



Housing and Community Services Committee

13 January 2010

APPENDICES

<u>APPENDIX</u>	<u>REPORT</u>	<u>PAGE. NOS</u>
A	CONCESSIONARY BUS FARES : RESPONSE TO GOVERNMENT'S NOVEMBER 2009 CONSULTATION DOCUMENT	1 - 4
B	CONCESSIONARY BUS FARES : TAS REPORT	5 - 14
C	CONCESSIONARY BUS FARES : RESPONSE TO APRIL 2009 CONSULTATION	15 - 16
D	REVENUE ESTIMATES FOR 2010/11 <i>(NB: THE ESTIMATES HAVE BEEN CIRCULATED TO MEMBERS OF THE COMMITTEE AND RELEVANT OFFICERS ONLY AND A COPY HAS BEEN PLACED ON THE WEBSITE FOR ALL OTHER MEMBERS)</i>	STAPLED SEPARATELY AND NUMBERED SEPARATELY
E	CONSULTATION DOCUMENT ON THE NEW REGULATORY FRAMEWORK FOR SOCIAL HOUSING IN ENGLAND : STANDARDS	17 - 27
F	CONSULTATION DOCUMENT ON THE NEW REGULATORY FRAMEWORK FOR SOCIAL HOUSING IN ENGLAND : SUGGESTED RESPONSES	28 - 32
G	EMPTY HOMES STRATEGY : NEW STRATEGY DOCUMENT	SEPARATELY NUMBERED 1 - 15

Runnymede Civic Centre, Station Road
Addlestone, Surrey KT15 2AH

Tel: 01932 838383
Fax: 01932 838384
DX 46350 ADDLESTONE
www.runnymede.gov.uk

Concessionary Travel
Department for Transport
3/11 Great Minster House
76 Marsham Street
London
SW1P 4DU

1 December 2009

Dear Sirs

Local Authority special grant funding in 2010/11 for the national bus concession in England: Consultation Paper

I am pleased to submit the response of Runnymede Borough Council to the consultation 'local authority special grant funding in 2010/11 for the national bus concession in England'. The consultation paper was formally considered by the Corporate Management Committee of the Council at their meeting on 26 November 2009. The Committee considered the proposals holistically and also the specific questions asked in the consultation paper.

In general terms, the Committee was very disappointed by the proposed changes. The Committee considered that the government should keep to their funding settlement and that there was no good case for making the change. The Council's financial plans are based on the government honouring grant settlements. Your department and the government must recognise that downward changes in grant settlements are particularly unfair for low taxing authorities like Runnymede Borough Council who are unable to increase council tax to make up the shortfall without falling foul of the current unfair and crude council tax capping regime.

The responses to the 4 questions set by the consultation paper are:

QUESTION 1: Is the proposed revised distribution of special grant funding for 2010/11 preferable to the original distribution?

Response: No. The Council strongly objects to the proposed change.

On a matter of principle, the government should not break grant settlements that span a number of years. To break settlements means that the advantages of certainty and enabling medium term financial and service planning is lost. These DfT proposals alone create the financial uncertainty that multi-year grant settlements were designed to resolve.

The methodology used in the original settlement creates a fair way of distributing the grant, based on a set of uniform indicators. This settlement should be honoured.

The statement in the consultation paper (paragraph 1.4) stated that this matter "is technical in nature" is strongly disputed. The issue of finance is a key policy issue, and the amount of the special grant has a significant impact of the finances of a local authority. The DfT is urged to recognise the wider impact of their proposed change, including the impact of local authority finances generally and the level of council tax

in particular. This issue is particularly important for low-taxing local authorities like Runnymede Borough Council who are unable to adjust council tax to accommodate grant changes because of the government's insistence on basing council tax capping decisions on percentage increases, rather than looking at the level of local tax in a more inclusive way.

The assertion in the consultation paper (paragraph 3.24) that "we have always said that we will keep the funding required for the improved concession under review" was clearly aimed at the quantum of the special grant, not the distribution of grant between authorities. If the government wishes to remedy problem areas by uplifting their grant, it should find additional funding accordingly.

QUESTION 2: Are there any factors which mean the revised distribution does not accurately reflect the additional costs of the improved concession being incurred by individual authorities? If yes, please provide specific evidence to support your answer (e.g. of other changes that may have affected concessionary travel spending between 2007/8 and 2008/9, or the amounts being spent on discretionary concessions such as out of area travel in 2007/8)?

Response: Yes.

The accuracy and appropriateness of the methodology used by the DfT is disputed.

It is not appropriate to use the data provided in the Revenue Outturn forms as an evidence of the change in costs arising from the enhanced statutory minimum bus concession. There are a number of reasons for this:

- The relevant line in the Revenue Outturn form (RO2, line 71) captures the cost of all local authority provided concessionary travel schemes. Therefore, for Runnymede Borough Council this includes the cost and income of our local Dial-a-ride scheme. This will create a distortion in the figures that will be significant.
- The cost of local initiatives prior to the introduction of the enhanced statutory minimum bus concession on 1 April 2008 will also be captured in the 2007/08 figures. These enhancements were introduced to allow disabled people in work to access transport that addresses inequalities and aids employment. It is unfair that authorities will be penalised for creating these local enhancements by receiving less special grant than those authorities that did not offer previous local enhancements. The attempt to identify only additional costs in the methodology creates the perverse situation of awarding authorities that previously offered only minimum service provision, and penalising authorities that offered enhanced services. The use of the original methodology in the three-year settlement avoided this problem.
- The data available to local authorities prior to 2008 was often limited. Runnymede Borough Council along with the 10 other District Councils in Surrey and the County Council, operates a joint countywide scheme of concessionary bus travel. This is a long established partnership arrangement. Prior to 2008 the cost of the scheme was allocated to each district based on a crude formula based on route miles. Under this arrangement, Runnymede paid £369,365 towards bus operator costs in 2007/08. The information now available under the enhanced statutory

minimum bus concession is much more detailed. It is now clear that Runnymede Borough Council paid an unfairly large proportion of the costs of the Surrey partnership scheme prior to 2008. Although it is not possible to be precise, the payment by Runnymede Borough Council in 2007/08 should have been less than £200,000. Taking this into account means that the special grant payable under the current three-year settlement is not far removed from the additional cost of the new scheme. Therefore, it is grossly unfair to base the special grant for Runnymede Borough Council on a comparison between 2007/08 and 2008/09 costs. To do so would add unfairness onto unfairness.

- On a more general point, the data in the Revenue Outturn form is not audited and errors could impact significantly on grant distribution in individual authorities. Therefore, it is more appropriate to retain the grant distribution formula used in the three-year settlement as this avoids potential distortions.

QUESTION 3: Are there any reasons why quarterly returns on year-to-date actual and full-year forecast spending on the statutory minimum concessionary travel scheme could not be provided?

Response: The Council objects to the proposals to require local authorities to provide the DfT with routine data relating to their concessionary travel schemes.

Local authorities were promised an end to the micro management of services and the burden of providing ever increasing statistics to the government when the National Indicator set was brought in. The imposition of routine quarterly returns of detailed information to the DfT will be an additional burden on local authorities. It is not appropriate to pretend that this information can be provided cost free or at nominal cost.

Furthermore, local authorities are under enormous pressure from the government and the public generally to create value for money and to reduce costs, especially administrative costs. This requirement does not fit comfortably with those aims.

If the DfT insists on these returns, it should recognise the full cost (not marginal cost) of collecting, analysing, and providing the data required, and pay local authorities a specific grant accordingly.

There are also technical issues with the DfT proposal. If the intention is only to report on the statutory minimum concessionary travel scheme it will be necessary to find a mechanism to remove local concessions from the costs. For instance, in Surrey the district partnership has decided to grant free bus travel from 9.00am for the over 60s - an enhanced benefit that commences 30 minutes before the 9.30am start of the statutory entitlement. Splitting this element of cost will inevitably be an arbitrary exercise.

Should the DfT require information on a once-off basis for the purposes of policy determination, the information requested should be the minimum required to come to conclusions.

QUESTION 4: Are there any reasons why annual returns providing details of the reimbursement arrangements entered into with bus operators could not be provided?

Response: The Council objects to the proposals to require local authorities to provide the DfT with annual returns providing details of the reimbursement arrangements entered into with bus operators.

The reasons for this are the same as set out in question 3.

A copy of this response has also been sent to you by e-mail.

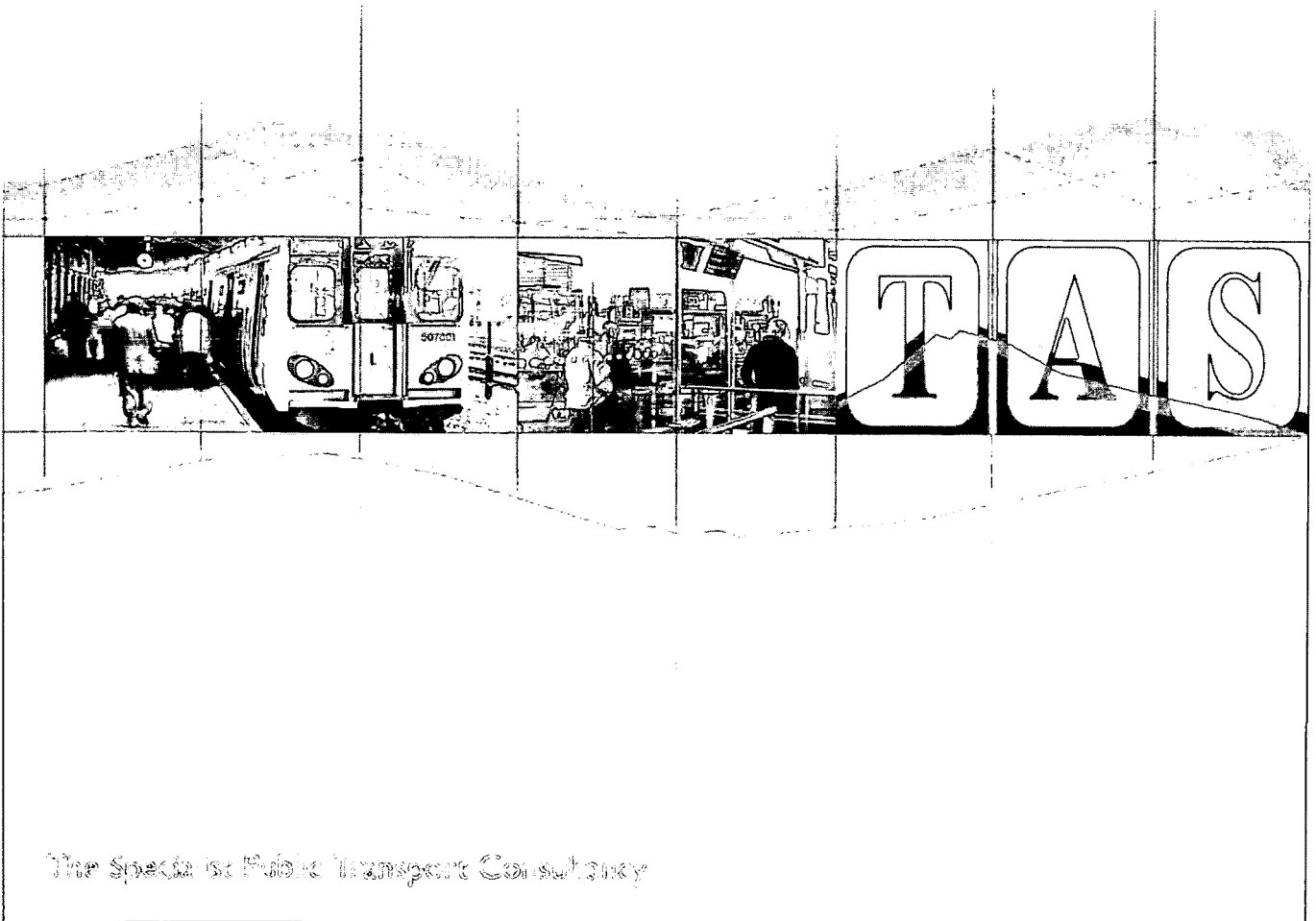
I trust that the response of my Council will be carefully considered by the government

Yours faithfully

Robert Hanger
Assistant Director of Finance
Direct email address: Bob.Hanger@runnymede.gov.uk
Direct telephone number: 01932 425320

Surrey Concessionary Fares: Quarter 2/2009 Reimbursement Costs

A Report to Surrey County Council and the 11 participating
Travel Concession Authorities
December 09



The Specialist Public Transport Consultancy

Quality Assurance

DOCUMENT INFORMATION

Document Title

Surrey Concessionary Fares:
Quarter 2/2009 Reimbursement Costs

QUALITY ASSURANCE				
Revision	Final	Prepared by	Checked by	Approved by
Date	03/12/2009	AS/PKH	PKH	AJG

COPYRIGHT

The contents of this document are copyright The TAS Partnership Ltd., with the exceptions set out below. Reproduction in any form, in part or in whole, is expressly forbidden without the written consent of a Director of The TAS Partnership Ltd.

Cartography derived from Ordnance Survey mapping is reproduced by permission of Ordnance Survey on behalf of the Controller of HMSO under licence number WL6576 and is © Crown Copyright – all rights reserved.

Other Crown Copyright material, including census data and mapping, policy guidance and official reports, is reproduced with the permission of the Controller of HMSO and the Queen's Printer for Scotland under licence number C02W0002869.



The TAS Partnership Limited

The Specialist Public Transport Consultancy

Guildhall House, Guildhall Street, Preston, Lancashire, PR1 3NU - Tel: 01772 204988 or E-mail: info@tas-part.co.uk

Contents

I	Introduction	2
1.1	Introduction	2
1.2	Methodology	2
2	Quarter 2 2009/10 Reimbursement	3
2.1	Payments to Operators	3
2.2	Apportionment between Districts	4
	Appendix A	5
	Apportionment Costs between Districts	5
	Appendix B	6
	Payments to Operators	6

1.1 Introduction

- 1.1.1 This report details the reimbursement costs to bus operators participating in the Surrey Countywide concessionary fares scheme in the financial year 2009/10 for Quarter 2 (July 2009 to September 2009) and the apportionment of these costs between the 11 Travel Concession Authorities (TCAs) in Surrey.

1.2 Methodology

- 1.2.1 Bus operators are required to record concessionary passenger boardings on the electronic ticket machines (ETMs) and also record the service number and the fare stage boarded. ETM data was supplied to us by operators for the period of the second quarter of the 2009/10 scheme (1 July 2009 – 31 July 2009) and from this data we have been able to calculate the:
- a) Number of concessionary fare boardings by service and fare stage
 - b) Average Adult fare (using Adult Single, Adult Return and Adult Day tickets as defined by the published scheme)
 - c) Value of travel (A*B)
 - d) Reimbursement Due (C * 65%)
- 1.2.2 For the purposes of the Surrey scheme, only concessionary passenger boardings at fare stages within Surrey have been counted and these have been allocated to the 11 participating Districts/Borough within Surrey. Our software then allocates the reimbursement cost (steps A, B, C, D above) to individual Districts.
- 1.2.3 Some of the smaller operators in Surrey have older ticket machines that do not accurately record fare stage information. In some cases operators still use manual ticket machines. Where this is the case, we supplied operators with a pro-forma spreadsheet that calculates reimbursement due and apportionment between Districts has been done on the basis of route mileage.

Quarter 2 2009/10 Reimbursement

2

2.1 Payments to Operators

2.1.1 From the ETM and other data supplied to us, we have been able to calculate the actual reimbursement due to operators for the second quarter of the 2009/10 scheme. From this information, we are able to determine:

- the value of any balancing payment required to reconcile interim payments made to operators with actual reimbursement
- the number of concessionary journeys made, and
- the value of travel.

2.1.2 Appendix B provides the detailed output of reimbursement payments to individual operators but a summary is shown below in Table 1, along with data on the recorded number of journeys and the average reimbursement cost per passenger. The table is presented in descending order of reimbursement due for Quarter 2.

Table 1: Reimbursement Costs – Q2 2009/10

Operator	Reimbursement Due (from ETM data)	Passengers	Cost per passenger
Arriva Guildford & West Surrey	£525,557	520,861	£1.01
Ashford & St Peters Hospital NHS Trust	£7,326	4,682	£1.56
Ashford Luxury Coaches	£821	493	£1.66
Carlone			
Compass Travel	£1,650	1,836	£0.90
Compton Village Association			
Countryliner Coach Hire	£154,512	129,961	£1.19
Countywide Travel	£21,364	19,546	£1.09
Cruisers	£2,302	1,993	£1.16
Dicksons Travel	£16,499	12,436	£1.33
ESRTP - Buses 4U			
Epsom Buses	£40,617	43,457	£0.93
First Beeline Buses Ltd	£45,771	35,273	£1.30
Flights Hallmark Ltd	£3,071	2,784	£1.10
London Bus Services Ltd	£56,689	77,802	£0.73
Metrobus Limited	£287,137	265,580	£1.08

Operator	Reimbursement Due (from ETM data)	Passengers	Cost per passenger
Safeguard	£37,961	52,224	£0.73
Southdown PSV	£38,421	30,993	£1.24
Stagecoach (all operators)	£383,341	331,839	£1.16
Sunray Travel	£33,527	44,024	£0.76
Travel Surrey	£317,268	304,028	£1.04
Minimum Cost contracts	£12,952	10,210	£1.27
Pegasus - Guildford Park & Ride	£8,234	19,535	£0.42
Guildford Park & Ride - Arriva	£25,024	49,937	£0.50
Total	£2,020,046	1,959,494	£1.03

- 2.1.3 Ashford Luxury Coaches' claim is for Q2 only (a return for Quarter 1 remains outstanding) and no claim was received from either Carlone or the Compton Village Association.
- 2.1.4 Travel Surrey, now owned by NED Railways trading as Abellio, has finally resolved its ETM data issues and the claim data shown is for Quarter 2 only. It is clear, however, that the introduction of the new ticket machines by Travel Surrey has also facilitated a significant increase in concessionary pass recording. Previously, holders of TfL Freedom Passes were believed to be significantly under-recorded whereas the new machines incorporate all concession passes under a single ticket type and drivers are required to issue concessionary passengers with a zero-value ticket.
- 2.1.5 The upshot of this improved recording is particularly noticeable therefore in Elmbridge, Runnymede and Spelthorne Districts where cross-boundary use of TfL passes is high. Guildford and Woking are unaffected because of the distance away from Greater London and few cross-boundary services allowing journeys of this distance.

2.2 Apportionment between Districts

- 2.2.1 Appendix A provides the apportionment between Districts for Q2 based on the allocation of concessionary passenger boardings.

Appendix A

Apportionment Costs between Districts

Q2 2009/10: Apportionment between TCAs

	Enbridge	Epsom & Ewell	Guildford	Mole Valley	Reigate & Banstead	Runnymede	Spartnere	Surrey Heath	Tandridge	Waverley	Woking
Arriva Guildford & West Surrey	£4,882		£201,261	£47,310	£14,170	£4,927		£29,106		£60,037	£168,791
Ashford & St Peters Hospital NHS Trust	£1,107										£1,293
Ashford Luxury Coaches	£821						£821				
Carlone	£0										
Compass Travel	£1,650			£213	£1,437						
Compton Village Association	£0										
Countryliner Coach Hire	£154,512	£20,123	£24,993	£46,180		£653		£8,131		£2,181	£48,843
Countywide Travel	£21,364							£18,239		£3,125	
Cruisers	£2,302				£649						
Dicksons Travel	£16,499					£5,544	£297	£10,659			
Dicksons Travel	£0										
ESTRP Buses 4U	£40,617			£3,519							
Epsom Buses	£45,771					£19,743	£15,882	£10,146			
First Bedline Buses Ltd	£3,071				£1,082					£1,989	
Flights Hellmark Ltd	£56,689			£4,157	£5,086		£23,890				
London Bus Services Ltd	£287,137	£15,144		£7,868	£210,047						
Metrobus Limited	£37,961		£37,961								
Safeguard	£38,421			£2,257	£17,473						
Southdown PSV	£383,341							£145,843		£150,506	£179
Stagecoach (all operators)	£33,527	£5,921	£86,812	£17,762	£9,845					£0	£0
Sunray Travel	£97,429		£14,657	£4,876	£1,441	£73,322	£101,896			£1,387	£29,964
Travel London (West) Ltd	£12,952										£841
Minimum Cost contracts	£8,234		£8,234								
Pegasus - Guildford Park & Ride	£25,024		£25,024								
Arriva - Guildford Park & Ride											
Q2 2009/10 Total	£2,020,046	£99,493	£398,942	£134,141	£261,231	£104,189	£142,786	£222,260	£83,031	£217,237	£249,911

Reimbursement Rate 0.65

Q1 2009/10 Total	£1,879,814	£112,597	£378,317	£109,668	£243,426	£82,119	£147,552	£207,153	£80,592	£203,649	£221,567
Estimated outturn 09/10	£7,799,721	£424,179	£1,554,519	£487,618	£1,009,315	£372,615	£580,675	£858,825	£327,245	£841,772	£942,955

Appendix B

Payments to Operators

Q2 2009/10: Payments to Operators

	Reimbursement Due Q2 2009/10	Total Paid Q2 (July-Sept)	OVERPAID Q1/2009	Balancing		Q3- 2009 Revised		Passengers	Cost per passenger
				Payment Due	Monthly Payment	Monthly Payment	Passengers		
Arriva Guildford & West Surrey	£525,557	£411,300	£0	£114,257	£157,667	520,861	£1.01		
Ashford & St Peters Hospital NHS Trust	£7,326	£7,326	£0	£0	£2,198	4,682	£1.56		
Ashford Luxury Coaches	£821	£660	-£1,170	-£1,009	£246	493	£1.66		
Carlone		£0	-£7,885	-£7,885	£95				
Compass Travel	£1,650	£1,800	£0	-£150	£495	1,836	£0.90		
Compton Village Association		£756	£0	-£756	£0				
Countryliner Coach Hire	£154,512	£126,000	£0	£28,512	£46,354	129,961	£1.19		
Countywide Travel	£21,364	£18,000	£0	£3,364	£6,409	19,546	£1.09		
Cruisers	£2,302	£1,620	£0	£682	£691	1,993	£1.16		
Dicksons Travel	£16,499	£13,500	£0	£2,999	£4,950	12,436	£1.33		
ESTRP - Buses 4U		£0	£0	£0	£0				
Epsom Buses	£40,617	£31,500	£0	£9,117	£12,185	43,457	£0.93		
First Beeline Buses Ltd	£45,771	£37,800	-£1,792	£6,180	£13,731	35,273	£1.30		
Flights Hallmark Ltd	£3,071	£3,150	£0	-£79	£921	2,784	£1.10		
London Bus Services Ltd	£56,689	£0	£0	£56,689	£17,007	77,802	£0.73		
Metrobus Limited	£287,137	£229,500	£0	£57,637	£86,141	265,580	£1.08		
Safeguard	£37,961	£31,500	£0	£6,461	£11,388	52,224	£0.73		
Southdown PSV	£38,421	£25,200	£0	£13,221	£11,526	30,993	£1.24		
Stagecoach (all operators)	£383,341	£324,000	£0	£59,341	£115,002	331,839	£1.16		
Sunray Travel	£33,527	£6,600	£0	£26,927	£10,058	44,024	£0.76		
Travel London (West) Ltd	£317,268	£225,000	£0	£92,268	£95,180	304,028	£1.04		
Minimum Cost contracts	£12,952			£12,952	£3,885	10,210	£1.27		
Pegasus - Guildford Park & Ride	£8,234			£8,234	£2,470	19,535	£0.42		
Guildford Park & Ride - Arriva	£25,024			£25,024	£7,507	49,937	£0.50		
Total	£2,020,046			£513,987	£606,014	1,959,494	£1.03		

f

Statement on Changes to Concessionary Travel announced in the Pre-Budget Report, December 2009

Source: DfT website on <http://www.dft.gov.uk/pgr/regional/buses/concessionary/changes/statement>

A package of reforms to concessionary bus travel in England was announced today as part of the Pre-Budget Report. The package includes proposed changes to responsibilities for administering the concession following a consultation on this issue earlier this year. Also announced were plans to re-establish the link between the age of eligibility for free England-wide local bus travel and the state pension age as part of a wider package of changes to increase the age at which pensioner benefits can be received in line with pension age changes.

The introduction of the England-wide concession in 1 April 2008 has given the opportunity for greater freedom and independence to around 11 million older and disabled people. No older or disabled person in England need now be prevented from bus travel by cost alone, and the concession represents a major step forward in tackling social inclusion for some of the most vulnerable people in our society.

Over 200 responses were received to the consultation on administrative reform of concessionary travel and a summary of these responses has been published today. Having considered the consultation responses Ministers have concluded that shifting responsibility for administering the statutory minimum concession from shire district councils to county councils will deliver real benefits and will help ensure the long term sustainability of the concession.

Given this change it also makes sense to move the ability to make discretionary travel concession schemes (using powers under the Transport Act 1985) away from shire and metropolitan districts to county councils and PTEs. Although district councils may still be able to use their broad well-being powers in this area. There will be no changes to administrative responsibility in London, or unitary authority areas.

This reform will bring with it many benefits, including:

- Enabling efficiencies to be realised, for example through economies of scale and by reducing the number of negotiations with bus operators;
- Making accurate funding by formula easier;
- Harmonising concessionary travel responsibilities with the wider responsibilities of transport authorities for the first time; and
- Assisting with the roll-out of smart ticketing

It is intended that this change to administrative responsibilities will come into force from 1 April 2011. An order under section 9 of the Concessionary Bus Travel Act 2007 will be presented to Parliament for scrutiny in due course.

The Department for Communities and Local Government will consult in 2010 on how the financial implications of the change will be taken forward as part of the next three year local government finance settlement.

These changes to the arrangements for administering concessionary travel should by no means detract from the success of this hugely popular policy and the Government intends to continue offering free off-peak local bus travel throughout England to older and disabled people.

Also announced today were plans to change the age of eligibility for concessionary bus travel in line with the changes that are being made to the state pension age from April 2010. For the purposes of concessionary travel this means tying the age of eligibility for the bus pass to the

pensionable age for women. So, as the pensionable age for women gradually increases from 60 to 65 over the ten-year period from 2010 to 2020 so too will the age of eligibility for the concessionary bus pass increase for both men and women.

Currently both men and women become eligible for a free bus pass at 60. These plans mean that by 2020 the age of eligibility will increase to 65. Until pensionable age is equalised between the sexes in 2020, men will continue to become eligible for a concessionary bus pass when they reach the pensionable age of a woman born on the same day.

The changes to the age of eligibility will not impact on anyone already in possession of a bus pass. The changes will only affect those due to turn 60 on or after 6 April 2010 and will bring eligibility for the national bus concession into line with changes to other entitlements that have already been announced by the Department for Work and Pensions, such as the change in the age of eligibility for the Winter Fuel Allowance.

The purpose of the concession is to provide greater freedom and independence to older people in their retirement. Until 2002 eligibility was linked to the state pension age, with women becoming eligible at 60 and men at 65. In 2002, the age of eligibility was equalised at 60 for both men and women.

With the difference in state pension age for men and women set to disappear between 2010 and 2020, Ministers have decided that it is now time to begin to re-establish the link with pension age for concessionary travel and remove the anomalous position of working age citizens receiving free bus passes. This is the fair thing to do and will further assist in securing the long term financial sustainability of this generous and popular scheme.

An Order will be presented to Parliament under the powers contained in the Travel Concessions (Eligibility) Act 2002 to enact these changes.

The changes announced today are part of a wider package of workstreams aimed at streamlining the administration of concessionary travel. Other areas of reform include proposals to simplify how bus operators are reimbursed for carrying concessionary passengers and plans to speed up the adoption of smart ticketing as part of the Government's strategy on smart and integrated ticketing which will be published shortly.

Tenant Involvement and Empowerment Standard

The required outcomes

1. Customer service and choice

Registered providers must design and deliver housing services that tenants can access easily. Tenants must be offered choices over the services they receive, and be treated with fairness and respect. In relation to all the standards, registered providers must consider equality issues and the diversity of their tenants, including tenants with additional support needs.

Registered providers must understand their tenants' needs and use this information to:

- design and deliver housing services
- communicate with tenants

2. Involvement and empowerment

Registered providers will offer all tenants opportunities to be involved in the management of their housing. This must include opportunities to:

- influence housing related policies and how housing related services are delivered
- be involved in scrutinising performance in delivering housing-related services

Registered providers must offer tenants support so they are more able to be effectively engaged, involved and empowered.

3. Responding to complaints

Registered providers must have a clear and accessible policy. They must deal with tenants' complaints and any other feedback promptly, politely and fairly. The policy must include how they use complaints and other feedback to:

- change how they do things
- improve services

Specific requirements

1. Customer service and choice

1.1 Registered providers will be able to show they have arrangements for understanding their tenants, their views and needs so that in all the standards, they can use this information to:

- improve services
- offer choices in the services provided

1.2 For all the standards, registered providers must consider equality issues and the diversity of their tenants, including tenants with additional support needs and incorporate choices that are designed to meet the diverse needs of their tenants.

1.3 Registered providers will provide tenants with accessible, comprehensive and timely information about:

- how tenants can access services
- the standards of housing services their tenants can expect
- how they are performing against those standards
- the service choices available to tenants
- any additional costs that are relevant to specific choices
- how tenants can communicate with them

2 Involvement and empowerment

2.1 Registered providers, having consulted their tenants must have arrangements in place that support and enable tenants to be involved and empowered. Tenants must have the opportunity to:

- be involved in the management of their homes (including, for example, in relation to the repairs programme and choice of main contractors)
- influence their registered provider's strategic priorities
- measure and scrutinise how effective their registered provider's involvement and empowerment policy is

2.2 Registered providers must say how they will provide support to build tenants' capacity to be effectively engaged, involved and empowered.

2.3 Arrangements for involvement and empowerment must be clearly published and accessible for tenants.

2.4 Following consultation with their tenants, registered providers will establish by no later than 1st April 2011 local standards in those service areas where the TSA has indicated that its national standards should be tailored with local standards where tenants want them. Local standards should include commitments on:

- local standards for performance
- how performance will be monitored and reported to tenants
- how tenants can be involved in scrutinising performance
- what happens if local standards are not met
- arrangements for reviewing the local standards on an annual basis

2.5 Registered providers will offer tenants a range of opportunities to scrutinise their performance. This applies to all standards.

2.6 When registered providers are required by law to consult tenants about changes to their constitution (for example, where there will be a change of registered provider), they should clearly and objectively set out the options, and the costs and benefits of the options.

2.7 Where registered providers intend to make a significant change in the arrangements for the management of their stock, they must consult their tenants.

2.8 Where registered providers have consulted tenants about the standards, they should feed back to tenants about how they have taken their views into account.

3. Responding to complaints

3.1 Registered providers will have an approach to complaints that is clear, simple and accessible to tenants and potential tenants. The approach should include:

- a range of ways for tenants to express a complaint
- details of what to do if they are unhappy with the outcome of a complaint

3.2 Registered providers will develop, agree and monitor service standards for complaints with tenants. Registered providers will make sure that complaints and any other feedback are managed and resolved promptly, politely and fairly.

3.3 Each year registered providers will publish information about:

- the number of complaints received
- the nature of the complaints
- the business area the complaints relate to
- the outcome of the complaints
- how they have changed the way they do things to improve services as a result of feedback

The Home Standard

The required outcomes

1. Quality of accommodation

Registered providers must ensure that all homes are warm, weatherproof and have modern facilities.

2. Repairs and maintenance

Registered providers must provide a cost-effective repairs and maintenance service that responds to the needs of, and offers choices to, tenants. They must meet all applicable statutory requirements that provide for the health and safety of tenants in their homes.

Specific requirements

1. Quality of accommodation

1.1 Registered providers must ensure tenants' homes either:

- meet the Decent Homes Standard set out in Section 5 of the Government's Decent Homes guidance*; or
- meet the standards of design and quality that applied when the home was first built, and were required as a condition of publicly funded financial assistance**, if these standards are higher than the Decent Homes Standard.

1.2 Registered providers must meet the standard in 1.1 by 31st December 2010. They must continue to maintain their homes to this standard. The TSA may agree an extension to this date with the registered provider where it is reasonable.

1.3 Registered providers must ensure their tenants have the opportunity to agree a local standard, as set out in 2.4 of the Tenant Involvement and Empowerment standard. The local standard should be higher than the standard set out in 1.1. In developing local standards, registered providers must:

- have regard to Section 6 of the Government's Decent Homes guidance
- demonstrate how they have ensured that tenants' views have been taken into account

* "Decent Homes guidance" means A Decent Home: Definition and Guidance for Implementation, published by the Department for Communities and Local Government in June 2006, and any guidance issued by the Department or its successors, in relation to that document.

** "Financial assistance" is defined in Section 19(3) of the Housing and Regeneration Act, 2008. For the purpose of this standard it includes financial assistance provided by the Homes and Communities Agency's predecessor bodies.

2. Repairs and maintenance

2.1 Registered providers must have a repairs and maintenance service that:

- is cost effective
 - has the objective of completing repairs and improvements “right first time”
 - has published standards that have been agreed with tenants for completing repairs and improvements
 - offers tenants choice (for example about appointment times for carrying out repairs)
- 2.2 Registered providers must ensure a prudent, planned approach to repairs and maintenance. It should demonstrate an appropriate balance of planned and responsive repairs, and value for money. The approach should include:
- responsive repairs
 - planned and capital work
 - work to empty properties
 - adaptations
 - cyclical works
 - communal areas as well as individual homes
- 2.3 Registered providers must comply with all applicable legislation and regulation that provide for the health and safety of the occupants of their homes.
- 2.4 Registered providers must ensure their tenants have the opportunity to agree a local standard, as set out in 2.4 of the Tenant Involvement and Empowerment standard.
- 2.5 Registered providers must provide tenants with clear information about:
- each other’s responsibilities
 - the progress of works
- 2.6 Registered providers must co-operate with relevant organisations to provide an adaptations service that meets tenants’ needs

The Tenancy Standard

The required outcomes

1. Allocations

Registered providers must let their homes in a fair, transparent and efficient way. They must take into account the housing needs and aspirations of tenants and potential tenants. They should demonstrate how their allocations processes:

- make the best use of available housing
- contribute to local authorities' strategic housing function and sustainable communities

There should be clear decision making and appeals processes.

2. Rents

Registered providers will charge rents in accordance with the objectives and framework set out in the Government's direction to the TSA of November 2009.

3. Tenure

Registered providers must offer and issue the most secure form of tenure compatible with:

- the purpose of the housing
- the sustainability of the community

They must meet all applicable statutory and legal requirements in relation to the form and use of tenancy agreements.

Specific requirements

1. Allocations

- 1.1 Registered providers will co-operate with local authorities' strategic housing function, and their duties to meet identified local housing needs. This includes assistance with local authorities' homelessness duties, and through meeting obligations in nominations agreements. Where in exceptional circumstances registered providers choose not to participate in choice-based lettings schemes in areas where they own homes, they justify their reasons for doing so publicly.
- 1.2 Registered providers will develop and deliver services to address under occupation and overcrowding in their homes, within the resources available to them. These services will meet the needs of their tenants, and will offer choices to them.
- 1.3 Registered providers will provide tenants wishing to move with access to clear and relevant advice about their housing options. They will participate in mobility schemes and mutual exchange schemes where these are available.
- 1.4 Registered providers will publish their allocations policies and outcomes, how this has made best use of available housing and contributed to sustainable

communities. The published policies should include (where it applies) their participation in:

- common housing registers
- common allocations policies
- local lettings policies

Registered providers will clearly set out, and be able to give reasons for, the criteria they use for excluding actual and potential tenants from consideration for allocations, mobility or mutual exchange schemes.

- 1.5 Registered providers will develop and deliver allocations processes in a way which supports their effective use by the full range of actual and potential tenants, including those with support needs, those who do not speak English as a first language and others who have difficulties with written English.
- 1.6 Registered providers will work to make sure that the specific needs and aspirations of tenants and potential tenants with diverse needs are reflected in the choices available to them. This applies particularly to the development of local lettings policies.
- 1.7 Registered providers must minimise the time that properties are empty between each letting. When doing this, they must take into account the circumstances of the tenants who have been offered the properties.
- 1.8 Registered providers must record all lettings and sales in the Continuous Recording of Lettings system.

2. Rents

- 2.1 Registered providers will ensure they meet the following requirements which derive from the Government's direction to the TSA of November 2009 and published within Directions to the Tenant Services Authority – summary of responses and Government response, November 2009, CLG.
- 2.2 Subject to paragraph 2.3, registered providers will set rents with a view to achieving the following as far as possible:
 - 2.2.1 Rents conform with the pattern produced by the rent formula set out in Rent Influencing Regime guidance* ("target rents") with a 5% tolerance in individual rents (10% for supported and sheltered housing) ("rent flexibility level") but subject to the maximum rent levels specified in that guidance ("rent caps").
 - 2.2.2 Weekly rent for accommodation increases each year by an amount which is no more than RPI** +0.5% + £2 until it reaches the upper limit of the rent flexibility level or the rent cap, whichever is lower.
 - 2.2.3 Weekly rent for accommodation which has reached, or is above the upper limit of, the rent flexibility increases each year by an amount which is no more than the increase to the target rents.
 - 2.2.4 Rent caps increase annually by RPI + 1%.
 - 2.2.5 Target rents increase annually by RPI +0.5%

- 2.3 Where the application of the rents standard would cause registered providers to be unable to meet other standards, particularly in respect of financial viability including the risk that a reduction in overall rental income causes them to risk failing to meet existing commitments such as banking or other lending covenants, then the TSA may allow extensions to the period over which the requirements of the rent standard are met.
- 2.4 Registered providers must provide clear information to tenants that explains how their rent and any service charge is set, and how it is changed, including reference to the RPI benchmark to which annual changes to rents should be linked (except where rents are controlled under different legislation).

* "Rent Influencing Regime guidance" means the Rent Influencing Regime Guidance published by the Housing Corporation in October 2001, and any guidance issued by the Housing Corporation or TSA, or its successors, in relation to that document.

** "RPI" means the general index of retail prices (for all items) published by the Office of National Statistics or, if that index is not published for any month, any substituted index or index figures published by that Office.

3. Tenure

- 3.1 Registered providers must publish clear and accessible policies which outline their approach to tenancy management. They must develop and provide services that will support tenants to maintain their tenancy and prevent unnecessary evictions. The approach must set out how registered providers will make sure that the home continues to be occupied by the tenant they let the home to.
- 3.2 Registered providers must provide tenants with accessible, comprehensive and timely information about their responsibilities and tenants' responsibilities.

Neighbourhood and Community Standard

The required outcomes

1. Neighbourhood management

Registered providers will keep the common areas associated with the homes that they own clean and safe. To achieve this, they will work in partnership with:

- their tenants
- other providers and public bodies, where this is the most effective way of achieving this standard

2. Local area co-operation

Registered providers will co-operate with relevant partners to help promote social, environmental and economic well being in the areas where their properties are.

3. Anti-social behaviour

Registered providers must work in partnership with other public agencies to prevent and tackle anti-social behaviour in the neighbourhoods where they own homes.

Specific requirements

1. Neighbourhood management

- 1.1 Registered providers will consult with tenants in developing their policy for maintaining and improving the neighbourhoods associated with their homes. This applies where the registered provider has a responsibility for the condition of that neighbourhood. The policy must include any communal areas associated with the registered provider's homes. The registered provider must publish this policy.
- 1.2 Registered providers must ensure their tenants have the opportunity to agree a local standard, as set out in 2.4 of the Tenant Involvement and Empowerment standard.

2. Local area co-operation

- 2.1 Registered providers, having taken account of their present and impact within the areas where they have properties, will:
- identify and publish the roles they are able to play within the areas where they have properties
 - co-operate with local strategic partnerships and local strategic housing authorities where they are able to assist them in achieving their objectives

3 Anti-social behaviour

- 3.1 Registered providers will develop and deliver services which are effective in achieving the core commitments of the Respect Standard for Housing Management.

- 3.2 Registered providers will publish a policy on how they work with relevant partners to tackle anti-social behaviour in areas where they own properties.
- 3.3 Registered providers must ensure their tenants have the opportunity to agree a local standard, as set out in 2.4 of the Tenant Involvement and Empowerment standard.

Value for Money Standard

The required outcomes

1. Value for money

In meeting all national standards and their local standards, registered providers have a comprehensive approach to managing their resources to provide cost-effective, efficient, quality services and homes to meet tenants' and potential tenants' needs.

Specific requirements

1. Value for money

- 1.1 Registered providers, publish as part of their communications with their tenants, information on at least an annual basis that demonstrates:
- how they have allocated and prioritised expenditure on different areas of housing services covered by the national standards and their local standards and other priorities such as investment in the supply of new social housing
 - how they have ensured that it has secured value for money in that expenditure, how they have tested this, and the benefits that tenants can expect
 - their expectations for future value for money improvements and how they have taken into account in these expectations improvements arising from asset management, income management, and procurement policies
- 1.2 Registered providers have arrangements for tenants to influence the services delivered and the cost of those services that result in service charges to tenants. Registered providers must ensure their tenants have the opportunity to agree a local standard (in line with the requirements of 2.4 of the Tenant Involvement and Empowerment standard).
- 1.3 Registered providers' governing bodies scrutinise the performance of the registered provider at least annually against this standard.

**RESPONSE TO THE TSA'S DOCUMENT –
A NEW GOVERNMENT FRAMEWORK FOR SOCIAL HOUSING IN ENGLAND**

The TSA proposals are very reasonable and for the most part officers feel that they should be accepted. However the TSA has asked for the following questions to be answered and officers have therefore highlighted a few potential difficulties:

Q 1. - Does our approach to co-regulation as expressed through our 10 principles seem a reasonable basis on which to develop the new framework from the 1st April 2010?

The first of the ten principles makes it clear that the TSA must set standards where the Government have issued a direction. The third of the ten principles requires landlords, in partnership with tenants, to develop local standards.

Proposed Response

It is accepted that the TSA must set standards where the Government have issued a direction. However it is not clear what the position would be where these standards cannot be achieved because of other government policies which are beyond the control of the landlord.

A particular issue arises in relation to the Decent Homes Standard. This is a Government standard that all social landlords should aim to achieve. However many local authority landlords are currently having to pay large amounts of the rent they collect to the Government by way of negative subsidy and are consequently less likely to be able to meet and maintain the Decent Homes standard. Runnymede Borough Council is in this position and, although it is likely that we will meet the standard by 2010, if we continue to be required to pay over £6m of rent to the Government each year by way of negative subsidy then we will not be able to sustain this standard. It is appreciated that the Government are currently looking at alternatives to the current subsidy arrangements however until this matter is addressed it is considered unreasonable to require the standard to be met by all providers.

The proposal for landlords to develop local standards in partnership with tenants is supported. However it is not clear how these enhanced standards will be paid for. As indicated above the Council pays £6m per annum to the Government in negative subsidy and there is little financial capacity to offer enhanced services. It should be noted that 3 years ago the Tenant Participation Advisory Service arranged a test of opinion with tenants and asked them whether or not they wanted to pursue other stock options in order to gain enhanced services. Tenants responded by saying they wished to remain with the Council and forgo enhanced services. The Council respects their decision but of course it does mean that there is little scope to offer enhanced services.

It could be argued that an enhanced service could be paid for by way of an additional service charge. However it is our understanding that differential service charges within blocks of flats or estates are not eligible for housing benefit. This will mean that enhanced services could only be delivered to those tenants able to pay for them without benefit. This is likely to be a minority of tenants. If the TSA wish landlords to offer all tenants a choice of service then this matter will need to be addressed with the DWP.

Q 2. Does our approach to setting national and local standards appear reasonable for the requirements that will apply from the 1st April 2010?

Proposed Response

The timescales are reasonable but please see the comments above in relation to the affordability of the proposals.

Q 3. Does it seem reasonable to extend the same approach to those providers owning fewer than 1,000 properties, taking into account their size and risk profile in a proportionate approach to compliance?

Proposed Response

No comment. Runnymede has a stock of over 3,000 units

Q 4. Do our proposals on how we will approach the regulation of local authorities appear reasonable?

The document suggests that the TSA will utilise information contained within the National Indicator Set and other sources of information such as Ombudsman cases, petitions, and CAA assessments to judge performance. From October 2010 it will also require social landlords to publish performance against set targets and will use these reports to assess performance.

Proposed Response

The proposed approach appears very reasonable but will require additional resources.

Q 5A. Does the proposed text for the **Tenant Involvement and Empowerment Standard**:

- Address priorities for tenants whilst taking into account our duty to have regard to the desirability of registered providers being free to choose how to provide services and conduct their business?
- Express requirements of providers in a way that is clear, succinct and as outcome focused as is possible?

The text for the Tenant Involvement Standard suggests that Landlords should offer tenants a choice of services and be treated with fairness and respect. It also requires landlords to understand tenant's needs and to empower tenants and provide them with an opportunity to be involved in the management of their homes.

Proposed Response

N.B. The question asks for a view from tenants. A view is currently being sort from the RCRA on whether all of the specific standards meet aspirations and officers will report on the outcome at the meeting.

The proposed standard is clear and reasonable however, because of the issues outlined in Q1 above, the Council is not free to choose how to provide services and conduct its business.

Q 5B. Does the proposed text for the Home Standard:

- Address priorities for tenants whilst taking into account our duty to have regard to the desirability of registered providers being free to choose how to provide services and conduct their business?
- Express requirements of providers in a way that is clear, succinct and as outcome focused as is possible?

The standard requires that tenants' homes must meet the Decent Homes Standard as a minimum. The standard also requires that landlords have an objective to complete repairs and improvements "right first time".

Proposed Response

The proposed standard is clear and reasonable however, because of the issues outlined in Q1 above, the Council is not able to sustain the Decent Homes Standard and is therefore not free to choose how to provide services and conduct its business.

The objective of completing repairs and improvements "right first time" is a reasonable aim however it should be noted that this may drive up the cost of work as contractors will need to stock a greater number of components and will reflect the cost of this within their contracts. It may also lead to standardisation of fittings and less choice for tenants.

Q 5C. Does the proposed text for the Tenancy Standard:

- Address priorities for tenants whilst taking into account our duty to have regard to the desirability of registered providers being free to choose how to provide services and conduct their business?
- Express requirements of providers in a way that is clear, succinct and as outcome focused as is possible?

Proposed Response

The Council supports the requirements of the Tenancy Standard, particularly the requirement for all social landlords to assist local authorities in meeting their homeless duties and reduce empty homes. However the TSA should note that many RSLs choose not to operate housing waiting lists and some of the proposed functions within the standard are currently delegated to local authorities.

Q 5D. Does the proposed text for Neighbourhood and Community Standard:

- Address priorities for tenants whilst taking into account our duty to have regard to the desirability of registered providers being free to choose how to provide services and conduct their business?
- Express requirements of providers in a way that is clear, succinct and as outcome focused as is possible?

The standard requires that landlords work with tenants to ensure communal areas are kept clean and safe. It also requires landlords to work with partners to ensure social, environmental and economic well being and to prevent anti social behaviour. The standard also requires landlords to provide tenants with an

opportunity to agree a local standard for neighbour hood management and anti social behaviour.

Proposed Response

The proposed standard is clear and reasonable however, because of the issues outlined in Q1 above, the Council has limited ability to offer tenants a wider range of services and is not free to choose how to provide services and conduct its business.

Q 5E. Does the proposed text for the **Value for Money Standard**:

- Address priorities for tenants whilst taking into account our duty to have regard to the desirability of registered providers being free to choose how to provide services and conduct their business?
- Express requirements of providers in a way that is clear, succinct and as outcome focused as is possible?

Proposed Response

The proposed standard is clear and reasonable however, because the Council is required to pay £6 million p.a. to the Government it will find it harder than other social landlords to demonstrate that it provides value for money. On this basis it feels that it is not free to choose how to provide services and conduct its business.

Q 6. Does our approach to monitoring and compliance against the standards and regulatory requirements seem a reasonable basis for how we regulate in 2010 – 2011?

The approach is to be one of co-regulation whereby governing bodies and tenants evaluate performance. Providers will need to publish an annual report which will have to be independently validated. The TSA will use this information to judge performance.

Proposed Response

The principle of co-regulation is supported and it is agreed that local tenants are best placed to judge performance against the standards.

Q 7. Does our approach to dealing with complaints seem reasonable?

Complaints will be linked to systemic failure of standards, health and safety issues, mismanagement or fraud, and issues that give rise to a significant risk to the reputation of the sector.

Proposed Response

The standard gives some useful examples of the type of complaints that will and will not be dealt with. From these there does still seem to be the potential for overlap and duplication between the TSA and the Ombudsman service e.g. in relation to tenants complaining that a process has been prolonged. The Ombudsman could investigate this on the basis of maladministration and the TSA

in relation to health and safety. A mechanism to avoid involvement of both organisations is needed.

- Q 8. Is our general approach to using our formal regulatory and enforcement powers reasonable?

The approach is initially one of self improvement and intervention will only take place where there is evidence of serious failures which give rise to risks.

Proposed Response

Local Authorities have their own overview and scrutiny arrangements and it is not clear how these will operate under the new regime. The TSA may wish to consider this issue and give thought to how it ensures that there is not duplication of functions.

- Q 9. Do our proposals for establishing registration and de-registration criteria seem reasonable?

These proposals relate to landlords who want to become social housing providers.

Proposed Response

Yes.

- Q 10. Does our approach to issuing directions on accounts and the Disposal Proceeds Fund seem reasonable?

This only applies to private registered providers.

Proposed Response

None -