

**Committee Name and Date of Committee Meeting**

Cabinet – 12 October 2026

**Report Title**

Future Delivery of Tenant Engagement

**Is this a Key Decision and has it been included on the Forward Plan?**

Yes

**Executive Director Approving Submission of the Report**

Ian Spicer, Executive Director of Adult Care, Housing and Public Health

**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

The Council has outsourced a large proportion of its tenant engagement activity for Housing Services for many years. The initial term of the current contract is due to expire in March 2027.

This report proposes an approach to build on the strong foundation of tenant engagement in the Borough through a more agile model which better meets the diverse needs of tenants, the ask of the new housing regulations, and the need to respond swiftly to the changing regulatory environment, as required.

**Recommendations**

That Cabinet:

1. Approve the proposal to introduce a hybrid model, with tenant engagement insourced and tenant scrutiny outsourced from April 2027.
2. Approve the proposal to procure an external provider to manage and deliver a tenant scrutiny function.

**List of Appendices Included**

Appendix 1 – Equality Analysis Part A  
Appendix 2 – Equality Analysis Part B  
Appendix 3 – Carbon Impact Assessment

**Background Papers**

N/A

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

N/A

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **Future Delivery of Tenant Engagement**

### **1. Background**

- 1.1 Tenant engagement in Rotherham is thorough and wide-ranging with the Council recently securing Tenant Participation Advisory Service (TPAS) Exemplar Status for its Tenant Engagement activity. However, with the current contract to deliver tenant engagement externally due to end in March 2027, there has been an opportunity for Housing Services to explore options to build upon and strengthen tenant engagement across the borough, going forward. Following this review, an approach is proposed which seeks to ensure that the Council has a strong and direct connection with its tenants, and tenant led groups, as their landlord, and that the Council is best placed to deliver against its new Tenant Engagement Framework adopted earlier in 2026. The Council also wishes to ensure it is providing the best value to its tenants, via its engagement activity, and that engagement with tenants is fully embedded throughout the whole housing service.
- 1.2 Rotherham Council has a strong history of effective engagement with its tenants and residents and has worked with a local provider, RotherFed, to successfully deliver engagement activity across the borough for approximately 17 years. The current contract's initial term is due to expire in March 2027. However, since the contract was last procured in 2023, there have been significant changes across the sector which focus on housing providers demonstrating how tenant feedback is heard, acted upon, and influences decision making within policy, service design and delivery and that the landlord must have a direct relationship with its tenant panels and groups. New expectations around this are set out in the Regulator of Social Housing's Consumer Standards.
- 1.3 A full options appraisal has been undertaken to review future delivery arrangements. The appraisal has focused on improving the quality of tenant engagement and outcomes for tenants, rather than delivering cost savings. It also considered how future arrangements align with the Council's Tenant Engagement Framework 2026-30, co-produced with tenants, and updated regulatory requirements.

### **2. Key Issues**

- 2.1 Whilst the current contract has performed well, there are some limitations which have prevented the Council and RotherFed from having the flexibility needed to respond to the sector's changing requirements. These include data protection issues which reduce the current contract provider's ability to carry out targeted engagement, and difficulties for the Council in evidencing clear outcomes due to an indirect relationship with tenants. It has also been challenging to provide clear evidence of how tenant views and feedback are used to shape and improve services.
- 2.2 Benchmarking and discussions with TPAS (national, independent tenant engagement experts) has further indicated that outsourcing tenant

engagement is not standard practice, and that no comparable housing providers currently deliver their tenant engagement through an outsourced model.

- 2.3 The existing delivery model also requires ongoing, focused contract management and lacks the flexibility needed to respond to the sector's changing requirements.

### **3. Options considered and recommended proposal**

- 3.1 Four options have been considered as part of the options appraisal:

- A. Re-procure and outsource the tenant engagement (including tenant scrutiny) service externally via a full tender process from April 2027.
- B. Introduce a hybrid model, with tenant engagement insourced and tenant scrutiny outsourced from April 2027.
- C. Fully insource the tenant engagement (including tenant scrutiny) service from April 2027.
- D. Extend the current contract for 12 months.

- 3.2 A comparative appraisal and assessment has been undertaken and scored against the following evaluation criteria:

- Strategic fit,
- Quality of delivery,
- Outcomes, and
- Value for money.

#### **3.3 OPTION A - RE-PROCUREMENT (EXTERNAL OUTSOURCED DELIVERY)**

- 3.4 This option retains continuity and perceived independence but does not address the core issues around direct accountability, data-led engagement and alignment with Housing Services.

- 3.5 Re-procuring the service would offer the opportunity to update the contract specification to align with current priorities. Key benefits include:

- A potential perception of independence around tenant engagement being delivered through a third party
- Working with a third party may feel more accessible and reassuring for some tenants who may be hesitant to engage directly with the Council
- Opportunities for the provider to secure match funding from other organisations to support and enhance this activity

- 3.6 This option has the following limitations:

- Lack of providers offering an external tenant engagement service.
- Limited flexibility within a contract to strengthen engagement work.
- It is more difficult to stay aligned to changes within housing services/regulation.

- Ongoing challenges in targeting and reaching tenants, particularly where the Council holds relevant data that cannot be shared with an external provider without tenant consent.
  - Continued need for contract management.
  - Continued low level visibility of Housing staff in neighbourhoods, which has been raised by Elected Members as an area they would like to see improved within their wards.
- 3.7 The estimated cost for reprocurring the service through an external provider is a minimum of £215k p/a. (The current contract was procured in 2023 at an annual cost of £185k p/a.) Insourcing offers better value for money against the cost of the existing contract.
- 3.8 It is likely that the cost of reprocurring will increase should the Council chose to continue to deliver through an external provider
- 3.9 **OPTION B - HYBRID MODEL (Preferred Option)**
- 3.10 This option best balances independence, accountability, flexibility and deliverability.
- 3.11 A hybrid model would bring most engagement activity in-house while continuing to outsource tenant scrutiny. This improves alignment with services, and the Tenant Engagement Framework, and offers greater flexibility in key areas. Benefits include:
- Tenant Scrutiny would retain a level of independence from the Council
  - An independent Scrutiny function would give confidence to tenants and third parties about the rigor of Scrutiny Panel's analysis and the candour of their feedback.
  - Alignment with the new co-designed Tenant Engagement Framework (2026-30).
  - Improved quality, consistency and oversight.
  - Strengthened links between engagement and Housing Services.
  - Enables more targeted and inclusive engagement using tenant data.
  - Makes it easier to evidence outcomes and impact.
  - Reduces duplication.
  - Easier to explore alternative consultation routes and further improve on existing, good quality engagement work.
  - Greater opportunities for staff to meet with, and support tenants in their neighbourhoods, and alongside other services and agencies.
  - Greater visibility, and stronger relationships between Tenants and Residents Associations (TARAs) and the Council.
  - Increased responsibility for tenant engagement across all teams within Housing Services.
  - Clearer accountability for tenant engagement outcomes, with the Council retaining direct oversight as landlord.

- 3.12 This option has the following limitations:
- There is a risk of limited market interest for a lower value scrutiny contract.
  - Limitations around reach and representation could remain in relation to tenant scrutiny.
- 3.13 The rest of the service would be delivered directly by Housing Services and would bring the same advantages as a fully insourced model (see Option C).
- 3.14 It should be noted that, the Council's aspiration is that tenant scrutiny would be entirely tenant-managed and tenant led in the future. An external scrutiny provider would offer the specialist skills, independence and expertise needed to work closely with tenant representatives in the short-medium term to build skills, confidence and capacity of the Scrutiny Panel so that, over time, tenants are able to take greater ownership of the function in the longer term.
- 3.15 **OPTION C - FULLY INSOURCED MODEL**
- 3.16 This option offers strong alignment and accountability but could reduce the perceived independence of tenant scrutiny.
- 3.17 Fully insourcing tenant engagement from April 2027 offers many of the benefits as listed under option B, the Hybrid Model. . These include:
- Alignment with the new co-designed Tenant Engagement Framework (2026-30).
  - Improved quality, consistency and oversight.
  - Strengthened links between engagement and Housing Services.
  - Enables more targeted and inclusive engagement using tenant data.
  - Makes it easier to evidence outcomes and impact.
  - Reduces duplication.
  - Greater visibility, and stronger relationships between Tenants and Residents Associations (TARAs) and the Council.
  - Increased responsibility for tenant engagement across all teams within Housing Services.
- 3.18 Limitations include:
- Some tenants may be reluctant to engage directly with the Council, particularly if they have rent arrears or other tenancy related concerns.
  - A perceived reduction in an independent, tenant-led scrutiny function.
- 3.19 It should be noted that, longer term, the Council's aspiration is that tenant scrutiny would be entirely tenant-managed and tenant led with the Council enabling tenants to operate with greater autonomy.

- 3.20 The maximum estimated cost of a fully insourced model is £205,258 per annum as the sum allocated to procure tenant scrutiny under Option B would be needed to fund resources to deliver this function directly.
- 3.21 **OPTION D - 12-MONTH CONTRACT EXTENSION**
- 3.22 This option provides continuity but defers the strategic changes needed to respond to current regulatory expectations.
- 3.23 Extending the current contract would provide short-term continuity with the future delivery of tenant engagement being considered again in 12 months' time.
- 3.24 While extending the current contract would provide short-term continuity, it would also prolong an operating model that may not provide the level of control, assurance and accountability required to demonstrate compliance and evidence how tenants' voices shape the Council's Housing Services going forward. Any extension would only defer the need for a longer-term decision.
- 3.25 The Regulator of Social Housing now undertakes inspections on a four-year cycle, and the Council has not yet been inspected under the revised regulatory regime introduced in April 2024. With an inspection anticipated within the next 18 months, there is a significant risk that extending the current arrangements could limit the Council's ability to evidence regulatory compliance, demonstrate a clear line of accountability for tenant engagement, and provide assurance that tenant voice is effectively influencing decision-making. This could increase the risk of adverse regulatory findings at the point of inspection.
- 3.26 The annual cost of the existing contract is £185k per annum. The external provider may request an inflationary uplift should the contract be extended for another 12 months.
- 3.27 **Recommended Option**
- 3.28 The recommended option is Option B, the hybrid model. This approach would bring most tenant engagement activity directly into Housing Services, strengthening accountability, oversight, visibility and alignment with the Tenant Engagement Framework, while retaining an externally delivered tenant scrutiny function to provide independence, specialist expertise and confidence in the rigour of scrutiny activity. This model provides the strongest overall response to the issues identified through the appraisal and offers the best balance between tenant confidence, regulatory assurance, service integration and deliverability.

#### **4. Consultation on Proposal**

- 4.1 Should Cabinet support the proposal to deliver tenant engagement directly, and procure tenant scrutiny externally, the Council will finalise a

project plan to move towards an insourced model with a full communications plan, prioritising consultation and engagement with RotherFed which has delivered the Council's tenant engagement for many years, and current engaged tenants.

4.2 It should be noted that extensive consultation was undertaken to develop the new Tenant Engagement Framework, which was co-designed with tenants. Many of the framework's objectives and actions reflect the changes now proposed.

4.3 A communications plan has been drafted and face to face meetings with senior staff currently delivering the tenant engagement contract (RotherFed), panel chairs, and other engaged tenants, were held in September 2026.

## **5. Timetable and Accountability for Implementing this Decision**

5.1 A Core Group has been established to work towards implementing the Cabinet decision and has considered the following key aspects:

- a) Communications with provider, engaged tenants and others.
- b) Confirmation of the provider's employees whose employment could transfer to the Council via TUPE (if insourced) and associated changes to team structures.
- c) Ongoing contract management for the remainder of the current contract.
- d) Tender and procurement of an external organisation to deliver either a new external contract and/or an independent tenancy scrutiny function.

5.2 The above activities would need to be carried out before April 2027.

## **6. Financial and Procurement Advice and Implications**

6.1 While there are no direct procurement implications associated with bringing the engagement activity in-house, maintaining the tenant scrutiny as externalised will require procurement considerations. This activity will be required to be procured in compliance with relevant procurement legislation (Procurement Act 2023 or the Public Contract Regulations 2015 dependent on the route to market) as well as the Council's own Financial and Procurement Procedure Rules. Immediate work and prioritisation of this procurement activity will be required to ensure provision is in place for 1 April 2027.

6.2 The cost of the recommended proposal will be picked up as part of the 2027/28 HRA budget setting and HRA business planning process. Any additional pressure or saving will be managed as part of the regular budget monitoring process in 2027/28 and beyond

6.3 The existing cost of outsourced services is £185k per year, based on a contract awarded in 2024.

- 6.4 It is expected that future bidders will apply an uplift to this sum, of at least the equivalent of inflation resulting in a minimum likely contract value of £208k.
- 6.5 The estimated total annual cost for procuring the tenant scrutiny element of tenant engagement and bringing the rest of the service back in-house would be a maximum of approximately £205,008:
- £24,750 per annum for the tenant scrutiny support, (equating to 50-55 days per year charged at the lower end of the average day rate for public sector consultancy, of £400-£450),
  - The estimated additional annual cost to the Council of employing staff would be a maximum of £175,258, and
  - A £5k sum has been identified to continue to support local community groups.
- 6.6 Colleagues from Financial Services are involved in the Core Group steering the project.

## **7. Legal Advice and Implications**

- 7.1 Social Housing tenant engagement is governed primarily by the Regulator of Social Housing's Transparency, Influence and Accountability Standard. This requires registered providers to take tenants' views into account in their decision-making about how landlord services are delivered, and to communicate how those views have been considered.
- 7.2 While there are no substantive legal issues arising from the preferred option, its implementation will directly assist the Council in meeting its regulatory obligation to provide tenants with a 'wide range of meaningful opportunities to influence and scrutinise their landlord's strategies, policies and services'.
- 7.3 Failure to deliver robust tenant engagement carries significant regulatory risk. The Regulator of Social Housing has the power to downgrade the provider's Consumer Rating, issue Enforcement Notices (performance improvement plans), or levy unlimited financial penalties.
- 7.4 As stated above, any procurement exercise undertaken to secure an independent tenant scrutiny provider must be conducted in accordance with the applicable public procurement legislation and the Council's Financial and Procurement Procedure Rules. Further, the processing and sharing of tenant information must continue to comply with the UK General Data Protection Regulation and the Data Protection Act 2018. Appropriate information-sharing and contractual arrangements will be required with any external scrutiny provider.

## **8. Human Resources Advice and Implications**

- 8.1 There are workforce implications for the Council in the options presented as B and C of this report. Options A and D do not present HR implications for the Council at this time.

- 8.2 As the options presented as B and C may result in work currently delivered through a contract being alternatively delivered by the Council, a detailed employment status review and due diligence exercise would be undertaken. This will determine whether the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) apply and will identify any associated workforce liabilities and obligations.
- 8.3 Subject to Cabinet decision on the options presented in this report, HR will work closely throughout implementation to ensure compliance with employment legislation and statutory consultation requirements.
- 8.4 Implementation of options B or C, as presented in this report, are likely to require a review of the Council's current staffing establishment in connected service areas to ensure the workforce structure, skill mix and management arrangements are aligned to any future delivery models.
- 8.5 The workforce and recognised Trade Unions will be engaged in line with the Council's Organisational Change policies and procedures and also in line with TUPE regulations throughout the development of the proposal and as part of implementation if either Option B or C is approved for further development. Consideration will also be given to any induction and training needs required.
- 8.6 Colleagues in Human Resources and Legal Services are involved in the Core Group steering the project.
- 9. Implications for Children and Young People and Vulnerable Adults**
- 9.1 Should tenant engagement be delivered directly, there is greater scope to use the Housing Service's diverse needs data to encourage members of under-represented groups to engage with the Council on housing related matters.
- 10. Equalities and Human Rights Advice and Implications**
- 10.1 The Council's access to the diverse needs data currently being collated by Housing Services will support the need for tenant engagement to reflect Rotherham's wider demographic.
- 11. Implications for CO2 Emissions and Climate Change**
- 11.1 The option to hold engagement sessions with tenants in venues across the borough could lead to tenants travelling shorter distances to consult with Housing Services.
- 12. Implications for Partners**
- 12.1 Not seeking tenders to deliver tenant engagement reduces the opportunity for third sector and privately owned organisations to deliver tenant engagement and the related funding.

- 12.2 The current provider has been the only preferred bidder and delivered tenant engagement for the Council for approximately 17 years. Publicly accessible records show the organisation is financially stable and they have recently been successful in securing funding to deliver/extend the delivery of three major pieces of work across the borough, over the next three years, outside of the tenant engagement contract.
- 12.3 The Council will strive to continue its positive relationship with the current provider after the end of the existing contract.

### **13. Risks and Mitigation**

- 13.1 There is the potential for existing, engaged tenants who are also on the Board of the current contract provider to disengage, at least in the short term. This risk would be mitigated by managing the communications and messaging about the reasoning behind limiting the next contract to tenant scrutiny only and delivering most tenant engagement directly. The aim would be to foster understanding and invite tenants to continue to work with the Council in shaping and improving Housing Services.
- 13.2 There is a risk that the extent of work delivered by the current provider may drop in the last few months of the contract given the lack of long-term incentive, and the uncertainty of future contracts with the Council. The contract would continue to be actively managed, through monthly contract meetings and by monitoring associated action plans.
- 13.3 There could be a perception across the third sector that the Council is removing an opportunity from an often financially uncertain sector. The draft communications plan seeks to deliver clear and consistent messages around why the Council is proposing to deliver tenant engagement directly and the benefits this would bring to tenants.
- 13.4 The Council would like to foster a positive relationship with the provider and continue to engage with them as a valued, third sector partner.

### **14. Accountable Officers**

Louise Robson, Head of Housing Improvement and Governance

Approvals obtained on behalf of Statutory Officers: -

|                                                          | <b>Named Officer</b> | <b>Date</b> |
|----------------------------------------------------------|----------------------|-------------|
| Chief Executive                                          | John Edwards         | 21/09/26    |
| Executive Director of Corporate Services (S.151 Officer) | Judith Badger        | 14/09/26    |
| Service Director of Legal Services (Monitoring Officer)  | Phil Horsfield       | 18/09/26    |

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