
16. TFMC and officers sought clarification to the changes to the budget line items at TFMC. The most significant element of the increase is to fund a part time outreach worker for 6 months who was previously appointed and funded from the SGTO reserve. Another increase results from bringing the expense allowance paid to volunteers in line with the Citizens Advice policy.
17. 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
18. SGTO have taken an active role in disseminating information to TRAs about planned legislative change contained in the Welfare Reform and Work and the Housing and Planning Bills. These are anticipated to have a significant impact on the provision and management of housing in Southwark and will have implications for tenants.
  19. Following consultation with TC and TFMC officers are recommending the grant of £249k is awarded with SGTO again subject to the normal conditions of grant funding that apply to all voluntary and community sector organisations.

## **Policy Implications**

20. There are no specific policy implications relevant to the Tenant Fund budget for 2016/17 specifically as it is yearly budget for the purposes described.
21. Tenants' and Residents' Associations are an important part of the fabric of the borough. The Tenant Fund provides resources to enable TRAs to operate and to manage themselves.
22. 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.
23. 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**

24. 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 Communities Division: two Community Training Officers and one Tenant Grants Officer. An uplift of 1% is applied in line with Southwark Council's uplift.

### ***B. Training***

The budget is 5k. An additional maximum amount of £37k is earmarked for commissioned training this year compared with £38k in the current year. This is to cover health & 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 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***

This is maintained at the 2015/16 level for TC refreshments.

#### ***F. Marketing/Publicity (Tenants Conference)***

This is maintained at the 2015/16 level at £10k.

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

This is maintained at the 2015/16 level and includes mobile phones.

#### ***H. Printing & Stationery***

This is maintained at the 2015/16 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 £189,971.

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

The details of this are contained in Appendix 2.

#### ***K. Home Owners Levy***

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

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

25. TFMC is a sub-committee of TC. The Tenant Fund budget is presented to TC after TFMC has finalised its recommendations.
26. This report in draft form was presented to TFMC on the 25 January and to Tenant Council on 22 February for discussion and comment. The budget recommendations were agreed with officers.

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

27. SGTO in line with the funding requirements for 2015/16 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**

28. The Tenant Fund supports tenant and resident associations and related support services including training, two resource centres, and SGTO.
29. 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.
30. 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 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.
31. 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.

## **Consultation**

32. Consultation has been carried out in the usual way as in previous years with TFMC and TC.
33. The budget was prepared by officers based on the previous year and accounting for any known changes. This was presented to TFMC on 25 January 2016 and to TC on 22 February.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

34. 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**

35. The 2016/17 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 12 are planned to be funded from the tenant fund reserve. This reserve is currently forecast to be in the region of £350K at the start of 2016/17.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Tenant fund IDM report 2015/16	Communities Division, 160 Tooley Street, SE1P 5LQ	020 7525 7648

## APPENDICES

Appendices	
Appendix 1	Tenant Fund Budget 2016/17
Appendix 2	Southwark Group of Tenant Organisations budget application 2016/17

## 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>	4 March 2016	
<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
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	7 March 2016	

## APPENDIX 1

### Tenant Fund 2015/16 and 2016/17 budget comparison

Budget elements	Cost elements	2015/16 Budget	2016/17 Budget	% budget change
A	Salaries	97,216	98,188	1%
A	National Insurance	7,924	8,003	1%
A	Pensions	14,097	14,238	1%
B	Training	5,000	5,050	0%
C	Cab fares	500	500	0%
D	Equipment leasing	7,000	7,000	0%
E	Refreshments for meetings	1,200	1,200	0%
F	Marketing & publicity (Tenants conference)	10,000	10,000	0%
G	Telephones	500	500	0%
H	Printing & Stationery	5,000	5,000	0%
I	Grants	214,260	189,971	-11%
J	External agencies and bodies (S.G.T.O)	235,290	249,630	+6%
K	General recharges (Home Owners' Levy)	-53,565	-51,292	-4%
	<b>Total budget for the year</b>	<b>544,422</b>	<b>537,988</b>	<b>-1%</b>
	Estimated Tenant Fund reserve 1/4/2016	<b>358,508</b>	<b>350,093</b>	<b>-2%</b>
	Total estimated funds available for 2016/17	<b>902,930</b>	<b>888,081</b>	<b>-2%</b>



## APPENDIX 2

SOUTHWARK GROUP OF TENANTS' ORGANISATION			
Annual Budget 2016 -2017	SGTO		
Description	2016/2017		
Staff Salaries	£144,549.00	}	5 members of staff
Employer NIC	£14,310.35		
Employer Pension	£7,400.00		
Part time outreach worker	£7,500.00		
Advertising & Recruitment Cost	£0.00		
Replacement & Renewal-furniture	£500.00		
Insurance	£650.00		
Cleaning & Maintenance	£0.00		
Office Stationery	£8,000.00		
Photocopier - Lease and Maintenance	£12,800.00		Rental and cost per copy is charged quarterly, at c. £3,200
Printing & Publicity Material including Newsletter	£8,000.00		
Hall Hire (away day e.g.)	£650.00		
Computer Maintenance (Contract) occ. call-out	£2,500.00		
Meeting Expenses	£1,500.00		Group, board,
Volunteer Expenses	£1,560.00		Average 5 x volunteers at £6.00 per day, once a week = £30.00 x 52 weeks
Water (Drinking)	£400.00		
Subscription and fees	£400.00		Southwark News £88.50, Inside Housing £164, Community Matters £85.00, Community Matters £13.00
Legal Advice Cost/Support	£5,000.00		
H.R Support	£1,000.00		
Audit & Accountancy Fees	£3,500.00		
Sage	£1,600.00		software and support
Bank Interest/ Charges	£280.00		
Travel, Motor and Subsistence	£1,310.00		Delivering newsletter, attending meetings, members taxi fare - Taxi £450, mileage allowance £300, oyster £200, child minding £360
Parking Permit	£250.00		
Postage and Franking Machine	£3,060.00		Quarterly rental £75, Top-up £600 per quarter, printing cartridges at £110 each x 3 £300+£2400+£360
Telephone (land & Franking Machine)	£1,550.00		Land £302.50, fax £85 = £387.50 per quarter
Mobile Phones	£2,400.00		now 6 phones (caretakers mobile charged to Bells)
Internet Charges/Domain Name/Websites for T & RA	£2,425.00		Domain Name/Websites for TRA's - Easy-space £100, Trend £215, Claranet £1985, website 1&1 £125
Resource Room - Repairs & Renewal - ICT	£0.00		

Furniture & Fittings Replacement	£500.00		
Training Costs - Staff & Board	£5,000.00		
- Resource Room			Courses brought & offered free of charge to tenants & residents of Southwark.
Heating Costs	£10,000.00		Gas bills to be paid of about £20,000 per year equally split with Bells
Youth Participation Project (Research & Conference)	£250.00		
Books & Resources	£0.00		Keep library up to date with current books to assist residents
BME or Repairs Conference 2014	£0.00		
Campaign	£0.00		Printing, banners, travel to conferences
Refuse Collection (Veolia)	£285.00		Percentage of charge
Events	£500.00		
Management/Support/Hours	£0.00		
Total Budget Expenses	249,630		
Funded by:			
TFMC			
Free printing to TRAs	£0.00		
TOTAL	249,630		
Note:			
Salary figures above is inclusive of 12 months salary			
for the Campaign and Research Officer.			