

Decoration Voucher & Disturbance Allowance Scheme Allowances

Summary

1. This report proposes changes to the way we provide decoration & disturbance allowances for the council housing stock, to ensure that we achieve improved value for money and contractor performance.

Background

2. Decoration vouchers are currently provided for two main reasons, firstly to new tenants on re-let if the home they are offered is in a poor decorative state and secondly following modernisation via Tenants Choice (TC). There is a room by room denomination system to dictate the amounts offered, these are:

Living Room	£60	Bed-sit/Annex	£65
Dining Room	£60	Bedroom (double)	£55
Lounge/Dining Room	£65	Bedroom (single)	£55
Kitchen	£45	Bathroom	£45
Kitchen/Diner	£60	Separate toilet	£25
		Hall & Landing	£65

3. Through TC the vouchers are offered for each room disturbed whilst being refurbished. The individual Estate Manager on a void re-let however may often award on a sliding scale, below the room by room value, depending upon the condition of the area to be re-decorated. A 4 year contract to 2013 has been agreed to provide vouchers through B&Q, Dulux Decorating Centre and Homebase. In the financial year 2008/09 approximately £120,000 was spent on vouchers, approximately two-thirds of which was through the TC Scheme
4. Using the above denominations if a property was fully modernised through TC or required significant re-let decorations the total amount of vouchers could equate to:
 - 1 bed home - £270
 - 2 bed home - £325-385 (dependant on dining room or not)
 - 3 bed home - £465

5. A disturbance allowance is also allocated based on the time we are in the tenants home based on how many elements we are completing, this is up to a maximum of 3 weeks rent.
6. During 2009/10 figures when looking at the capital modernisation programme we carried out improvement works in 287 homes, the decoration and disturbance costs associated with this were:
 - Decorations Vouchers £312.83 Average = Total £89,782
 - Disturbance £295.28 Average = Total £84,745
7. Given the significant costs associated with decoration and disturbance, officer have been looking at alternative options to achieve better value for money whilst at the same time improving the service to customers.

Options

8. Option 1 - To agree to change the decoration voucher to a 'Paint Pack'
9. Option 2 – To change the level of disturbance allowances
10. Option 3 – To retain the status quo at this time.

Analysis

11. **Option 1** - Contact has been made the three existing contractors who provide the voucher option to consider the potential to introduce a 'Paint Pack' which would result in paint and brushes etc being delivered to the tenant to enable them to make good their decorations. Only Dulux have responded and brought forward options.
12. The Dulux proposal is to provide the customer with a 'Paint Pack' which includes everything that they need to decorate their home / affected areas. amount of paint provided will be sufficient to paint the rooms affected and will be based on an assessment of wall area / rooms affected. All the items required will be delivered to customers door and the paint choice goes up to a 2400 colour pallet. Detail of the customer literature can be found at Annex 1.
13. All paint packs will include the relevant COSHH sheets and application and storage recommendations.
14. Using the estimated cost for the paint pack, when considered against 2010/11's TC programme it is estimated that the cost would reduce by approximately 40% whilst at the same time providing tenants with sufficient quality materials to decorate their homes. The paint pack also has an option where tenants can substitute paint for wallpaper.
15. **Option 2** – Work has been ongoing with corporate procurement colleagues to renegotiate the current TC contracts. As a result of these negotiations it was agreed that all works would be completed within 10 working days. However it

was clear that the quality of the final job was should not in anyway deteriorate. Monitoring of the new working arrangements have show that the speed of the works has improved and works are now being completed within the 10 working day target and quality has not in anyway deteriorate. It is therefore proposed that the disturbance allowance paid to the tenant is reduced accordingly from the equivalent of 3 weeks rent to 2 weeks rent to reflect the reduction in the length of time the works take.

16. Again using the 2010/11 TC programme as a base, reducing the disturbance allowance as suggested would equate to a 33% cost reduction.
17. **Option 3** – agreement of this option would result in tenants continuing to have vouchers for decoration of their home and not benefit from an increased quality of produce as service. It would also result in tenants receiving disturbance payments for period of time when work is not been carried out.

Consultation

18. Customers on the 2010/11 and 2011/12 Tenants Choice programme where consulted during the annual exhibition held on the 5/6th November 2010, we asked them to complete in feedback cards and give views on the revised paint pack/disturbance allowance scheme.
19. 441 households where invited, 130 tenants attended and 98% where in favour of the new scheme

Implications

20. **Financial** – The costs associated with the decoration & disturbance payments are made from the HRA. The agreement of the proposals would reduce the cost to the service by approximately £50k per annum.
21. **Procurement** – Given that the current contracts that we have in place with voucher providers does not set out any minimum or maximum level of spend with them, to enter in to an additional contact to provide paint packs would not create any procurement problems.
22. There are no other implications arising directly from this report.

Risk

23. The risk associated with this proposal are low and as such score below 16.

Recommendations

24. That the Executive member:
 - Approves option 1 and 2 as set out in the report to change the way Decorations and Disturbance allowances are provided.

Reason – to ensure that the council provides a value for money efficient service to its tenants.

Contact Details

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Report Approved



Date 3rd March 2011

Specialist Implications Officer(s)

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report