

TENANT PARTICIPATION - RESOURCE ALLOCATION

Introduction

1. The meeting of the Housing Act Implementation Working Group, held on 19 September 2001, considered a paper (WFHAI-10) which asked the Working Group to decide whether all the available resources should simply be allocated to landlords on the basis of an agreed formula or, alternatively, if some of the resources should be top sliced for centrally funded initiatives.

2. It was agreed at this meeting that the formula for allocating resources to landlords would be a fixed sum per landlord and £x per tenancy. It was also agreed to explore ways in which the budget could be top sliced to fund a team of development officers. The detail of how these development officers would operate in practice was remitted to the Tenant Participation sub- group to explore. This is the subject of paper SGTP2.

Resource Allocation

5. As pointed out in previous papers £4.5 million is to be made available over the next 2 years to assist local authorities and housing associations in implementing tenant participation strategies. A decision has yet to be made on the allocation of resources for development officers. To take this into account we have taken a round figure of £4 million on which to give indicative figures of resources for tenant participation. It may be the case that more than £4 million will be available. The formula would be based on the same principle as the formula for the allocation of £10 million to landlords for implementing measures in Housing (Scotland) Act 2001.

6. The main workings are provided in Annex A, based upon stock figures from Scottish Homes and the Scottish Executive. The final allocations are likely to be slightly different once we have received the most up to date figures. We propose that there should be an incremental flat rate (dependant on number of units held) with an additional sum per unit. Part of the thinking behind this is to recognise that smaller landlords will still face some fixed costs with little economies of scale, in meeting the requirements of the Act. All providers with 250 or less units would receive one of the following flat rates together with £4 per unit. These are indicative figures.

Number of units	Flat rate(£)
0-25	2,000
26-50	2,400
51-100	2,800
101-150	3,200
151-200	4,000
201-250	4,800

All providers with 251 or more units would receive a flat rate of £ 6,143 and £4 per unit.

Way Forward

6. The Sub-Group is asked to:
- To confirm their acceptance of the £4 per unit together with the appropriate flat rate.

Housing Division 2
Scottish Executive
October 2001

RESOURCE ALLOCATION FOR £4 MILLION FOR TENANT PARTICIPATION

STEP	WORKINGS
1	Flat rate for smaller landlords (with <251 units) and per capita rate of £4. <div style="text-align: right;"> 0-25 units = <u>2,000</u> 26-50 units = <u>2,400</u> 51-100 units = <u>2,800</u> 101-150 units = <u>3,200</u> 151-200 units = <u>4,000</u> 201-250 units = <u>4,800</u> </div>
2	Flat rate for all smaller associations (<251 units) totals <u>£209,600.</u>
3	£4,000,000- £209,600 = <u>£3,790,400</u> (total amount available for all other landlords with >250 units)
4	Total number of units: Local Authorities = 552,291 Housing Associations = 125,763(keeping in smaller landlord) TOTAL = <u>688,054</u>
5	688,054 units multiplied by £4 per capita = <u>£2,752,216</u>
6	£3,790,400-£2,752,216 = <u>£1,038,184</u>
7	£1,038,184/169 (total number of landlords) Local authorities -32 Housing Associations – 198-61(smaller landlords) Total landlords = 169 FLAT RATE = £6,143 FOR LANDLORDS WITH >250 UNITS.