

TENANT REWARDS REVIEW

Report of the Director and Company Secretary

1. SUMMARY

- 1.1 Tenant Rewards are part of the 'non core' review of services provided that are not strictly required to be provided as part of Derby Homes' management contract with Derby City Council, and which are being reviewed as part of the business transformation process to ensure that they provide sufficient value for money for the future.
- 1.2 The report considers current rewards and other possible approaches.

2. RECOMMENDATION

That the City Board considers the matter and whether it would recommend the proposals put forward for tenant rewards.

3. MATTER FOR CONSIDERATION

- 3.1 The tenant rewards programme is now much slimmer than it has been in the past – the previous garden competition was discontinued a few years ago as it tended to reward the same few tenants whose excellence in garden maintenance meant that it was difficult for others to win. As part of the reduction in general spending necessary to bring Derby Homes within its management fee, other competitions have been scaled down but still continue at a lower level. Prizes tend to be awarded for competitions in Derby Homes News in the form of High Street Vouchers, or occasionally equipment such as an iPad.
- 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:
 - Getting sign up to Derby Homes website
 - Giving an email address
 - Giving a text phone number
 - Being on Direct Debit
 - Having a clear rental account
 - Responding to other requests for information eg occupation statistics.
- 3.4 Any rewards that target only new people achieving a target behaviour can be annoying to those already complying with the relevant behaviour. It is therefore proposed that whenever a proposal for a reward comes forward, any proposal for

rewarding those newly signing up must be accompanied with an equivalent or better reward for those already signed up.

- 3.5 In general, rewards need to be relatively significant to encourage take up but also need to be spread widely to have an impact across the City.
- 3.6 All competitions require membership of the Tenant Reward scheme.
- 3.7 A small panel of officers and tenants was formed to initially consider these issues.
- 3.8 In the short term, the recommendation is that schemes should continue as they do result in positive outcomes, although this is hard to specifically evidence due to the interaction of many factors. For example, a low level of rent arrears will be a product of many individual actions by tenants and Derby Homes employees.
- 3.9 In the future, all tenants will be faced with having to maintain their own rent account, even if on universal credit. The requirements of the new arrangements at that time – starting in 2013 for new tenants – will require further consideration of issues around rewards for maintaining a clear rent account.
- 3.10 The scale of rent to be collected – around £50m a year – means that any meaningful discount for maintaining a clear rent account would be either too small to have an impact or too expensive to implement – 1% would cost £500,000 a year.
- 3.11 Prize draws therefore continue to be an effective way to encourage behaviour at much lower cost and consequently can be set at more attractive levels.
- 3.12 It is suggested that Derby Homes should fund an increase in rewards budget of £20,000 to specifically target a year end clear rent account draw. This would consist of a number of prizes:
- One prize of a year's free rent (cost approximately £4,000)
 - Two prizes of a home or garden makeover – have your home decorated, garden made over for free up to a maximum works value of £2,500 each.
 - One hundred prizes of a week's free rent (cost approximately £8,000)
 - This would commence at the end of 2012/13 financial year, and would apply to all those with a clear rent account at that point. This would be financed from this year's anticipated tenant satisfaction funds.
- 3.13 These prizes would continue to be run each year thereafter
- 3.14 In terms of other prizes, it is proposed that there be further draws at the same time to reward the following:
- Supplying current email address
 - Supplying current text message phone number (usually mobile)
 - Being signed up to Derby Homes' Dashboard

These would operate within a new budget of £5,000 to include the existing competition prizes – the prizes would be an offer of a one room decoration or £150 High Street Vouchers as now.

- 3.15 It is proposed that all draws require a positive entry – that is, that a tenant must make an entry into a draw. This is so that we can ensure that the winning tenants

consent to publicity by entering the competition, and that tenants have to make contact to confirm that their rent account is clear – the best way to do this is through the dashboard. This will give an opportunity to clarify / chase any arrears leading up to the draw and also to get tenants to sign up to the other draws listed in 3.14 above.

4. CONSULTATION IMPLICATIONS

It is intended to get the views of the City Board before making final proposals. Views are welcomed. £25,000 is 0.05% of the rent due or 0.1% of the cash currently collected from tenants, so is not an excessive level to be paid out in this way.

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

Derby Homes does not commit its reward funding each year. Last year it received £150,000 and this will fund the initial year's cost of £25,000. Ongoing requirement of £25,000 is intended to be met from this budget each year. Clearly should that funding not be obtained in future, the policy may have to be reconsidered, but Derby Homes has successfully received this funding for at least three years in a row.

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 – All tenants with a clear rent account and fulfilling the other conditions will be able to enter any competition.

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

Legal and Confidentiality
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 the author, or Phil Davies, Chief Executive, phil.davies@derbyhomes.org – Phone: 01332 888528

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Background Information: None
Supporting Information: None