

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 23 MAY 2001

REPORT ON DECORATION VOUCHERS

Report by the Director of Homes and Technical Services

1. INTRODUCTION

- 1.1 This report is to inform members of difficulties that are occurring in the operation of the tenants' decoration voucher scheme and recommend appropriate remedial action to overcome these difficulties.

2. BACKGROUND

- 2.1 The tenants' decoration voucher scheme was introduced by the Housing Committee on 20 November 1996 as a method of offering ex-gratia payments to tenants after the disruption of capital works such as re-wiring, installation of central heating etc. In addition vouchers were issued to new tenants as an assistance towards the decoration costs they would face in taking over a new tenancy.

3. CURRENT SITUATION

- 3.1 The decoration vouchers are described as a negotiable instrument by Finance and the administration of them is governed by Accounting Policy Bulletin No. 7D. In addition there are internal departmental guidelines for the handling and issuing of the vouchers. Each voucher has a face value of £10 and can be redeemed at nominated retail outlets for decoration materials. The definition of "decoration materials" is sufficiently wide to include most items that a tenant may have need to use decorating their home.
- 3.2 On several occasions the department or internal audit have examined or reviewed the operation of the scheme to ensure probity etc. These reviews have always led to the introduction of further controls and procedural changes which have further slowed down the operation of the scheme.
- 3.3 While such controls are necessary they nevertheless affect the efficiency of the system and introduce delays which ultimately adversely impact on the tenant. Members are aware of criticisms that tenants have made in regard to delays in receiving their vouchers. Other complaints from tenants include the necessity for each £10 voucher to be individually signed and counter signed by the tenant. Moreover only a limited number of retail outlets participate in the scheme and currently only one of them stocks sheet vinyl floor covering and that facility is being withdrawn in the near future. While the original scheme was designed to favour local East Ayrshire retail outlets this has had

to be expanded beyond our local boundaries to maximise the number of outlets willing to take part.

- 3.4 From a departmental perspective the administration of the system ties up staff resources which could be more effectively used in higher priority tasks e.g. rent arrears recovery and estate management.

AGENDA

4. PROPOSALS

4.1 The department has considered two alternate methods of paying an ex-gratia payment to the tenant

- Applying a credit to their rent account
- Issuing of a cheque direct to the tenant

In the case of the rent credit this would not assist those tenants on a limited income. However, issuing of a cheque will put the tenant in funds for decorating, will not restrict the tenants' choice of retail outlet and will be issued in a shorter timeframe.

4.2 From a departmental point of view the issuing of a cheque will increase tenant satisfaction, reduce the amount of staff resources applied to this area of work and make minor saving in printing costs, currently estimated at £ 4,000 per annum. In addition the issuing of cheques will ensure appropriate controls are maintained.

4.3 As is currently the case, tenants will still be expected to offset any payment due to them against any arrears outstanding.

4.4 If this suggested change is agreed it is suggested that, for a period of three months after the change, the department will accept back any unused vouchers and arrange for the issue of a cheque.

5. FINANCIAL AND LEGAL IMPLICATIONS

5.1 There are no legal implications associated with this change.

5.2 There will be a financial saving of approximately £4,000 in a full year.

6. RECOMMENDATIONS

6.1 Members are asked to:

- i) Agree the use of cheques in issuing ex-gratia payments to tenants;
- ii) Agree the issuing of a cheque for any unredeemed vouchers, this to be available up to the end of August 2001; and
- iii) Otherwise note the content of the report.

James Lavery
Director of Homes and Technical Services
8 May 2001

LIST OF BACKGROUND PAPERS

Nil

For further information please contact Joseph Cassidy, Policy Manager on 01563 576617

Implementation Officer: Joseph Cassidy, Policy Manager