

IMPROVING PLACES SELECT COMMISSION

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

Date: Wednesday, 26th October, 2016

Time: 1.30 p.m.

A G E N D A

1. To consider whether the press and public should be excluded from the meeting during consideration of any part of the agenda.
2. To determine any item(s) the Chairman is of the opinion should be considered later in the agenda as a matter of urgency.
3. Apologies for absence
4. Declarations of Interest
5. Questions from members of the public and the press
6. Communications
7. Minutes of the previous meeting held on 14th September 2016 (Pages 1 - 9)
8. Housing Revenue Account 30 Year Business Plan (Pages 10 - 44)
Paul Elliott, Business and Commercial Manager, to report
9. Tenant Scrutiny - Update on Review (Pages 45 - 48)
Lilian Shears, Co-opted Member, to report
10. Emergency Planning Task and Finish Group
Councillor Wyatt to report
11. Date and time of the next meeting - Wednesday 30 November 2016 at 1.30 p.m.

Sharon Kemp.

**SHARON KEMP,
Chief Executive.**

Improving Places Select Commission: membership: -

Councillors Allen, Atkin, Buckley, B. Cutts, M. S. Elliott, Jepson, Jones, McNeely, Mallinder (Chairman), Marles, Price (Vice-Chairman), Reeder, Rushforth, Sheppard, Taylor, Walsh, Whysall and Wyatt.

Co-opted members:- Mrs. L. Shears, Mr. P. Cahill and Mr. B. Walker.

IMPROVING PLACES SELECT COMMISSION
Wednesday, 14th September, 2016

Present:- Councillor Mallinder (in the Chair); Councillors Allen, Atkin, Buckley, Cutts, Jones, Price, Reeder, Sheppard, Taylor, Walsh and Whysall, Mrs. L. Shears and Mr. B. Walker (Co-opted Members).

Also in attendance were Members of the Health Select Commission:- Councillors Albiston, R. Elliott, Sansome and Short.

Councillor Beck, Cabinet Member for Housing, was in attendance at the invitation of the Chair.

Apologies for absence were received from Councillors Jepson, Marles, Rushforth and Wyatt.

13. DECLARATIONS OF INTEREST

There were no declarations of interest.

14. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

There were no questions from the press and public.

15. COMMUNICATIONS

The Chair indicated that there were no items for communication.

16. MINUTES OF THE PREVIOUS MEETING

Resolved:- That the minutes of the previous meeting held on 29th July, 2016, be approved as a true and correct record of the proceedings.

17. ROTHERHAM'S HOUSING STRATEGY 2016-19 - PROGRESS REPORT

The Select Commission received the following presentation from Tom Bell and Jane Davies on the progress of the 2016/19 Housing Strategy:-

Housing Growth: Progress

- Starter Homes Bid – 450 in Rotherham, focused on programme in town centre – report to Cabinet on 10/10/16
- Sale of HRA owned sites/ site cluster deal/ custom build – sold 12 sites since Christmas and planning applications coming forward
- Strategic acquisitions
- Bassingthorpe Farm – Garden Villages bid
- SCR Social and Affordable Housing Compact

Housing Growth: Current Priorities

- Starter Homes programme – establishing delivery arrangements
- Housing Masterplan
- Shared Ownership and Affordable Housing Programme Bid – potential Sheffield City Region collaboration
- Exploring options for creating a Housing Company/ joint venture partnership
- Developer summit October 2016

Social Housing

- Housing Revenue Account Business Plan updated and Asset Management Strategy produced
- New Tenancy Agreement produced DVD produced
- Tenant Involvement Strategy published
- Tenant Conference
- Strategic Housing Advisory Panel
- STAR tenant satisfaction survey completed with excellent results
- Tenant Participation

Social Housing Current Priorities

- Exploring new ways of delivery social housing in the future
- Exploring a transitional landlord scheme
- New initiatives to reduce Right to Buy fraud
- Marking affordable home ownership opportunities
- Developing a new Strategic Tenancy Policy
- Preparing to implement “Pay to Stay”
- Tenant profiling

Private rented sector: Progress

- Little London – decision to negotiate acquisition
- Strategic review of Selective Licensing
- Further contract awarded to deliver loft and cavity wall insulation for private householders, funded by Central Government
- Continuing to work with private landlords to improve the private sector

Current priorities:

- Deliver Improvements to The Little London Estate
- Conducting Selective Licensing Review
- Diversifying the Offer of Private Rented House

Affordable Home Ownership:

- Starter Homes and Rent to Buy
- Understanding markets for affordable home ownership
- Developing communication strategy – new website
- Deliver shared ownership

Specialist Housing

- Vision for housing older people
- Extra care housing
- Six units of short stay accommodation allocated in Shaftesbury House
- HRA site identified for development of a wide range of specialist schemes
- New children's homes approve, being developed in partnership with CYPS
- Action Housing – new scheme for young people
- Developing the housing offer for people with learning disabilities
- Holding an event in October to engage with developers and stimulate the market for specialist housing in Rotherham

Discussion ensued with the following issues raised/highlighted:-

- The Strategy was available on the Council's website. A hard copy would be sent on request
- The Strategy did not consider land for development. When land was sold the permission of Cabinet was required. A report that was submitted over a year ago which enabled the release of sites had included over 150 sites
- A working group had been established to examine the Pay to Stay Policy and consider how the data would be collected. Government guidance was awaited
- Many of the Indicators were annual for the purpose of Government returns, building new homes. There would not be full accurate information to measure outcomes on a quarterly basis
- Clarity was required with regard to the position on Repairs and Maintenance as it looked as if the position had deteriorated. There had been a struggle with rent recovery but measures had been put into place
- A significant amount of funding in the budget to ensure that Decent Homes were brought back into decency in year and the target would be met. Every year properties fell out of decency.
- There were Asset Management and Investment plans to improve stock. There was good progress on external wall insulation and properties targeted without cavity wall insulation or fuel poor. There had been a massive programme in relation to the traditional housing stock

- Housing regeneration was very important with increasing pressures from Legislation which meant it was more difficult due to the Government agenda on home ownership rather than social and rented
- Tentative steps were being taken on new ways of delivering social housing. A collaboration between the Local Authority and a developer who owned a site to build 20 specialist new homes at Rawmarsh. A report had been submitted to Cabinet containing the site cluster programme
- When the properties were sold under Right to Buy only 30% came back into the Council's Capital budget that could be used for the next home built as the same was discounted to the purchaser rather than market value
- A report had been submitted to cabinet seeking approval of a contract for a developer who would work as an agent to the Council covering 7 sites. 1 site could sell immediately with the other 6 sitting derelict for many years as the cost of building the properties would be more than the return. The developer would design the sites in partnership with the Council and submit a planning application in due course
- There were low levels of Right to Buy fraud in Rotherham. Credit checks were being put into place, together with face-to-face meetings, so as to avoid unscrupulous organisations benefitting from such purchases. It did not preclude sons and daughters from purchasing the property for their parents but the Council needed to understand where the money had come from
- It would be helpful to know how many people were occupying the specialist housing and what the waiting list was due to concern regarding consultation and members of the public being able to understand what kind of housing application they were making. There had been a lot of work on mapping and gathering intelligence. In terms of support for people with learning disabilities, the work was being led by Adult Social Care
- There were a series of priority "bands" depending upon the needs of the household
- On the cluster sites it was hoped to deliver 3/4 units for specialist needs on a case-by-case basis
- The number of those homeless due to mental health issues was incredibly small
- There had been a doubling of rents in the private rented sector in the last decade. Work was being undertaken to improve standards and

with the help of enforcement. A programme of long term empty property acquisition had commenced together with consideration as to how new properties could be built that were rented privately. Strenuous efforts were being made to avoid having a multitude of absent landlords as well as rent to buy so households could shift from renting to purchasing

Resolved:- That the progress made to date against the commitments in the Housing Strategy be noted.

18. CEMETERIES AND CREMATORIUM - DIGNITY PLC

Damian Wilson, Strategic Director, Regeneration and Environment, gave a verbal update on Cemeteries and Crematorium – Dignity PLC – including the background to how the decision had been made to outsource the service.

The contract had been in place since 2004. A lot of work had taken place at the time to assess the state of Rotherham's Cemeteries and Cremation Service which had required significant investment not least because of the Environmental Legislation which had changed in relation to cremations.

The Council had taken the opportunity to explore different options available to deliver that service in the future one of which was a partnership arrangement where another organisation would deliver the Service. It had been subject to tender and considered through the Council, Cabinet and Scrutiny process in September 2007. The 35 year contract was entered into by the Council with Dignity in 2008.

Dignity had taken over the cemetery and Crematorium at East Herringthorpe and the 8 municipal cemeteries around the Borough. There were certain requirements that the company had to satisfy as part of the contract initially around East Herringthorpe i.e. upgrade of the cremators, improving the Chapel and reception facilities, car park and overspill, administration services, development of crematorium grounds especially around memorials and grounds maintenance depot. Most of the investment was now completed - £3m overall.

In relation to municipal cemeteries, there was a need to identify additional burial space, improved security/management and development of sites, management and maintenance of those cemeteries and to develop of the grounds linked to memorials to allow areas of contemplation.

The contract was different to a normal contract. In this instance, the contractor paid the Council for the privilege of running the Service but would take the income as they had made significant investment. However, due to historically the Council made a surplus on the Service (£350K), there was an agreement that Dignity would pay the Council a fee that would be no less that £375K per annum (index linked to inflation) – currently standing at £435K a year. There was also a profit share

arrangement which saw the Council receiving 20% of any further growth in the rate of return taking into account their external rate of return as a company netting off their investment.

Members had raised a number of concerns/complaints on issues e.g. grass cutting, grounds maintenance generally, dog fouling, anti-social behaviour, Muslim burial times, cost of burials, cost of memorials. Investigations had revealed that the complaints were related to the “under-management” of the contract by the Council and a lack of democratic oversight and information to Members. Dignity had been reluctant to meet at first but, once the issues had been explained, had been very helpful and forthcoming and flexible in their willingness to work with the Council. There had been an “under-management” by the Council of the contract and an “under scrutiny” of what Dignity’s expectation was. It had been suggested to Dignity that they submit an annual report which they were in agreement with and would provide their proposed investment plans.

Resolved:- That the report be noted.

(2) That the name and contact details be provided to Members of the Dignity Liaison Officer.

19. EMERGENCY PLANNING

Damian Wilson, Strategic Director, Regeneration and Environment, presented a report on the review of the Resilience and Emergency Planning Shared Service Arrangements.

The Shared Service had been established in June, 2011 to oversee the Emergency Planning and business Continuity functions of both Rotherham and Sheffield Councils. It delivered a joint resilience service to both Councils.

The combined service shared resources, knowledge, skills and expertise to ensure that the Council met the responsibilities placed upon them through the Civil Contingencies Act (CCA) 2004. As a Category 1 responder under the CCA the Council was required to:-

- Assess the risk of emergencies occurring and use this to inform contingency planning
- Put in place emergency plans
- Put in place business continuity management arrangements
- Put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public
- Share information with other local responders to enhance co-ordination
- Co-operate with other local responders to enhance co-ordination and efficiency

- Provide advice and assistance to businesses and voluntary organisations about business continuity management

There was a joint legal agreement underpinning the Shared Service which provided an overview of the obligations of both Councils on aspect such as commencement and term of the Agreement, representation on outside bodies, fraud and irregularity, withdrawal and termination. It also contained provision for a Joint Committee to be in place for the duration of the Agreement (see Appendix A of the report submitted); Terms of Reference were attached at Appendix B.

The changes to the Council, both at Senior Leadership Team and across all Directorates, had inevitably forced a review of the way in which the Council approached resilience, both to ensure the statutory requirements under the CCA continued to be met and that all arrangement remained appropriate and proportionate.

The report set out 3 potential areas for consideration i.e. internal governance, external emergency response arrangements and emergency response arrangements.

Resolved:- That the report be noted.

20. COMMUNITY SAFETY STREET SCENE PARKING SERVICES

Damion Wilson, Strategic Director, Regeneration and Environment Services, referred to a paper circulated to Members regarding Community Safety Street Scene Parking Services and the potential for the Council to commence utilising powers under the Traffic Management Act 2004.

After speaking to Councillor Lelliott, Cabinet Member for Jobs and the Local Economy, and the Leader, there was a desire to involve Scrutiny in the process. It would be trialled for six months and then brought back to Scrutiny in March to show how the process had worked. It would be quite controversial.

It would deal with persistent evaders and those that persistently obstruct/create barriers on the highway.

There were 2 aspects to the initiative. Firstly those the persistent evaders especially those with vehicles that were not registered with DVLA and thought they could get away with parking where they wanted to. There was a list of 60 persistent offenders where there were outstanding fines in excess of £41,000. There was a suggestion the Council starts moving into action involving the removal of vehicles after the issue 6 Parking Control Notices. The car was taken off road until ownership was proved, the fine and storage costs paid.

The second was hazardous parking which was a significant problem and concentrated in certain areas of the Borough. It was suggested that where a car was parked on a junction, on or near a pedestrian crossing or on an arterial route causing major delays, that a Notice be issued, watch for a period of time, contact the Parking Services Manager and then decide if the vehicle should be removed.

It would be introduced immediately through Delegated Powers but would report back on the impact.

The Select Commission would support implementation of these proposals.

21. EMERGENCY PLANNING TASK AND FINISH GROUP - UPDATE

As Councillor Wyatt, Chair of the Task and Finish Group, had submitted his apologies, Christine Majer, Scrutiny Adviser, presented the report of the Group.

So far the Group had met once. One of the options that the Group could look at was the governance arrangements as referred to at Minute No. 20. At its next meeting the Group would discuss what issues it would scrutinise and the scope of the review.

The Group would like to go on a study finding visit to Tees Valley to learn from their experience.

The Group's next meeting would be held on 17th October, 2016.

Resolved:- That the report be noted.

22. PRE-SCRUTINY - FORWARD PLAN OF KEY DECISIONS

Christine Majer, Scrutiny Officer, presented the key decisions included in the Forward Plan, all of which came under the remit of the Improving Places Select Commission.

It was noted that the decisions could be divided into 2 sections firstly decisions that would be taken by 10th October which was out of line with the Select Commission's meeting dates. The second section was decisions to be taken by 14th November. If the Select Commission could consider if it wished an item to be included on the agenda.

It was pointed out that the Forward Plan was a living document and quickly became out of date with items being moved to a different Cabinet meeting date. The Democratic Services Manager undertook to e-mail Members with a list of the 14th November Cabinet items.

Resolved:- (1) That the report be noted.

(2) That the Democratic Services Manager supply Select Commission Members with information on the 14th November, 2016, Cabinet agenda items.

23. COUNCIL HOUSING TENANTS - SCRUTINY

Lilian Shears, Co-opted Member, gave a verbal progress report drawing attention to the following:-

- Survey commenced in June - decided it would target 18-35 year old tenants as they were the group least likely to engage and were the least satisfied with the services
- Devised a questionnaire which was widely distributed
- Some of the surveys entered onto a spreadsheet, thanked all respondents and asked how best to keep in touch with them
- Researched good practice elsewhere
- In July met with Rush House, Morrisons, Wilmott Dixon and Tenancy Support Officers and others
- Revealed that younger tenants tended to be treated differently particularly by Council staff over the telephone
- Further surveys conducted in August
- Collation of all the surveys 21st September
- There would be further meeting to agree the way forward as well as a Young Tenants Forum where there would be focus groups and exercises to explore the barriers to engagement

The Chair thanked Lilian for her report.

24. DATE AND TIME OF THE NEXT MEETING

Resolved:- That a further meeting be held on Wednesday, 26th October, 2016 at 1.30p.m.

Improving Places Select Commission 26 October 2016

Housing Revenue Account 30 Year Business Plan

Paul Elliott, Business and Commercial Programme Manager

Overview of session

- What is the HRA Business Plan?
- Policy Background driving changes to the Plan
- HRA Business Plan
- Q&A session

What is the HRA Business Plan?

- Localism Act
- Self Financing introduced 2012-13
- Risk Vs Reward
- Long term planning – sustaining the Housing stock

Housing & Planning Act 2016

- Mandatory Fixed Term Tenancies
- Pay to Stay
- Extension of the Right to Buy
- Levy / enforced sale of high value stock

Welfare Reforms

- 1% rent reduction
- Universal Credit
- Local Housing Allowance
 - Under 35's
 - Under 21's
- Benefit Cap

Universal Credit ...

... is a means-tested benefit for people of working-age who are on a low income/out of work. It is paid monthly, in arrears, into a bank account and combines six existing means-tested benefits:

- Income support
- Housing benefit
- Child tax credit, and
- Income based JSA
- Working tax credit
- Income related Employment Support Allowance

Benefit Cap – 5 December 2016

- Further reduction will take the cap from £26,000 to £20,000.
 - This will affect around 400 families with 1,400 children, of which 190 with 520 children on our tenants.
- Except for supported housing, the limits will be:
- **£384.62** per week for couples – with or without dependent children
 - **£384.62** a week for lone parents with dependent children
 - **£257.69** a week for single people without children

Housing Benefit V Local Housing Allowance

Local Housing Allowance – private rented sector

Based on the household size, eg, 2 person household (mother and son) would qualify for the 2 bed rate

Housing Benefit - social rented sector

Based on the property size, eg, 2 bedroomed property costs less than a 4 bedroomed property ...

Different rates payable

Locally calculated, based on the bottom 30% of private sector rents:

- Shared room rate £58.50
- One bedroom £79.40
- Two bedrooms £96.96
- Three bedrooms £101.00
- Four bedrooms £138.08

RMBC rents (average by property size, not type):

- Bedsit rate £67.81
- One bedroom £69.49
- Two bedrooms £75.19
- Three bedrooms £80.74
- Four bedrooms £87.74

Different rates payable

LHA is locally calculated, based on the bottom 30% of private sector rents:

- **Shared room rate £58.50**
- One bedroom £79.40
- Two bedrooms £96.96
- Three bedrooms £101.00
- Four bedrooms £138.08

RMBC rents (average by property size, not type):

- **Bedsit rate £67.81**
- One bedroom £69.49
- Two bedrooms £75.19
- Three bedrooms £80.74
- Four bedrooms £87.74

Extent of the problem ...

1929 applicants to the housing register who are under 35 years old

- 1592 staying with family, others are rough sleeping, no fixed abode or staying in hostels/temporary accommodation
- Commences 1 April 2018 for tenancies that started on/ after 1 April 2016

Impact on the HRA Business Plan

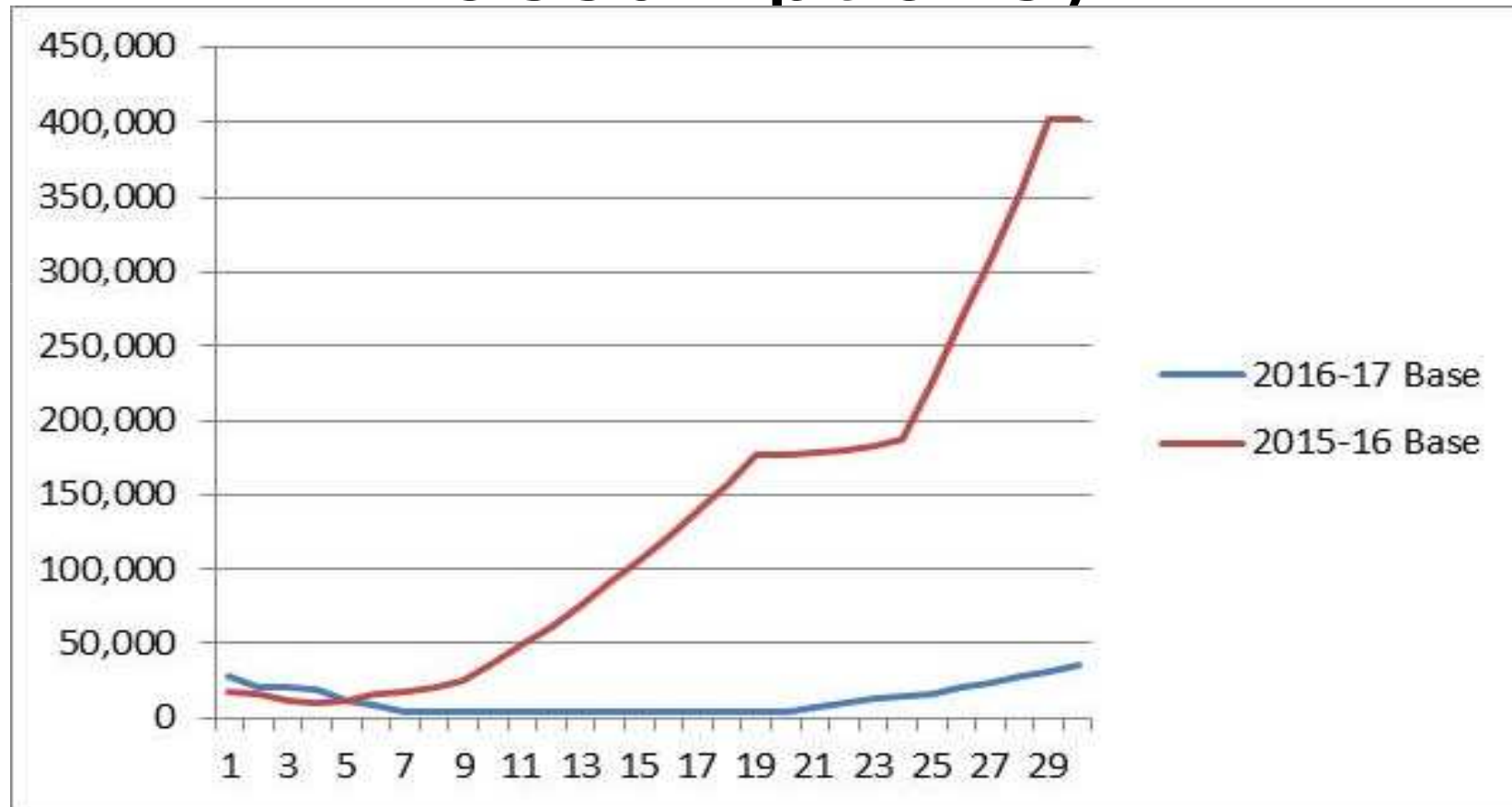
1% rent reduction

- Loss of income over next 30 years equivalent to £638m
- Assume rent will now increase by CPI only after the 4 year rent reduction (was previously CPI + 1%)

Policy	Issue	Potential financial impact	Year of implementation
Benefit Cap	Reduction in Housing Benefit income leading to an increase in rent arrears, resulting in an increased bad debt provision	£400k per anum	October 2016
Social Sector Size Criteria (Bedroom tax)	Reduction in Housing Benefit Income	£100k per anum	Ongoing
Universal credit	Reduction in Local Housing Allowance income. Increase in rent arrears, resulting in an increased bad debt provision	£200k per anum and increasing	Ongoing
Restriction of Housing Benefit for 18-21 year olds	Fewer tenancies to 18-21 year olds. Increasing arrears, leading to increased bad debt provision	Up to £500k per anum	April 2017

Policy	Issue	Potential financial impact	Year of implementation
Pay to stay	Increasing RTB Charging market rents, leading to increased rent arrears Increased administration costs	Not yet know	April 2017
Local Housing Allowance (LHA) rate capped for under 35's	Fewer tenancies to single under 35's. Harder to let properties Increase rent arrears, leading to increased bad debt provision	£1.3m per anum	April 2018
Cap Social rents to Local Housing Allowance (LHA) rate	Cost of a furnished tenancy not covered fully by Housing Benefit due to LHA cap	Up to £1.3m per anum to General Fund	April 2018
Fixed term tenancies	Increase tenancy turnover, leading to increased void costs	Not yet known	April 2018
Higher Vaue property levy	Sale of properties becoming vacant and/ or payment of annual determination from DCLG	£2m per annum (awaiting Regulations)	2016/17?

Impact on the HRA Operating Account balance (based on model assumptions)



Summary

- Savings of circa £50m required over the next 5 years when compared to the previous plan
- Healthy reserves balance of £28.5m; but forecast to reduce considerably to £3m by Year 8
- Reduction in forecast surpluses at year 30 from £401m to £35m
- RTB average 200 per year; the housing stock size will have reduced to circa 15,500 units i.e. a reduction of around 5,000 units.
- Strategic property acquisitions will cease in 2017-18, rather than 2020-21 as in the 2015-16 Base case. This will save £36.38m and mean around 360 fewer council properties are acquired.
- There will be £273m less to spend on property investment
- There will be £98m less to spend on supervision and management

Issues to consider?

- Have we got our assumptions right?
- Are we being too cautious vs ambition?
- What impact will future policy changes have?
- Member and tenant involvement in future governance of the plan?
- How does the HRA contribute to the 'One Council' approach?

Thank you for listening..

Questions?

Council Meeting:
Improving Places Select Commission
Open Report

Summary Sheet

Council Meeting

Improving Places Select Commission Meeting – 26 October 2016

Council Report

HRA Business Plan 2016-17

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

Yes

Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director Adult Care and Housing

Report Author(s)

Paul Elliott, Business and Commercial Programme Manager
Kath Oakes, Principal Finance Officer

Ward(s) Affected

All

Executive summary

The Housing Revenue Account (HRA) records all expenditure and income relating to the provision of council housing and related services, and the Council is required to produce a HRA Business Plan setting out its investment priorities over a 30 year period.

Following the introduction in 2012 of HRA self-financing, whereby the Council was awarded control over its HRA in return for taking on a proportion of national housing debt, Rotherham's HRA was in a strong position with a healthy level of reserves. However a number of policies have recently been introduced by central government that will result in a dramatic reduction to HRA resources, namely:

- 1% per annum reduction in Council rents over four years:
- Reinvigoration of the Right to Buy (reduction of qualifying period to three years): Reducing stock
- Welfare reform - bedroom tax, universal credit and benefits cap: Impacting on tenants' ability to pay their rent, and increasing the resources required by the Council to collect rent from tenants in receipt of benefits

- Introduction of 'Pay to Stay' and mandatory fixed term tenancies: Which will significantly increase the administrative burden on the Council, and may also lead to increased Right to Buy sales / more lost stock
- Introduction of the enforced sale of high value properties / equivalent levy: Meaning the Council will have to pay in the region of £2m annually to the Treasury, to cover the costs of the discounts housing associations must offer now they can offer the Right to Buy to their tenants

The cumulative effect of these changes is that £51m of savings are likely to be required by 2020-21 when compared to the previous business plan, meaning that the Council will need to take some difficult decisions about prioritisation, and how to achieve the best balance between the following:

- Maintaining and continuing to improve our 21,000 Council homes
- Contributing to the borough's housing growth target of 900 homes per annum
- Contributing to the development of Starter Homes and other affordable housing products that are needed locally and will play a critical role in Rotherham's overall economic growth

Further discussions will be required regarding how best the Council manages social housing and new delivery in the future and this will be the subject of a separate report later in the year.

This report provides a detailed technical overview of the current position and the reason for changes to the Plan.

Recommendations

Note and provide comment on the 2016-17 Base Case for the HRA Business Plan.

Agree to review and comment on the plan annually, to provide an updated financial position as new government regulations come into force.

List of Appendices Included

Appendix A – HRA Business Plan 2016-17
Appendix B – HRA Operating Statement
Appendix C – HRA Investment Programme
Appendix D – Capita HRA Business Plan Review
Appendix E – Modelled assumptions

Background Papers

HRA Business Plan 2015-16

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet and Commissioners Decision Making Meeting 10 October 2016

Council Approval Required

No

Exempt from the Press and Public

No

Housing Revenue Account Business Plan 2016-17

1. Recommendations

- 1.1 Note and provide comment on the 2016-17 Base Case for the HRA Business Plan.
- 1.2 Agree to review and comment on the plan annually, to provide an updated financial position as new government regulations come into force.

2. Background

- 2.1. This report sets out the proposals for the HRA Business Plan for 2016-17 onwards and provides some information on the scale of the financial challenges in future years. In essence the overall approach is to make savings where it is feasible to do so and can, to plan for the future fundamental changes in 2016-17 and to position the HRA and landlord service to best respond to those challenges that come.
- 2.2 Future years will be profoundly different to the position the Council has been in previously in terms of finances and operation of Council Housing, and whilst the Council has a significant challenge over the next three to four years in reshaping the service it is also the case that the Council retains sufficient reserves to allow this to be undertaken in a sensible and prudent manner to reflect the changing environment and tenants' reactions to the changes.
- 2.3 There has been a significant shift in the assumptions underpinning the HRA Business Plan as a result of the Chancellor's Summer 2015 Budget. This made changes to rent setting from 2016-17 onwards and to benefit payments for those tenants receiving housing or work related benefits, along with confirmation of the introduction of Pay to Stay. In summary the changes are:
 - Reductions in rent by 1% per annum for four years from 2016-17
 - Reduction in the Benefit Cap to £20,000 (£13,400) for a single person
 - Restriction of Housing Benefit for people aged 18 to 21 (from April 2017)
 - The introduction of Pay to Stay, which means any household earning over £31,000 per annum will be required to pay at or near market rent
 - Restriction of Housing Benefit to Local Housing Allowance rate for new tenants from April 2016, but applied from April 2018
 - The sale of higher value Council Properties (assumed first payment to be made in 2016-17 and annually thereafter)
 - The ending of lifetime tenancies for new tenants
- 2.4 There have also been a number of other fundamental changes in the overall housing environment, including:
 - Changes to Planning regulations about the need to develop Affordable Housing, with Starter Homes (sold at a 20% discount to full market value) being in effect recognised as Affordable Homes thus replacing homes built for social rent.
 - Assistance for 'hard working families' who live in Housing Association properties to exercise the Right to Buy, which is funded through the sale of higher value Council Properties.

- A fundamental change in government focus with home ownership being seen as the only viable housing solution for people where they can afford it.
- 2.5 The combined effect of these changes is likely to have a significant impact on the nature of housing provision in Rotherham, not just in terms of Council Housing.
 - 2.6 The view of Government appears to be that social housing should provide a home if a person is in need and that once the tenant has the ability to purchase a property of their own or rent from the market place then that should be the outcome. This increasingly means that Council provision will be scarcer and fewer properties will be available. How the Council reacts to these changes will determine the HRA's ability to survive in a more difficult market place.
 - 2.7 The relationship the Council has with tenants will change as more information is gathered on individual and household income levels. Many tenants may see this as an unjustified and unwarranted intrusion into their lives. In addition new tenants will be subject to a review of their tenancies and the need to be in social housing, at least every 10 years.
 - 2.8 Within this context, deriving a sustainable business plan has been problematic, in terms of estimations as to how the underlying business will change and how to address the significant reductions in income that will result from these changes, not least the requirement to reduce rents by 1% for four years.
 - 2.9 The overall position is challenging, but given the level of reserves there is the ability to absorb some initial short term impact. However, the HRA can only be based on a long term sustainable and affordable budget to ensure there are sufficient resources to maintain properties over the next 30 years. The scale of issues facing the HRA is such that corrective action has been and must continue to be taken over the next three to four years to avoid the situation becoming more difficult to manage without less measured drastic action. Therefore it is essential we plan and change policy now.
 - 2.10 There are two as yet unquantifiable risks that should be at the forefront of the Council's mind in determining the longer term future of social housing. These are that the Government has the power to make estimates of what the HRA should pay over to DCLG (Department for Communities and Local Government) in relation to 'Pay to Stay' and the sale of 'higher value properties'. These estimates may bear little or no relation to actual worth. This has made the estimation of budgets for 2016-17 onwards extremely difficult. Estimates are discussed in the report, but it should be noted that until it is understood how tenants will react and the detail of how the costs will be calculated, these are only indicative figures.
 - 2.11 Over the medium term, the significant number of changes introduced means the underlying assumptions have been fundamentally undermined and as such all assumptions have been reviewed to reflect the changing environment in which the HRA operates.

3. Key Issues

3.1 The Council currently owns circa 21,000 homes and 3,451 garages with a turnover from rents and other sources approaching £84m per annum.

3.2 The overall financial strategy for the HRA is focused on:

- Supporting delivery of the Council's Corporate Plan
- Maintaining a sufficient level of balances both as a contingency against risks and to ensure that investment can be sustained over the period of the business plan
- Achieving and maintaining the decent homes standard
- Providing a customer focused and effective repairs service
- Supporting housing and neighbourhood management
- Enabling new affordable housing provision (circa £5m available to fund existing commitment and £7m is being made available in 2017/18)

3.3 The impact of the proposed changes on the HRA means there is a need to fundamentally restructure the budget over the coming years. With this in mind proposals are designed to ensure:

- Whilst savings are made no action is taken that will undermine the Council's longer term ability to react to changes
- Provision is made to ensure there are sufficient resources available to implement changes that are required in the short term
- The longer term viability of the HRA business plan is maintained
- Budgets remain flexible to react to any significant changes in property numbers currently expected or further government policy changes
- No further borrowing is undertaken and no early repayment of debt is made

Financial Position of the HRA

3.4 The HRA currently has a healthy financial position with a general reserve balance of £27.932m and a Major Repair Reserve of £3.873m as at the end of March 2016. A summary of Income and Expenditure for 2016-17 follows:

HRA Operating Statement - June 2016	2016/17 Full Year Budget £000	2016/17 Forecast Out- turn £000
<u>Expenditure</u>		
Contributions to Housing Repairs Account	19,075	19,075
Supervision and Management	20,658	20,569
Rents, Rates, Taxes etc.	210	210
Provision for Bad Debts	1,546	1,546
Cost of capital Charge	13,785	13,650
Depreciation of Fixed Assets	19,975	19,975
Debt Management Costs	175	130
Expenditure	75,424	75,155
<u>Income</u>		
Dwelling Rents	-77,851	-77,851
Non-dwelling Rents	-751	-751
Charges for Services and facilities	-4,487	-4,487
Leaseholder Income	-81	-81
Other fees and charges	-324	-327
Income	-83,494	-83,497
Net Cost of Services (surplus)	-8,070	-8,342
Interest received	-90	-100
Net Operating Expenditure (surplus)	-8,160	-8,442

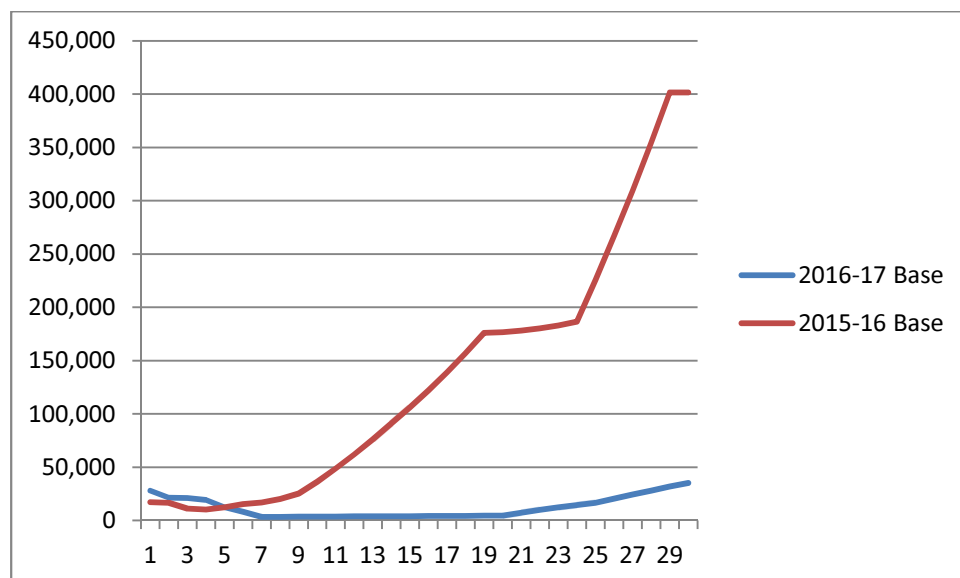
3.5 The £8.16m operating surplus is being used to fund part of the Housing Capital Programme via a Revenue Contribution to Capital Outlay (RCCO).

Scale of the challenge ahead

3.6 Going forward the financial position of the HRA deteriorates significantly over the next three to four years and therefore immediate action is required to mitigate the impact of this forecast reduction in income as a result of the Government's policy changes.

3.7 The following graph shows the impact on the Operating Account due to changes in underlying assumptions following new Government policies when compared to the previous business plan:

Operating Account Balance based on modelled assumptions



3.8 In arriving at the 2016-17 Base a series of assumptions have been modelled which give a variety of different scenarios over the life of the business plan. The changes to assumptions modelled have been:

- 2015-16 Base – this is as per the Business Plan approved in May 2015 and assumed rents would increase by CPI + 1% over the life of the plan. **This resulted in an Operating Surplus at Year 30 of £401m.**
- 2016-17 Base – this assumes that rents will decrease by -1% for four years to 2019-20 and then increase by CPI only. In addition, Right to Buy sales have been increased to 200 per year from Year 5 of the plan. To accommodate the reduction in income as a result of increased RTB forecasts 50% of Supervision and Management expenditure has been flexed along with 75% percent of Repairs and Maintenance expenditure (excluding disabled adaptations and garages) in proportion to RTB sales. It also assumes Capital expenditure will reduce by 10% until 2019-20 and by a further 10% for the remainder of the plan, except for during years 21 to 25 where there is a 50% reduction. It also assumes an annual Higher Value Property Levy of £2m. **This results in an Operating Surplus at Year 30 of £35.3m.**

3.9 In developing the 2016-17 Base Case, Capita Housing and Consultancy have undertaken a review of the HRA Business Plan and made a series of recommendations as detailed in their report at Appendix D. All recommendations at Section 5.1 of the Capita report have been incorporated into the 2016-17 Base Case, with the exception of Recommendation 3, which states to flex Repairs and Maintenance expenditure by 100%. As the Council pays a fixed overhead on existing repairs and maintenance contracts it would be more prudent to flex 75% to reflect the current fixed overhead charge. This and all other assumptions will be reviewed annually.

3.10 The Proposed 2016-17 Base Case results in a reduction to forecast income over the next five years of circa £51m when compared to the 2015-16 Base Case. The assumptions already detailed ensure expenditure is reduced in line with forecast income throughout the life of the business plan, with the exception of a shortfall in Capital funding of £13.6m between Years 7 and 20. It is proposed to address that shortfall as part of the ongoing review of the business plan. The challenge going forward is to ensure that all assumed savings are delivered.

3.11 Although the Operating Account surplus at Year 30 for the preferred option is much lower than other scenarios this has been chosen because:

- Expenditure is reduced proportionately to stock size, so mitigating the effect of increasing Right to Buys.
- RPI is set at 0.25% higher than CPI so provides a more prudent assessment of potential cost inflation compared to some other scenarios
- Repairs and maintenance costs reflect the current fixed overhead charge of circa 25%
- The forecast capital funding shortfall is £13.7m which is significantly lower than in some other scenarios, it is proposed to address this as part of ongoing reviews of the plan
- There is no additional borrowing requirement

The proposed Base 2016-17 still requires significant savings to be made. On average, cost savings of £16m per year are required over the life of the plan when compared to the 2015-16 Base Case. Given the size of property based budget, proportionately this is where the largest savings will need to be made. The majority of these savings will be made as stock is sold and costs are no longer incurred for ongoing repairs, maintenance and investment. The impact of this scenario will be:

- By Year 30 of the plan forecasts the housing stock size will have reduced to circa 15,500 units i.e. a reduction of around 5,000 units.
- Strategic property acquisitions will cease in 2017-18, rather than 2020-21 as in the 2015-16 Base case. This will save £36.375m and mean around 360 fewer council properties are acquired.
- There will be £273m less to spend on property investment over 30 years
- There will be £98m less to spend on Supervision and Management over 30 years

3.12 The table below shows a breakdown of saving targets across Capital Expenditure, Repairs & Maintenance and Supervision & Management budgets for the next 3 years.

Proposed HRA Cost Savings 2016-17 to 2018-19

Service	2016-17 £	2017-18 £	2018-19 £	Total £
Supervision & Management	450,000	487,000	479,000	1,416,000
Repairs and Maintenance	250,000	250,000	250,000	750,000
Investment	7,679,000	2,989,300*	9,292,443	19,961,043
Total	8,379,000	3,726,300	10,021,443	22,127,043

*Cost saving reduced as planned acquisition programme will continue in 2017-18.

3.13 These savings have already been factored into the proposed HRA budgets within the HRA Business Plan and are on course to be delivered for 2016-17. The challenge is to ensure that the remaining savings are now delivered and tenants are consulted on their priorities for the future of Council housing in Rotherham. This will be reviewed monthly at HRA Financial Monitoring meetings, which track progress of work to identify cost savings and increase income to the Housing Service.

Government Policy changes affecting the HRA Business Plan

3.14 As explained earlier in the report there are several government policy changes that are already affecting or will adversely affect the health of the HRA Business Plan. These are in summary:

Introduction of 1% rent reduction

3.15 This was introduced in April 2016 and will operate until 2019-20. After this time the Government states they will return to an inflation based formula, but have not defined what this will be. Future Business Plan assumptions after 2019-20 are based on rent increases at CPI rather than the old rent formula of CPI + 1%. This is line with most other social housing provider's assumptions. This change has resulted in a loss of £638m income over the life of the business plan. The effect of the 1% enforced rent reduction for four years and assuming CPI increases thereafter has a major impact when compounded over 30 years.

Benefits Cap

3.16 The Welfare Reform Act was passed by Parliament in March 2012 which introduced the concept of a Benefits Cap. The amount at which the cap would be introduced was reduced as part of the Summer Budget 2015, the details of how groups will be affected are below:

	£ per week now	£ per week Autumn 2016	£ per annum now	£ per annum Autumn 2016
Single	350.00	257.69	18,200	13,400
Lone Parent	500.00	384.62	26,000	20,000
Couple	500.00	384.62	26,000	20,000
Couple with children	500.00	384.62	26,000	20,000

3.17 Housing benefit is the first payment to be cut if a household is affected by the benefit cap. From data provided by the DWP (Department of Work and Pensions), 190 council tenancies will be affected in Rotherham and will lose circa £390k in Housing Benefit payments. This will therefore have to be collected by the Housing Service.

3.18 Whilst this does not directly affect the HRA, it will mean that a number of tenants will have no immediate means to pay their rent, causing significant strain on bad debts over the medium to long term as well increase in void rates as tenants seek to move to smaller properties.

3.19 Other potential factors that will impact the HRA Business Plan include:

- Households in private rented accommodation may apply for re-housing to more affordable council accommodation.
- Affected council tenants may require money advice to assist them with budgeting. At the current time there is insufficient staffing to deal with this as the Housing Income restructure report is awaiting approval.
- Rent arrears may increase from larger households in receipt of welfare benefits

Spare Room Subsidy

3.20 The Spare room subsidy commenced in April 2013. There are currently 3,022 tenancies affected of which 1,739 tenants are in arrears with an average balance of £268.02. Total arrears balances have increased by 23% over the past 12 months to £466,096 as at the end of June 2016. The largest value of arrears is attributable to tenants under the age of 35 who owe circa £173,000.

Universal Credit

3.21 The way in which benefits will be paid to tenants in the future presents a risk. At the current time 64% of HRA income is received via direct payment of Housing Benefit, with the remainder paid direct by tenants.

3.22 Universal Credit commenced in Rotherham on 7 December 2015, in that time there have been a total of 159 tenants claiming Universal Credit. At the current time the Council receives an income of £39,535.70 per annum through the Delivery Partnership for providing support to Universal Credit Claimants.

3.23 As at 7 July 2016 the arrears balance of tenants on Universal Credit stood at £137,788; an average balance of £918.59. This is £595.82 higher than the average balance of tenants whose rent is paid by Housing Benefit or fully themselves.

3.24 In setting budget projections beyond the short term these changes to benefits make accurate estimation difficult. There is a lack of information to accurately assess the scale of bad debt provision required, which means over the coming years there is a need to regularly review the impact on:

- Rent payment levels
- Cost of collection
- Tenancy turnover

3.25 If tenants on Universal credit do not pay their rent, in addition to an Alternative Payment Arrangement, the landlord will also be able to apply for a direct deduction of up to 20% for the non-housing element of their claim. This allows some degree of certainty that rent will be paid eventually so at the current time bad debt provision has been left at 2% up to year 10 of the plan.

Backdating of Housing Benefit

3.26 As of 1 April 2016 Housing Benefit claims will only be backdated by 4 weeks. This will impact on rent payments where a tenant was eligible for Housing Benefit but did not submit an earlier claim. As a result the Housing Income team now attend all tenancy sign up meetings to ensure that Housing Benefit claims are submitted at the start of a tenancy to minimise the detrimental impact this may have on income collection. Clearly this may also impact on existing tenants when there is a change in circumstances, which will be dealt with when identified through the arrears management process.

Restriction of Housing benefit for 18 to 21 year olds

3.27 From April 2017, 18-21 year olds submitting a claim for Universal Credit will not be automatically eligible for the housing cost element (equivalent of Housing Benefit). There will be some exceptions for:

- Parents whose children live with them
- Vulnerable groups
- Those who have previously been living independently and working continuously for six months

3.28 The HRA has 214 tenancies that fall into this category for which £10,592 income per week is received via Housing Benefit. Based on an average tenancy duration of 13 months for this client group it is inevitable there will be a risk that some of the £550,000 annual income would not be recovered from April 2018 onwards. This will lead to further pressure on HRA income and bad debt provision.

Pay to Stay

3.29 Tenants in social housing who earn more than £31,000 outside of London are expected to pay market rent from April 2017 onwards. The increase in rent will be tapered at a rate of 15 pence to the pound. ie for every extra pound of earnings over £31,000 the tenant will be expected to pay an extra 15 pence per week rent until they reach average market rent (for Rotherham).

3.30 In 2017-18 only additional rent collected less reasonable Local Authority administration costs, still to be determined by Department for Local Government and Communities, will be paid to the Treasury. This will be reviewed in 2017-18 and an annual determination may be introduced instead.

3.31 In addition to the extra administrative burden this policy places on the Housing Service such as income verification for all 21,000 tenancies and calculation of market rents annually by property type, this policy is also expected to increase the rate of Right to Buy given this may be a far more financially attractive option.

3.32 The policy will also directly place council properties in competition with the private sector. This may result in an increase in tenancy turnover rate for those affected who may see private sector rented as a more desirable option.

3.33 Until final regulations are published it is difficult to estimate the full financial implications of this policy. That said it is clear there are significant financial risks as :

- The government may move to an annual determination after Year 1 dependant on the amount of additional income this policy generates for the Treasury
- There will be an administration allowance but this is likely to be less than the cost of implementation.

Local Housing Allowance

3.34 As part of the 2015 Autumn statement it was announced that for new tenancies Housing Benefit in the social rented sector will be paid up to the Local Housing Allowance rate – the rate that applies to the private sector. In particular this means for single people aged under 35 without children, they will be restricted to shared accommodation rates. These rates are below typical council rents for one bed properties.

3.35 The policy applies to all tenancies signed from 1 April 2016, with the new rate commencing on 1 April 2018.

3.36 In such cases we therefore require tenants to make up the shortfall from other sources, with a subsequent increase in bad debts as a result. Further work on the future offer to this client group is underway and a report will be brought to SLT in 2017.

3.37 LHA rates have been frozen since April 2016 and Rotherham levels are detailed in the following table:

	Rates £ per week	Average Council rent £ per week
Shared accommodation	58.50	49.34
One bedroom rate	80.00	66.77
Two bedroom rate	92.31	76.20
Three bedroom rate	100.38	79.00
Four bedroom rate	144.23	87.24

3.38 This policy is not restricted by age therefore pensioners will also be affected, with the exception of the Shared accommodation rate.

3.39 The table below details the annual income currently received from tenants under 35 who are single with no dependants:

Number of tenants in receipt full HB	Annual Income £	Number of tenants in receipt of part HB	Annual Income £
534	2,295,696	505	1,891,864

- 3.40 Given this client group will in future be restricted to a maximum LHA (Local Housing Allowance) rate of £58.50 per week and an average tenancy duration of 4 years 4 months, it is reasonable to assume by 2020 the client group will lose equivalent to £24.35 per week (£1.3m annually) HB (Housing Benefit) entitlement. This will subsequently have a further impact on HRA finances and it is highly probable this will manifest itself through increasing rent arrears and bad debts.
- 3.41 There will also be an adverse impact on Council tenancies that are offered as 'furnished' through the Rotherham Furniture Solutions scheme (RFS). The scheme is paid for by the HRA but delivered as a service within the General Fund. Extensive modelling of the impact the new LHA rates will have on the future viability of the RFS scheme have been undertaken. In summary whilst the service can continue to be delivered with some changes to packages offered, there will no longer be the ability to generate significant surpluses on an annual basis. This may have an impact on the Council's Medium Term Financial Strategy as £1.35m income is factored into this plan in 2017/18.

Fixed term tenancies

- 3.42 The Housing and Planning Act introduced the requirement for fixed term tenancies of up to 10 years for social housing with the aim of making best use of the stock so only people in housing need remain. Whilst this will not reduce income to the HRA, it will probably increase the turnover rate for stock so increasing housing management and void costs at a time when cost savings are required.
- 3.43 This policy would also apply to succession rights, with the exception of a Partner or spouse inheriting the tenancy.

Higher Value Property Sales

- 3.44 The Housing and Planning Act introduced a requirement on Local Authorities to consider the sale of higher value properties that become vacant.
- 3.45 This duty is a result of the introduction of Right to Buy for Housing Association tenants. Originally it was intended that this would be funded by the sale of higher value council properties when they became vacant. It is now clear that Local Authorities will receive an annual determination from the DCLG which may or may not reflect the actual turnover of higher value properties.
- 3.46 It will be for Rotherham MBC to consider if it wishes to sell a higher value property when it becomes vacant. No guidance has been issued yet to define what is meant by higher value. Irrespective of whether the council chooses to sell or not, it will be required to make a payment from the HRA each year to the DCLG based on the determination it receives.

3.47 Previous estimates, assuming the highest value properties by bedroom size would be subject to review and therefore captured by the levy / determination, this could cost the HRA up to £3.1m per annum.

3.48 As of August 2016 no detailed regulations have been issued. For planning purposes it has been assumed the HRA will incur a charge of £2m per annum under this policy. Once the regulations have been published a review of this assumption will take place. This is a significant risk to the HRA Business Plan.

4. Options considered and recommended proposals

4.1 Detailed options are contained in the main body of the HRA Business Plan report. The proposed option going forward is Base Case 2016-17. This will result in the HRA having an Operating Surplus of £35.3m by Year 30.

5. Consultation

5.1 The Cabinet Member for Housing has been consulted over these proposals. The Tenants Quality and Standards Group will be consulted on 11 October 2016 and their comments will be incorporated into future revisions of the plan.

6. Timetable and Accountability for Implementing this Decision

6.1 The table below shows the approval timeline:

Date	Progress
23 August 2016	Draft considered by Housing SMT
13 September 2016	SLT
19 September 2016	Pre-Cabinet Meeting – Presentation
20 September 2016	Members Seminar
10 October 2016	Cabinet
26 October 2016	Improving Places Select Commission

7. Financial and Procurement Implications

7.1 In developing the HRA Business Plan the CIPFA / CIH code of practice for a self- financed housing revenue account; the Financial Viability principle has been taken into account which states that:

- The housing authority has arrangements in place to monitor the viability of the housing business and take appropriate actions to maintain viability.

7.2 A reduction of 1% on rental values as required by legislation and assuming CPI increases only thereafter, compounded for 30 years has had a significant detrimental impact on the potential HRA balances. Income within the HRA Business Plan is £638m lower as a result.

7.3 Significant cuts to capital Investment are already built into the plan and these need to be delivered within the business by re-profiling works to match available funds. Work is ongoing to manage this and it may be delivered in part by extending the life of building components and by planning in advance.

- 7.4 Reductions to revenue Supervision/ Management costs of £1.416m and Repairs/ Maintenance costs of £0.750m have been incorporated into the HRA Business Plan from 2016 to 2019 (detailed at 3.12 above). Discussions are already ongoing with relevant service areas in order to deliver the required savings.
- 7.5 A key financial issue is the shortfall in capital funding of £13.6m between Years 7 and 20. It is proposed to address that shortfall as part of the ongoing review of the business plan and reprioritisation of future resources and investment plans alongside a better understanding of the future impact of the various legislative changes detailed within Section 3 above.
- 7.6 The HRA Business Plan assumes an annual payment to central Government of £2m for the higher value property levy. As previously noted it is not possible at this stage to confirm the accuracy of the estimate until the detailed regulations are issued by DCLG. Any change in the estimate will need to be reflected in a revision to the business plan.

8. Legal and Procurement Implications

- 8.1 The Legal Implications where known are covered in main body of this report. Further detail is awaited from central government on some recent legislative changes under the Housing and Planning Act 2016, such as the pay to stay and higher value property sales provisions, which may alter some of the estimates made in this report.

9. Human Resources Implications

- 9.1 The report indicates cost savings over the next three years and therefore there is potential for service reviews across those service areas funded from the HRA. Opportunities to reduce through natural wastage should also be taken where staff leave housing services.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 There are no implications for CYPS or Vulnerable Adults.

11 Equalities and Human Rights Implications

- 11.1 There are no Equalities and Human Rights implications.

12. Implications for Partners and Other Directorates

- 12.1 This proposal is about making effective use of council assets and managing them to best effect. It contributes to the sustainable neighbourhood's agenda by addressing future investment needs and will help deliver a better quality of affordable housing to the community.

13. Risks and Mitigation

- 13.1 Self-financing involved a significant transfer of risk from Central Government to the Council. Variables such as interest rates, cost inflation, number of homes owned etc. are all risks managed by the Council.

- 13.2 Any adverse changes in rental income (for example as a result of welfare reform or changes in the number of Right-to-Buy sales) must be managed locally.
- 13.3 The risks associated with the HRA Business Plan demand a smarter approach to risk management. The Council will closely monitor the viability of the HRA Business Plan; through the governance structure described in the Business Plan at Appendix A, by building a HRA Business Plan monitoring report to monitor key variables such as:
- Number of homes
 - Rental income
 - Rent arrears and bad debts
 - Voids and void rent loss
 - Debt levels and repayment
 - Reserve levels, and
 - Maintenance backlog
- 13.4 The risk management plan for the HRA Business Plan is contained in the HRA Business Plan at Appendix A. The plan follows the Council's risk management methodology and approach. It includes a clear description of the risk, an assessment of probability and impact of the risk, a summary of controls and cost consideration and information on when the risk will be reviewed.
- 13.5 The risk management plan is updated, tracked and monitored through the governance structure described under the Governance section. The management plan will be revised as the situation changes - especially regarding interest rates and inflation - in light of Government announcements such as continuing welfare reforms as part of process of monitoring changes in variables and performance.
- 13.6 Significant risks will be placed on the Corporate Risk Register and risk issues will be escalated through the Council to Departmental Leadership Team and Senior Leadership Team as necessary.
- 13.7 The Council has risk based reserves to ensure that HRA reserves are maintained at the appropriate level. The reserves will be maintained at the appropriate level to fund potential future financial pressures from risks such as welfare reform and investment requirements.

14. Accountable Officer(s)

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ROTHERFED TENANT SCRUTINY

An orange rectangular box containing six white icons arranged in two columns. The top-left icon is a speech bubble with the letter 'R'. The top-right icon is a document with a cursor arrow. The middle-left icon is a house. The middle-right icon is a pencil. The bottom-left icon is a smartphone. The bottom-right icon is a speech bubble with the letter 'y'.

**Investigation
into
Engaging
Young Tenants
in Rotherham**

Interim Report October 2016

Rotherfed Tenant Scrutiny formed in April 2016 and this is their first investigation.

Tenant Scrutiny provides an opportunity to build effective partnership between Rotherham's tenants and the Council in the spirit of co-regulation, resulting in a joint-win for all. The process can challenge landlord's services, standards and performance leading to better performance, value for money and tenant satisfaction.

STAR survey results

Younger tenants (16-34s) living in Rotherham Council housing generally feel more dissatisfied and out of touch with their landlord (STAR survey);

- **30%** say that they are dissatisfied with the landlord listening to their views and acting on them (another 20% were unsure).
- **24%** say that they are dissatisfied with opportunities to make their views known (another 30% were unsure).
- **18%** felt dissatisfied with being kept informed by their landlord (34% were unsure).

Progress so far

The Tenant Scrutiny panel has met five times over the past few months. Achievements so far have been;

Scoping and preparing a time plan for the investigation

The investigation is planned to run up to February 2017 and is to include meetings with officers and engagement events with younger tenants to get a rounded view on how services and opportunities can be improved.

Designing and circulating a survey for younger tenants

The surveys asks for the views of younger tenants on whether they would like to have more of a say on housing services and what things the Council could do to get them more engaged. 44 surveys have been returned so far.

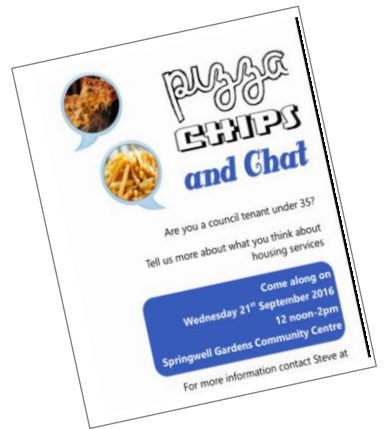


First meeting with officers

Officers from Rush House, Wilmott Dixon, Mears, Rotherham Council (Neighbourhood Development) and Rotherfed were invited to share their views on why younger tenants are more dissatisfied and what the barriers to engagement are for them. Examples of good practice were also discussed.

Younger tenant engagement event - Pizza Chips & Chat

Younger tenants were invited to come along and chat about ways of engaging them and their feelings on how they are treated by officers. There were different activities such as a website challenge, plain language tester followed by a focus group session over lunch. Attendance was low (six younger tenants) but as a result of this there was opportunity for deeper questioning.



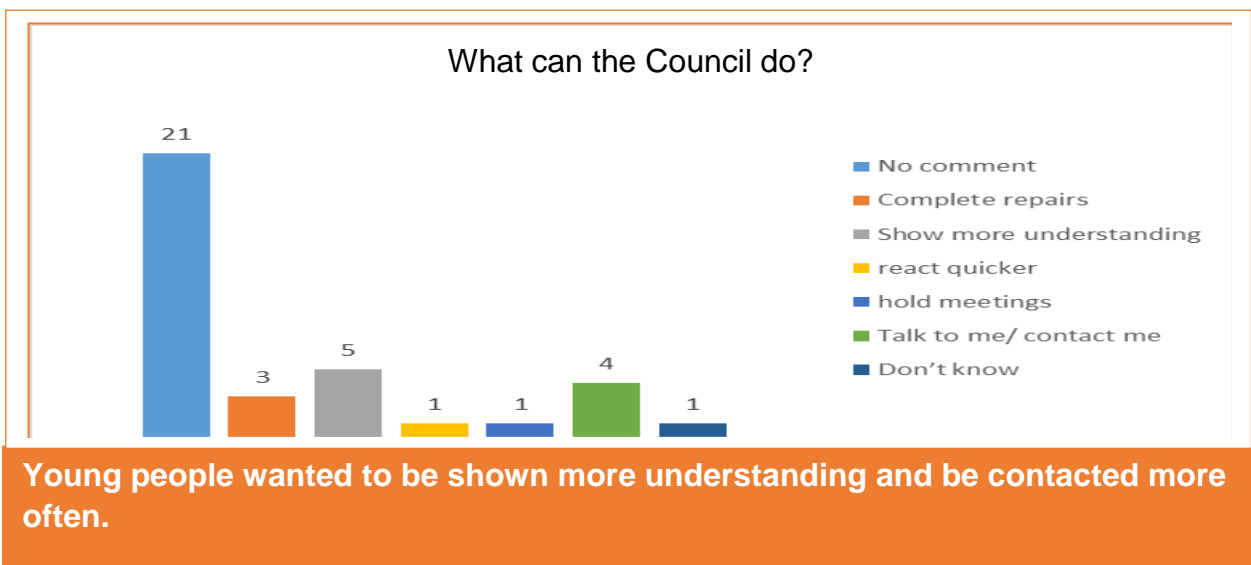
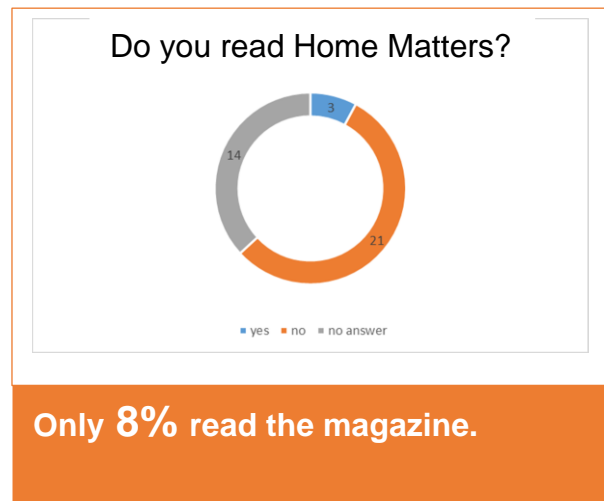
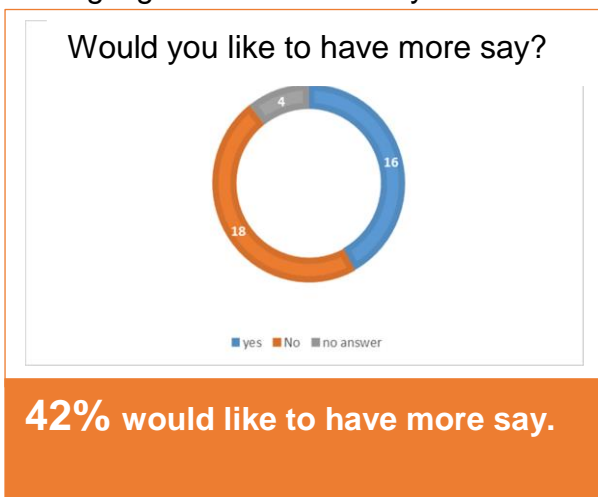
Second meeting with officers

Discussions took place with officers from various teams across Rotherham Housing Services. Themes for the meeting were based around the results of the engagement event i.e. Plain Language, Online services, Reception Areas, Sign –up Experience and ideas to improve general engagement with younger tenants.

Findings so far

Survey

The highlights from the survey so far are:



Discussions with younger tenants

The Pizza, Chips and Chat event found that:



All those using the housing reception recently found their experience to be poor due to waiting times, screens not working, and being unable to hear properly. Two people felt patronised by the member of staff they spoke to.

Applying for a Council house was easy on the website but other transactions were found to be difficult, in particular telling someone that you were moving home.

The tenancy agreement and annual report were good, but all documents were too long and contained too many statistics.

The magazine should include more stories about younger people, local communities and events.

Younger tenants thought the communication could be improved particularly by sending things through the post as well as using social media. They would also like more visits from housing officers and more events in their local area.

Rush House had helped respondents massively during their sign-up experience. One person had never received a follow-up visit.

Next steps

- To find ideas for good practice for engaging younger tenants used by other housing providers.
- To connect with other younger tenants by visiting existing groups where there are concentrations of younger tenants.
- To map out existing support and engagement services and identify any gaps.
- To get more surveys completed and carry out a final analysis of the responses.
- To submit final report and recommendations in February / March 2017.