
DECORATING ALLOWANCES

1 SUMMARY

- 1.1 Members of the Overview and Scrutiny Committee to consider the re-introduction of awarding a decorating allowance against void properties in a poor state of decoration.

2 INTRODUCTION

- 2.1 In March 2002, Members agreed to abolish the existing Decorating Allowance Scheme for General Needs properties and introduced an Exceptional Decorating Allowance scheme. From 1st April 2002 the Housing Manager could award up to £200 at a rate of £40 per room, if a property was in a very poor condition. OAP designated properties continue to be re-decorated when void.
- 2.2 Since the abolition of the general Decorating Allowance Scheme no property met the criteria, as none have been refused twice because of the poor decoration or other exceptional instances. A very few poor properties were stripped of all wallpaper giving the in-coming tenant a blank canvas on which to work and 5 general needs properties were re-decorated.

3 DECORATING ALLOWANCE SCHEME TO GENERAL NEEDS PROPERTIES

- 3.1 Following a Best Value Inspection, the Council was criticised for not having a more generous Decorating Allowance Scheme. The Inspectors also wanted us to re-examine our current tenancy agreement that allows that after three years a tenant of a Sheltered Scheme or OAP designated bungalow, may request one room a year to be re-decorated.
- 3.2 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 our community and do not have the means to fund decorating works.
- 3.3 It is estimated that for 2002/3 the Council saved £17000 in not awarding decorating allowances under the old scheme. This did not impede the process of letting properties.
- 3.4 Under the current scheme there is a maximum payment of £200 per property. It is therefore estimated that if a more general scheme were introduced and with a void turnaround of 82 non-OAP properties last year, if 26% required an allowance (as previously awarded) then a maximum of £4400 would be awarded in a year.

4 OPTIONS

A) Maintain The Status Quo

- 4.1 The exceptional Decorating Allowance could continue. This is the cheapest option as it is envisaged that very few payments would be made this year. However this is contrary to the Audit Commissions BV Inspectors advice, good practice and may be allowing Council property to deteriorate internally. ***Approximate cost per annum, nil to £400.***
- 4.2 Whilst the BV Inspectors have recommended a more generous scheme, this may not be possible for Rochford where there are very tight financial restrictions in operation.

B) Re-Introduce a General Decorating Allowance Scheme

- 4.3 An alternative would be to re-introduce a general Decorating Allowance, payable at £40 per room to a maximum of £200 following a Surveyors internal inspection report. This could either be paid by:

(i) Payment of cash onto the Rent Account

The award is placed as cash onto the tenants rent account; half immediately and the other half following an inspection. However, if the tenant has no liability for rent due to Housing Benefit, repayment of a credit requires a manual cheque to be issued. Once in receipt of this money there is no guarantee that it will be spent on decoration.

Approximate cost per annum £4400.

(ii) Issue Decorating Allowance Vouchers

Two local Councils, Colchester and Chelmsford use a decorating allowance scheme by issuing vouchers for a local DIY shop, where a partnership has been created. There are very few local independent decorating shops in the District. Whilst negotiations could be entered into with them there is the problem that basic materials like white paint are generally more expensive than in large DIY stores.

There are three main DIY stores operating locally; B&Q, Wickes and Homebase. Whilst Wickes and Homebase operate a voucher scheme for employers to give to employees as rewards, these are not really adaptable to give to tenants to decorate their homes as they can be exchanged for any goods sold in store. However B&Q have a scheme of Decorating Vouchers for Social Landlord's which are item specific and would appear to meet the Council's needs. A visual presentation of the scheme will be shown at the meeting.

Granting Decorating Vouchers from a national chain store would facilitate the introduction of 'choice' into personal decoration tastes and is good practice and dovetails into our customer care practices.

Approximate cost per annum £4400

5 POSSIBILITIES TO REDUCE EXPENDITURE ON REDECORATIONS

(A) One Room A Year for OAP's

The Best Value Inspectors recommended a review in this area.

- 5.1 Currently the Council redecorates up to one room a year in OAP sheltered schemes and bungalows. This could be restricted to those in receipt of Housing Benefit. Last year 30 of the 88 properties re-decorated were for people not in receipt of Housing Benefit, costing approximately £8000. ***This could offer a potential saving of £8000 to pay for the new Decorating Allowance scheme.***
- 5.2 In order to change the conditions of tenancy to remove the right for OAP's to have one room a year re-decorated to those in receipt of Housing Benefit, a full consultation exercise would have to be carried out, tenants consulted, given time to challenge the decision and then amended conditions issued.
- 5.3 It is not envisaged that the majority of pensioners would be happy with the removal of this right, even if they receive Housing Benefit. Most residents of sheltered schemes are very elderly and those without family would have to employ private contractors, with possibly resulting excessive charges.
- 5.4 However changing the right to have a room re-decorated could be removed from all new tenancies very easily, which would slowly reduce expenditure.
- 5.5 Alternatively Members may wish to consider to continue the practice of re-decoration but to reduce the cycle to a two-year period rather than a one a year programme. Most OAP properties have only a bedroom, lounge, kitchen, bathroom and hallway, which means that the whole property is re-decorated on a five-year cycle.
- 5.6 Alternatively Members may wish to consider passing some of the cost of the re-decoration to the tenants, e.g. 10% for those on Housing Benefit (approx. £30) and 50% for those not in receipt of Housing Benefit (approx. £150) in order to maintain a subsidised system to our customers. However this would still require a full consultation exercise.

(B) Void Redecorations

- 5.7 Other re-decorations are carried out when a property is void. Reducing decoration to OAP voids would not be cost effective as refusal of

properties leads to increased void periods and it is in the Council's best interest to maintain its sheltered schemes.

- 5.8 The re-decoration of Temporary Accommodation (when void) cost the Council £10533 last year and this could be reduced by introducing a system of inspection before licensees placed in Council temporary accommodation are allowed to move into permanent accommodation. This will require a statement in the Lettings Policy to that effect.
Approximate potential savings £10000.

6 RISK MANAGEMENT

6.1 Resource Risk

Implementing a Decorating Voucher Scheme will increase the costs to the Decoration budget for 2003/4 by an estimated additional £4400 pa. Introducing other cost saving measures can save some or all of this.

6.2 Operational Risk

A system for monitoring and recording the distribution of the B&Q numbered vouchers will have to be introduced to ensure compliance with financial regulations. Housing Management Officers will have to find the additional time for post inspections of properties.

A full consultation exercise will need to be carried out in sheltered schemes and there is no guarantee that the removal of one-room a year redecoration will be accepted. Sheltered scheme tenants are still subject to changes in respect of wardens working arrangements and further changes at this stage may raise cause for concern. However slippage in the redecorating cycle from one room per year to one room every two years might be acceptable.

6.3 Reputation Risk

The introduction of a more generous Decorating Allowance Scheme should create positive press releases. However it is possible that the removal of the one room a year redecoration to OAP's could result in adverse publicity in the local press, unless handled sensitively.

6.4 Information Risk

Changes to the scheme will require publicity in 'Your Home' but as this is only published quarterly, delays in the consultation process might occur.

6.5 **Regulatory Risk**

Failure to consider the re-introduction of a more generous, universal decoration allowance scheme, which offers choice to our customers, could result in poor future inspections and/or CPA reports.

6.6 **Third Party Risk**

B&Q will want to ensure that the use of their scheme is handled carefully and correctly so as not to bring their Company into disrepute.

7 RESOURCE IMPLICATIONS

- 7.1 Implementing a Decorating Voucher Scheme will increase the costs to the Decoration budget for 2003/4 by an estimated additional £4400 pa.
- 7.2 This cost could be reduced by linking the one a year free redecoration to OAP's to those in receipt of Housing Benefit only and/or reducing the frequency of re-decoration to bi-annually, and/or inspecting temporary accommodation before offering permanent accommodation, creating a potential saving of £10533.

8 RECOMMENDATION

- 8.1 It is proposed that the Committee **recommends** a change in policy as follows:
- (1) To introduce a Decorating Voucher scheme using B&Q voucher scheme, payable at £40 per room (to a maximum of £200), payable half in advance and the remainder, if claimed within six months of accepting the tenancy, following an inspection and proof of expenditure.
 - (2) To amend our re-decoration policy following a full consultation exercise by:
 - (a) Consider restricting the right for OAP one room a year re-decoration in Sheltered Schemes, OAP designated bungalows and those in previously OAP designated flats who accepted those properties before deregulation in June 2002, to those in receipt of Housing Benefit, or
 - (b) Removing the right for OAP one room a year re-decoration to all new tenants of Rochford District Council, or
 - (c) Restricting the right for OAP one room a year re-decoration to all new tenants of Rochford District Council to those in receipt of Housing Benefit, or
 - (d) Restricting the decoration of OAP properties to a two year cycle from one a year, or

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- (e) Implementing a charge of the cost of redecoration of a percentage of the actual cost based on whether in receipt of Housing Benefit.
 - (3) To reduce the cost of re-decorating temporary accommodation by introducing a system of inspection prior to offering permanent accommodation.

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Background Papers:

Audit Commission Inspection Report 2003
Chartered Institute of Housing Good Practice Manual

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