

Notice of Meeting and Agenda Audit, Scrutiny and Petitions Board

Date	Time	Venue
Monday, 16 February 2015	10:00	CMR 1, Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

KENNETH GRAHAM
Head of Legal & Democratic Services

Board Membership

Councillor Bill Brown: Councillor John Caldwell: Councillor Audrey Doig: Councillor Eddie Grady:
Provost Anne Hall: Councillor James MacLaren: Councillor Iain Nicolson:

Councillor Jim Sharkey (Convener): Councillor Cathy McEwan (Depute Convener)

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at www.renfrewshire.gov.uk/agendas.

For further information, contact
democratic-services@renfrewshire.gov.uk.

Items of business

During consideration of the following items of business, the meeting will be open to the press and public.

Apologies

Apologies received from members of the Board.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

- | | | |
|---|---|---------|
| 1 | Audit Scotland Report, ‘Scotland’s public finances. A follow-up audit: Progress in meeting the challenges’ | 5 - 12 |
| | Report by Director of Finance & Resources | |
| 2 | Audit Scotland Report on the Impact of Welfare Reforms on Council Rent Arrears in Scotland | 13 - 40 |
| | Report by Director of Development & Housing Services | |
| 3 | Internal Audit and Counter Fraud Progress and Performance for Period to 31 December 2015 | 41 - 48 |
| | Report by Chief Auditor | |
| 4 | Summary of Internal Audit Findings for Quarter to end of December 2014 | 49 - 54 |
| | Report by Chief Auditor | |
| 5 | Upkeep of Common Areas within Council Housing Stock including | 55 - 70 |
| | Report by Lead Officer (Dorothy Briggs) | |

Report by Director of Finance & Resources

To: Audit, Scrutiny & Petitions Board

On: 16 February 2015

Report by: Director of Finance & Resources

**Heading: Audit Scotland Report, ‘Scotland’s public
finances. A follow-up audit: Progress in meeting
the challenges’**

1. Summary

1.1 Audit Scotland recently issued the report above as a follow-up to their 2011 report ‘Scotland’s public finances: Addressing the challenges’, which they produced for the Accounts Commission. Copies of the full report are available on the Audit Scotland website or from the Director of Finance and Corporate Services. The report provides a high-level update on the financial position and on how the 67 public bodies examined are meeting the challenges of budget constraints. This report to Members outlines the main findings of the Audit Scotland report, and provides some detail on the Renfrewshire Council position with regard to the issues raised.

1.2 The auditors assessed whether public bodies had sustainable financial plans that reflected a strategic approach to their finances. They also considered the role of councillors and non-executive directors in approving budgets and in holding staff to account for delivering budgets.

1.3 Audit Scotland recommended that public bodies should:

- implement an approach to budgeting that focuses more on priorities and links planned spending more closely with the outcomes they want to achieve

- develop a longer-term approach to financial planning that takes account of priorities, risks and liabilities and provides assurances on long-term affordability
- support effective scrutiny by ensuring that good quality information is available and that councillors and non-executive directors have the right skills to carry out their scrutiny roles.

2. **Recommendations**

- 2.1 That the Audit, Scrutiny & Petitions Board notes the Audit Scotland report, 'Scotland's public finances. A follow-up audit: Progress in meeting the challenges'

3. **Background**

- 3.1 The Audit Scotland report outlines the significant financial challenges that public bodies face. All public bodies are required to produce balanced budgets and hold people in their organisations to account for how the money is used and what is achieved. Councillors and non-executive directors have an important role in making sure the budgets they approve are used to best effect. To do this they need good quality and timely financial information. They also need to take a longer-term view on: the options available for services and how these will deliver outcomes; the standards of services that are affordable; and the sustainability of financial plans. The report is based on local audit work in 67 public bodies and provides a high-level summary of the main themes arising and identifies what more work needs to be done.

- 3.2 An extract of the key messages contained within the Audit Scotland report are summarised below in bold text along with further supporting summary information from the detail of the report. In addition, in relation to each key message the Renfrewshire Council response is shown in italics.

Overview of Key Messages and Renfrewshire Council Position

- 3.3 **Scotland's public sector continues to face significant financial challenges. The Scottish budget has fallen nine per cent, in real terms, from £31.9 billion in 2009/10 to £28.9 billion in 2014/15 and is expected to reduce further. Public bodies have coped well so far but face increasingly difficult choices in reducing spending while maintaining service standards and meeting rising demand.**

The report highlights that public bodies have coped well so far with reduced budgets. Reducing staff costs was one of the main methods used to achieve the required savings. Between 2009/10 and 2011/12 staff numbers reduced by 26,600 to 373,400 (whole-time equivalent) using voluntary early release schemes and transferring almost 10,000 (whole time equivalent) staff to ALEOs and organisations outside the public sector. Where staff transferred, some form of public funding is paid to the provider to deliver public services, a proportion of which will be used to pay staff. Other methods such as pay and recruitment freezes were also used to manage costs.

Public bodies continue to face significant challenges from rising demand and increasing pressures on services. Examples of these pressures are highlighted in the table below.

Ongoing pressures in the public sector	
Demand Increase pressure on health and social care services, advice services and affordable housing due to: <ul style="list-style-type: none"> • Ageing population • Changes to welfare system • Recent recession 	Investment Investing in the public sector estate is key to economic growth. With reductions to the capital budget, public bodies are exploring options for financing capital projects such as borrowing, non-profit distribution and tax incremental financing. Long-term affordability is an important consideration for public bodies when making investment decisions, with the Scottish Government setting a limit on annual financing costs in relation to budgets.
Financial Increased challenges of providing services as budgets continue to fall. Measures taken in recent years, such as pay freezes, are unlikely to be sustainable in the longer term.	Assets The rising cost of backlog maintenance and repair continues to be a problem. For example, around a third of Scotland's local roads need repairs, with 6% of these categorised as high priority.
Workforce Most public bodies have reduced staff levels and have plans to make further reductions. The costs associated with voluntary redundancy or early retirement schemes place immediate pressures on annual budgets.	Environmental Managing rising energy and fuel costs, zero waste targets and challenging targets to reduce emissions often require spend-to-save investment.

Renfrewshire has experienced many of the pressures outlined above; and has since 2009 made significant savings to address both reducing resources and increasing budget pressures. The Director of Finance and Corporate Services reported to the Leadership Board in December 2014 that over the medium term to 2017/18 it was projected that the Council has an underlying budget saving requirement of £20 million to £30 million; with increasing uncertainty around future grant, pay levels and growing pressures in for example social work pushing the risk towards the upper end of this forecast. It is recognised that while efficiency savings still play a crucial role in addressing these pressures, a more transformational approach is required to ensure the Council can continue to operate within its resources. The Better Council Change programme will be a key part of supporting the Council to respond to this challenge over the medium term.

3.4 In setting budgets, public bodies need to focus more on their priorities, making clearer connections between planned spending and the delivery of outcomes. Rigorous use of options appraisal based on sound information is required for good budget-related decisions and making those decisions clear and understood.

Audit Scotland feel that public bodies need to focus on making the most of the money available as well as identifying ways to reduce costs. Effective budgeting is an important component of good financial management and can help bodies understand where best to direct resources to achieve the greatest benefit. It sets out where and how much money will be allocated and provides the basis for monitoring the position throughout the year. As a result, the development and scrutiny of setting annual budgets is an important activity within public bodies, particularly during periods of financial constraint.

The report suggests that in the current financial environment, public bodies need to implement an approach to budgeting that focuses on their priorities and links planned spending more closely with the outcomes they want to achieve. The outcome-based performance framework (through the National Performance Framework and Single Outcome Agreements) provides a basis for public bodies to adopt a priority-based approach. The approach focuses on priorities and allocating money to the services or areas that contribute most to delivering these outcomes. This depends on a shared understanding of which services contribute most and least to the organisation's priorities. Services or activities that contribute least to outcomes may be reduced or withdrawn.

Achieving outcomes often involves joint working with partners. Where this is the case, for example in Community Planning Partnerships (CPPs), public bodies need to work together to identify where they can direct money to make the greatest difference. This means ensuring that budget setting takes full account of shared priorities and commitments.

Audit Scotland considers that options appraisal and benchmarking are key components of financial management including priority-based budget setting. Rigorous options appraisal based on sound information, including information from service users, helps ensure good budget-related decisions and helps make clear why decisions are made. Using benchmarking information in budget setting can highlight potential opportunities associated with different options such as improved procurement practices or more efficient deployment of staff.

Both the Community Plan and the Council Plan “A Better Future, A Better Council” outline the key priorities for the Council over the medium term, providing a clear strategic framework to guide the Council in its budget setting and financial planning. Close working throughout the course of the year between members and officers; and between services ensure a clear and consistent understanding of these priorities and how they underpin the Council’s financial planning arrangements

In strictly applying the Council’s project management framework for all significant projects, the Council ensures that rigorous option appraisal is undertaken with key decisions being based on sound evidence and thorough costings and the Council actively engages in a wide range of self evaluation processes and national benchmarking arrangements as part of identifying opportunities for improvement.

- 3.5 **There is limited evidence of longer-term financial planning. Plans generally focus on the short to medium term up to five years. More work is needed to develop and regularly review long-term financial strategies that reflect priorities, risks and liabilities and the implications for affordability.**

Long-term financial strategies covering a five to ten-year period help set the context for annual budgets and can also help identify problems with sustainability at an early stage. Although funding allocations from the Scottish Government typically cover one to three-year spending review periods, Audit Scotland feel that this should not prevent public bodies assessing their spending needs and options over a longer period.

Audit Scotland is of the view that with limited information on available funding beyond 2015/16, public bodies should undertake scenario planning as part of their long-term financial strategies. This involves making assumptions about different levels of future income, expenditure and activity and outlining options based on each scenario. This helps to identify potential solutions to difficulties arising from variations in levels of future funding. It also provides an opportunity to outline ways to maintain service levels.

The Council has for some time used a long term financial planning model in forecasting key areas of financial risk for the Council over the next 10 years. This model is not used as a budgeting tool, but to inform the Council's medium term financial strategy through modelling different scenarios with regards funding settlements and areas of service pressure. This assists the Council to identify early the key long term financial risks, their potential long term impact on the Council's financial sustainability and allows appropriate and early mitigation strategies to be developed and incorporated into medium term financial planning arrangements.

3.6

Non-executive directors and councillors have a crucial role. This involves approving budgets and holding people within their organisations to account for how the money is spent and the outcomes achieved. Public bodies need to improve the quality of information provided to non-executive directors and councillors to support them in their role.

The report highlights that while scrutiny arrangements are generally sound, more information is needed on progress towards delivering outcomes. Effective scrutiny should be independent, balanced and hold people to account for their spending plans and use of public money for which they are responsible. It requires relevant, reliable and timely information.

The opportunity to provide good scrutiny and challenge of financial plans will be reduced if information is not provided, incorrect, out of date or incomplete. The characteristics of the information should be as follows:

- **Reliable** – Information should be accurate, representative and verifiable. Where assumptions or estimates are used these should be clearly stated.
- **Timely** – Information should be up to date and provided on a regular basis.
- **Complete** – Information should be comprehensive and cover the areas relevant to the needs of key decision-makers.
- **Transparent** – Information should be clear, understandable and easy to obtain.

- **Consistent** – Information should be reported on the same basis across different periods to allow for comparisons to be made.

The report also suggests that benchmarking should be used by public bodies to gain a better understanding of their costs and performance, identify areas for improvement, highlight opportunities and validate successful performance. In local government, auditors reported that councils could benchmark more effectively and do more to demonstrate its benefits. SOLACE, COSLA and the Improvement Service have been leading on work to establish a new benchmarking framework in local government.

Finally, the report highlights the importance of training for councillors and non-executive directors to support them in budget-setting and scrutinising performance against budgets. The introduction of different methods of paying for major capital investment, such as tax incremental financing and Non-Profit Distribution, is an example of a complex area where support may be required to ensure public sector leaders are fully aware of the key issues, risks and impact on public finances. Effective budget-setting and scrutiny can only take place when these people have the right skills and support to carry out their roles.

The Council has well established scrutiny arrangements in place, both through the operation of the Audit, Scrutiny & Petitions Board and the Policy Boards to which financial performance is regularly reported; with a Council-wide financial overview being considered at the Finance & Resources Policy Board.

The Council actively uses and supports the development of benchmarking information, with the Council playing a key role in the development of the Improvement Service benchmarking framework. The Council also regularly uses benchmarking information – both financial and non-financial – to assess the service performance eg CIPFA performance indicators, Rating Review information, and ADSW benchmarking information.

Regular training sessions are available for all elected members to participate in on a range of topics; in addition to specific training sessions being held for members of the Audit, Scrutiny & Petitions Board.

Implications of the Report

1. **Financial** – the Audit Scotland report outlines the financial position of the public sector in Scotland; and outlines the challenges facing public sector organisations in terms of financial management, reporting and scrutiny.
2. **HR & Organisational Development** - None.
3. **Community Planning** – None.
4. **Legal** – None.
5. **Property/Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** – None.

Author:

Alastair MacArthur
Finance and Corporate Services
Ext. 7378

To: Audit, Scrutiny and Petitions Board

On: 16th February 2015

Report by: Director of Development and Housing Services

Heading: Audit Scotland Report on the Impact of Welfare Reforms on Council Rent Arrears in Scotland

1. Summary

- 1.1 In September 2014, Audit Scotland published its report, 'The Impact of Welfare Reforms on Council Rent Arrears in Scotland'. A copy of this report is provided in Appendix 1. This report considers the impact of the removal of the spare room subsidy (RSRS or the 'bedroom tax') and other welfare reforms on rent arrears in Scotland.
- 1.2 The report considers the impact that additional Discretionary Housing Payments (DHPs) have had on the reported arrears position and highlights initiatives implemented by councils to help mitigate the impact of welfare reforms on rent arrears.
-

2. Recommendations

- 2.1 It is recommended that the audit, scrutiny and petitions board:
- notes the Audit Scotland report on the impact of welfare reforms on council rent arrears in Scotland
 - notes the rent arrears position reported for Renfrewshire Council and how this compares with the Scottish average.
-

3. Background

- 3.1. In September 2014, Audit Scotland published its report, 'The Impact of Welfare Reforms on Council Rent Arrears in Scotland'. The report considers the impact across 6 headings:-

- 3.1.1. Rent Arrears
- 3.1.2. Write offs of uncollectable rent
- 3.1.3. Bad debt impairment (provision for future write offs)
- 3.1.4. Voids (rent lost when a property is not let)
- 3.1.5. Discretionary Housing Payments (DHPs)
- 3.1.6. Policies and Initiatives

These headings are summarised in sections 4 to 9 below.

- 3.2. Four key messages were provided by the report.

- 3.2.1. Rent arrears for the 26 Scottish councils with housing stock increased by 24% from £28.2m for 2012/13 to £35.1m by March 2014, following the introduction of the RSRS in April 2013. Other reasons for the increase are noted in the report.
- 3.2.2. Funding for Discretionary Housing Payments (DHPs) has risen significantly from £4.2m in 2012/13 to £38.2m in 2013/14, although nationally only £29.4m of this was spent. Without this funding arrears could have risen to £49m at the end of 2013/14.
- 3.2.3. Councils have revised internal policies and introduced a wide range of initiatives to support tenants to pay rent and deal with welfare reform in general.
- 3.2.4. There is an acknowledgement that future reforms such as Universal Credit (UC) are likely to make rent collection even more challenging.

4. Rent Arrears

- 4.1. The report highlights an increase in current rent arrears of 24% from 2012/13 to 2013/14 with movements varying from a 5% decrease at Aberdeen City to a 73% increase at City of Edinburgh Council. The increase for Renfrewshire was 16% which is under the Scottish average figure of 24%, reflecting the success of the actions taken by Renfrewshire Council to mitigate the impacts of welfare reform that have been reported to various Boards.
- 4.2. Councils highlighted various factors that contributed to the increase including the combination of welfare reforms, additional pre-action requirements before legal notices can be served, the downturn in the economy, and a shortfall in DHP funding allocated to some councils.

- 4.3. The Audit Scotland report in October 2014, 'Renfrewshire Council - Annual report on the 2013/14 audit', previously report to this Board, noted in paragraph 65 that 'Overall the financial and resource pressures on the HRA have been managed successfully in this first year of welfare reform.'
-

5. Write Offs of uncollectable debt

- 5.1. The report concludes that there has not been a discernible impact in this area as a result of Welfare Reform.
- 5.2. Renfrewshire Council is referenced in paragraph 32 in relation to linking our increase in write offs to welfare reform. This relates to our Council Tenant Assistance Fund (CTAF) which was used to mitigate £203k of under occupation arrears of those tenants who qualified for a DHP but who were not granted a full award. When this scheme was set up it was agreed with Audit Scotland that any arrears funded through CTAF would be accounted for as write offs. With additional DHP funding being made available for 2014/15, write offs under CTAF are unlikely to be required this year.
-

6. Bad debt impairment (provision for future write offs)

- 6.1. Since only 5 of the 26 councils stated that they had increased their bad debt provision calculations, the report concludes that welfare reform has not adversely affected bad debt provision planning to date. It is noted that this is an area that councils should be proactively looking at in more detail as additional welfare reforms are implemented.
- 6.2. The bad debt provision calculation for Renfrewshire Council is proactively reviewed and audited every year and the impact of welfare reform on arrears levels and collection rates is a key consideration in determining the level to be set.
-

7. Voids

- 7.1. Of the 26 councils, 17 reported an increase in the value of rent lost to voids. Renfrewshire Council are referenced in paragraphs 42 and 43 as having a minor increase in void loss of 1.6% which, in common with other councils, has been linked to difficulties in letting some larger properties.
-

8. Discretionary Housing Payments (DHPs)

- 8.1. As a result of welfare reforms, funding for Discretionary Housing Payments (DHPs) increased from £4.2m in 2012/13 to £38.2m in 2013/14. Audit Scotland reported that despite a significant amount of effort and resource employed by councils, nationally only £29.4m of this was spent.
 - 8.2. Renfrewshire Council spent 97% of the DHP allocated and were one of the 13 out of 32 councils that spent in excess of 90% of their allocation. The reasons given by councils for underspends included the difficulties with the additional funding being provided sporadically through the year, some tenants not engaging and the DWP increasing the cash limit just 1 week before the end of the financial year. The report also acknowledges the issues raised by councils relating to the funding distribution methodology where some councils were not awarded enough funding and others couldn't utilise the full allocation made to them.
 - 8.3. The report highlights at paragraph 62 that it should be remembered that DHP funding is of a temporary nature and therefore uncertainty remains for those tenants and councils relying on DHP assistance to help meet rent changes. This uncertainty is a key risk to Renfrewshire Council's longer term Housing Business Plan in common with all other social landlords.
-

9. Policies and Initiatives

- 9.1. This section notes that various changes have been made to council policies regarding DHP awards, collecting rent arrears and the allocation of social housing.
- 9.2. A number of Councils, including Renfrewshire have committed to making no evictions where rent arrears have accrued as a result of under occupancy, where the tenant is engaging with the Council and taking reasonable steps to meet their rent commitment. Paragraph 64 notes that it can be extremely difficult to determine the cause of rent arrears as they could relate to a range of financial challenges being faced by a tenant.
- 9.3. A selection of the various initiatives being implemented by councils to help mitigate the impact of welfare reforms are noted at the end of the report.
- 9.4. The Audit Scotland report acknowledges initiatives developed across Councils to mitigate the effects of the Welfare Reforms; in Renfrewshire similar initiatives were successful and have contributed to reducing the impact on Tenants and Residents across the Council area; the initiatives have been reported to the Council through various boards and include areas such as:-
 - Investment in additional resources across the Council to strengthen advice and communications for customers.
 - Development of employment initiatives for Council tenants.

- Integration of specialist money advice in mainstream Housing services.
- The opening of the 'Houseexchange' shop in Paisley Town Centre in partnership with RSL's.
- The review of Advice Services across Renfrewshire alongside the third sector.
- investment in additional Benefits Service resource to ensure claimants can access all supports to which they are entitled, and to ensure assistance is quickly provided where appropriate e.g. DHP or Scottish Welfare Fund support
- The ongoing work related to the Tackling Poverty Commission.

Implications of the Report

1. **Financial** – the financial impact of welfare reform on rent arrears is being managed within the Housing Revenue Account.
 2. **HR & Organisational Development** - None.
 3. **Community Planning** – None
 4. **Legal** - None.
 5. **Property/Assets** - None.
 6. **Information Technology** - None.
 7. **Equality & Human Rights**
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** - None.
 9. **Procurement** – None.
 10. **Risk** – No risks are associated with this report since it is for noting only. The risks associated with welfare reform have been reported on in detail to various Boards since the introduction of welfare reform.
 11. **Privacy Impact** - None.
-

List of Background Papers

- (a) Housing and Community Safety Policy Board 11 November 2014: Housing Policy Response to Welfare Reform.
-

Author: John McIntyre, Finance Manager, 0141 618 6162
john.mcintyre@renfrewshire.gov.uk

The impact of welfare reforms on council rent arrears in Scotland



Prepared for the Accounts Commission
25 September 2014

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

Contents

Introduction.....	4
Key messages.....	5
Background.....	6
Impact of welfare reforms	7
Rent Arrears.....	7
Write-Offs.....	10
Bad Debt Impairment	11
Voids.....	12
Discretionary Housing Payments.....	13
Policies.....	17
Initiatives	17
Long term plans	18
Looking forward.....	18
Appendix A.....	20
Appendix B.....	21

Introduction

1. The UK Government has introduced a number of welfare reforms since 2010. Many of these reforms impact upon household income and housing benefit (HB). The most significant reform introduced to date with a potential direct impact on social housing rents is the removal of the spare room subsidy (RSRS), also known as the 'bedroom tax', which was introduced in April 2013.
2. From April 2013 all working age tenants renting from a local authority, housing association or other registered social landlord receive HB based on the number of people in their household and the size of their accommodation. This means those tenants whose accommodation is larger than they need might lose part of their HB. Those with one spare bedroom could lose 14% of their eligible rent and those with two or more spare bedrooms could lose 25%.
3. For the purpose of this study, Audit Scotland looked at local authority rent arrears to determine the extent to which the RSRS and other welfare reforms have impacted on rent arrears in Scotland. We reviewed the published housing statutory performance indicators (SPIs) for all Scottish councils with housing stock for the period 2011/12 to 2012/13. In order to compare these SPIs before and after the introduction of the RSRS, a questionnaire was devised and issued to each council in March 2014 requesting the same information for 2013/14.
4. This report details the findings of our analysis of this data and includes a review of the underlying factors impacting on rent arrears, highlights council initiatives to help mitigate the effect of welfare reforms on rent arrears, and details revisions that councils have made to their housing policies in response to welfare reforms. Finally, the report highlights where current welfare reforms as well as those still to be introduced, may impact on rent arrears in the future.

Key messages

5. In 2012/13 the value of rent arrears for all Scottish councils was £28.2 million which was an increase of approximately 16% on 2011/12 levels. Following the introduction of the RSRS in April 2013, rent arrears increased further to £35.1 million by 31 March 2014, which represents an increase of approximately 24% on 2012/13 levels. A number of reasons for the increase in 2013/14 have been suggested by councils. These include:
 - the combination of welfare reforms such as the reduction in HB due to the RSRS, a restriction on the amount of benefit that can be received (the benefit cap), the increase in non-dependent deduction charges, benefit sanctions, changes to Employment Support Allowance (ESA) and tax credits
 - councils announcing 'no eviction' policies appearing to have removed the ultimate sanction for non-payment of rent
 - additional pre-action requirements introduced in August 2012 that landlords must satisfy before serving a legal notice on a tenant
 - the downturn in the economy and a high unemployment rate in some areas
 - tenants not engaging with councils or prioritising their rent payments.
6. Discretionary housing payments (DHPs) provide financial assistance towards housing costs and are available to benefit claimants of both council and other landlords. DHP funding has risen significantly from £4.2 million in 2012/13 to £38.2 million in 2013/14. Despite a significant amount of effort and resources employed by councils, only £29.4 million of this funding was spent. Without the additional DHP funding, rent arrears for council tenants could have potentially been up to £49 million at the end of 2013/14.
7. Councils have revised internal policies and introduced a wide range of initiatives to help support tenants to pay rent and with welfare reform in general. Initiatives have been introduced around money advice, digital inclusion and helping people gain skills to increase job opportunities.
8. Looking forward, future reforms such as Universal Credit (UC), direct payments to claimants, and the fact that many households are, or might be affected by more than one welfare reform change, are likely to make rent collection even more challenging.

Background

9. The UK Government's Emergency Budget in June 2010 and the October 2010 Comprehensive Spending Review introduced a number of reforms with the aim to fight poverty, support the most vulnerable in society, and help people break the cycle of benefit dependency.
10. This is the biggest reform of the UK welfare system for 60 years and has resulted in a number of significant changes to how councils deliver services. Part of this agenda included reductions in welfare spending spread across different areas of benefits with only pensioners being exempt from the changes. The Scottish Government estimates that the impact of the changes over the six year period 2010/11 to 2015/16 could reduce the Scottish welfare bill by around £6 billion. The Scottish Parliament's Welfare Reform Committee's statistical update in respect of the RSRS showed that, at the end of November 2013, there were 71,694 households in Scotland with more bedrooms than deemed necessary (under-occupation). This equates to one in eight of all households in the social rented sector.
11. The various welfare reforms can lead to tenants experiencing severe financial difficulties and in respect of council tenants, this can lead to increased rent arrears and additional costs to councils seeking to recover these arrears.
12. Of the thirty two Scottish councils, twenty six have housing stock and the income derived from these properties is used to maintain and improve current properties, build new properties, and service debt. Councils prepare long term housing strategies and these plans, and the decisions emerging from them, are based on financial assumptions such as inflation, borrowing costs and significantly, rental income. Any reduction in rental income could seriously impact housing strategies to improve and maintain housing stock.
13. In order to help mitigate the impact of the RSRS in 2013/14, £18.2 million was provided by the UK Government in the form of additional DHP funding for Scotland. The Scottish Government also provided £20 million to help mitigate the impact of the RSRS.

Impact of welfare reforms

Rent Arrears

14. Rent arrears are the amount of rent due but not paid to the landlord on time. It includes current tenants arrears which is money owed by existing tenants, and former tenant arrears which is money owed by people who are no longer tenants, for example where the tenant has been evicted, has abandoned the property, or had their tenancy terminated.
15. The introduction of the RSRS in April 2013 means that where a tenant has more bedrooms than is deemed necessary they are considered to be under-occupying the property. Tenants in receipt of HB would therefore receive a reduction in the amount of rent eligible for HB of 14% for one extra bedroom, and 25% for two or more extra bedrooms.
16. Although there are some exceptions, the UK Government estimated that the average council tenant would need to find an extra £14 per week to meet their rent commitment. As there is a national shortage of one-bedroom council properties to allow tenants to downsize, it was anticipated that the implementation of this welfare reform would result in an increase in the value of rent arrears as tenants found it difficult to meet the additional rental charge.
17. In order to determine to what extent welfare reforms have impacted on rent arrears, Audit Scotland analysed current and former rent arrears data for the period 2011/12 to 2013/14, in respect of the 26 councils that have council housing stock.

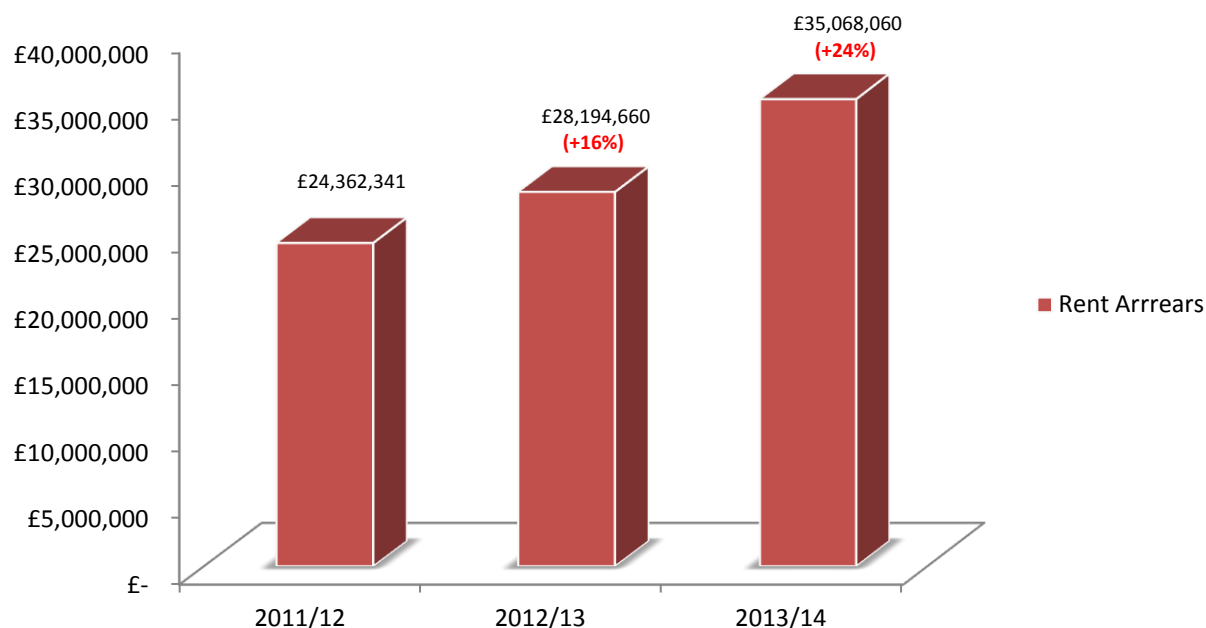
Former Tenant Arrears

18. Our review identified that the value of former tenant arrears remained relatively static between 31 March 2013 and 31 March 2014 at between £22.1 million and £22.2 million. £6.5 million of former tenant arrears were written off in 2013/14, which was largely in line with the £6.6 million of former tenant arrears written off in 2012/13. In view of this, we have excluded former tenant arrears from our analysis as there does not appear to have been any significant impact in this area as a result of welfare reforms.

Current Tenant Arrears

19. Exhibit 1 below shows the change in the value of current tenant rent arrears in Scotland during the period 2011/12 to 2013/14.

Exhibit 1: Change in the value of rent arrears in Scotland after RSRS introduced in April 2013



Source: Audit Scotland & Scottish Councils

20. This exhibit shows an increase in current tenant rent arrears of approximately £3.8 million from 2011/12 to 2012/13 and, following the RSRS in April 2013, a further increase of approximately £7 million, which represents a 24% increase on 2012/13.
21. In order to establish the possible reasons for the change in the value of current rent arrears and to determine the impact of the government's welfare reforms we looked at the gross annual rent charge in the housing revenue account for all Scottish councils. This is the value of the total rental income available to councils as revenue from its housing stock.
22. The gross annual rent charge may change due to factors such as rent charges being increased in council budgets, or an increase or decrease in the number of council houses. It could be expected that if rent arrears remained at a constant percentage of the gross rent charged then actual arrears could rise as the gross rent charged rises.
23. However, when we compared the increase in the gross annual rent charge for 2013/14 of 4.4%, to the increase in rent arrears of 24%, we concluded that the increase in rent arrears is not solely due to an increase in rental charges. The 4.4% increase in the gross annual rent charge was broadly similar to the 3.8% increase in 2012/13.
24. Exhibit 2 below shows the increase in the value of current tenant rent arrears as a percentage of the gross rent charge.

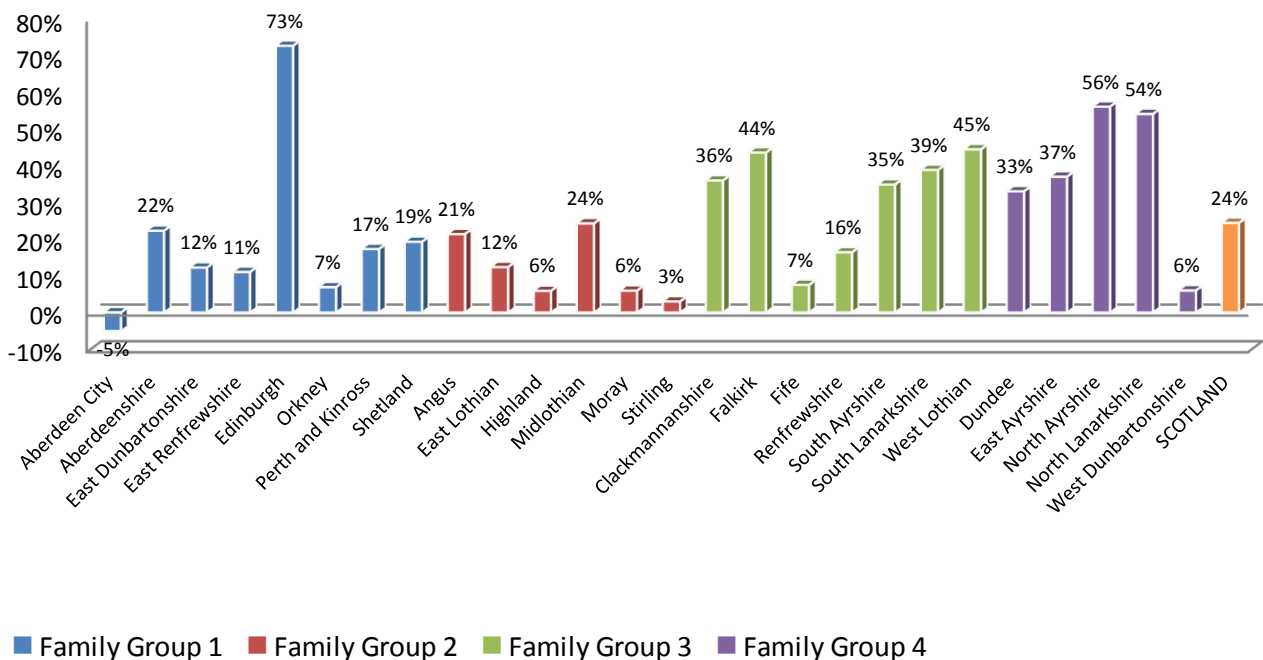
Exhibit 2: Rent arrears as a percentage of gross rent charged

	Gross rent charged	Rent arrears	%
2011/12	£952,637,415	£24,362,341	2.6%
2012/13	£988,667,716	£28,194,660	2.9%
2013/14	£1,032,336,268	£35,068,060	3.4%

Source: Audit Scotland & Scottish Councils

25. The table above illustrates an increasing trend in the percentage of rent charged that has not been paid.
26. Exhibit 3 below shows the increase in current tenant rent arrears for each council in Scotland in 2013/14. Councils have been grouped in accordance with the family groups established by the local government benchmarking framework for housing services.

**Exhibit 3: Increase in rent arrears in 2013/14
following the RSRS in April 2013**



Source: Audit Scotland & Scottish Councils

27. The exhibit above shows a wide variance in the percentage change of rent arrears across Scotland ranging from Aberdeen City Council, where rent arrears dropped by 5%, to the City of Edinburgh Council where rent arrears increased by 73%, which equates to approximately £1.5 million. This variance may be explained in part by local economic factors and various different initiatives introduced by councils to ensure rent arrears levels remained as low as possible. The distribution methodology used to allocate the increased DHP funding and the additional Scottish Government funding to each council appears to also have had a varying impact across councils as some councils appear to have had more funding than was required.

The increased DHP funding provided during 2013/14 is discussed later in this report under *Discretionary Housing Payments*.

28. There were a number of factors that councils stated contributed to the increase in rent arrears. These included:
- the combination of welfare reforms such as the reduction in HB due to the RSRS, the benefit cap, the increase in non-dependent deduction charges, benefit sanctions, changes to Employment Support Allowance and tax credits
 - additional pre-action requirements introduced in August 2012 that landlords must satisfy before serving a legal notice on a tenant
 - where it was known that a council had announced a 'no eviction' policy the ultimate sanction of evicting the tenant for non-payment of rent appeared to have been removed
 - the downturn in the economy and a high unemployment rate in some areas
 - tenants that were not engaging with the council or prioritising their rent payments
 - resource pressures due to the additional amounts to be collected as a result of the impact of the RSRS, as well as reallocation of resources to engage with tenants affected by the RSRS
 - a DHP budget that did not allow full mitigation of the RSRS in some areas. The percentage of tenants qualifying for HB and DHP varies across councils.

Write-Offs

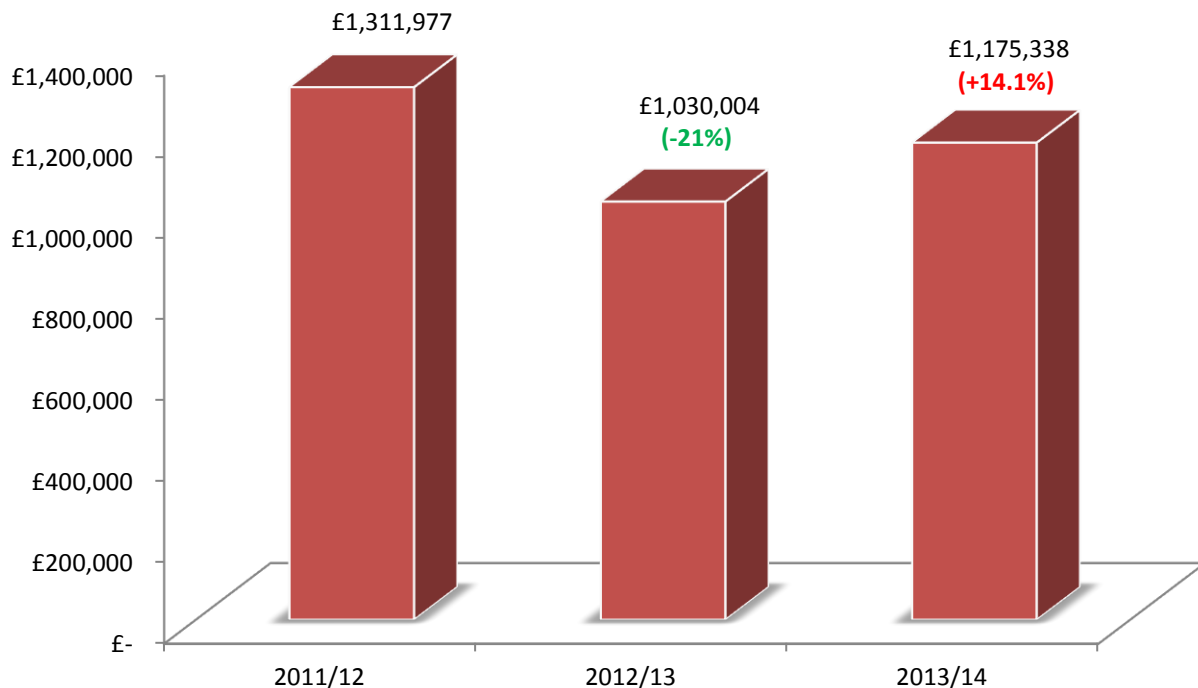
29. A write-off of council house rent would normally be considered when a tenant has failed to pay their rent, accrued a debt and, despite the council's best efforts, the full amount due has not been paid.
30. All councils endeavour to recover all debts however councils have different, locally agreed, write-off policies. There are a number of valid reasons why rental debt could be deemed irrecoverable and subsequently written off. These include:
- the tenant has died and there is no next of kin
 - the council's external debt recovery agents deem the debt irrecoverable
 - the tenant has been declared bankrupt.
31. Writing off debt reduces the amount of rent arrears outstanding. Therefore not writing off irrecoverable debt on a regular basis can cause rent arrears to rise. We reviewed the level of debt written off to try to establish if welfare reforms have had an impact on write-offs or, if the level of write-offs have had any impact on the increased rent arrears levels.

Current tenants

32. Current tenant rent arrears are normally pursued by councils and only written off in exceptional circumstances, for example, where the tenant has been sequestered. Of the 26 Scottish councils with housing stock, seven had not written off any current tenant rent arrears in 2011/12, 2012/13 or 2013/14. Of the remaining 19 councils, only one (Renfrewshire) stated that the increase in the amount of current tenant arrears written off was a result of the RSRS.

33. Exhibit 4 below shows the change in the value of current tenant rent arrears written off in Scotland from 2011/12 to 2013/14. As this exhibit shows, following a reduction in the value of rent arrears written off in 2012/13, there has not been a significant increase in write offs in 2013/14 and we conclude therefore that welfare reforms have had no discernible impact in this area, and that the increase in rent arrears in 2013/14 is not directly linked to a reduction in the write-off level of current tenant arrears during the year.

Exhibit 4: Amount of current tenant rent arrears written off (Scotland)



Source: Audit Scotland & Scottish Councils

Bad Debt Impairment

34. The amount of housing rent debt on council balance sheets is the total amount expected to be collected from tenants. In order to recognise that some of this debt will not be recovered and will have to be written off during the course of the year, councils estimate the debt that is unlikely to be recovered as 'bad debt'. In order to be prudent, councils need to show a realistic figure for the value of debts that are unlikely to be recovered during the year and recognise a bad debt impairment for those debts.
35. In order to establish what action councils were taking to mitigate the impact of the welfare reforms, we asked if any changes had been made to the bad debt impairment calculation for 2013/14 on the basis that councils had concerns that the RSRS would affect rental income. However, of the 26 councils with council properties, only five (19%) stated that they had increased their bad debt impairment in mitigation of an expected increase in rent arrears arising from the welfare reforms.

36. Therefore, based on the remaining 21 councils (81%) that told us that they had not increased their bad debt impairment, or changed their methodology, we conclude that the RSRS has not adversely affected councils bad debt impairment planning or estimation decisions so far.
37. However, we consider that, going forward, this is an area that councils should be proactively looking at in more detail as additional welfare reforms are implemented, and councils become more aware of the impact of these changes.

Voids

38. A 'void' is a property that does not have a current tenancy. As no rental income is received for void properties, it is in the best interests of councils to minimise the number of void properties in order to maximise rental income.
39. Before the RSRS was introduced, councils were concerned that there was a lack of suitable and available one bedroom housing stock to enable customers to downsize. Concerns were raised that this would result in difficulties in letting properties with more than one bedroom, and that this would result in lost rental income from these 'voids'.
40. In order to determine what impact the RSRS has had on the value of rent lost to 'voids' in 2013/14 we analysed data for the periods 2011/12, 2012/13 and 2013/14 provided to Audit Scotland by the 26 councils that had council housing stock. We also asked these councils to provide an explanation, where appropriate, if the increase in rent lost to voids was a direct result of the RSRS introduced in April 2013.
41. Exhibit 5 below details the total value of rent lost to voids for the 26 councils.

Exhibit 5: Value of rent lost to voids 2011/12 - 2013/14

Year	Value of rent lost to voids (£)	% of gross annual rent charged	Change over previous year (£)
2011/12	£12,368,686	1.3%	N/A
2012/13	£12,309,222	1.2%	-£59,464
2013/14	£13,097,700	1.3%	£788,478

Source: Audit Scotland & Scottish Councils

42. Of the 26 councils, 17 (65%) reported an increase in the value of rent lost to voids between 2012/13 and 2013/14 in the range of 1.6% to 70.7%. However, only three of the 17 councils (18%) reported that this increase was directly related to the RSRS with increased rent lost to voids of 1.6% in Renfrewshire (£21,200), 11.8% in North Ayrshire (£16,608), and 34.9%, in Falkirk (£165,094). All of these councils stated that the letting of larger properties, particularly three bedroom properties, was becoming harder.

43. One council (North Ayrshire) stated that there had been a 75% increase in the turnover of three bedroomed properties in 2013/14, and that there was low demand from applicants on the housing register for some of these houses. The council also stated that it would have concerns should this trend continue. Renfrewshire Council stated that there had been no significant impact in respect of voids, but that some larger properties were becoming less popular and requiring more offers before being let, while Falkirk Council advised that there had been a movement in demand which had resulted in a number of three bedroom properties becoming harder to let and that this had been reinforced by the growth in the value of rent lost to voids in 2013/14.
44. In conclusion, based on the 23 (88%) councils that reported no significant impact on rental income as a result of the RSRS we consider that this aspect of the government's welfare reforms has had no discernible effect on the loss of rental income so far. However, we consider that this is an area that councils will need to continue to monitor going forward.

Discretionary Housing Payments

45. DHPs are governed by The Discretionary Housing Payment (Grants) Order 2001 and may be awarded when a council considers that a HB claimant requires further financial assistance towards their housing costs. DHP is available to council tenants and non-council tenants and can therefore help prevent rent arrears from rising. Traditionally, DHP has been considered to be a temporary solution to a difficulty in meeting housing costs and not a means of partially funding rent on an on-going basis.
46. Councils receive UK Government funding for DHP each year from the DWP. This funding may be topped up from council resources to an overall DHP cash limit. The Discretionary Housing Payment (Grants) Order 2001 stated that the overall cash limit for DHP was two and a half times the UK Government contribution at the beginning of the financial year.
47. In March 2014, the DWP amended the Grants Order to increase the cash limits for Scottish councils by just over £7 million to £40.7 million.
48. As a result of welfare reforms, the UK Government significantly increased funding for DHP for Scottish councils from £4.2 million in 2012/13 to £18.2 million in 2013/14, an increase of 333%. This includes £1.1 million of transitional funding which councils could decide to use to pay additional DHPs or for other initiatives, for example preventing homelessness. During 2013/14 the Scottish Government also provided Scottish councils with an additional £20 million of funding to help mitigate the impact of welfare reforms.

49. Total funding for DHP in 2013/14 was £38.2 million as shown in exhibit 6 below.

Exhibit 6: DHP Funding for 2013/14

UK Government funding (A)	Rural Funding (B)	Reserve Fund Award (C)	Honouring Official Error	Transitional Funding	Scottish Government funding	Total	Overall cash limit (2.5xA+B+C)
£10.1m	£3.4m	£2.8m	£0.8m	£1.1m	£20m	£38.2m	£40.7m

Source: Audit Scotland, Scottish Government, DWP & Scottish Councils

50. The total value of DHP awards made to claimants was £29.4 million in 2013/14. Therefore, despite a significant amount of effort and resources employed by councils, £8.8 million (23%) of DHP funding was not spent. If the assumption is made that all transitional funding was used for purposes other than DHP payments, the underspend would be £7.7 million. Appendix A shows the percentage of underspent funding across all councils. The percentage of funding not spent varies across councils with some councils spending all funding received with others spending less than 30%.
51. Similarly when comparing DHP spend against cash limits, £29.4 million was awarded in DHP payments against an overall revised cash limit of £40.7 million.
52. It may appear surprising that DHP funding has not been fully used to support tenants requiring financial assistance to make rent payments and keep rent arrears to a minimum. However, reasons provided by councils for the underspend included:
- difficulty in planning and devising DHP policies and guidance as a result of the sporadic nature of the additional funding provided at various points during the year
 - the DWP increasing the cash limit one week before the end of the financial year
 - some of the funding, for example the bid funding, was announced late in the financial year
 - not all tenants in arrears qualify for DHP, and some were unwilling or unable to engage
 - funding that was more than required in some areas.
53. It is interesting to note that all of the twelve councils that received additional funding due to being the least densely populated areas in Scotland had underspends ranging from £91,000 in Shetland to £1.03 million in Aberdeenshire. The total DHP underspend compared to total funding was £6.4 million (51%) in respect of these twelve councils.
54. This would indicate that the amount of funding provided to these rural councils was significantly more than required and compared to other councils, where DHP spend has met or exceeded 100% of the funding, it would suggest a review of the funding distribution methodology is required.

55. Exhibit 7 below shows the amount of DHP underspend for the twelve councils in receipt of rural funding along with the percentage change in rent arrears, where applicable, for these councils.

Exhibit 7: DHP Funding for 2013/14				
Council	Total DWP & Scottish Government funding	DHP underspend	% of funding not spent	% increase in current tenant arrears
Aberdeenshire	£1.50 m	£1.03m	69%	22%
Angus	£1.04m	£0.59m	57%	21%
Argyll & Bute	£0.97m	£0.57m	59%	N/A - no housing stock
Comhairle nan Eilean Siar	£0.28m	£0.19m	40%	N/A - no housing stock
Dumfries & Galloway	£1.72m	£0.71m	41%	N/A - no housing stock
Highland	£2.58m	£0.49m	19%	6%
Moray	£0.63m	£0.45m	71%	6%
Orkney	£0.17m	£0.09m	53%	7%
Perth & Kinross	£1.32m	£0.91m	69%	17%
Scottish Borders	£1.18m	£0.69m	58%	N/A - no housing stock
Shetland Islands	£0.18m	£0.09m	50%	19%
Stirling	£1.11m	£0.63m	57%	3%
	£12.5m	£6.4m	51%	

Source: Audit Scotland, Scottish Government, DWP & Scottish Councils

56. As previously mentioned, the total value of DHP awards made to claimants was £29.4 million in 2013/14. Looking specifically at the DHP awarded to council tenants, of the 26 councils with council housing stock, 24 were able to split their DHP awards between council tenants and other tenants. The total DHP awarded to council tenants for the councils able to provide a split was £12 million.
57. Although the increase in rent arrears shown in exhibit 2 is significant, the true arrears figures if DHP payments had not been made to council tenants during the year is much higher. Exhibit

8 below shows the potential impact on rent arrears had the DWP and Scottish Government not provided additional funding. We have assumed that for the two councils unable to split their DHP payments, half of the payments were paid to council tenants.

Exhibit 8: Actual value of rent arrears in Scotland in 2013/14 if increased DHP funding was not available



Source: Audit Scotland & Scottish Councils

58. Notwithstanding this, assuming the same increase in rent arrears of 16% that was reported in 2012/13, and taking account of the DHP payments made, Scottish councils rent arrears were still approximately £2.4 million higher in 2013/14 after the introduction of the RSRS.
59. Appendix B looks specifically at the arrears in the 24 councils able to split their DHP awards between council tenants and other tenants. The appendix shows the amount of rent paid by DHP and the current tenant arrears after DHP has been awarded.
60. In May 2014, the UK government offered to transfer the power to set the DHP cash limit to the Scottish Government. The legal and parliamentary process to transfer this power is likely to take until autumn 2014 to be complete.
61. By devolving the setting of the cash limit to the Scottish Government, this will allow the Scottish Government to increase their funding for DHP. For 2014/15, the UK government has announced DHP funding of £15.2 million for Scottish councils. In addition, the Scottish Government has agreed £35 million of DHP funding and has indicated that this additional funding should mitigate the impact of the RSRS for all affected tenants.
62. It should be remembered that DHP funding is of a temporary nature and DHP funding could revert back to levels similar to those in 2012/13. Therefore uncertainty remains for those tenants and councils currently relying on DHP assistance to help meet rent charges.

Reductions in DHP funding could have a significant impact on rental income, rent arrears and strategic housing plans for both council and other landlords.

Policies

63. Councils have kept elected members up to date with the welfare reform agenda as well as the impact in their local areas and the actions taken to mitigate any adverse impact on local residents. As a result, changes have been made to council policies that cover the award of DHP, collecting rent arrears, and the allocation of social housing. Policy revision proposals have been developed by officers and presented to elected members through relevant committees for approval.
64. A number of councils have reviewed their rent arrears policies and made announcements to clearly articulate that there will be no evictions where rent arrears have accrued as a result of under occupancy or the benefit cap, and the tenant is engaging with the council and taking reasonable steps to meet their rent commitment. However, it is extremely difficult for councils to identify the cause of rent arrears in many cases as the RSRS might only be one of a range of financial challenges being faced by a tenant. In setting such policies, councillors and officials need to be mindful of their responsibilities to safeguard council finances.
65. Although this has been reported by the media as a significant policy change by councils, and may appear in some cases to have removed the ultimate sanction for non-payment, it is not a fundamental change from previous debt management activity. Councils have always tried to engage with tenants who are in arrears and will avoid taking eviction proceedings wherever possible. In most cases, eviction proceedings are the last resort and only taken after all reasonable efforts to help the tenant have failed.
66. Although councils retain the right to evict tenants in arrears who do not engage with them, they are very aware of their legal duty to provide, often costly, housing support to those residents assessed as unintentionally homeless.
67. DHP policies now include more generous and extended awards following the receipt of additional funding with priority for those affected by under occupancy or the benefit cap. Some councils rolled 2013/14 awards over to June 2014 until 2014/15 funding was clarified.
68. Some councils have also included the requirement to provide welfare reform information to all new tenants.
69. In addition, some housing allocation policies now include incentives to encourage downsizing, additional points being awarded to those on the housing waiting list that are under-occupying, and amended size criteria to mirror that of DWP.

Initiatives

70. To help mitigate the impact of the welfare reforms, councils and other stakeholder organisations have implemented a number of initiatives. The more widespread ones are:
 - offering money advice and maximising household income

- working with credit unions - as an example North Ayrshire Council and five other Ayrshire landlords have created a partnership with a credit union to help tenants set up bank accounts and manage household budgets. Angus and Clackmannanshire councils have undertaken similar work
- employment initiatives and helping to build skills - such as:
 - The Highland Council supporting its residents to gain digital skills
 - West Dumbarton Council's Working4U services which helps people to gain skills and education to increase job opportunities
 - Angus Council reviewing arrangements at its libraries to promote digital inclusion
 - South Lanarkshire Council referring its Tenant Liaison Team's customers to specialist training and employability services
- facilitating mutual exchanges via a national direct home swap service for social housing tenants who want to swap or exchange their property.

Long term plans

71. At this point in time welfare reform changes have had no significant impact on council's long term housing plans and strategies. Consideration is been given as to how the shortage of one bedroom properties will be addressed and similarly how stocks of family sized houses where currently demand is generally low will be managed.
72. A key concern for most councils is the combined impact of the introduction of UC and restrictions on rent levels, and how they will deliver their statutory duty to homeless households. North Ayrshire Council has undertaken an options appraisal to determine how services could continue to be delivered beyond 2015/16 while others prefer to wait for clear guidance from DWP as to how temporary accommodation will be treated under UC arrangements.

Looking forward

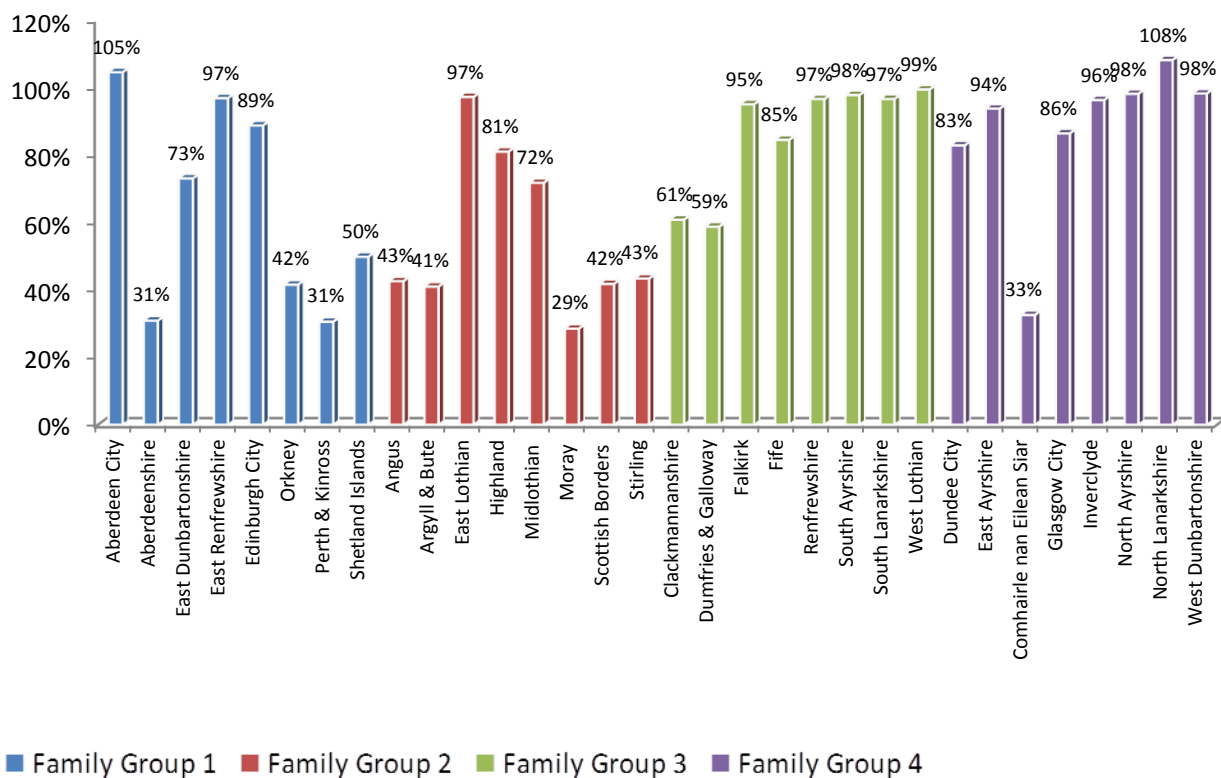
73. Looking forward there are other areas of welfare reform that cause concern. Not least the fact that many households are or, are likely to be, affected by more than one change which will make rent collection more difficult as these changes are implemented.
74. The movement of customers from Disabled Living Allowance to Personal Independent Payments and Incapacity Benefit to ESA, benefit sanctions, and importantly the introduction of UC and direct payments to claimants are likely to make rent collection more challenging.
75. Acknowledging the huge and adverse impact welfare reform will have on communities, action to mitigate this has been coordinated at Community Planning level in Scottish Borders and Orkney Islands councils while Fife Council is developing arrangements to integrate Welfare Reform within local Community Planning.

76. The uncertainty around UC migration makes workforce and resource planning extremely difficult for all councils and their services.
77. In East Ayrshire Council elected members have requested a targeted study on Jobseeker's Allowance and ESA sanctions, to understand the impact of this locally.
78. Scottish Borders Council raised several concerns around the continued reliance on DHP in terms of:
 - uncertain future funding
 - added administration burden
 - tenant expectation.
79. South Ayrshire Council is engaged in ongoing dialogue with colleagues from DWP regarding the proposed Local Support Services Framework and work is underway to map the current provision of advice and information services, the role of partners and the capacity across the council area to support digital inclusion in the future.

Appendix A

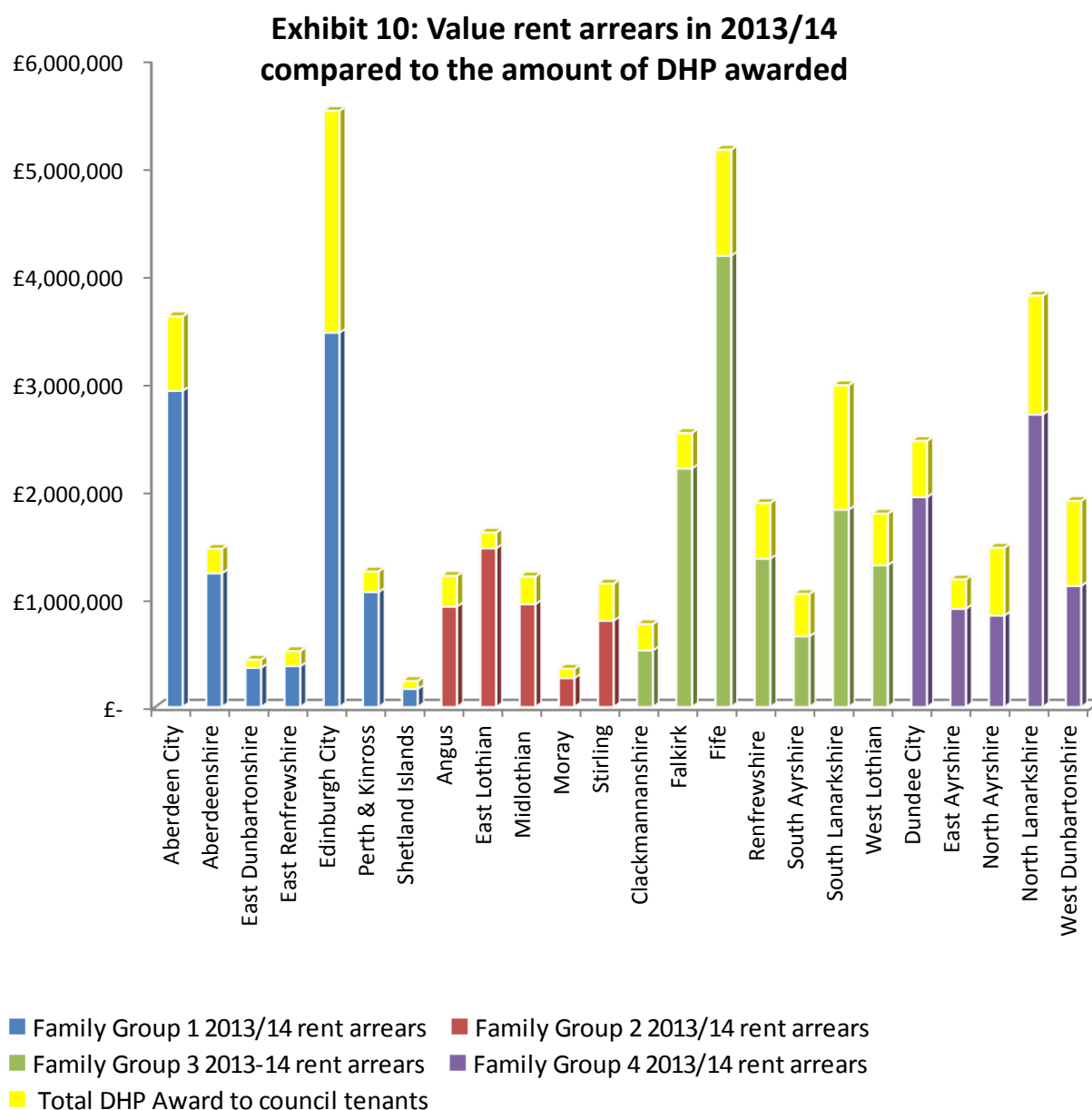
80. Exhibit 9 below details individual Scottish councils DHP spend as a percentage of the total funding available and illustrates the significant variance across Scotland. DHP spend ranging from 29% to 108% might be considered indicative of local economic circumstances and in the distribution formula with some councils apparently receiving significantly more funding than was required. Councils in receipt of rural funding are shown in blue.
81. Only 13 of the 32 councils spent in excess of 90% of their DHP budget with ten councils unable to spend more than 50% of their allocation.
82. Councils have been grouped in accordance with the family groups established by the local government benchmarking framework for housing services.

Exhibit 9: Percentage of council DHP spend to total funding



Appendix B

83. Exhibit 10 below shows rent arrears and DHP awarded to council tenants in 2013/14 for the 24 councils able to split DHP awards between council tenants and other tenants. Again, councils have been grouped in accordance with the family groups established by the local government benchmarking framework for housing services where appropriate.



To: Audit, Scrutiny and Petitions Board

On: 16 February 2015

Report by: Chief Auditor

**Heading: Internal Audit and Counter Fraud Progress and Performance for
Period to 31 December 2015**

1. Summary

- 1.1 The Internal Audit Annual Plan was approved by the Audit, Scrutiny and Petitions Board on 31 March 2014. Internal Audit measures the progress and performance of the team on a regular basis using a range of performance indicators. This report monitors progress from 1 April 2014 to 31 December 2014 in terms of the delivery of the Audit Plan for the year and compares actual performance against targets set by the Director of Finance and Corporate Services.
- 1.2 The Counter Fraud Team is managed by Internal Audit. It was therefore agreed with the Director of Finance and Corporate Services that the number of sanctions administered by the team and level of overpayments identified would be included as part of this report.
- 1.3 Since members approved the 2014/15 audit plan in March 2014, there have been developments which require some of the planned audit work to be cancelled or deferred. This report includes details of the proposed amendments to the current years plan.
- 1.4 The report also details progress against local and national initiatives involving Internal Audit and the Counter Fraud Team.
-

2. **Recommendations**

- 2.1 Members are invited to note the Internal Audit and Counter Fraud Team progress and performance to 31 December 2014.
- 2.2 Members are asked to approve the proposed revisions to the 2014/15 audit plan.

3. **Background**

- 3.1 The progress and performance of the Internal Audit and Counter Fraud Team is subject to regular monitoring using a number of performance measures. The Director of Finance and Corporate Services has set annual targets for the team to demonstrate continuous improvement. This report measures the progress and performance of both the Internal Audit and Counter Fraud Team for the period from 1 April 2014 to 31 December 2014.
- 3.2 Since members approved the 2014/15 audit plan on 31 March 2014, there have been developments which require some of the planned audit work to be cancelled or deferred. This report includes details of the proposed amendments to the current years plan.
- 3.3 Internal Audit and the Counter Fraud Team support a variety of local and national initiatives through participation in professional practitioner groups and co-ordination of national initiatives such as the National Fraud Initiative.
- 3.4 **Internal Audit Team Performance**

(a) **Percentage of audit plan completed as at 30 September 2014**

This measures the degree to which the Audit plan has been completed

Actual 2013/14	Annual Target 2014/15	Audit Plan Completion Target to 31 December 2014	Actual to 31 December 2014
95.7%	95.0%	66.5%	52.9%

Actual performance is 13.6% below the phased target for the period. This can mainly be attributed to vacancies and secondments, as well as a long term absence within the team until July 2014. Vacant posts were filled in December and budgeted resources will be used to complete the plan. Progress of the plan is being closely monitored by management.

(b) **Percentage of assignments completed by target date**

This measures the degree with which target dates for audit work have been met.

Actual 2013/14	Target 2014/15	Actual to 31 December 2014
97.0%	95.0%	100%

Actual performance is ahead of the target set for the year, although the level is likely to reduce from 100% over the remainder of the year.

(c) **Percentage of audit assignments completed within time budget**

This measures how well the time budget for individual assignments has been adhered to.

Actual 2013/14	Target 2014/15	Actual to 31 December 2014
96.0%	95.0%	98.1%

Actual performance is ahead of the target set for the year, although again the level is likely to reduce over the remainder of the year.

(d) **Percentage of audit reports issued within 3 weeks of completion of audit field work**

This measures how quickly draft audit reports are issued after the audit fieldwork has been completed.

Actual 2013/14	Target 2014/15	Actual to 31 December 2014
95.0%	95.0%	96.2%

Actual performance has improved over the third quarter of the year and it is now ahead of the target set for the year.

3.5

Counter Fraud Team Performance

(a) **Number of Sanctions**

This measures the number of sanctions including joint sanctions with the Department for Work and Pensions and referral to the Procurator Fiscal.

Actual 2013/14	Target to December 2014	Actual to 31 December 2014
96	63	65

Actual performance has improved and is now ahead of the target set for the period.

(b) **Level of Overpayments Identified**

This details the amount of overpayments identified by the team and includes benefits administered by the Department for Work and Pensions.

Actual 2013/14	Actual to 31 December 2014
£271,501	£248,880

Arrangements are in place within the council to recover from the claimants, the Housing and Council Tax Benefit element of these overpayments.

3.6 **Revisions to the 2014/15 Internal Audit Plan**

Members approved the 2014/15 audit plan on 31 March 2014. The audit plan needs to be flexible enough to deal with both emerging issues and re-programming of reviews where circumstances indicate that this would be beneficial. Emerging issues are accommodated through the allocation of contingency time. It is proposed that the following amendments are made to the planned programme of work, for the remainder of the year to 31st March 2015.

- Resources had been allocated on the plan to provide advice to support the renewal process for accreditation to the Public Service Network. The Council maintained its accreditation, and there has been no requirement for Internal Audit involvement this year. Therefore, it is proposed to cancel this from the current years plan.
- Each year resources are allocated to providing independent assurance over the year end stocktaking process, primarily for the purpose of allowing external audit to rely on the work of internal audit. It has been agreed with external audit that they do not require us to undertake this work in the current year for their annual accounts work. It is proposed to cancel this review from the current years plan.
- The creation of the Culture and Leisure Trust will require a review of the governance arrangements for this new organisation. It is proposed to cancel a planned review of the Governance arrangements within Renfrewshire Leisure Ltd. The governance arrangements for the new Trust will be considered as part of the audit planning process for 2015/16.
- It is proposed to cancel a planned review of information governance. The scope of this review was to include a review of the information sharing arrangements between Social Work Services and the NHS. Discussions with service management indicated that it would be more productive to review these arrangements once the new integrated joint board had been established.
- A best value review of the council's internal corporate communications arrangements had been planned for the current year. After discussion with the Chief Executive it is proposed to defer this review until

2015/16 to allow the new management arrangements time to embed. It is planned to commence this review in quarter 1 of the new audit plan.

A total of 50 days relate to the proposed cancelled reviews and 20 days is being deferred to 2015/16. All of the proposed amendments have been discussed with senior service management who are in agreement with the proposals contained in this report. The proposed amendments do not impact on the Chief Auditor's ability to deliver an annual opinion on the overall internal control, risk management and governance arrangements.

3.7 Development of the 2015/16 Internal Audit Plan

The Internal Audit management team are currently meeting with service senior management teams, associate bodies and other stakeholders to develop the forthcoming years planned programme of work.

3.8 National Fraud Initiative

Internal Audit is responsible for the co-ordination of the National Fraud Initiative (NFI) on behalf of the Council. Audit Scotland has commenced release of the matches with the main release being due on 29 January 2015. The Internal Audit team will distribute the matches to the relevant services over the forthcoming weeks and ensure that the officers with responsibility for investigating the matches are appropriately trained.

3.9 Scottish Local Authorities' Chief Internal Auditors Group (SLACIAG)

The Scottish Local Authorities Chief Internal Auditors Group (SLACIAG) has developed an External Quality Assessment Framework in order to fulfil the requirement of the Public Sector Internal Audit Standards for an external assessment to be undertaken once every 5 years. Three Local Authorities have been selected as part of the pilot year and Renfrewshire Council will undertake the review of Scottish Borders Council by March 2015.

Plans are also underway to organise the bi-annual SLACIAG Conference in June 2015.

3.10 Local and National Initiatives

Internal Audit provides advice and consultancy to various corporate projects and initiatives, members may wish to note that the following work has been completed or is ongoing in support of this agenda:

- SOLACE has indicated their intention request all Local Authorities to undertake an assessment of the risks posed by serious and organised crime and corruption to their organisations. Internal Audit have provided input to the proposed assessment checklist and are working with

Community Resources to undertake this assessment with a view to highlighting the highest areas of risk and recommendations for improvement actions.

- The Counter Fraud team has commenced a corporate fraud pilot. The focus of this pilot project, to be undertaken over a 6 month period, is tenancy fraud, Scottish Welfare Fund fraud and an assessment of the potential use of data matching. A detailed action plan is in place to deliver the pilot project and mitigate significant corporate fraud risks on a prioritised basis. We have also been requested to be part of the Cross Government Joint Working Group which aims to identify opportunities for cross sector working on to investigate non-benefit fraud.
- We are continuing to support the development of Internal Audit guidance for the Integrated Health and Social Care partnership. The Chief Auditor has met with other Chief Auditor from NHS Greater Glasgow and Clyde (NHS GG&C) and those Chief Auditors developing partnerships within the NHS GG&C in order to develop a consistency of approach across the area. Further meetings are planned with the Scottish Government to finalise national guidance.

Implications of the Report

1. **Financial** - The Council has in place arrangements to recover the any overpayments identified from the work of the Counter Fraud Team and the National Fraud Initiative.
2. **HR & Organisational Development** - None
3. **Community Planning –
Safer and Stronger** - effective internal audit is an important element of good corporate governance.
4. **Legal** - None
5. **Property/Assets** - None
6. **Information Technology** - None

7. **Equality & Human Rights**
(a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety – None**
9. **Procurement - None**
10. **Risk** - The progress and performance reported relates to the delivery of the risk-based internal audit plan and the mitigation of the risk of fraud and error.
11. **Privacy Impact – None**

Author: Andrea McMahon – 01416187017

To: Audit, Scrutiny and Petitions Board

On: 16 February 2015

Report by: Chief Auditor

Heading: Summary of Internal Audit Findings for Quarter to end of December 2014

1. Summary

- 1.1 In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Board. To comply with this requirement Internal Audit submits regular reports on the findings and conclusions of audit engagements to the Audit, Scrutiny and Petitions Board.
- 1.2 Appendix 1 attached to this report provides a summary of internal audit findings in relation to final reports issued for those engagements completed during the period 1 October – 31 December 2014.
- 1.3 In addition to the reports listed in the Appendix, Internal Audit has an ongoing commitment to:
- A range of corporate and service initiatives;
 - Progressing of information security matters in partnership with ICT and Legal Services;
 - The regular provision of advice to departmental officers;
 - The provision of internal audit services to the associated bodies for which Renfrewshire Council is the lead authority and to Renfrewshire Leisure Ltd;
 - Co-ordination of the Council's corporate risk management activity;
 - Management of the benefit investigation team;
 - Management of the insurance team.

2. **Recommendations**

- 2.1 Members are invited to consider and note the Summary of Audit Findings reported during the quarter from 1 October to 31 December 2014.
-

Implications of the Report

1. **Financial** - None
2. **HR & Organisational Development** - None
3. **Community Planning – Safer and Stronger** - effective internal audit is an important element of good corporate governance.
4. **Legal** - None
5. **Property/Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None
9. **Procurement** - None
10. **Risk** - The summary reported relates to the delivery of the risk-based internal audit plan.
11. **Privacy Impact** – None

Author: Karen Campbell – 01416187016

Appendix 1

Renfrewshire Council

Internal Audit Service

Quarterly Update for Audit, Scrutiny and Petitions Board

Final Audit Reports issued from 1 October – 31 December 2014

Category	Service	Audit Title	Main Issues	Rec's agreed
Best Value	Community Resources	Winter Maintenance	<ul style="list-style-type: none"> Internal Audit undertook a review of the Council's Winter Maintenance planning arrangements during 2013/14 to assess their adequacy and effectiveness. The merger of the Roads and Transportation Service with Environmental Services provided an opportunity to streamline winter maintenance processes within a single service. It was concluded that adequate and effective arrangements were in place with respect to the Council's Winter Maintenance Plan. Key policies, procedures and planning documents were found to be in line with best practice including the Code of Practice for Highway Maintenance Management. Assets and materials required are regularly monitored to ensure they are utilised efficiently. It was recommended that management explore further opportunities to streamline processes including monitoring the level of overtime paid to those staff involved. 	Yes

Contract Audit	Corporate	Investment Programmes – Johnstone Town Hall	<ul style="list-style-type: none"> This review concentrated on the pre contract arrangements in place for the Johnstone Town Hall replacement project. This project was to be delivered through a public private Joint Venture development organisation. The review therefore focussed on ensuring there was appropriate visibility of the processes undertaken by the development organisation and that there was adequate arrangements in place to assess the competency and viability of the main contractor and the insurance arrangements in place. No key risks were identified and it was considered that there was appropriate involvement and oversight of the processes of the development organisation by Council Officers and that adequate control is still retained by the Council. 	N/A
ICT Audit	Education & Leisure Services	SEEMIS – Education Management Information System	<ul style="list-style-type: none"> A security and control application review of the SEEMIS system was undertaken. This system is used to process data associated with education services relating to pupils, teachers and finance. It should be noted that the audit scope was severely limited due to the lack of information which we could acquire from the Software supplier and that the Council is only responsible for fulfilling some system administration tasks. A number of weaknesses were identified, including that there was no regular programme in place to maintain or monitor user access, password security and audit trail or test backups undertaken. Management were also asked to review some of the data security arrangements contained within the Service Level Agreement with the Software supplier. Management agreed to implement the recommendations by ensuring the appropriate staff have the necessary skill set to carry out the system administrator functions required with the 	Yes

System Audits	Social Work	Child Protection	<p>Council and also by meeting with the software supplier to ensure the required information is received by the Council</p> <ul style="list-style-type: none"> A review was undertaken of the progress and compliance of the actions, for which the Council is the lead agency, arising from the multi agency Action Plan prepared by the Renfrewshire Child Protection Committee. This review found that Social Work Officers have strived to improve their processes and to build upon the recommendations outlined in the multi-agency action plan. An issue in relation to the scanning of documentation into the social work system was identified and management agreed to review the process to see if any amendments were required in this regard. 	Yes
	Finance and Corporate Services	Licensing - Landlord Registration	<ul style="list-style-type: none"> The audit review identified that satisfactory arrangements are in place to process private landlord registrations to comply with Scottish Government guidance and to take appropriate actions where concerns are raised regarding landlord practices Management agreed to implement the auditor's recommendations made which were in relation to improving the arrangements for updating the Review List, setting timescales for processing applications/referrals and reconciling income. 	Yes
Regularity Audits	Development & Housing	LEADER Funding – Grant Certification	<ul style="list-style-type: none"> LEADER grant is funding that is made available to groups within Renfrewshire for the purpose of rural development. A Service Level Agreement exists with the Scottish Government Rural Payments and Inspections Directorate and the Council. Internal Audit is required to provide an annual audit compliance report by 31 October. 	Yes

			<ul style="list-style-type: none"> • The auditor noted that the systems in place to evaluate LEADER grant applications and verify interim claim amounts were found to be operating satisfactorily. Recommendations were made to enhance the arrangements in place for recording project targets, outcomes and outputs, evidencing supervisory checks and authorising internal council departmental grant payments. 	
--	--	--	---	--

To: Audit, Scrutiny & Petitions Board

On: 16th February 2015

Report by: Lead Officer

**Heading: Upkeep of Common Areas within Council Housing Stock including
Garden Areas**

1. Summary

At its meeting on 30th September, 2014 the Audit, Scrutiny & Petitions Board approved the purpose of the Review namely that it would consider how tenants comply with specific provisions within their Scottish Secure Tenancy Agreement in relation to common areas and gardens, ensuring that the landlord could and would take appropriate action and agreed an annual programme of activity for the Board for 2014/2015.

2. Recommendations

2.1 The Audit, Scrutiny & Petitions Board is asked to:-

Note that the Lead Officer has written to a number of Housing Associations and Resident's representatives in connection with inviting them to attend a meeting of the Audit Scrutiny & Petitions Board and to provide evidence and assist with discussions.

3. Background

- 3.1. As previously advised tenants of Renfrewshire Council occupy their homes by virtue of a Scottish Secure Tenancy Agreement. The terms of the Tenancy Agreement have already been reported on previous occasions. The Tenancy Agreement contains obligations on both landlord and tenant
- 3.2 At the last meeting of the Board the Department of Development & Housing Services gave details of the assistance provided to Tenants and discussed both the Common Maintenance Programme and the Garden Assistance Scheme.
- 3.3 The Department of Development & Housing Services also provided written answers to questions asked of them in connection with their estate management procedures.

4. Further Evidence

- 4.1 The Board wish to hear from Housing Associations in connection with their experiences of maintaining common areas within their stock including garden areas and also wish to hear from resident's representatives in connection with their experiences.
- 4.2 Housing Associations were, in addition, asked to provide answers to a series of questions posed and were also asked whether they would be willing to attend this meeting of the Board.
- 4.3 In addition, a number of resident's representatives were asked for information about their experiences and whether or not they would be willing to attend the meeting of the Board to give evidence and answer questions.

Implications of the Report

1. **Financial** – none.
2. **HR & Organisational Development** – none.
3. **Community Planning** – none.
4. **Legal** – enforcement of the Scottish Secure Tenancy Agreement.
5. **Property/Assets** – none.
6. **Information Technology** – none.
7. **Equality & Human Rights** – none.
- (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none.
9. **Procurement** – none.
10. **Risk** – none.
11. **Privacy Impact** – none.

Author: Dorothy Briggs
Senior Solicitor – Litigation

Tel. No. 0141 618 7174

Email: dorothy.briggs@renfrewshire.gcsx.gov.uk

Telephone: 0141 618 7174
Fax: 0141 618 7061
E-mail: dorothy.briggs@renfrewshire.gcsx.gov.uk
Your Ref:
My Ref: DAB/GB
Contact: Mrs D Briggs
Date: 12 January 2015

Dear Sirs

**Renfrewshire Council
Audit, Scrutiny and Petitions Board**

At its meeting on 30th September 2014, the Council's Audit, Scrutiny and Petitions Board approved a review of how Council tenants comply with specific provisions within their Scottish Secure Tenancy Agreement in relation to the upkeep of common areas and gardens ensuring that the landlord could and would take appropriate action.

The Audit, Scrutiny and Petitions Board met on 1st December 2014 and noted the terms of the Council's Secure Tenancy Agreement and the provisions that relate to shared parts and gardens and were interested to receive details of the assistance provided to tenants by the Council's Department of Development and Housing Services in relation to garden maintenance and the cleaning of common parts.

The Board has asked, for its next meeting at the beginning of February 2015, for information to be requested from local Housing Associations as to their practices and procedures for dealing with common areas and garden grounds.

It would be extremely helpful for the Board to be provided with copies of the appropriate sections of Scottish Secure Tenancy Agreements used by local Housing Associations particularly, as they relate to the areas under review namely the cleansing of common areas and maintenance of gardens and I wonder if it would be possible for copies to be forwarded.

In addition, the Board would be interested to learn whether or not the Housing Association provides assistance to tenants for example, by the operation of a common maintenance programme or a garden assistance scheme and again, if the association operates such schemes would it be possible for information to be provided.



Finance & Corporate Services
Acting Director: Alan Russell CPFA
Head of Legal & Democratic Services : Kenneth Graham LLB dip L.P.
Renfrewshire House, Cotton Street, Paisley PA1 1TT
DX 590702 Paisley – 3
LP 1 – Paisley 2
www.renfrewshire.gov.uk



At their last meeting the Board also considered a number of questions that had been posed to the Council's Department of Development and Housing Services together with their answers and the Board again wonder whether it would be possible for the Housing Association to consider the following questions and hopefully provide written answers which will shape the Board's views as to how their review can be taken forward.

It would be helpful if the following questions could be answered:-

1. Does the Housing Association operate any schemes of assistance to tenants in connection with garden services or services to ensure common parts of buildings are cleaned?
2. What sort of properties are covered?
3. How many properties are covered?
4. Who makes the decision to include a particular property in any of the schemes?
5. Can tenants approach the Housing Association direct and ask for their particular property to be included?
6. In respect of any gardening scheme how many tenants are supported?
7. How can individual tenants make contact with the Housing Association for assistance?
8. Is there a charge for any of the assistance schemes on offer?
9. What work is carried out in terms of any of the schemes?
10. Is there any scope for expanding the schemes to other categories of tenants?
11. Does the Housing Association evict tenants who fail to maintain gardens or clean common areas?
12. When would the Housing Association consider such an eviction action?
13. What warnings would be given to a tenant prior to action being taken?
14. What assistance would be offered to tenants prior to action being taken in an attempt to improve the situation?
15. What difficulties does the Association foresee in attempting to persuade a Sheriff to grant an eviction order?
16. How many such eviction actions have been raised for such failures?
17. How does the Association work with a tenant to ensure that an eviction action does not proceed?
18. Do breach of tenancy conditions for example, failure to maintain a garden pose a serious problem for the Association?
19. If the Association's Tenancy Agreement allows the landlord to decide what work needs to be done in discussion with the tenant and if the tenant refuses to do the work does the Housing Association do the work and charge the tenant?
20. If the Housing Association does do the work and charge the tenant is this something that the Association routinely undertakes?



Finance & Corporate Services
Acting Director: Alan Russell CPFA
Head of Legal & Democratic Services : Kenneth Graham LLB dip L.P.
Renfrewshire House, Cotton Street, Paisley PA1 1TT
DX 590702 Paisley – 3
LP 1 – Paisley 2
www.renfrewshire.gov.uk



Finally, the Board would like to hear from members of Housing Associations when they are considering the topic again at their next meeting on 16th February 2015 and I wonder whether the Association would be willing to send a representative to give evidence about their practices to the Board.

I look forward to hearing from you and thank you for your assistance.

Yours faithfully

Dorothy Briggs
Senior Solicitor

Sent to:-

Linstone Housing Association
17 Bridge Street
LINWOOD
PA3 3DB

Williamsbrough Housing Association
Ralston House, Cyril Street
PAISLEY
PA1 1RQ

Ferguslie Park Housing Association
Tannahill Centre, 76 Blackstoun Road
PAISLEY
PA3 1NT

Paisley South Housing Association
64 Espedair Street
PAISLEY
PA2 6RW

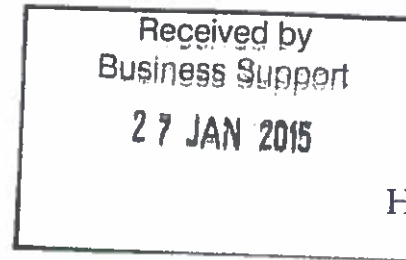


Finance & Corporate Services
Acting Director: Alan Russell CPFA
Head of Legal & Democratic Services : Kenneth Graham LLB dip L.P.
Renfrewshire House, Cotton Street, Paisley PA1 1TT
DX 590702 Paisley – 3
LP 1 – Paisley 2
www.renfrewshire.gov.uk



21st January 2015

Ms Dorothy Briggs
Senior Solicitor
Finance & Corporate Services Dept
Renfrewshire House
Cotton Street
Paisley
PA1 1TT



Ferguslie Park
Housing Association

Dear Ms Briggs,

Renfrewshire Council

Audit, Scrutiny and Petitions Board

Thank you for your letter dated 12th January regarding the above.

For your information enclosed with this letter are sections of the Scottish Secure Tenancy Agreement used by our Association relating to the use of the house and common parts including maintenance of gardens and a copy of our information leaflet regarding our Garden Tidy Scheme.

In answer to your specific questions I can reply in addition as follows:

1. As well as the Garden Tidy Scheme we also have a close cleaning service which includes weekly stair washing and litter removal
2. The close cleaning service is available in all our common access tenement property, The garden tidy scheme is available for any property with a private garden
3. We currently have 40 tenants receiving the close cleaning service and 114 in the garden tidy scheme.
4. There is a procedure to follow when accepting applicants onto either scheme administered by Housing Officers.
5. Yes
6. (See 3)
7. By all normal channels, office visit, phone, letter, e mail. However all tenants within a common close must agree to sign up to the Close cleaning scheme and agree to pay the service charge before any can receive this service.
8. Yes. The service charge for close cleaning is £13.54 by 4 weekly and £8.78 by 4 weekly for the garden tidy scheme.
9. (See 1 and leaflet)
10. No
11. In theory yes, we would consider this as we consider estate management to be an important part of keeping our estates clean and

THE TANNATHILL CENTRE • 76 BLACKSTOWN ROAD • FERGUSLIE PARK • PAISLEY PA3 1NT

TEL: 0141 887 4053 • FAX: 0141 889 2904 • EMAIL: admin@fpha.org.uk

WEB www.scottishhousingconnections.org/HA/Ferguslie-Park-Housing-Association

REGISTERED SOCIAL LANDLORD NO. RSL99 REGISTERED FRIENDLY SOCIETY NO. 2282 R (S) CHARITY NO. SC034893

tidy and to ensure that all tenants are complying with their tenancy conditions. However we would not incur legal costs until our legal advisors advised a successful action was likely to be achievable

12. Only in situations where there had been no co-operation or improvement, all other action at our disposal e.g. in terms of our Anti-social Behaviour Policy had also been unsuccessful or we were in receipt of information that the Health and Safety of the tenant and /or other residents and staff was of paramount concern.
13. Verbal then written warnings would have been given including clear information about what work was required by the tenant to rectify the nuisance.
14. We would ensure the tenant is signposted to any external agencies that could assist them. We may also assist in transferring the tenant to a more suitable property e.g. with a smaller garden.
15. We have no recent experience of pursuing such actions to be able to comment. However often a tenant's response to being given written warnings are that the garden was like this before I moved in and if tenants used this line of defence also in front of a sheriff we could foresee difficulties in persuading that an eviction order should be granted.
16. None in at least 3 years
17. (See 14)
18. No they do not. Usually tenants comply with letters without resorting to further action and the majority of our properties are separate dwellings with well- defined boundaries and fences.
19. Also 20. The association does not carry out work for tenants and recharge. This is not included in any of our procedures and this is unlikely to change as payment of the recharge would be unlikely to be achievable.

I am sorry but no-one from this association can be available to attend your meeting on the 16th February. However I hope the information in this reply is of some assistance to you.

Please do not hesitate to contact me, should you wish to discuss further.

Yours sincerely



Hilary Lyon
Housing Manager

2. USE OF THE HOUSE AND THE COMMON PARTS

2.1 You must take entry to the house, occupy it as a private dwelling, furnish it and use it solely as your only or principal home. Failure to occupy the house as your only or principal home will constitute a breach by you of this obligation which will allow us to raise proceedings for recovery of possession in the Sheriff Court to terminate this tenancy under Section 6.3 of this Agreement or to repossess by the abandonment procedure under Section 6.4 of this Agreement. You are entitled to have members of your family occupying the house with you as long as this does not lead to overcrowding. You must tell us in writing within four weeks if there is a change in those who are living in your house. If you take in a lodger, a sub-tenant or change or assign your tenancy you must get our prior written permission to do so under Section 4.1 of this Agreement. If we ask, you hereby agree to provide us with details of the names of those living in the house with you and their ages.

2.2 You, those living with you, and your visitors must take reasonable care to prevent damage to:

- the house;
- decoration;
- our furniture;
- the fixtures and fittings;
- the common parts;
- neighbouring houses and property, whether they are owned by others or us.

For example:

- before you leave the house unoccupied, you must check reasonably thoroughly that there is no risk of damage from fire, water or gas supplies in your house;
- you must tell us if you intend to go away for more than four weeks and the house will be unoccupied during that time;
- if the house is going to be unoccupied for any length of time, and there is a risk of water pipes freezing when you are away, you must tell us before you leave.

2.3 You and anyone living with you must not run any kind of business from the house without the prior written consent of the Association.

2.4 You must not allow your house to become overcrowded. If the overcrowding is as a result of an increase in the size of your family living with you, you can apply to us for a transfer and we will consider your request in accordance with our Allocations Policy at the time. We will try to get you a larger house. In this circumstance only, we will not treat you as being in breach of this condition. However, if we offer you suitable alternative accommodation you must agree to take it unless there are good reasons for not taking it.

2.5 KEEPING OF PETS

You must not keep a dog without the Association's prior written consent, which will not be unreasonably withheld and will be in accordance with the Association's policy on the keeping of pets. You must not keep any animal or bird except a domestic pet as defined in the Association's policy on the keeping of pets. Consent may be withdrawn if, in the view of the Association, the keeping of pets is causing a nuisance to neighbours or deterioration in the condition of the house, common areas or the vicinity of the house.

2.6 You must not use or allow the house to be used for illegal or immoral purposes. This includes, but is not limited to, the following: dealing in controlled drugs; running a brothel; dealing in stolen goods; illegal betting and illegal gambling.

2.7 While you are in occupation of the house, you must make reasonable efforts to heat the house, taking into account your income. You must make reasonable efforts to ventilate the house using any suitable means provided in the house for doing so.

2.8 Where there are common areas attached to the house you shall:

- i) in turn with other occupiers, wash and clean the common stairs, landings windows and banisters and must ensure that all these common areas, pathways, bin stores and drying areas are cleaned and tidied not less than once a week. In particular:
 - a) tenants of houses on the ground floor will be responsible for washing and cleaning of all ground floor passages, entrances, doors and windows;
 - b) tenants of houses on all floors above the ground floor will be responsible for washing and cleaning the landings, passages, banisters and windows on their floor and for the section of the staircase leading to their floor from the floor below;
 - c) all tenants will take in rotation their turn for cleaning the bin store, common pathways and tidying the drying area.

Failure to carry out these responsibilities may result in the Association carrying out the work and recovering the costs from you and other occupiers. This is in addition to any other legal remedies open to us.

- ii) not use or allow others to use the common areas or open spaces for the drying of washing other than those areas specifically provided by the Association for that purpose.

2.9 You must comply with any local arrangements for the use and sharing of the common parts including drying greens and drying areas. You must comply with any local rotas for the use and sharing of the common parts. In cases of dispute between the users of the common parts, we are entitled to decide the arrangements and rotas for the use of, and the sharing of, the common parts. Before making our decision, we will consult with you. Our decision will be binding on you.

2.10 Where you have exclusive use of the garden attached to your house you agree to keep the garden including footpaths and driveways in good and tidy order, free from weeds, free from litter and free from dog and other animal dirt. You hereby agree to cut the grass frequently so that it is no longer than 8 centimetres. You must not paint fencing owned by the Association without our prior written consent. Hedges are not permitted in the front garden ground. You agree to use the garden ground for the purpose of a garden only. You must not top, lop, pollard or fell trees without our prior written consent. You must not remove, chop down or destroy any bushes, without our prior written permission unless you planted them. You further agree to obtain our prior written permission and all other necessary approvals (for example Planning Permission) before erecting any structures (for example a shed or greenhouse) in the garden. You shall keep fences and any other structure erected in good order. If you fail to carry out these obligations, we are entitled to decide exactly what work requires to be done so as to comply with these duties. Before making our decision, we will consult with you. Our decision will be binding on you. If you do not do the work contained in this paragraph, we may do it ourselves and charge you for it. This is in addition to any other legal remedies we may have. You hereby agree to pay for the cost of this work should we require to carry it out ourselves.

2.11 Where you share a garden with others, you will in turn with other occupiers keep the garden including footpaths and driveways in good and tidy order, free from weeds, free from litter and free from dog and other animal dirt. You in turn with the other occupiers will cut the grass frequently so that it is no longer than 8 centimetres. You must not paint fencing owned by the Association without our prior written consent. Hedges are not permitted in the common garden ground. You will use the communal garden ground only for the purpose of a garden. You must not top, lop, pollard or fell trees in the common garden ground without our prior written consent, unless you planted them. You will not remove or destroy any bushes without our prior written permission unless you planted them. You agree to obtain our prior written permission and all other necessary

approvals (for example Planning Permission) before erecting any structures (for example a shed or greenhouse) in the common garden. You shall keep fences and any structures erected in good order. If you and the other tenants cannot agree on the arrangements for doing this or you fail to do the work, we are entitled to decide exactly what you should do and when. Before making our decision, we will consult with you and the others. Our decision will be binding on you. If you do not do the work contained in this paragraph, we may do it ourselves and charge you for it. This is in addition to any other legal remedies we may have. You hereby agree to pay the cost of us carrying out any works ourselves.

2.12 No property belonging to you or anyone residing with you or anyone visiting you, including bicycles, motorcycles or prams, should be stored in any of the common parts except in areas set aside for storage. You must not do anything that causes inconvenience or danger to anyone using the common parts.

2.13 You must put all your household rubbish for collection in the bin store or the designated areas allocated by us. You must take reasonable care to see that your rubbish is properly bagged. If rubbish is normally collected from the street, it should not be put out earlier than the evening before the day of collection. Rubbish containers should be returned to their normal storage places as soon as possible after the rubbish has been collected. You must comply with the local arrangements for the disposal of large items (such as furniture or large electrical items).

2.14 The use of heaters fired by paraffin or liquid gas will not be permitted within your home, unless we have provided them during an emergency. Storage of paraffin, liquid gas containers or other explosive or inflammable substances will not be permitted in the house or in any of the common parts, areas or facilities of the house.

2.15 You may park domestic motor vehicles only on vehicle driveways, parking areas, garages or carports provided for such use by the Association and not on garden ground or common areas (e.g. tenement backcourts). Vehicles for commercial use, heavy goods vehicles, caravans or other such leisure/residential vehicles or boats may not be kept on vehicle runways, parking areas or garden ground without the prior written consent of the Association. In every case, such parking must not cause a nuisance or annoyance to your neighbours.

You must not undertake or permit motor vehicle repairs or storage of incomplete vehicles on vehicle driveways, within the garden ground or common areas that could cause nuisance, or could cause damage to these areas.

2.16 Nothing belonging to you, or anyone living with you, or visitors, may be left or stored on our land unless;

- the land is set aside for the purpose; OR
- we have given you prior written permission.



Garden Tidy Scheme Information Leaflet

Ferguslie Park Housing Association operates a garden tidy scheme for the benefit of those tenants unable to carry out this task due to age/medical difficulties and where there is no other person living in the house over 16 years of age fit to carry out this service on the tenants behalf.

Application forms to be considered for this service are available from the Associations office by telephoning 0141 887 4053. Please note that completion of an application form does not guarantee inclusion on the service. On occasion the Association may only be able to consider your application for admission onto the waiting list for the service.

A service charge applies for the cost of this service which for 2014/15 has been set at £ 8.78 per 4 weeks. The service provided is standard across all properties and comprises mainly of grass cutting, strimming and removal of cuttings. The service is provided during the months of April through to October and will involve a fortnightly visit, weather permitting. The cost of this service is however charged throughout the year, on top of your 4 weekly rent, in order to assist tenants with budgeting and to ease the housing benefit administration process. The cost was initially calculated by taking the total cost per tenant of providing the service during 2011 and dividing this by the 13 rent debit periods and has subsequently been uprated to reflect any annual increases approved by the Management Committee.

If you are in receipt of housing benefit, either full or part, you may be eligible to have the service charge for the garden tidy scheme covered by housing benefit.

If your application for the scheme is accepted you will require to sign an addition to your tenancy agreement form, unless this service has been included on your original tenancy agreement. This ensures that the service charge is eligible for housing benefit, either now or in the future, as the service will be deemed to be a compulsory service.

If you require to make application for housing benefit to cover this service charge the Association will provide a letter of application to assist you. You will receive notification from Renfrewshire Council and the Association when your housing benefit has been recalculated to include this service charge. If your income or household circumstances change in the future you are required to notify Renfrewshire Council and the Association of these changes in order that your housing benefit entitlement is reassessed and any overpayment of housing benefit is minimised .

To: Audit, Scrutiny and Petitions Board

On: 16th February, 2015

Report by: Director of Finance & Resources

Heading: **Petition: Sandy Road, Renfrew**

1. Summary

1.1 A petition, comprising around 150 signatures, has been received from Ms Irene Clark in the undernoted terms

“This petition is for something to be done to prevent further accidents at corner of Sandy Road and Newmains Road and also Broadloan/Sandy Road (both Renfrew). I realise traffic lights could be the only answer, before some-one is killed or badly injured.”

1.2 The Head of Amenity Services has intimated that in the three-year period (2011-2013) there has been one reported injury accident which was at the junction of Sandy Road and Broadloan and involved two vehicles. Sandy Road is a distributor road within a residential area. It is a bus route and provides access to Newmains and Renfrew Primary Schools and Tesco Supermarket. General issues are raised from time to time by Renfrew Community Council. Sandy Road has traffic calming at the junctions identified in the petition. In addition zebra crossings were installed at these junctions to assist pedestrians.

1.3 The petition is valid in terms of the Council's procedures for dealing with petitions and the principal petitioner, together with one supporter, has been invited to attend the meeting and they will be asked to make a statement, lasting no more than 10 minutes, in support of the petition.

1.4 The role of the Board is to consider the petition, hear and ask questions of the petitioner and take the appropriate action in respect of the

petition which will be one of the following: (a) that no action is taken, in which case the reasons will be specified and intimated to the petitioner; (b) that the petition be referred to the relevant director/and or policy board for further investigation, with or without any specific recommendation; or (c) refer the petition to another organisation if the petition relates to that organisation.

2 Recommendations

2.1 That the Board hear from the petitioner

Implications of the Report

1. **Financial** – none.
 2. **HR & Organisational Development** – none.
 3. **Community Planning** – none.
 4. **Legal** – none
 5. **Property/Assets** – none.
 6. **Information Technology** – none.
 7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** – none.
 9. **Procurement** – none.
 10. **Risk** – none.
 11. **Privacy Impact** – none.
-

List of Background Papers – petition form

Author: Lilian Belshaw, Democratic Services Manager
(tel: 0141 618 7112/email: lilian.belshaw@renfrewshire.gcsx.gov.uk)