

**Tpas Information Guide Supported  
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# Rewards and Incentives Guide





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Housing Federation

This guide includes practical advice on expenses, governance, and tax/benefits implications, aiming to foster meaningful, respectful, and empowering resident engagement.

## Introduction

Designing a fair and effective policy for recognition, rewards and incentives is an important task that needs to be approached with care and consideration. Social landlords must balance the need to value residents' time and contributions with principles of equity, transparency, and responsible use of resources. At the same time, engagement should remain authentic and driven by residents' voices rather than by material benefits. This guidance seeks to help social landlords navigate these challenges by drawing on good practice, sector standards, and lessons learned across the UK and internationally.

Ultimately, rewards and incentives should not be seen as transactional, but as part of a broader culture of respect, reciprocity, and partnership. When carefully designed, they can help ensure that tenant and resident engagement is not only effective but also empowering - strengthening trust, accountability, and community resilience.



## Purpose & Scope

This guidance helps social landlords design fair, transparent and compliant rewards, recognition and expenses arrangements for tenants and residents who take part in engagement activities (e.g., scrutiny panels, focus groups, resident inspectors, co-production, advisory groups).

## Key Aims

- Reimburse reasonable costs so engagement is accessible.
- Recognise sustained or specialist contributions where appropriate without creating unwarranted incentives or employment-like relationships.
- Protect residents on means-tested benefits and ensure tax/GDPR compliance.
- Provide clear governance, record-keeping and equality safeguards.

## Definitions

These definitions have been drafted based on research from across the housing sector and other sectors that engage with communities (e.g. health, research). These definitions may change between different social landlords as there is no recognised industry standard.

- **Reimbursement**

Repayment of actual, receipted expenses (travel, childcare, meal allowances).

- **Recognition / Reward**

Non-financial or low-value thank-you gestures (certificates, vouchers, written recognition).

- **Incentives**

Rewards designed to encourage participation, offered upfront or linked to attendance (e.g. vouchers, prize draws).

- **Honoraria**

Modest payments for sustained or skilled contributions, subject to governance and compliance checks.

## Core Principles

The following core principles are based on Tpas's previous work and engagement on recognition, rewards and incentives for involved residents:

- **Accessibility & Equity:** Engagement must be open to all tenants and residents. Social landlords have a responsibility to remove financial barriers – such as travel, childcare, or digital access costs – that might otherwise prevent participation. A well designed expenses system is fundamental to this principle.
- **Transparency & Consistency:** Residents should be able to understand clearly what support is available, how to access it, and what the rules are. Policies must be published, regularly reviewed, and consistently applied across the organisation.
- **Proportionality:** Rewards should be appropriate to the activity and proportionate in scale. Excessive or poorly targeted payments risk undermining the authenticity of engagement and could create dependency or unintended inequities.
- **Compliance:** All policies must align with HMRC tax rules, DWP benefits guidance, and data protection law. Clear procedures reduce risks both for residents and for the organisation.
- **Governance:** Any incentives, rewards or reimbursement should not be discretionary “one-off” decisions by individual staff. They require oversight, appropriate approvals, and an audit trail to ensure fairness and accountability. The approach to incentives, rewards or reimbursement should be clearly set out in the relevant policy along with clear and transparent decision-making and approvals.





## Designing a fair incentives and reward policy

A good policy should be clear, fair, and easy to understand. It should remove barriers to participation while recognising residents' contributions without creating a dependency on any rewards / incentives received. Here's what you should expect from a well-designed policy.

### Reimbursable Expenses

Residents should never be out of pocket for participating. Your policy should cover:

- **Travel costs** (public transport with receipts or mileage).
- **Childcare costs** (both professional and informal arrangements).
- **Subsistence for longer meetings** (e.g. food and drinks).
- **Data costs** for online participation.
- **Any other** reasonable costs that arise from participation.

Simple claiming process - make it easy for residents to claim expenses:

- Clear guidance on what's covered and how to claim.
- Quick processing (aim for within 10 working days).
- Advance payments available for residents who can't afford upfront costs.
- Simple forms that don't require excessive paperwork – excessive paperwork adds additional burden to residents who are already committing time to involvement.

Always adopt a no barriers approach - genuine participation expenses should be covered without bureaucratic obstacles or unnecessary scrutiny.

### Recognition, Rewards, Incentives and Honoraria

Recognition and rewards are non-financial or low value thank-you gestures that acknowledge contributions. These include certificates, vouchers, written recognition, and access to development opportunities.

Incentives encourage participation by offering something upfront or linked to attendance, such as prize draws or guaranteed vouchers.

Each serves a different purpose and works best in different situations. The most effective policies combine both approaches.

### Recognition and Rewards

Recognition works best when it's personal, timely, and specific. Effective recognition acknowledges what someone specifically contributed and the difference it made.

- Personal thank-you letters from senior staff or board members that reference specific contributions.
- Public recognition in newsletters, websites, or social media (with permission) that tells the story of someone's involvement rather than just listing names.
- Certificates or awards that acknowledge specific contributions.
- Opportunities for residents to see the tangible results of their involvement (e.g., visiting completed projects they contributed to).
- Gift vouchers for one-off participation like surveys, focus groups or workshops.

## Incentives

Upfront incentives encourage participation, especially from residents who are less inclined to participate or when quick responses are needed. Modest, transparent rewards work best and avoid creating ongoing expectations, such as:

- Prize draws for survey completion (advertised in advance) are effective for broad consultations aiming for high response rates.
- Guaranteed vouchers or payments for focus groups are suitable for time-intensive sessions (2+ hours) or when asking residents to share personal experiences.



## Honoraria

Honoraria are modest payments for residents who take on significant ongoing roles or contribute specialist skills. They recognise time and expertise while maintaining the voluntary nature of engagement. However, they require careful design to remain sustainable. For more information on honoraria, please see government definition [here](#).

Honoraria can acknowledge sustained, skill intensive, or demanding contributions. They may apply in the following situations:

- Where involvement is embedded in governance within board level decision making structures
- When a resident uses professional skills or expertise (e.g., residents with financial, legal, or technical backgrounds)
- When a resident is involved in chairing committees or scrutiny panels that meet regularly (e.g., monthly or quarterly)
- Long-term involvement in co-production or service design projects
- Regular attendance commitments over extended periods (6+ months)

## What to avoid

**Effective policies avoid several common pitfalls:**

- Inconsistency undermines trust - similar activities should receive similar treatment, policies must be applied consistently across teams and regions, and staff should follow published policies rather than making ad-hoc decisions.
- Exclusionary practices create barriers when rewards cannot be accepted due to benefits implications without alternatives being offered, when timing systematically excludes certain groups (working residents, those with caring responsibilities), or when formats exclude residents with accessibility needs.
- Policies should avoid tokenistic recognition that feels mass-produced. For example, certificates or awards that are not personal, thank you notes that are generic.
- Creating dependency where residents only engage when incentivised, and arrangements that blur the line between voluntary participation and employment through regular predictable payments. This can often occur when honoraria approaches a wage level.



## Tax and Benefits Considerations

Fear about tax and benefits implications should not prevent housing providers from properly recognising involved residents. While HMRC and DWP guidance can be complex, Tpas recommends speaking directly to these departments for specific advice.

### Tax implications (HMRC)

Genuine out-of-pocket expenses reimbursed to volunteers are not taxable income when actually incurred, reimbursed at cost with receipts, and reasonable for the activity. This covers travel at approved mileage rates (currently 45p per mile for first 10,000 miles), subsistence, childcare, and other necessary costs. However, vouchers and incentives may be treated as taxable benefits. Honoraria payments may be taxable depending on amounts and regularity. Organisations should seek payroll advice before implementing voucher or payment schemes.

### Benefits implications (DWP)

People can volunteer while claiming benefits, but payments beyond genuine expenses may affect entitlement to Universal Credit, Employment and Support Allowance, Jobseeker's Allowance, Pension Credit, Housing Benefit, and Council Tax Support. Expense reimbursement should not affect benefits if properly documented, and small thank-you gifts under £20 are usually disregarded if occasional. However, regular vouchers or honoraria payments are likely treated as income and must be reported.



### Organisational responsibilities

Inform residents clearly that some payments may affect benefits, provide written information they can share with benefits advisors, and signpost to independent advice services such as Citizens Advice or welfare rights services. Social landlords should never provide definitive advice about benefits or tax, as rules are subject to change and depend on personal circumstances.

## Want to find out more about Incentives, Recognition and Rewards?

We have compiled a list of resources that might be useful.

### HMRC (HM Revenue & Customs)

- Expenses and benefits: Volunteers  
[www.gov.uk/volunteering/pay-andexpenses](http://www.gov.uk/volunteering/pay-andexpenses)
- Approved mileage rates for employees  
[www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances](http://www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances)
- Employment Status Manual: Volunteers  
[www.gov.uk/hmrc-internalmanuals/employment-statusmanual/esm4530](http://www.gov.uk/hmrc-internalmanuals/employment-statusmanual/esm4530)

### Regulator of Social Housing

- Tenant Involvement and Empowerment Standard  
[www.gov.uk/government/publications/tenant-involvement-and-empowermentstandard](http://www.gov.uk/government/publications/tenant-involvement-and-empowermentstandard)

### Tpas

- National Standards for Tenant Involvement  
[www.tpas.org.uk/nationalstandards](http://www.tpas.org.uk/nationalstandards)
- The Good ITA Guide: What to expect from an Independent Tenant Advisor  
[www.tpas.org.uk/independent-tenant-advice-service](http://www.tpas.org.uk/independent-tenant-advice-service)

### Examples of policies from social landlords and beyond

- Notting Hill Genesis  
[www.nhg.org.uk/media/dcjl31sg/rirewards-and-recognition-policy-november2024.pdf?utm\\_source=chatgpt.com](http://www.nhg.org.uk/media/dcjl31sg/rirewards-and-recognition-policy-november2024.pdf?utm_source=chatgpt.com)
- ForHousing  
[www.forhousing.co.uk/wpcontent/uploads/2025/08/Final-ForHousing-Involved-Tenant-Recognition-Rewards-and-Incentives-Framework.pdf](http://www.forhousing.co.uk/wpcontent/uploads/2025/08/Final-ForHousing-Involved-Tenant-Recognition-Rewards-and-Incentives-Framework.pdf)
- EHSL supported housing  
[https://ehsluk.com/tenants/tenant-involvement/?utm\\_source=chatgpt.com](https://ehsluk.com/tenants/tenant-involvement/?utm_source=chatgpt.com)
- Hyde Housing prize draws terms and conditions  
[www.hydehousing.co.uk/media/de1jmisg/customerinvolvement-prize-draw-tcs-10725.pdf](http://www.hydehousing.co.uk/media/de1jmisg/customerinvolvement-prize-draw-tcs-10725.pdf)
- Social Work England  
[www.socialworkengland.org.uk/about/policies-and-procedures/expertsbyexperience/?utm\\_source=chatgpt.com](http://www.socialworkengland.org.uk/about/policies-and-procedures/expertsbyexperience/?utm_source=chatgpt.com)
- NHS England  
[www.england.nhs.uk/longread/policy-on-working-in-partnership-with-people-and-communities/?utm\\_source=chatgpt.com](http://www.england.nhs.uk/longread/policy-on-working-in-partnership-with-people-and-communities/?utm_source=chatgpt.com)
- NIHR  
[www.nihr.ac.uk/paymentpublic-involvement-health-and-careresearch-guide-organisations-employmentstatus-and-tax](http://www.nihr.ac.uk/paymentpublic-involvement-health-and-careresearch-guide-organisations-employmentstatus-and-tax)

If you have questions regarding this document or if we can help in any other way, call us on **0161 868 3500** or email [info@tpas.org.uk](mailto:info@tpas.org.uk)



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