

DECORATING ALLOWANCES

1 SUMMARY

- 1.1 Members of the Overview and Scrutiny Committee to review the current practice of awarding a decorating allowance against void properties in a poor state of decoration.
- 1.2 The meeting will be attended by the Head of Service, Housing Manager and the Property Maintenance and Highways Manager to answer Members questions.

2 INTRODUCTION

- 2.1 To reduce the void re-let period and limit costs, Rochford Council provides a decoration allowance in preference to a contractor decorating the property. The exception is where the property is OAP designated or in a particularly poor state of repair.
- 2.2 The main aim of paying decorating allowances is to reduce void time and maintain the condition of Council stock. It is also recognised that many of our customers are the poorest members of society and do not have the excess income to fund decorating works.

3 DETAILED CONSIDERATIONS

- 3.1 The Decorating Allowance budget is reducing due to falling property numbers and void levels, see [Appendix I](#).
- 3.2 OAP properties are decorated whilst empty. A few non-OAP properties are also redecorated to a minimum standard, if in very poor condition, and authorised by the Assistant Housing Manager. Most void properties are not decorated and an Allowance is awarded to the new tenant. This is more cost effective than paying contractors to do the work.
- 3.3 The maximum that could be awarded if every room and ceiling of a three bedroom property needed re-decoration is £694. The average award for 2001/2 is £342.
- 3.4 Other Local authorities use different schemes:
 - Southend BC pay the equivalent of a weeks net rent, up to a maximum of 4 weeks, depending on the number of rooms requiring redecoration. Therefore their maximum payment is approximately £260.

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- Basildon DC pay the equivalent of a weeks net rent up to a maximum of 3 weeks. Therefore their maximum payment is approximately £180.
 - Colchester BC pay allowances in £25 vouchers, to be spent in one approved DIY shop, up to a maximum of £225.
 - Chelmsford use a voucher scheme and have no maximum award but rarely pay more than £250-£350. They do not decorate OAP properties unless they are disabled or have no relatives to assist.
 - Swaythling HA use a voucher scheme with a maximum payment of £315 for a three bedroom property. Vouchers are only valid for two months.
 - Eildon HA maximum allowance is £345.

- 3.5 In 2000/1, 38 decorating allowances were awarded (19% of voids) totalling £13972, whilst so far this year 42 decorating allowances have been awarded (25% of voids) totalling £14370. It is estimated that decorating allowances awarded will therefore have increased by 26% by the end of the financial year. See Appendix II.
- 3.6 In 1999 the Housing Management Section introduced a 'property inspection and sight of receipts' initiative to prove expenditure, before paying the second half of the allowance. Every year, since this introduction, there has been a reduction in the actual amount of decorating allowance paid and so far this year only 44% of the allowances have been claimed. See Appendix III.
- 3.7 This would seem to suggest that initial payments have not been spent on decoration, as no subsequent inspection has been requested. There is currently no time limit on an award and this means that in any financial year these tenants could suddenly request the remainder of their allowance. The Head of Service aims to address this issue by introducing time limits for works to be completed.
- 3.8 The Council does not have any difficulty to let general needs housing and the payment of a decorating allowance, as an incentive to reduce the void period, may not be necessary.

4. CONCLUSIONS

Members of the Overview and Scrutiny Committee need to consider the following six factors when recommending a future policy decision:

- 4.1 Decorating Allowances awarded to tenants in 2001/2 are expected to have increased by 26% this year but actual payments made have reduced to 44% of awards.

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- 4.2 The current system is probably not improving the condition of the Council's stock as it is likely that the first half of the award is being spent on other essentials otherwise the tenants would have claimed the remaining half.
- 4.3 Without a time limit on how long after the commencement of tenancy a tenant can claim the second half of the allowance, there is always a potential expenditure carried forward into financial years.
- 4.4 There are currently no hard to let general needs properties in the District, where an inducement is required to let the properties. However a fine balance has to be reached, as it is imperative that the void time does not increase because of refusals due to the state of the decoration.
- 4.5 If there were no system of decorating allowance, then the number of non-OAP re-decorations authorised by the Assistant Housing Manager would increase and could increase overall expenditure.
- 4.6 Rochford Council's payment of decorating allowances is considerably higher than our neighbouring authorities and Housing Associations.

5 RESOURCE IMPLICATIONS

- 5.1 Savings could be made on the Decorating Allowance Budget from 2002/3.
- 5.2 Actual savings depend on the number of allowances claimed from previous years, the decorative state of void properties, and the number of exceptional decorating allowances that have to be awarded. Awards made this year are estimated to be £17500, if 25% of non-OAP voids are still awarded an exceptional decorating allowance, there is a potential saving of around £15000 which will accrue to the HRA.

6 RECOMMENDATIONS

- 6.1 It is proposed that the Overview and Scrutiny Committee considers this issue and formulates a change in policy as follows:
1. To stop the decorating allowance scheme, with the proviso that the Housing Manager can award an exceptional decorating allowance of £40 per room (to a maximum of £200) if a property is refused twice or in other exceptional circumstances.
 2. Exceptional Decorating Allowances will be paid half in advance and the remainder, if claimed within six months of accepting the tenancy, following an inspection and proof of expenditure. Payments to be made directly onto the rent account. (HRHM)

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