

**CITY BOARD**  
**18 APRIL 2013**

# ITEM A8

## TENANT REWARDS REVIEW

Report of the Director and Company Secretary

### 1. SUMMARY

- 1.1 The City Board considered a report on Tenant Rewards on 28 February 2013, and asked for further consideration to be given to the detailed proposals and a further report to be taken to the City Board.
- 1.2 The report proposes establishing a working group of tenants to make proposals in this area with a view to a new scheme being ready for implementation in 2014.

### 2. RECOMMENDATION

That the City Board nominates a number of its members to work with the Resident Involvement Team and the Tenant Review Panel to consider the matter in more detail and to agree proposals to be brought back to the City Board at a future meeting.

### 3. MATTER FOR CONSIDERATION

- 3.1 The aim of the Tenants Rewards Scheme is to reward tenants who have maintained certain actions that reduce costs for Derby Homes and help to sustain the Council's overall business plan – for instance, pay rent regularly and on time, by direct debit, by signing up to text messaging and website registration etc.
- 3.2 Reward schemes and competition prizes should be operated where Derby Homes wishes to get a measurable outcome. This could be to encourage specific behaviours, collect data from tenants or to survey tenants' views.
- 3.3 Specific areas where these things could be useful at present are:
  - Increasing 'self service' through Derby Homes website
  - Increasing electronic communication through email - Providing a text phone number
  - Increasing payment by Direct Debit
  - Having a clear rent account
  - Responding to other requests for information e.g. occupation statistics
  - Signing up for "credit union" or "jam jar" accounts.
- 3.4 The previous proposals put to the February 2013 City Board meeting were not approved and a number of issues were raised by the Board including the following:
  - Whether the scheme could demonstrate any effect on behaviour

- The proposed scheme appeared to work against those signing up for Direct Debits
  - The qualifying period of three months clear account was felt to be too short
  - Some members thought that those in arrears should not be included
- 3.5 A further report was requested on this issue. It is now proposed that a working group consisting of a number of interested City Board members along with Resident Involvement and Tenant Review Panel be invited to work together to come up with options for the rewards scheme in the future.
- 3.6 The impact of Rewards Schemes is very difficult to measure accurately as there will be many factors working together to determine whether any particular payment was made or not. The comparison to be made is with other providers – and the scale of rewards initially proposed was reduced in the February proposals as a result of such benchmarking.
- 3.7 Rewards will need to continue to be proportionate to the risk and it is proposed that a budget of up to £25,000 (0.05% of rent) be retained for the new proposals as seen fit by the City Board after discussion.
- 3.8 The impact of Universal Credit, which begins to roll out in October 2013, means that there is a large increase in the sums of money to be collected. The aim of the Rewards Scheme is to encourage those tenants who already do the right thing and also to encourage those tenants new to paying over their rent as a consequence of Universal Credit to make those payments. There is an argument that such incentives should be unnecessary, but the small scale of the cost involved and the huge scale of change being faced by tenants' means that tenants will face very difficult choices in paying their rent, and it may help to ensure that more funds are received in future.
- 3.9 It is proposed that it should be tenants themselves that set this sensitive balance and consider what arrangements should be funded from 2014 onwards – hence the proposal to request some assistance from members of the City Board and review panels on this issue.
- 3.10 The existing arrangement of occasional prizes connected with specific draws related to specific issue can continue until this issue is resolved.

#### **4. CONSULTATION IMPLICATIONS**

The City Board has made a number of comments on the previous proposals, and this is proposed to be taken further by setting up a Panel to consider the details of this issue and make further proposals to the City Board by the Autumn in preparation for the end of year 2013/14 before making final proposals.

#### **5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS**

Derby Homes' budget includes £25,000 total for this item – any lower spending or proposals could be considered for other purposes.

#### **6. COUNCIL IMPLICATIONS**

This is a matter which does not require the approval of the Council.

## 7. EQUALITIES IMPACT ASSESSMENT

- Does this report affect the delivery of a service No
- Has an Equality Impact Assessment been completed No (please attach as appendix)
- If no Equality Impact Assessment has been completed please provide a summary of the equalities implications – At this stage there are no specific proposals – these will be developed and proposed later.

The areas listed below have no implications directly arising from this report:

Legal and Confidentiality  
Council  
Personnel  
Environmental  
Equalities Impact Assessment  
Health & Safety  
Risk  
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

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Background Information: None.

Supporting Information: None.

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