

CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS

**Venue: Town Hall, Moorgate
Street, Rotherham. S60
2TH**

Date: Monday, 15th July, 2013

Time: 10.00 a.m.

A G E N D A

1. To determine if the following matters are to be considered under the categories suggested, in accordance with the Local Government Act 1972 (as amended March 2006).
2. To determine any item which the Chairman is of the opinion should be considered later in the agenda as a matter of urgency.
3. Declarations of Interest
4. Neighbourhoods General Fund Budget Monitoring Report 2013/14 (report herewith) (Pages 1 - 3)
5. Housing Revenue Account Budget Monitoring Report 2013/14 (report herewith) (Pages 4 - 10)
6. Review of Local Letting Policy on St Johns Green, Kimberworth Park (report herewith) (Pages 11 - 19)
7. External Stock Condition Survey of HRA Dwellings (report herewith) (Pages 20 - 24)

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	Monday 15 July 2013
3.	Title:	Neighbourhoods General Fund Revenue Budget Monitoring 2013/14
4.	Directorate:	Neighbourhoods and Adult Social Services

5. Summary

This Budget Monitoring Report provides a financial forecast for Neighbourhoods General Fund within the Neighbourhoods & Adult Services Directorate to the end of March 2014 based on actual income and expenditure for the period ending May 2013.

The forecast for the financial year 2013/14 is an overall overspend of £47k, against an approved net revenue budget of £2.345m. Management actions are being developed with the aim of containing the budget pressures within the approved cash limited budget by the end of the financial year.

6. Recommendation

That the Cabinet Member receives and notes the latest financial projection against budget for 2013/14.

7. Proposals and Details

The table below shows the summary forecast outturn position against the approved Net Revenue Budgets:-

SERVICE AREA	Net Budget	Forecast Outturn	Variance from Net Budget Deficit/ (Surplus)	% Variation to Net Budget
	£000's	£000's	£000's	%
Environmental Health	1,187	1,234	+47	+3.96
Public Health	198	199	+1	+0.50
Housing & Communities	241	241	0	0
Strategic Housing & Investment	187	193	+6	+3.20
Housing Options	225	225	0	0
Central	307	300	-7	-2.28
TOTALS	2,345	2,392	+47	+2.00

The main variations against budget can be summarised as follows:-

7.1 Environmental Health (+£47k)

The main budget pressure is in respect of staffing cost pressures due to lower than expected staff turnover within Community Protection. Some savings are being made through vacancy management but there is also a pressure on income due to reduced EPA applications, leaving a forecast overspend of £29k. Also, essential health and safety work on Landfill Sites is resulting in a forecast overspend of £18k.

7.2 Public Health (+£1k)

Overall Public Health is projecting a minor overspend of £1k. Pressures on staffing costs within Health and Safety, Food and Drugs and Animal health budgets are being reduced by additional income from Dignity contract.

7.3 Strategic Housing & Investment Service (+£6k)

The SHIS team budget has an overall pressure of as a result of a small shortfall on the staffing budget.

7.4 Central (-£7k)

At this stage a small under spend is forecast due to savings on supplies and services.

7.5 Agency & Consultancy

To date there is no spend on either Agency or Consultancy within Neighbourhoods General Fund Budgets.

8. Finance

The financial implications for each service area have been outlined in Section 7 above.

9. Risks and Uncertainties

These forecasts are based on financial performance to the end of May 2013. The forecast outturn is dependent on delivery of planned management actions being achieved and thus effective and tight financial management practices remain essential including holding monthly budget clinics with the Service Director and senior managers.

10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the limits determined in March 2013 is vital to achieving the Council's Policy agenda. Financial performance is a key element within the assessment of the Council's overall performance.

11. Background Papers and Consultation

- Report to Cabinet 20 February 2013 – Proposed Revenue Budget & Council Tax 2013/14.

The content of this report has been discussed with the Director of Housing and Neighbourhoods and the Director of Finance.

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ROTHERHAM BOROUGH COUNCIL - REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	Monday 15th July 2013
3.	Title:	Housing Revenue Account Budget Monitoring Report 2013/14
4.	Directorate:	Neighbourhoods and Adult Services

5. Summary

This budget monitoring report presents the forecast outturn position on the 2013/14 Housing Revenue Account (HRA) based upon actual income and expenditure to the end of May 2013.

The overall forecast is that the HRA will outturn on budget with a transfer from working balance (reserves) of £2.604m which is a minimal increase of £5k above the approved budget.

6. Recommendations

- **That cabinet member receives and notes the latest financial projection against budget for 2013/14.**

7. Proposals and Details

- 7.1** This budget report is based upon actual income, expenditure and known commitments as at the end of May 2013 forecast to the end of the financial year to give a projected outturn position, compared to budget.
- 7.2** Appendix A of this report provides the Budget Operating Statement for 2013/14 which shows the various income and expenditure budget lines which make up the net cost of delivering the service. The latest forecast net cost of service is £5.808m which, together with RCCO costs will result in an overall deficit of £2.604k to be transferred from Working Balance.
- 7.3** Within the Operating Statement are several budget heads which are either year end adjustments (for example debt management costs £222k) or are subject to external influence and therefore outside direct control (for example cost of capital charges £14.602m).
- 7.4** Budget Monitoring is therefore focussed upon expenditure and income which is within control, i.e. income of £78.904m, the repair and maintenance budget of £17.996m and supervision and management of £20.065m. Other budget heads as seen within Appendix A are currently being forecast to outturn in line with budget.

7.5 Budget Monitoring

- 7.5.1** Appendix A, column B demonstrates the projected outturn based upon activity to the end of May 2013.
- 7.5.2** Overall it can be seen that the net cost of service is forecast to be £5.808m, a slight deficit of £5k as shown in the table below.

	Budget £000	Forecast £000	Variance £000
Expenditure	73,091	73,080	-11
Income	-78,904	-78,888	16
Net Cost of Service	-5,813	-5,808	5

- 7.5.3** Several of the budget lines within income and expenditure are forecasting to outturn with a variance to budget. The table below highlights these budgets

	Budget £000	Forecast £000	Variance £000
Supervision and Management	20,065	20,054	-11
Income	-78,904	-78,888	16
Net Variance			5

7.5.4 It can be seen that the forecast under spend on supervision and management of £11k, is being offset by a decrease in income of £16k.

7.5.5 The balance of this report will focus on the main variations to budget.

7.6 Expenditure

Column B of Appendix A demonstrates that based upon expenditure and commitments to date, total expenditure is forecast to outturn at £73.080m compared to a budget provision of £73.091m, a decrease in spend of £11k. The main variations are as follows:

7.6.1 Contributions to Housing Repairs

Appendix A demonstrates that the forecast year-end spend on Repairs and Maintenance is currently on budget at £17.996m.

7.6.2 The empty homes budget is difficult to forecast as this is a very responsive service. The original budget has been set around an estimated 1,500 minor voids in year and is currently running in line with this. At this early stage in the year, it is considered prudent to forecast on budget.

An overspend is anticipated in Responsive area due to a rebasing of the tendered rates for price per property. However this can be contained within the overall Housing Repairs budget with a reduction to planned works.

7.6.3 Supervision and Management

Column B of Appendix A demonstrates that based upon expenditure and commitment to date, total expenditure is forecast to outturn at £20.054m, a forecast overall under spend of £11k.

The main variance is a forecast under spend of £11k within the Sheltered Neighbourhood Centres budget. This is offset by decreased income from clients within the same cost centre (see paragraph 7.7.3). This is due to tenants opting out of the laundry charge due to having their own facilities and increased void loss on sheltered accommodation.

7.7 Income

- 7.7.1 Column B of Appendix A shows that based upon income received to date the total forecast income collectable is £78.888m a decrease of £16k below the approved budget of £78.904m.
- 7.7.2 Dwelling rental income is projected to budget, however, non-dwelling rents are forecasted to under recover against budget by £5k due to lower income on way leaves and garage plots.
- 7.7.3 Income from charges for services and facilities are forecasting an outturn of £3.589m, an under recovery of income of £13k. This is mainly due to reduced income from clients using Sheltered Neighbourhood Centres services offsetting the decrease in expenditure reported above in 7.6.3. This is due to tenants opting out of the laundry charge due to having their own facilities and increased void loss on sheltered accommodation.

7.8 Summary

In summary it can be seen in foregoing paragraphs 7.6 and 7.7 that the variance to budget of £5k when comparing the forecast net cost of service against the budget of £5.813m is due to variances within supervision and management together with reduced income.

8. Finance

Impact on Working Balance - The report identifies that any deficit or surplus arising from the net cost of service will be transferred to the Working Balance which is reflected through the Appropriations section of the Operating Statement at Appendix A. Any forecast increase/decrease will be added to the budgeted sum shown under transfer to reserves.

Based upon the current forecast out-turn position on the net cost of service, the forecast transfer from balances will increase from £2.599m up to £2.604m, an increase of £5k. The increased contribution from reserves is required to fund expenditure due to the lower level of income anticipated.

9. Risks and Uncertainties

- **Inflation – Non Contractual** –The 2013/14 budget was formulated around an inflation assumption of nil (except on utilities); if inflation rises costs may exceed budget provision. It should be noted that the

inflationary increase on the repair and maintenance contract is locked in for the financial year at 2.6 % and this has been provided for within the budget set.

Mitigation: Ongoing monitoring

- **Vacancy Factor**

Salaries budgets assume various levels of vacancies. If vacancies do not arise this could lead to salary costs in excess of budget.

Mitigation: In depth monitoring and forecasting of salary budgets.

- **Repair and Maintenance Voids.** Whilst the current empty home forecast is considered to be a prudent projection based upon 1,500 minor voids, it should be noted that the final number of voids received and completed in year could change. Any change in numbers or values will impact on expenditure.

Mitigation: Ongoing monitoring and triangulation with contractors. Any forecast increase in expenditure will be offset by a reduction in planned revenue works.

- **Rental Income**

Net rental income has been calculated on the basis of 2% void loss. Any increase / decrease on the actual levels of voids will impact on the level of income achieved.

Mitigation: Ongoing monitoring.

- **Impairment of Fixed Assets**

HRA Self Financing legislation has resulted in the costs of impairment/revaluation of non-dwellings becoming a real charge to be met by the HRA. This figure cannot be calculated until year end after the asset register has been fully updated. In 2012-13 the impairment charge was £646k.

Mitigation: Action is being taken to review the management of expenditure on non-dwellings assets to minimise the risk of impairment charges to the HRA. Advice is also being obtained via CIPFA as this is a real issue affecting many other local authorities.

10. Policy and Performance Agenda Implications

10.1 The HRA supports the new Corporate Plan Priorities and is central to the long term strategy:

- Making sure no community is left behind.
- Helping to create safe and healthy communities.
- Improving the environment.

11. Background Papers and Consultation

- Budget and Council Tax Setting Report (2013/14) to Cabinet February 2013

- Director of Finance and Director of Housing and Neighbourhood Services have been consulted on the preparation of this report.

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**Housing Revenue Account - Budget Operating Statement 2013-14
May 2013**

Narrative	A	B	Difference
	2013/14 Full Year Budget £	2013/14 Projected Out-turn £	
Expenditure			
Contributions to Housing Repairs Account	17,996,000	17,996,000	0
Supervision and Management	20,065,000	20,054,319	-10,681
Rents, Rates, Taxes etc.	174,000	174,000	0
Provision for Bad Debts	742,500	742,500	0
Cost of capital Charge	14,602,200	14,602,200	0
Depreciation of Fixed Assets	19,288,734	19,288,734	0
Impairment of Fixed Assets	0	0	0
Debt Management Costs	222,000	222,000	0
Expenditure	73,090,434	73,079,753	-10,681
Income			
Dwelling Rents	-74,245,061	-74,245,061	0
Non-dwelling Rents	-792,280	-787,280	5,000
Charges for Services and facilities	-3,601,649	-3,588,865	12,784
Other fees and charges	-213,800	-215,902	-2,102
Leaseholder Income	-50,910	-50,910	0
Income	-78,903,700	-78,888,018	15,682
Net Cost of Services	-5,813,266	-5,808,265	5,001
Amortised premia - Debt redemption	0	0	0
Interest received	-25,000	-25,000	0
Net Operating Expenditure	-5,838,266	-5,833,265	5,001
Appropriations:			
Revenue Contributions to Capital Outlay	8,437,000	8,437,000	0
Transfer from Major Repairs Reserve	0	0	0
Transfer to Reserves	-2,598,734	-2,603,735	-5,001
Surplus/Deficit for the year	0	0	0

1.	Meeting	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date	15 th July 2013
3.	Title	Review of Local Letting Policy on St Johns Green, Kimberworth Park
4.	Directorate	Neighbourhoods and Adult Services

5. Summary

Local Letting Policies (LLP's) were first implemented in Rotherham in December 2008 and these have been reviewed annually. The last review and update to Cabinet Member was reported on 26th November 2012.

This report seeks approval to amend the current LLP applicable to 15 residential properties on St Johns Green, Kimberworth Park, to include an age restriction criteria. The St Johns Green area LLP is currently based upon management and employment criteria. However, prevailing issues with anti-social behaviour in this SNT PACT area, coupled with tenancy management issues, has prompted an urgent review of the LLP to strengthen its effectiveness. This is part of a wider approach to tackling crime and ASB related issues in the area and create a more sustainable locality.

The approach is also geared towards addressing the issues within the area which are having a negative impact upon the number of applicants seeking to move into the area.

In view of this, approval is sought to amend this specific LLP as a matter of urgency, outside the normal annual LLP review cycle.

The proposed amendment to the LLP has the support of SNT partners and ward members.

6. Recommendations

That the Cabinet Member:

Approves the amendment to the St Johns Green LLP to include age related criteria for letting to applicants aged 30 years and over.

Notes the details in Section 7.3 of the report relating to the Council's reserved right not to offer a property and the approach to be adopted with regard to lettings at St Johns Green.

7. Proposals and details

7.1 Local letting Policies

Local letting Policies (LLP's) set out how properties may be allocated in a way that is different to the usual Allocation Policy. Applicants can be excluded from being allocated properties through the application of an LLP, where it can be evidenced that they do not meet the specific criteria set out within the LLP. The legal basis of this is detailed in Section 167 of the Housing Act 1996. The overall aim of the Local Lettings Policies is to create a stable and balanced community.

Rotherham MBC has applied Local Letting Policies to certain of its properties since 2008. Policies are reviewed annually to ensure that they remain fair and reasonable, grounded in solid evidence and are effectively delivering the outcomes that they set out to achieve. The last review was undertaken and reported to Cabinet Member on 26th November 2012.

Properties are advertised in Key Choices but the advert will show that a Local Lettings Policy will be applied. As at 2nd July 2013 there are 20,825 properties in the Council's stock of which 3221 properties have Local Lettings Policy criteria applied when advertised. This means that 15.47% of the Council's housing stock will be advertised with a Local Letting Policy.

The specific criteria set within LLP's was agreed following consultation with Elected Members, Safer Neighbourhood Teams residents, external partners and agencies and the voluntary sector. LLP's formed part of the consultation process on the Housing Strategy, Allocation Policy and the Localism Act 2011.

The criteria used for LLP's falls into a number of categories, specifically:-

- Management criteria, including crime, ASB and tenancy breaches.
- Age related criteria
- Rural lettings criteria
- Employment related criteria
- New Build Homes related criteria

Further details regarding these categories are set out in Appendix 1.

7.2 St. Johns Green, Kimberworth Park – Local lettings Policy

St Johns Green consists of 15 general needs dwellings directly situated above a parade of commercial shop units on a precinct in the centre of Kimberworth Park. The location is within Rotherham North SNT Area.

The properties consist of an almost equal mix of one and two bedroomed properties. New tenants moving into the two bedroomed properties, who are of working age and claiming housing benefit, will be subject to the size criteria commonly referred to as the 'Bedroom Tax'. The proposed amendments to the Local Lettings Policy will not change that position in any way.

The area is an SNT PACT area and one of the key areas for incidences of ASB within the neighbourhood. The SNT is working with the Council and partners to effectively address a range of issues presenting in the locality.

One strand of action is with regard to tenancy management and tenancy allocations. The area has been blighted by problematic and failed tenancies, particularly amongst younger tenants. In many cases, this has contributed directly or indirectly towards the wider problems being experienced in the area. Whilst the current LLP criteria has been applied to new lettings, it is considered that the LLP needs to be strengthened and further criteria should be applied. This is aimed at strengthening our approach to creating and maintaining sustainable tenancies both for existing tenants and prospective tenants seeking to move to the area. In doing so, we will also be addressing issues around many applicants reluctance to move to the area and the high refusal rate of offers of tenancies at St Johns Green. Since December 2011, there has been a 33% turnover in tenancies.

The current LLP at St Johns Green is based upon management and employment criteria. It is proposed that in addition to this, age related criteria also be applied. This would take the form of a set minimum age of applicants to be offered housing in St Johns Green. It is proposed that the minimum age criteria be set at 30 years of age. It is considered that an older age group would have a greater chance of sustaining a tenancy in what is currently a volatile locality.

There are other instances of LLP's which include age related criteria. Where such criteria has been applied, feedback from housing management teams suggest that it has had a positive impact within those localities, albeit as part of a broader package of measures to address local issues. Similarly in St Johns Green, the revision to the LLP is one of number of actions being delivered by the Council and SNT partners to effectively address issues within the locality and create a safer and more sustainable environment.

The revised Local Lettings Policy would be applied to lettings on all 15 properties and apply to applicants and members of their household. In common with other LLP's, it will be subject to annual review.

The proposed change to the LLP for St Johns Green has been discussed with Key Choices staff. It is considered by Key Choices that the proposed LLP age related criteria would not have a significant impact upon current demand or the ability to let properties in this location. It is considered that existing LLP criteria would probably have more of an influence on demand. The key factor upon demand is currently the ASB related issues within the St Johns Green area and associated negative perceptions of the area, which deter applicants.

7.3 Allocations Policy – Council’s reserved right not to offer.

In addition to a revised LLP approach to lettings in St Johns Green, housing teams will also ensure that appropriate measures contained within general allocations policy are rigorously applied. Again, this is to ensure that sustainable tenancies are being created and maintained in this locality. In particular, the following policy measure will be re-iterated.

On 22nd June 2011 Cabinet received the report “Improving the administration of Choice Based Lettings and the Housing Register”. The report included details of proposed improvements to Choice Based letting processes and revisions to the general Allocations Policy. Following consideration of the report, Cabinet approved the recommendations presented including the revisions to the Allocations Policy.

One of the policy revisions approved related to the potential for inappropriate re-housing. The report recognised that there are cases where applicants request properties, which for a range of reasons, are found to be unsuitable for their needs.

The Allocations Policy now includes a reserved right for the Council not to offer a property requested by an applicant. Examples of circumstances where this will apply include, but are not restricted to, if the applicant:

- Requests an area where they may be unable to sustain a tenancy due to a lack of support.
- Requests a property that is too small for their family circumstances and which would lead to unacceptable overcrowding or cramped living conditions within the property including non-statutory overcrowding.
- Has specific needs for disability adaptations and the property does not meet these requirements.
- Has previously been involved in a breach of tenancy conditions in an area.

- Has been involved in anti-social or criminal behaviour in an area.
- Has been involved in actions that, if they were a Council tenant, would have been a breach of the housing's conditions of the tenancy.

Individual cases that are being considered by Housing Assessment Panel for Priority Plus status will also take the above criteria into account when making their decision. This list is not exhaustive and all cases are assessed on an individual basis.

Housing may also decide that it is in the best interests of the applicant that they only be offered a particular area, type of property or a specific property. Where this applies the applicant will be advised in writing of the reasons for this decision.

7.4 'It's Your Move' Process

The 'It's Your Move' meeting process will be undertaken in relation to all proposed lettings to St Johns Green. Area Housing officers undertake this meeting with the applicant, in liaison with Key Choices staff. This is a further opportunity to check and verify applicant's details and circumstances, confirm LLP criteria and determine whether a proposed allocation is likely to be sustainable. Where any concerns are raised, the proposed allocation will be deferred and the matter will be referred to the Housing Options Manager and the Housing & Communities Manager for discussion. Where necessary, proposed allocations will be referred to Housing Assessment Panel for a decision.

8. Finance

There are no immediate cost implications associated with this proposal.

9. Risks and uncertainties

Any change to the local letting policy must ensure that the needs of vulnerable and hard to reach groups are addressed and the Council's statutory obligations are met. The local letting policy must be delivered in a transparent way to ensure it is fair, and seen to be fair.

There is a risk of delay in allocating properties as properties advertised with a local letting policy may receive fewer bids from customers. This may impact on void costs and turn-around times. The demand for and allocation of properties at St Johns Green will continue to be reviewed to ensure that the LLP delivers the positive impact that it is intended to achieve.

Currently some housing applicants are reluctant to move to the area and this is reflected in fewer bids for empty properties and a high refusal rate. Proactive work will be undertaken to ensure we create sustainable tenancies but also work with tenants to provide reassurance and evidence that issues presenting in the locality are being effectively addressed.

10. Background papers and consultation

- Homelessness Strategy
- Localism Act 2011
- Housing Act 1996
- Allocation Policy

Report to Cabinet, 22nd June 2001, "Improving the administration of Choice Based Lettings and the Housing Register", Minute 25 (2)

Report to Cabinet Member for Safe and Attractive Neighbourhoods, 26th November 2012, "Review of Local Letting Policies"

Wingfield Ward Members have been provided with details of the proposed changes and have been contacted individually for comments. Councillors Goulty, Sharman and Johnston all support the proposed revision to the LLP.

Key Choices staff have been consulted with regard to the proposed changes and have provided comments with regard to waiting list demand related issues, which are reflected in the report.

Kath Brisland, Social Inclusion Manager, was consulted with regard to Bedroom tax related issues and her comments are reflected in the report.

Area Housing Managers were consulted with regard to the impact and effectiveness of existing LLP age related criteria and comments received are reflected in the report.

11. Contact details

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Appendix 1

Local Letting Policy Criteria

There are several types of local letting criteria. These are detailed below.

Management Local Letting criteria

This type of criteria is applied when there has been an increase in reported anti-social behaviour in the area

Properties will be allocated to applicants with a management local letting criteria who:

- Have not had a criminal conviction in the last 12 months where the conviction poses a risk to the Community. These include:
 - Acts of violence
 - Theft and burglary
 - Community disorder
 - Criminal damage to property
 - Racial abuse
 - Any drug offence, this will include all class of drugs e.g. heroin and cannabis
- Do not have a drug or alcohol problem unless they can demonstrate that they are actively engaging in a rehabilitation treatment programme.
- Have not been requested to sign an Anti-Social Behaviour Contract (ABC) within the last 12 months.
- Have no tenancy enforcement action in place in respect of tenancy breaches (Has no current SPO, NSP or NTQ)
- Does not have any pending criminal court cases not yet heard
- Can demonstrate good behaviour in the community for the last 12 months, individual cases in urgent housing need will be considered by Housing Assessment Panel.

In order to create sustainable communities local letting policies now include all household members, not just the primary applicant.

Improved processes and communication with the police have been introduced for obtaining information on convictions. Previously the police only gave information on the seven strands of Anti-Social Behaviour. The police are now providing information, if the person has served a custodial sentence within the previous 12 months, been convicted of any criminal offence in the same time period or has a pending criminal case.

Any issues and customer challenges on information provided by the police are referred back to the police to respond and resolve.

Appendix 1

LLP's now include all tenancy breaches including pending NSP or SPO's in a current tenancy.

In the past the police only provided information on recorded convictions. We now include information on pending criminal convictions.

Age limited Local Letting Policy Criteria.

This type of criteria is applied to better match the profile of existing tenants and help remove fear of crime and clash of lifestyle issues.

An age limited criteria may apply to some properties, which specifies the minimum age of an applicant for a particular property.

Rural Local Letting Policy

This type of criteria is applied to a rural village when the population is less than 3,500; few or no facilities; surrounded by open countryside. There are 35 rural villages in Rotherham, some with populations as small as 100. However, not all villages have any council stock. In the villages with Council Stock 50% of new vacancies will be offered to persons on the housing register with a local connection. The applicant will have a Local Connection if:

- Their only or principle home is within the boundaries of the locality covered by the rural housing letting policy and has been for the last 12 months.
- The applicant (not a member of their household) is in **permanent paid work** in the locality covered by the rural housing letting policy
- They have a son, daughter, brother, sister, mother or father, who is over 18 and lives in the locality covered by the rural housing letting policy and has done so for at least five years before the date of application.

Employment Local Letting Policy

This type of criteria is applied when there are high unemployment levels in the area

The housing application asks for information on employment status, this can be utilised to give preference in certain areas to create more balanced communities.. The advert will clearly state that a Local lettings Policy applies and give preference to:

Appendix 1

- households who are currently in employment.
- This will be adopted only in the specific areas listed and will not be applied to more than 10% percent of voids in Rotherham.

New Build Local Letting Policy.

This criteria is applied to new build properties because all of the new homes meet high quality design standards and Level 4 of the Code for Sustainable Housing resulting in a quality residential social housing offer. It is important to ensure that all of the schemes are looked after by the new tenants, that there is compliance with the tenancy agreement and the estate(s) do not suffer from anti-social behaviour. The criteria will also help free up Council homes for other applicants on the housing register

127 new properties were built in Rotherham two years ago. These and any further new build properties will be allocated in accordance with the New Build Local Letting Policy.

Preference will be given to current council tenants who:

- Are Rotherham Council Transfer applicants with a clear rent account and has a good management behaviour history over the past 2 years.
- Have not been convicted of anti-social behaviour within the previous 12 months.
- Where the conviction resulted in a custodial sentence they MUST have also in the opinion of the Council demonstrated good behaviour in the Community within the last 12 months.
- Demonstrated good behaviour in the Community for the last 12 months.
- Do not have a police record of anti-social behaviour, where the last offence is less than 12 months ago.
- Have not been prosecuted for an offence within the last 12 months where illegal drug use played a major part in the conviction. e.g. stolen goods to pay for drug addiction.
- Do not have a drug or alcohol problem unless they can demonstrate that they are actively engaging in a rehabilitation treatment programme.
- Have not been requested to sign an Anti-Social Behaviour Contract (ABC) within the last 12 months.

**ROTHERHAM BOROUGH COUNCIL
CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS**

1.	Meeting	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date	15 July 2013
3.	Title	External Stock Condition Survey of HRA Dwellings.
4.	Directorate	Neighbourhoods and Adult Services

5. Summary

This report outlines the urgent need to commission a 10% external stock condition survey to:

- Inform the 2014/15 30 Year HRA Business Plan refresh and the subsequent budget.
- Provide meaningful data for input into the new Keystone Asset Management System
- Inform the development of the Housing Investment Strategy
- Aid planning of works packages and reduce risk around cost due to inadequate and inaccurate information.

The report considers options and costs for delivery of this work looking at appropriate timescales, capacity and skills required. The basis of the report has been developed with the NAS Finance Team and the Strategic Asset Management team.

6. Recommendations

That Cabinet Member approve:

Requisite funding from the HRA reserve as identified by the finance team.

That due to the nature of the requirements and the timescales within which this data is required external resources is engaged for delivery.

7. Proposals and details

Background

The Strategic Asset Management team within NAS are being requested by NAS Finance Team to provide information to support a refresh of the HRA 30 year Business Plan.

The implementation of Housing Revenue Account (HRA) Self-Financing, from April 2012 transferred all risks from the DCLG to the Council in respect of Council houses. Changes in inflation, local rent policy, interest rates and investment and debt management decisions, will impact on the financial viability of the Business Plan. Robust, proactive management of all aspects of the Plan will be essential throughout the 30 year period.

Self-Financing requires long-term planning and asset management. Major investment decisions will be made based upon the forecast resources available with the Business Plan. It is therefore imperative that the key data used to formulate the Plan is based upon sound knowledge, which is robustly challenged, monitored and updated on an on-going basis.

The Business Plan assumption for the 30 year investment requirements on current stock, to maintain them in line with the Decent Homes Standard, is currently informed from the APEX asset management system. Any inaccurate, incomplete, duplicate or missing property or survey data will have an impact on the viability of the Business Plan.

To satisfy the need to ensure that the business plan is based on sound up-to-date information the data needs to be revised in order to inform future investment requirements, and to ensure that adequate budgets are set for 2014/15. Following the first year of self-financing it is timely to undertake a full refresh to ensure that assumptions made are still relevant.

The Council's information is held on the Apex Asset Database; set up by the previous ALMO organisation 8 years ago and a number of issues have emerged:

- The system was only partially commissioned
- Previous stock condition surveys used to populate the database were not quality controlled and have been found lacking particularly in respect of external works surveys. Internal data is somewhat more robust due to the level of activity carried out and recorded during Decent Homes Works.
- The available core data was not fully transferred into Apex
- Investment made since the database set up has not been systematically fed back into Apex

As a result, the information held in Apex in respect of external stock condition is fundamentally flawed and cannot be relied upon to:

- inform the 30 year Business Plan which is due for refresh
- guarantee the quality of data being transferred to Keystone/Civica
- create a sound platform to develop an Asset Investment Strategy
- determine adequate resources to tackle repairs and maintenance e.g. of structural elements, that subsequently leads to the need for replacement at much higher cost

Proposal

That an external Stock Condition Survey be commissioned from an independent RICS accredited organisation, to undertake inspection and assessment of the external dwelling elements for dwellings to determine:

- Outstanding repairs
- Future major works
- Improvements
- Contingent works*

**Contingent repairs: These are items of expenditure which are difficult to predict and assess with accuracy in terms of timing or extent. Examples include dealing with non-traditional properties, structural movement and liabilities associated with future safety requirements.*

This would be a 10% external survey and would be carried out by archetype by estate. The provisional cost of the work has been estimated as follows:

20,936 properties within 65 estates = 323 properties/estate of which 10% = 32 surveys

1 surveyor can undertake 32 surveys per week

1 surveyor costs £1,500/week

65 survey weeks = £97,500 plus preliminaries and report

Internal fee charge for procurement – capped at £500 dependent upon call-off or tender

Access Fee for tender 2% of the commission maximum £2000

Estimated total in the range £100-£110k.

There is a requirement to undertake the survey quickly to allow sufficient time to refresh the Business Plan and create a new Asset Investment Strategy as well as inform the revenue and capital budget setting process which starts in Autumn/Winter.

Options for delivery by RMBC staff.

This option has been considered and would be taken forward if it was practical. However there are a number of significant issues which impeded this course of action:

Capacity does not exist in either the NAS Strategic Asset Management Team (SAMT) to do this work in a timely manner due to current commitments in respect of developing programmes of work for the remainder of 2013/14 and to prepare for 2014/15 schemes. Both of these are current pressure points when looking at the work required post scheme development to ensure procurement and delivery can be actioned.

The NAS Strategic Asset Management Team has already commissioned from the Environment & Development Services Directorate significantly more work for delivery in 2013/14. This is currently taking up any resources that may have been diverted onto this surveying. If resources were diverted then this would put programme delivery at risk.

The level of appropriate resource required to undertake this work in the time frame required exceeds the available skills within the Council as a whole. Both the Business Plan and Integrated Housing Management System (IHMS) needs are time bound.

Commissioning

The survey will be commissioned through the YORconsult framework, either through call-off or tender depending upon the lead-in time for tender.

Timeframe for delivery:

- Four weeks for competitive tender return
- One week returned tender/call-off evaluation
- Delivery depends on number of surveyors/week – the shorter timeframe may well attract a premium to deliver as number of surveyors increases (65 week @ 1 surveyor)
- Report turnaround at end of survey of two weeks
- Survey data received by RMBC and input into Apex/Keystone – four weeks
- Realistic completion late Autumn 2013

8. Finance

The balance on HRA reserve at 1 April 2013 was £15.129m. RMBC needs to maintain an adequate level of reserves to meet future investment needs and mitigate the risks of self-financing. However, the funding requested of up to £110k could be met from this reserve.

9. Risk

The risk in not undertaking an external survey is:

- That inaccurate data places financial risk on the Council in respect of the HRA business plan which could undermine the basis of future financial planning at a time when there are already several extraneous factors with Welfare Reform which may impact on our ability to fund future programmes.
- The ability of the SAMT to produce future work programmes to the degree of accuracy required will be impaired exposing the Council to risk around cost certainty.
- The data for the IHMS will be flawed and as such be of limited use.
- That inaccurate data will limit the ability of the SAMT to produce a meaningful Investment Strategy.
- That we will continue to fail in meeting our obligations under the R & M Contract to provide a 3 year plan – this carries cost risk

The risks inherent in electing to use existing internal resources are

- Timescales will be extended – the 2014/15 business plan can only be based on existing data and as such accuracy will be undermined.
- Non-accredited staff (Programme Surveyors) would have to be diverted from in-year surveying to satisfy 13/14/15 work programmes
- In the event that the stock condition survey results are flawed (as found previously) there will be an auditable and accountable organisation to rectify any matters arising

10. Background papers and consultation

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11. Contact name

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