

IMPROVING PLACES SELECT COMMISSION

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

**Date: Wednesday, 30th November,
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 26th October, 2016 (Pages 1 - 10)
8. Housing Allocation Policy Amendments (Pages 11 - 47)
9. Dignity/Rotherham MBC Contract Performance Update (Pages 48 - 69)
10. Emergency Planning Task and Finish Group
11. Tenant Scrutiny
12. Date and time of the next meeting:-
Wednesday, 11th January, 2017 at 1.30 p.m.

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, 26th October, 2016

Present:- Councillor Mallinder (in the Chair); Councillors Allen, Atkin, Buckley, Brian Cutts, Jones, Marles, McNeely, Reeder, Rushforth, Sheppard, Taylor, Julie Turner, Walsh, Whysall and Wyatt together with Mrs. L. Shears and Mr. B. Walker (Co-opted Members).

Councillors Ellis and John Turner were in attendance at the invitation of the Chair.

Councillor Beck, Cabinet Member for Housing, was in attendance for Minute No. 29 (Housing Revenue Account Business Plan 2016-17).

Apologies for absence were received from Councillors Jepson and Price.

25. DECLARATIONS OF INTEREST

The following Declarations of Interest were made at the meeting:-

Councillor McNeely Personal (Council tenant)

Lilian Sheers Personal (Council tenant)

26. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

There were no members of the public or press present at the meeting.

27. COMMUNICATIONS

Christine Majer, Scrutiny Adviser, advising that Scrutiny was still working with the Local Government Association. It had been suggested that each of the Commissions undergo an exercise on how to look in detail at the performance monitoring of the Directorates that came under the respective Commission's remit.

The suggested dates were:-

Thursday, 24 th November	a.m.
Friday, 25 th November	a.m.
Monday, 28 th November	all day

Members were asked to contact Christine as a matter of urgency with their preferred date and suggestions of potential areas to scrutinise.

28. MINUTES OF THE PREVIOUS MEETING HELD ON 14TH SEPTEMBER 2016

Consideration was given to the minutes of the previous meeting held on

14th September, 2016.

Arising from Minute No. 18(2) (Cemeteries and Crematorium – Dignity PLC), it was noted that the contact details of the Liaison Officer had not been supplied.

Resolved:- (1) That the minutes of the previous meeting held on 14th September, 2016, be agreed as a correct record.

(2) That the Scrutiny Adviser circulate to Members of the Select Commission the contact details of the Dignity Liaison Officer.

29. HOUSING REVENUE ACCOUNT 30 YEAR BUSINESS PLAN

Paul Elliott, Business and Commercial Manager, and Tom Bell, Acting Director of Housing Services, presented a report on the Housing Revenue Account Business Plan 2016/17 and gave the following powerpoint presentation:-

What is the HRA Business Plan?

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

Housing and 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 35s
 - Under 21s
- Benefit Cap

Universal Credit

- 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
 - Income based JSA

Working tax credit
Income related Employment Support Allowance

Benefit Cap – 5th December, 2016

- Further reduction will take the cap from £26,000 to £20,000
- This will affect around 400 families with 1400 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 e.g. 2 person household (mother and son) would qualify for the 2 bed rate
- Housing Benefit – social rented sector
Based on the property size e.g. 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

Extent of the problem

- 1,929 applicants to the housing register who are under 35 years old
1,592 staying with family, others are rough sleeping, no fixed abode or staying in hostels/temporary accommodation
Commences 1st April, 2018, for tenancies that started on/after 1st 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 Gap	Reduction in Housing Benefit income leading to an increase in rent arrears resulting in an increased bad debt provision	£400,000 per annum	October, 2016
Social Sector Size Criteria (Bedroom Tax)	Reduction in Housing Benefit income	£100,000 per annum	Ongoing
Universal Credit	Reduction in Local Housing Allowance income. Increase in rent arrears resulting in an increased bad debt provision	£200,000 per annum and increasing	Ongoing
Restrictions 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 £500,000 per annum	April, 2017
Pay to Stay	Increasing Right to Buy. Charging market rents leading to increased rent arrears. increased administration costs	Not yet to know	April, 2017
Local Housing Allowances (LHA) rate capped for under 35s	Fewer tenancies to single under 35s. Harder to let properties. Increase rent arrears leading to bad debt	£1.3M per annum	April, 2016

	provision		
Cap Social rents to Local Housing Allowance (LHA) rates	Cost of a furnished tenancy or not covered fully by Housing Benefit due to LHA cap	Up to £1.3M annual to General Fund	April, 2018
Fixed term tenancies	Increase tenancy turnover leading to increased void costs	Not yet known	April, 2018
Higher value property levy	Sale of properties becoming vacant and/or payment of annual determination from DCLG	£2M per annual (awaiting regulations)	2016/17?

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
- Right to Buy average 200 per year; the housing stock 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?

Discussion ensued with the following issues raised/highlighted:-

- The rationale for the 1% annual reduction in Council rents for 4 years was that it would lead to a reduction in the Housing Benefit bill as social housing rents were paid, in the main, from Housing Benefit. The reduction would have a compounded effect in the reduction of the Housing Benefit bill in long term of approximately 16-17%. Private

rents were capped at the Local Housing Allowance which was set at the local level which was frozen for 4 years

- Work had been undertaken to understand what the average market rents for Rotherham were by property size. The additional income generated by the Pay to Stay initiative would not be retained by the Local Authority; all of it would be passed directly to the Government and none of the cash would be factored into the Housing Revenue Account business plan. The only factor into the business plan was an anticipation that there would be an increase in the Right to Buy sales because, in many cases, for those tenants at the top end of the earnings limit it would be cheaper to exercise their Right to Buy if eligible for mortgage finance. It was understood that the taper would remain at 15p for every pound whilst ever a tenant was earning over £35,000 but the detailed guidance was awaited. It was assumed that the Government would introduce a review process so if a tenant's earnings dropped then their rent would be reduced but if their income increased then their rent would increase up to the market rent threshold
- CIPFA Guidance stated that a property had a life longer than 30 years so accordingly there had to be a business plan that could sustain and maintain the property over the 30 year period to ensure the local authority still had an income from it
- Rotherham currently had low numbers in receipt of Universal Credit. The strategy was very much been about providing intensive support by the Tenancy Support Officers to those tenants in receipt that been put on Universal Credit. The Officers provided assistance in looking at increasing other benefit income, setting up bank accounts, personal budgeting support, offering money advice and wherever possible offering support in signposting them to become longer term employed and improve their employment prospects. A package of support was provided to the tenant to make them self-sufficient in the longer term so less of an impact on Council resources, a reduction in rent arrears and potentially a reduction in Council services they may access
- It was expected, and from initial conversations with the Local Government Association, that the Local Authority would be writing to all tenants not in receipt of Housing Benefit and requesting that they provide income details. This would for both themselves as the named tenant and any partner/spouse. The £31,000 income threshold was based on any taxable income of both the named tenant and partner/spouse. Currently there was no advice as to whether this included savings but it was envisaged that there would be some element of any interest accrued from savings would be factored into the Pay to Stay calculation.
- The Local Authority had no choice in the matter of Pay to Stay and the

passing of any income to the Government

- At the present time there were no published Regulations as to what was meant by the sale of “high value” Council properties. It was currently going through Parliament. From the DCLG it was known that it would be based on the local market value and that the calculation would be based on to the number social housing properties owned by the Local Authority
- The Cabinet Member for Housing had been consulted as part of the development of the proposals with a strong emphasis on retaining as long as possible strategic acquisitions and housing growth whilst maintaining good services to the tenants of Rotherham and wherever possible maintaining a critical mass of Council housing within the Borough
- The Tenants Quality and Standards Group had been consulted but more work was required to consult with and inform tenants of the implications of the Housing and Planning Act and Welfare Reform
- Work had started through the Tenancy Engagement Team with regard to consultation with tenants and what the future housing offer would be. An article would be included in the Christmas Tenants’ Magazine
- The criteria with regard to Fixed Term Tenancies was currently under development. It was felt that the crux would be around ensuring that the Authority retained “good” tenants over the longer term and encourage sustainable communities. However, it was noted that detail was still awaited from the Government
- There was also work ongoing in terms of the Housing Strategy around Fixed Term Tenancies and how they would be implemented locally to ensure there were sustainable communities and that tenants had a sense of belonging. Some consultation had commenced with tenants and potentially helped those that wanted to downsize in the future because of their changed circumstances. There would be a further report to Members
- Fixed Term Tenancies took away choice from tenants
- The £31,000 cap on Pay to Stay may deter tenants from improving their employment status
- The high value property levy was introduced to fund the construction of Right to Buy Housing Association properties
- The Strategic Housing Team were currently working on proposals for potential future stock that would fit the under 35 segment of the market and fit the £58.50 Local Housing Allowance cap

- The elderly would not be affected by the Bedroom Tax but would be affected by the change in Housing Benefit eligibility. There was no age threshold in terms of the Local Housing Allowance but it was based on household size and not property size, therefore, in the future a new tenant of pension age and in receipt of Housing Benefit to cover the rent would be capped at £58.50. This had come into effect from 1st April, 2016
- The £31,000 Pay to Stay limit equated to just over £15,000 each. This would probably be less than the minimum living wage
- Was there any protection for the disabled?
- Consultation was essential to ensure tenants understood and given as much warning as possible about some of the changes that would affect them to their disadvantage
- Work was taking place on the development of an Older People's Housing Strategy and would be submitted in the New Year. It would look at how the Council coped with the demographic changes in society and enable residents to downsize into more suitable accommodation in the neighbourhood where they lived. Attempts were also being made to ensure that when there were opportunities to build new accommodation or acquire accommodation that there was a focus and making sure that specialist accommodation was built which would help the older age group
- Work was also taking place in relation to the benefits/possibilities of establishing a delivery vehicle as many other councils had. In conjunction with the Government agency, 5 workshops had been set up to explore this further
- A funding bid had been supplied to the Government for a pilot scheme of remodelling some Direct Homes (flats) of low demand into suitable accommodation for under 35's and converting 2 flats into a family house

Paul and Tom were thanked for their presentation.

Resolved:- (1) That the 2016/17 Base Case for the Housing Revenue Account business plan be noted.

(2) That an updated financial position be submitted as the new Government Regulations came into force.

(3) That a further report be submitted in 6 months.

(4) That further information be supplied to the Select Commission on:-

Figures regarding the uptake of 16-21 and the under 35's
 How many had taken up the support package
 Management of private rented housing tenants applying for rehousing

30. TENANT SCRUTINY - UPDATE ON REVIEW

Lilian Shears, Co-opted member, presented the interim report of the investigation into engaging young tenants in Rotherham by Rotherfed Tenant Scrutiny. It had formed in April 2016 and this was its first investigation.

The Panel had met 5 times and achievements so far included:-

- Scoping and preparing a time plan for the investigation
- Designing and circulating a survey for younger tenants
- First meeting with officers
- Younger tenant engagement event
- Second meeting with officers

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

Resolved:- That the report be noted.

31. EMERGENCY PLANNING TASK AND FINISH GROUP

Councillor Wyatt, Chairman of the Task and Finish Group, gave the following verbal report:-

- The majority of the content and inserts in the Emergency Plan were last updated in 2012/13
- It was not anticipated that the review would be signed off until April 2017 but was not to say that any work emanating from the review had to wait until that time
- The resilience of the emergency plan was to be tested – to look at the governance arrangements, the meetings that took place and how they were accountable, the terms of reference, systems within the Directorates
- There had been a massive change in the organisation and staff that

- many of the named people in the plan had left the employment of the Council some time ago
- The need to test the arrangements that existing between the Council and other external agencies e.g. Police, Fire and Rescue, NHS, Yorkshire Water
 - The need to test the arrangements for the Forward Liaison Officer – what training they had received, what support and equipment they had
 - Recommendation that the Senior Leadership Team carry out an exercise of the Emergency Plan
 - Elected Members would be provided with a copy of the LGA Booklet – guidance stated that a copy should be provided to all Members as a reference document
 - The Group would be speaking to key witnesses including Karen Hanson (Assistant Director Regeneration and Environment), Claire Hanson (Senior Resilience Officer), 1 of the Forward Liaison Officers, ascertain how the incident room worked/was managed

It was noted that the joint arrangement with Sheffield City Council would not form part of the review.

The outcome the review would be looking for was an improved Emergency Plan which was fit for the purpose it was designed for, adequate resources to meet any potential major incident which could happen across the Borough and to confirm that the governance structure in place prioritised ongoing leadership and review.

32. DATE AND TIME OF THE NEXT MEETING

Resolved:- That a further meeting be held on Wednesday, 30th November, 2016, commencing at 1.30 p.m.

ALLOCATION POLICY AMENDMENTS

Sandra Tolley

Housing Options Manager

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Tel: (01709) 255619

Allocation Policy – Review Timetable

Started to review early summer 2016

Rotherfed Board – 26/9/16

Quality and Standards Challenge Group – 11/11/16

Improving Places Select Committee – 30/11/16

Cabinet & Commissioners Decision making meeting
– 9/1/17

Write to all applicants March 2017

Implement 1/4/17

Allocation Policy Review

The Housing Register

6457 people on Housing Register (July 16)

Band 1 = 251

Band 2 = 1608

Band 3 = 1695

Band 4 = 1678

Transfer = 1225

2000 properties advertised each year

40 homes allocated each week

Allocation Policy Review

Rational - Why do we need to Review?

- Improve tenancy sustainability
- Opportunity to better understand the needs of our customers
- Prevent homelessness
- Reduce expenditure (Void/Rent Loss)
- Help single people under the age of 35 access accommodation

Allocation Policy Review

Council Tax arrears

- April 2015 – Revised Allocation Policy
- Representation made
- Further analysis
- Legal implications – not recommended

Allocation Policy Review

Tenancy Sustainability- Recommendations:

1. Mandatory requirement for applicants who have no experience of running their own home, or where a previous tenancy has failed, to attend a pre-tenancy workshop.
2. Mandatory requirement for all applicants to undertake a housing options interview before joining the housing register

Allocation Policy Review

Rational

- Termination Trends Analysis
- Research

Implementation

- Target audience
- Developing the proposed workshops
- Pre-tenancy Housing Options Interviews

Views from Consultation

Allocation Policy Review

Reduction in spend - Recommendations:

3. New tenants should not be allowed to apply to transfer within the first two years of their tenancy.

Allocation Policy Review

Rational

- Increase Neighbourhood sustainability
- Transfer Policy – 2 years (loop hole – band 4)
- Saving to HRA - £2,095 = 1 void
- Views from the Consultation

Allocation Policy Review

Reduction in spend

4. No rent allowances are issued to new tenants or existing Council tenants. Recommended option

Option 1: Reduce the 14 day allowance to 7 days

Option 2: Reduce the 14 day allowance to a maximum of 5 working days.

Option 3 -No rent allowances are issued.

Allocation Policy Review

Rational

- Inconsistencies with the current system
- Benchmarking
- Option 1 - Annual savings of £38K
- Option 2 - Annual savings of £50K
- Option 3 - Annual savings of £158K
- Views from the Consultation

Allocation Policy Review

Housing Options (Under 35) Recommendations:

5. Bedsits are let to single people or couples giving preference to single people under the age of 35

Option 1 – No change

Option 2 - Priority to single under 35s

Allocation Policy Review

Rational

- Welfare Reform changes to Local Housing Allowance, shared room rate £58
- Housing Register
 - Total 6457 of these 1216 are single under 35, of these 317 are employed, 19 on training scheme
 - Limited stock of 75 bedsits (Last year 11 vacant of these 6 were let to under 35s
- Views from the Consultation

Allocation Policy Review

6. Include homeless applicants owed a reasonable preference to the list of applicants who are exempt from the Local Connection Criteria rules.

- Homeless, but not in priority need
- Homeless, but owed a duty by another authority
- Living in unfit or unsatisfactory housing, have a medical or disability or pressing welfare reason to move

Allocation Policy Review

Rational

- Complies with legislation
- Make sure the policy meets the requirements of the new Homelessness Prevention Bill.

Allocation Policy Review

Consultation - 30 people

Agree 5 Days	Disagree 5 days	Agree 0 days	Disagree 0 days
12	3	11	4

Any Questions?



Summary Sheet

Council Report

Cabinet and Commissioners' Decision Making Meeting – 9th January 2017

Title

Amendments to the Housing Allocation Policy

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)

Name and Job Title: Sandra Tolley, Housing Options Manager

Ward(s) Affected

All

Executive Summary

On 6th August 2015 a revised Allocation Policy was implemented. However, one of the proposals regarding Council tax arrears was deferred due to representation having been made following the publication of the Commissioner's 'minded to agree' decision on 6th August 2015. It was agreed that further analysis / exploration of legal implications was required and a clear procedure should be developed if Council Tax arrears could be taken into account in deciding whether an applicant is eligible to join the Housing Register.

This work has now been completed and the purpose of this report is to update Cabinet of the findings. Due to the legal advice given on this issue it is not recommended that Council Tax debt be included in the Allocations Policy.

At the same time six amendments are recommended which aim to increase tenancy sustainability, take into account lessons learned over the past 12 months, changes brought about by the Welfare Reform and Work Act 2016 and to prepare for the Homelessness Reduction Bill:

- a) Introduction of a programme of pre-tenancy workshops and support for all prospective new tenants that either have no prior experience of managing a tenancy, or have previously had a failed tenancy. This should significantly improve tenancy sustainment levels particularly for vulnerable young people.
- b) Introduction of pre-housing register housing options interviews which will give new customers an opportunity to learn about Rotherham Council homes and

other affordable housing options. It also helps us to understand the needs of our customers, giving tenancies the best possible start

- c) Since the current Allocations Policy was implemented in August 2015 there has been an increase in the number of tenants requesting a housing transfer in Band 4 within the first two years of their tenancy. It is therefore proposed to place restrictions on tenants transferring within the first two years of their tenancy.
- d) Setting rent allowances at a consistent level for existing tenants and new tenants, by either issuing a rent allowance of up to a maximum of five working days or stopping the use of rent allowances for new lettings and transfers. Currently, existing tenants who transfer to another home within the Council's stock are allocated an allowance of a minimum of 14 days, whereas new tenants are allocated an allowance of a maximum of five working days.
- e) Giving preference in the Allocation Policy to single people under the age of 35 for bedsits. This will help single applicants under the age of 35, who will be affected by the introduction of the Local Housing Allowance single room rate in April 2018, to access affordable accommodation.
- f) Setting housing register qualification criteria that does not disqualify homeless households that are owed a reasonable preference from joining the housing register. In short, if the local authority decides that a person is owed a reasonable preference under homelessness legislation, the residency local connection criteria should allow the applicant to join the register.

Recommendations:

That the changes to the Allocation Policy be approved as follows:

- 1) Mandatory requirement for applicants who have no experience of running their own home, or where a previous tenancy has failed, to attend a pre-tenancy workshop.
- 2) Mandatory requirement for all applicants to undertake a housing options interview before joining the housing register.
- 3) New tenants should not be allowed to apply to transfer within the first two years of their tenancy.
- 4) No rent allowances are issued to new tenants or existing Council tenants.
- 5) Bedsits are let to single people or couples giving preference to single people under the age of 35.
- 6) Include homeless applicants owed a reasonable preference to the list of applicants who are exempt from the Local Connection Criteria rules.

List of Appendices Included

Appendix 1 - Impact of Council Tax debt for the Housing Allocations Policy

Background Papers

Housing Allocation Policy (August 2015)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

24th July 2015 - Overview and Scrutiny Management Board

26th September 2016 - Rotherfed Board meeting
11th October 2016 - Quality and Standards Challenge Group
30th November 2016 - Improving Places Select Commission

Council Approval Required

No

Exempt from the Press and Public

No

Amendments to the Housing Allocation Policy

1. Recommendations

That the changes to the Allocation Policy be approved as follows:

- 1) Mandatory requirement for applicants who have no experience of running their own home, or where a previous tenancy has failed, to attend a pre-tenancy workshop.
- 2) Mandatory requirement for all applicants to undertake a housing options interview before joining the housing register
- 3) New tenants should not be allowed to apply to transfer within the first 2 years of their tenancy.
- 4) No rent allowances are issued to new tenants or existing Council tenants.
- 5) Bedsits are let to single people or couples giving preference to single people under the age of 35
- 6) Include homeless applicants owed a reasonable preference to the list of applicants who are exempt from the Local Connection Criteria rules.

2. Background

2.1 Overview of previous decisions

2.1.1 The Council's previous Housing Allocation Policy had been in place since 29th October 2014. A significant change was made during 2014 to ensure that only those in housing need were eligible to join the Register, resulting in a reduction by over 10,000 applicants. As a consequence of this change, the Council had a number of 'low demand' properties that were not being let, and this was the driver for amendments to the Policy in Summer 2015. A new priority band 4 was created to allow people who are not in housing need, to bid for low-demand properties.

2.1.2 The policy was reviewed and a report provided to the Overview and Scrutiny Management Board (OSMB) on 24th July 2015, setting out this and various other proposed changes. The majority of the proposed amendments were supported by OSMB. However, one of the recommendations, regarding Council Tax debt (and whether it should be included in the £800 limit for an applicant's overall level of debt), was not supported.

2.1.3 On 6th August 2015, the Council's Commissioner and Managing Director issued a 'minded to agree' decision to approve the revised Allocations Policy (and this was implemented accordingly from this date), but took into account the views of

OSMB with respect to Council Tax. The Council's Commissioner and Managing Director decided that Council Tax debt should be taken account of, but the value of the debt not grouped with other debts, and applicants would be eligible to join the Register provided that an active payment plan was in place.

2.1.4 Following publication of the 'minded to agree' decision, representation was made by an Elected Member. Consequently the Council's Commissioner and Managing Director agreed to delay the Council Tax proposal to allow further opportunity to consider the legal implications, undertake a detailed analysis, consider any data protection issues and develop a procedure for Council Tax debt.

2.1.5 This work has now been completed and details of the findings can be found in Appendix 1.

2.1.6 However, further legal analysis suggests that it would be unlawful to disqualify applicants from the housing register based on their Council tax arrears. Therefore the purpose of this report is to provide an update of findings following the original proposal and recommend that Cabinet does not proceed with the original proposal to include a qualifying requirement in the Allocation Policy relating to Council tax arrears. Cabinet is asked to approve five amendments to the Allocations Policy, to take into account lessons learned over the past 12 months and changes brought about by the Welfare Reform and Work Act 2016.

2.2 New proposed change aimed at improving tenancy sustainment

2.2.1 Analysis of recent tenancy termination data shows that the majority of 'negative terminations' of tenancies (evictions and tenancy abandonments) are due to affordability and anti-social behaviour issues. By offering a programme of pre-tenancy awareness sessions and pre-housing register interviews, the Council could significantly improve tenancy sustainability levels particularly for vulnerable young people. This report proposes that pre-tenancy workshops be implemented for all prospective new tenants that either have no prior experience of managing a tenancy, or have previously had a failed tenancy. In addition it is proposed that it is made mandatory for all new tenants to undertake a pre-housing register interview before joining the housing register. Improved tenancy sustainability will be evaluated 12 months following the implementation date of the policy.

2.2.2 The table below shows that during June 2016, from a total of 123 terminations 28 potentially could have been prevented from failing if the tenant had received more awareness of the responsibilities of being a tenant and where to go for help before they signed the tenancy agreement.

Termination Reason	Number terminated
Suffered Antisocial Behaviour	3
Evicted for Antisocial Behaviour	1
Evicted for Arrears	7
Fear of crime	2
Financial Difficulties	5
Moved in with partner	3
Problems with getting on with their Neighbour	2

Went back to family for support	5
Total number of terminations that could have been prevented	28
Total number of terminations in June 2016	123

2.2.3 Research shows that by providing support and more information to new tenants, tenancies are more likely to be sustained. Officers have networked with other organisations who are already offering this support, to identify best practice. It is proposed to implement a programme of support for applicants with no prior experience of managing a tenancy, or who have previously had a failed tenancy.

2.2.4 These workshops will be developed with the help of Rotherfed and young people. The workshops can include agreeing topics such as:

- **Moving and setting up a home** - bidding for properties, furnishing, decorating a home and connecting to utilities, obtaining a TV licence and basic home maintenance skills
- **How to keep a tenancy** - applying for benefits, avoiding breach of a tenancy through rent arrears
- **Managing a budget** - dealing with debt, using a bank, budgeting and loans advice.

There will be workshop criteria which applicants will need to follow to qualify to join the register. If the criteria are not met the applicant will need to rebook. The criteria will include:

- Attending the workshop on time and being respectful to other people at the workshop. Anyone who demonstrates anti-social behaviour will be asked to leave the workshop.
- Completing and engaging in the workshop.

2.2.5 The introduction of pre-tenancy workshops for new people wishing to join who have had no experience in running their home, or where a previous tenancy has failed will mean that an average of 12 applicants will need to attend a workshop each week. The programme can be developed with the help of young people and delivered in-house by the Financial Inclusion team / Housing Advice team. There is currently a Housing Income Service review which proposes that there will be a team in place to provide independent financial assessments prior to lettings and intensive tenancy support at the commencement of a tenancy.

2.2.6 The policy would be implemented for new applicants, and existing applicants who are already on the housing register will not be required to attend a workshop. This is because the task would be too resource intensive as the existing housing register contains 6457 applicants, of whom 1929 applicants meet this criteria (see below)

- Living with family or friends = 1592
- Sleeping rough = 8
- No fixed abode = 279
- In hostels or temporary accommodation = 47

- In bed and breakfast = 3
- **TOTAL 1929**

2.2.7 In order to free up staff time to undertake the pre-housing register interviews, housing register processes will be amended and streamlined. Currently applicants apply on-line and then each applicant is sent a letter to request proof of income, address and identification. Once this is received their application becomes active. In many instances at least two or three letters or emails are sent reminding applicants to supply the information otherwise their application remains in-active. This is not only time and resource intensive but incurs printing and postage costs. There are currently 1261 inactive applications where applicants have not provided information so they will not be able to make requests. The benefits for the customer of a pre-tenancy interview are that customers will be provided with information about all affordable housing options at the start of the application process. As the proofs of identity will be provided at the pre-tenancy interview stage, the customer will be able to make bids earlier than with the current processes.

2.3 New proposed change to reduce the number of tenants transferring within the first two years of their tenancy

2.3.1 Another proposed change is intended to reduce tenancy turnover rates. Since the current Allocations Policy was implemented in August 2015 there has been an increase in the number of tenants requesting a housing transfer in Band 4 within the first two years of their tenancy, which in turn creates more voids and reduces sustainability within neighbourhoods.

2.3.2 As at 15th July 2016 the number of applicants in each band was:

- Band 1 = 251
 - Band 2 = 1608
 - Band 3 = 1695
 - Band 4 = 1678
 - Transfer = 1225
- TOTAL 6457**

2.3.3 The above table shows that the total number of households on the register is 6457. There are 1678 applicants in Band 4 and of these, 214 are existing Council tenants. This is because the existing policy prevents applicants who have not held their tenancy for two years to join the transfer band, but allows these tenants to join Band 4. Since August 2015, 22 tenants have moved to another Council home via Band 4. It is therefore proposed that the policy be amended to prevent any new applications from existing tenants being able to join Band 4. It is however proposed that the existing (214) tenants registered in band 4 remain eligible.

2.3.4 There may also be some instances where a tenant needs to move before the two year period, these individual cases will be considered by a Housing Assessment Panel who would have delegated powers to overrule this policy and allow a tenant to join Band 4.

2.3.5 There will be steps in place to advise all applicants that once they accept a Council tenancy they will be unable to re-join the register for two years unless they have a newly arisen housing need.

2.4 New proposed change to set rent allowances at a consistent level

2.4.1 The proposed change is intended to ensure there is consistency with regard to issuing rent allowances for new lettings. This will also reduce expenditure within the Housing Revenue Account. For 2015/16 this equates to £220,499 loss to the Housing Revenue Account. Historically, existing tenants who transfer to another home within the Council's stock are allocated a rent allowance of a minimum of 14 days, whereas new non-former Council tenants, e.g. people moving from a private rented home, people moving out of temporary accommodation etc. are allocated an allowance of a maximum of five working days. This report proposes that existing Council tenants who are transferring within the Council stock are treated the same as new non-former Council tenants; by either issuing a rent allowance of up to a maximum of five working days or alternately stopping the use of rent allowances for new lettings.

2.4.2 There will be exemptions for vulnerable applicants who may need more time to move into a property and who require an allowance. Individual cases will be considered by either the Housing Options Manager, or the Housing Advice and Assessment Manager who would have discretion and delegated powers to overrule this policy. The criteria for this would be applicants who are placed in Band 1 in financial difficulties, or homeless applicants living in temporary accommodation, or safeguarding cases.

2.4.3 Sub regionally, Barnsley, Doncaster and Sheffield, do not issue rent allowances to existing tenants transferring within the Council stock or new non-former tenants. In Doncaster, with transfers if the tenant chooses not to move into their new home straight away, they are charged rent on both properties. In Sheffield, tenants who are transferring to another Council home are expected to move out of one property and into the new one virtually on the same day. They do not make rent allowances to cover any delays and there is a continuing liability for rent on the old property until the tenant hands in the keys. Therefore if they are late then they incur a charge on both properties. Barnsley do not offer rent allowances either for transfers or new tenants. Barnsley accepts two weeks' termination notice on a transfer, but invariably there is an overlap on rent payments.

2.4.4 The void process is currently being reviewed and this will facilitate an earlier advertising and viewing process. This will give tenants who are transferring to another Council home more time to prepare for their move.

2.5 New proposed change for the allocation of bedsits

2.5.1 The Welfare Reform and Work Act introduces changes that will have an impact on single people under 35 years old as from April 2018 they will only be able to access the Local Housing Allowance shared room rate of circa £58 per week, this means that more young people will be moving into shared tenancies and bedsits.

2.5.2 The total number of households on the housing register is 6457, of these there are 1216 single people under the age of 35 of whom 317 are employed and 19 are on a Government scheme. These statistics show that the majority of single under 35s are not employed and would only receive the Local Housing Allowance shared room rate. It is therefore essential to develop affordable housing options such as bedsits for this client group. Furniture options are also being reviewed to help young people access accommodation.

2.5.3 Bedsits are a limited resource with only 75 bedsits (currently no voids) within the Councils stock. During the last 3 years the turnover and age profile of the new tenants was:

- 11 bedsits vacant during 2015/2016, of these 6 were let to people under 35
- 16 bedsits vacant during 2014/2015, of these 13 were let to people under 35
- 11 bedsits vacant during 2013/2014, of these 6 were let to people under 35

2.6. Proposed change to the exemptions from the Local Connection Criteria

2.6.1 A revised Allocation Policy was adopted in December 2013 which incorporated a Local Connection Criteria so that a person qualifies to go on the Housing Register if they have a local connection to Rotherham for a minimum of 3 years. There are cases that are exempt from the Local Connection Criteria, one of these is where applicants are owed a fully homeless duty, e.g. homeless applicants accepted as owing a duty as defined in Part VII of the Housing Act 1996.

2.6.2 Many Council's applied the same exemption rules to the qualification criteria, but they remain at risk of being legally challenged because they have not added other exemption clauses for those who are owed a reasonable preference because the applicant is:

- Homeless, but not in priority need
- Homeless, but owed a duty by another authority
- Living in unfit or unsatisfactory housing, or have a medical or disability or pressing welfare reason to move

2.6.3 The Homeless Reduction Bill has received its second reading on 28 October 2016 and this was passed with overwhelming support by the Government. The third reading is early in the New Year followed by the Lords Scrutiny and it is likely to become law by Spring 2017. The Bill introduces requirements for local housing authorities to carry out homelessness prevention work with all those who are eligible for help and threatened with homelessness from 28 days to 56 days. Help would be provided for households whether they are in priority need under the 1996 Housing Act or not. It is therefore vital that the Allocation Policy is amended so that homeless households, not in priority need, are not excluded from the Allocation Policy due to Local Connection rules.

3. Key issues

- 3.1 The introduction of the previously proposed policy regarding Council Tax may have increased the collection rates of Council Tax. However, legal advice has been obtained which suggests that the payment of Council Tax as qualifying criteria for joining the housing register would be unlawful and places the Council at risk of legal challenge.
- 3.2 Offering pre-tenancy workshops and pre-housing register, Housing Options interviews will reduce the number of negative tenancy terminations. This new model of undertaking pre-housing register interviews will also help to prepare for the pending Homelessness Reduction Bill by creating a more robust package of advice and assistance to prevent and relieve homelessness for all applicants regardless of priority need status. The pre-tenancy workshops will offer a range of skills including money management which will help to prevent people from being financially excluded and losing their homes. While this will benefit all new tenants, it will in particular benefit young vulnerable people. A further advantage of the scheme is that it will establish clear expectations around conduct and help to avoid anti-social behaviour and other neighbourhood problems.
- 3.3 Restricting tenants from transferring within the first two years of their tenancy will reduce the number of void properties and assist with creating settled neighbourhoods and reducing average void turnaround times and associated costs. The average cost of a void property is £2,095. The average cost of void repairs is £1,800 and the average number of weeks properties are void for is 28 days which means an average weekly rent loss of £73.71 multiplied by 4 weeks = £294.84. (£1,800 repairs + £295 void rent loss = £2,095).
- 3.4 Applying rent allowances consistently to both new and existing tenants will reduce expenditure to the Housing Revenue Account.

4. Options considered and recommended proposals

4.1 Options aimed at improving tenancy sustainment

- 4.1.1 Option One: Focus only on applicants who have previously had a failed tenancy (not to applicants who simply have no prior experience of managing a tenancy). While this would significantly reduce the resource requirement to deliver the service, it would have a limited impact on overall tenancy sustainability and is therefore not recommended.
- 4.1.2 Option Two - **Recommended option**: Make it mandatory for all new applicants with no experience of running their own home or where a previous tenancy has failed, to attend a pre-tenancy workshop before qualifying to join the Housing Register. This accords with best practice, will help to improve tenancy sustainment and the overall sustainability of our neighbourhoods.
- 4.1.3 Option Three - **Recommended option**: Make it mandatory for new applicants to attend a housing options interview before joining the housing register. The benefit of the pre-tenancy interviews is that the service will give new customers an opportunity to learn about Rotherham Council homes and other affordable housing options. It also helps the Council to understand the needs of the Council's customers, giving tenancies the best possible start. This would only

apply to new applicants who join the register following the change in policy rules.

4.2 Options to deal with the issue of current RMBC and housing association tenants transferring

4.2.1 Option One: Continue to allow tenants to apply to transfer in Band 4 to a new Council home within two years of moving in. However, this would lead to high turnover and void costs. This option is therefore not recommended.

4.2.2 Option Two - **Recommended option**: Prevent current Council or housing association tenants from being able to join the housing register until they have been in their tenancy, with no tenancy breaches, for two years. (If however a Council tenant has a change in circumstances within the two year period and becomes in housing need, they will be placed into one of the priority bands).

4.3 Options to issue rent allowances consistently for all new lettings

4.3.1 Option One: reduce the 14 day allowance to seven days for Council tenants transferring to another Council home. While this would significantly reduce the expenditure to the Housing Revenue Account the process remains inconsistent with new tenants. This option is therefore not recommended.

4.3.2 Option Two: reduce the 14 day allowance to a maximum of five working days. Allowances are issued up to the date when the gas uncap and test is undertaken. This enables the customer to move in and is a consistent approach. However, this option is not recommended as it is not consistent with the private sector and other local authorities.

4.3.3 Option Three - **Recommended option**: To be consistent with the private sector and other local authorities to reduce the expenditure significantly it is proposed that no rent allowances are issued. Rent will become payable by the customer from the start of all tenancies. In exceptional circumstances, individual cases will be considered by either the Housing Options Manager, or the Housing Advice and Assessment Manager who would have discretion and delegated powers to overrule this policy. The criteria for this would be applicants who are placed in Band 1 in financial difficulties, or homeless applicants living in temporary accommodation, or safeguarding cases.

4.4 Options for the letting of Council owned bedsits

4.4.1 Option One: Continue to allocate bedsits in accordance with the current Allocation Policy. The current rule is that single people and couples over the age of 18 are eligible to bid for bedsits and the successful applicant will be the applicant who has been on the Housing Register for the longest period. This option is not recommended as single people under the age of 35 are competing with other applicants who can afford other housing options.

4.4.2 Option Two: **Recommended option**: Priority to be awarded to single people under the age of 35 for bedsits. This is due to the fact that bedsits are a limited resource with only 75 bedsits (currently no voids) within the Council's stock. The bedsits are rented out at circa £58pw, which is equivalent to the Local

Housing Allowance shared room rate. This means that bedsits are an affordable option for single people under the age of 35. Older single people and couples can afford a wider range of housing options as their Local Housing Allowance rate is for one bedroom at a higher rate of approximately £80 per week.

4.5 Change to the exemptions from the Local Connection Criteria

4.5.1 Recommended approach: Include homeless applicants owed a reasonable preference to the list of applicants who are exempt from the Local Connection Criteria rules. Adopting this new policy will ensure the Council is 100% safe from potential legal challenge around qualification criteria. The change will also make sure the policy meets the requirements of the new Homelessness Prevention Bill.

5. Consultation

5.1 Consultation took place with RotherFed on 26th September 2016 and the Quality Standards and Challenge Group on 11th October 2016. Residents unanimously supported four of the five recommendations proposed in this report, but the recommendation regarding the removal of rent allowances was contentious. Of the 30 people consulted (across both meetings), 12 preferred to have the rent allowance as five working days for both new and transferring tenants, 11 were in favour of removing all rent allowances, while seven could support neither of these options. Further consultation will take place with Elected Members via Improving Places Select Commission on 30th November 2016.

5.2 As a result of a discussion at Rotherham's Strategic Housing Forum in April 2016, a multi-agency working group was set up to address the challenges facing single people under the age of 35, arising from changes to the welfare benefit system. This group is led by RMBC and includes representatives from housing associations and supported housing providers. The proposed policy changes have been discussed with this group and will be discussed further with the Strategic Housing Forum, dependent on the Cabinet's decision.

5.3 If the proposals are agreed, existing housing applicants will be sent a letter to inform them of the changes. The Housing Allocation Policy and Summary Guide will also be updated to reflect the changes. The cost of printing and postage will be contained within existing budgets. Steps will be put in place at the application and offer stage to make it clear that once the tenant has accepted a tenancy they won't be able to re-join the register for two years.

5.4 The pre-tenancy support services will be promoted at the application stage.

5.5 If the recommendations are approved, existing tenants will be informed of the policy changes through articles published in "Home Matters" which is the Council's Tenants Newsletter.

6. Timetable and Accountability for Implementing this Decision

- 6.1. If Cabinet approves these recommendations the policies regarding rent allowances will be implemented with immediate effect.
- 6.2 There will be a timetable of staff training and briefing sessions for Members.
- 6.3 The tenancy support programme would commence following either procurement of a pre-tenancy workshop provider or development work of workshops to be delivered internally.
- 6.4 The Council's Housing Allocation Policy will be formally amended to reflect the changes, the new version published on the website and ICT changes made to commence on 1st April 2017.
- 6.5 A progress report to monitor the impact of the policy changes will be presented back to Cabinet in 12 months' time.

7. Financial and Procurement Implications

- 7.1 Further decisions are required regarding the level of service to be provided as part of the pre-tenancy support programme and this will determine the cost. If the service is to be commissioned via an external provider, a budget will be allocated from the Housing Revenue Account. Procurement will take place in accordance with the Council's Standing Orders and Financial Regulations.
- 7.2 Alternatively, a lower level of service provision to facilitate a workshop for 12 applicants each week could be delivered within existing staffing resources within the Financial Inclusion team (Housing Income Service) and Housing Advice and Assessment Team (Housing Options Service), although this could potentially impact on other services. There is currently a Housing Income Service review which is awaiting final sign off. The review proposes that there will be a team in place to provide intensive tenancy support at the commencement of a tenancy.
- 7.3 By implementing restrictions to prevent tenants from transferring within the first two years of their tenancy (unless their circumstances change, placing them into a housing need category), this will reduce expenditure on void servicing and void rent loss to the Housing Revenue Account. The average cost of a void is £1,800 for the repairs team and average number of weeks properties are void for is 28 days which means an average weekly rent loss of £73.71 multiplied by 4 weeks = £294.84. This equates to £2,095 per void property (£1,800 repairs + £295 void rent loss = £2,095).
- 7.4 The rent allowance expenditure for new tenants during 2015/16 was £112,291, and for the first three months of 2016/17 rent allowance of £15,343 has been issued. The estimated projected spend for 2016/17 is circa £65,000. The reduction in spend from last year is attributed to the performance of the Contractors as the timeframe to undertake the gas uncap and test has now reduced to five working days. Rents have also reduced by 1% due to new legislation.

Expenditure for transfer allowances for 2015/16 was £108,208 and for the first three months of 2016/17 rent allowances of £20,767 have been issued.

Historically Council tenants who transfer to another Council home have been given two weeks to move. Options to issue rent allowances consistently for all new lettings would equate to a saving as follows:

Options to issue rent allowances consistently for all new lettings	Average monthly transfers	Average weekly allowance	Savings for 2016/17 (7 months)	Potential Annual Savings
Option 1 - Reduce the 14 day allowance to 7 days	44	73.71	22,703	38,919
Option 2 - Reduce the 14 day allowance to a maximum of 5 working days	44	73.71	29,189	50,039
Option 3a - no allowances issued for new tenants	127	52.65	46,806	80,239
Option 3b - no allowances issued for transfers – 2 weeks (based on 528 transfers in 2015/16)	44	73.71	45,405	77,838
Option 3 – Total savings			92,211	158,076

8. Legal Implications

- 8.1 Careful consideration has been given to the original proposal to include the payment of Council Tax arrears as one of the qualifying criterion for joining the Council's housing register. However, the legal advice is that this would be held by the Courts as unlawful as an irrelevant consideration in terms of the overall aims and purpose of housing allocation policies. The policy should filter out those who are not suitable to be allocated Council accommodation and the payment of Council tax arrears does not bear directly on that. Therefore, should the original proposal be implemented, it would leave the Council susceptible to legal challenge. The remaining proposed changes to the allocations policy covered by this report are in keeping with the overall aims and purpose of housing allocation policies and are lawful.
- 8.2 Advice and assistance will be sought from Legal Services in relation to pre-tenancy workshop contracts. The Council must ensure that robust contractual arrangements are put in place, with clearly defined specifications.

9. Human Resources Implications

- 9.1. If Cabinet approves the requirement for certain applicants to undertake pre-tenancy workshops, decisions will need to be taken regarding whether this will be delivered within existing staffing resources, or outsourced. If delivered within existing resources, a comprehensive review of processes within the team would need to be undertaken to allow officer time to be freed up to undertake this task.

10. Implications for Children, Young People and Vulnerable Adults

10.1 The provision of pre-tenancy workshops is a homeless prevention tool which will help people to secure and sustain a home. This is of paramount importance to ensuring a stable home for families, the best start in life for children, and vulnerable adults. Good quality, stable homes also helps people to avoid financial hardship and can have a significant impact on people's health and wellbeing.

11. Equalities and Human Rights Implications

11.1 The pre-tenancy workshops and interviews will ensure that as far as possible tenants are able to sustain independent living in their homes. The scheme helps to prevent homelessness across the borough, but especially helps those households on low incomes.

12. Implications for Partners and Other Directorates

12.1 The proposals in the report have been produced in conjunction with officers engaged in Allocations, Housing Management and Tenancy Support. The Council is working with partner agencies, specifically around helping under 35 year olds to access and sustain a home, and proposals have been developed in conjunction with these organisations.

12.2 The proposals are likely to bring indirect benefits for other directorates and partners, particularly in reducing homelessness for families with children and contributing to local targets on homelessness prevention and financial inclusion / capability.

13. Risks and Mitigation

13.1 There are no anticipated risks associated with approving the recommendations in this report.

13.2 The risks associated with not approving the report are that:

- New, vulnerable tenants will be at higher risk of failing their tenancy without support.
- New tenants will continue to be able to apply to transfer early into their tenancies, thereby increasing void reservicing costs and reducing the sustainability of neighbourhoods.

14. Accountable Officers

Tom Bell, Interim Assistant Director Housing and Neighbourhood Services

Approvals obtained from:

Strategic Director of Finance and Corporate Services: - Kath Andrews, Principal Finance Officer

Director of Legal Services: - Neil Concannon, Service Manager– Litigation

Director of Procurement - Lorna Byne, Senior Procurement Category Manager

Human Resources– Odette Stringwell, Human Resources Business Partner

Impact of Council Tax debt for the Housing Allocations

Background to analysis

An analysis of the Housing waiting list provided of 5,122 cases was done by cross matching National Insurance numbers and also by cross matching the name and address provided by Housing.

This will not have picked up cases where we do not have a National Insurance Number on the Council Tax system (where no benefit claim has ever been made) or where we do not hold the exact same name and address provided to us by Housing.

Unfortunately any debts not picked up by this cross match could only be identified by manual analysis of each case on the list and there was not sufficient time available to do this. It is anticipated therefore that the number of cases in arrears and the total outstanding balance will be higher than the values listed in this analysis, although not substantially.

The analysis looked for outstanding council Tax debt which had reached Liability Order (L/O) stage.

A Liability Order is granted by the Magistrates Court following failure to maintain payments as demanded. It is only after obtaining the Liability Order that the authority is able to take recovery action.

Breakdown of stages

A total of 585 prospective tenants were found to have outstanding Council Tax at Liability Order stage with a total debt value of £362k.

The 585 cases equates to 11.4% of the waiting list.

As most cases have different L/O's at different stages, usually where there is multiple years' debt outstanding, they have been categorised based on the most serious stage of action.

Stage	Number of Applicants	Average Value	Total L/O Debt
Pre Bailiff	37	£361	£13,356
Arrangement for Payment	49	£388	£19,009
Attachment of Earnings	19	£594	£11,292
Attachment of Benefits	279	£290	£80,767
Enforcement Agents (formerly Bailiffs)	117	£980	£114,757
Committal	84	£1,461	£122,733
	585	£619	£361,914

- **Pre Bailiff**

- These are in the main recently obtained L/O's which will shortly have recovery action taken against them or L/O's where a recovery action such as attachment of benefits has recently failed and warning has been given of the next action.

- **Arrangement for Payment**

- Arrangement for payment of the debt has been made on these cases by the debtor.

Of the 49 cases 13 are currently in default (27%) and these will shortly have alternative recovery action taken.

- **Attachment Of Earnings**

- Attachment of Earnings order currently running.

Deductions are made by employers in accordance with a sliding % scale provided by central government. Deductions are based on net earnings.

Where wages are low deductions can often be below ongoing Council Tax instalments and as such despite payments being received the actual outstanding balance increases month on month.

- **Attachment of Benefits**

- Deductions are set each year by central government and this year stand at £14.60 per month.

Currently a working age benefit claimant when in receipt of full CTRS (91.5%) will have to pay Council Tax of £82.94 for a couple or £62.21 for a single adult. These figures are for an unparished Band A property.

The recovery process takes a minimum 3 months from billing before deductions can be requested and usually a delay of 3 months before DWP actions the request and makes payment to the authority. Any changes to benefit during the year (including sanctions) means that deductions have to be requested again generally meaning a further minimum 3 months delay.

These delays mean that unless additional voluntary payments are made, for most cases Council Tax arrears are increasing year on year even in the cases where deductions are running smoothly.

Of the 279 cases at this stage only 64 have a balance of £100 or less and are likely to be collected in year. The remaining 215 cases are likely to see arrears increase each year.

The average balance is £290. A total of 34 cases have balances of over £500 of which 12 have balances in excess of £1,000.

The largest balance at this stage is £4,321 which dates back to 2009. This will take at best 24 years to clear, without additional voluntary payments, by which time a further 24 years debt will have accumulated.

- **Enforcement Agents (formerly Bailiffs)**

- These cases are currently with Enforcement Agents for collection

Cases at this stage tend to have a larger balance with the average being £981 and the largest being £5,647 which dates back to 2010.

A total of 44 cases have a balance of in excess of £1,000.

- **Committal to prison**

- Once Enforcement Agents return a case they are unable to collect the only available recovery action tends to be the commencement of proceedings for committal to prison. This is a very costly (£240 for committal summons alone) and time consuming process with the returns low.

Again the balances tend to be larger at this stage with the average being £1,461. The highest balance at this stage is £5,187 which dates back to 2008. A total of 23 cases have a balance in excess of £2,000 which a further 19 have a balance in excess of £1,000.

Tenant Bands

The waiting list has been split into Bands of tenants so we have analysed the debts by stage of action within the Bands.

The data is shown in the two tables below with the number of applicants in table 1 and the value of their debt in table 2

Table 1 - Numbers of applicants

Stage	Band 1	Band 2	Band 3	Transfer Band
Pre Bailiff	1	8	20	8
Arrangement for Payment	5	12	24	8
Attachment of Earnings	1	2	8	8
Attachment of Benefits	28	87	100	64
Enforcement Agents (formerly Bailiffs)	11	27	60	19
Committal	5	20	42	17
	51	156	254	124

Table 2 – Value of debt

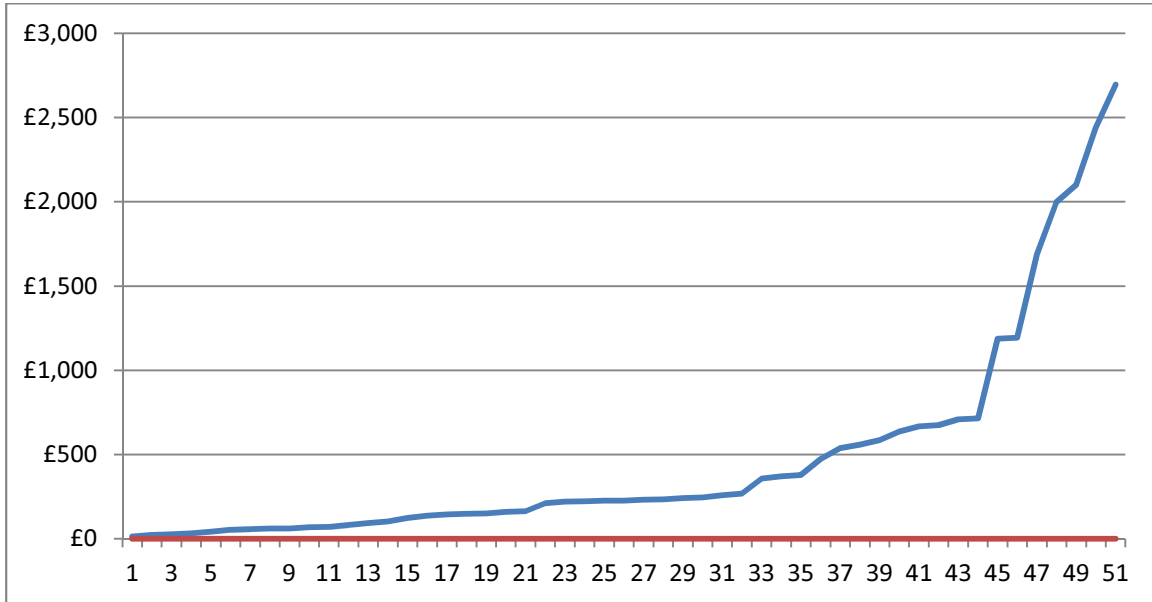
Stage	Band 1	Band 2	Band 3	Transfer Band
Pre Bailiff	£71	£1,726	£8,756	£2,807
Arrangement for Payment	£963	£5,496	£9,240	£3,310
Attachment of Earnings	£675	£1,491	£3,722	£5,353
Attachment of Benefits	£6,084	£24,464	£34,656	£15,563
Enforcement Agents (formerly Bailiffs)	£9,598	£21,026	£64,649	£19,485
Committal	£6,998	£28,925	£61,139	£25,717
	£24,389	£83,128	£182,162	£72,235

Distribution of debt within Bands

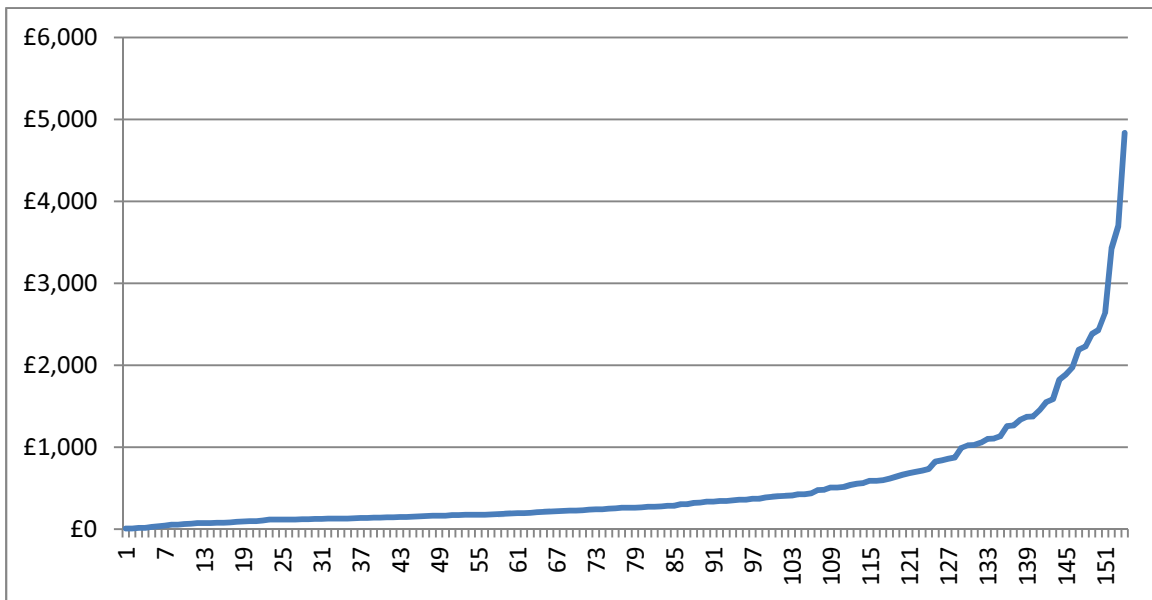
The following Charts show how the distribution of each debt within the four Bands.

The horizontal axis shows each debt within the band while the vertical axis shows the value of each debt.

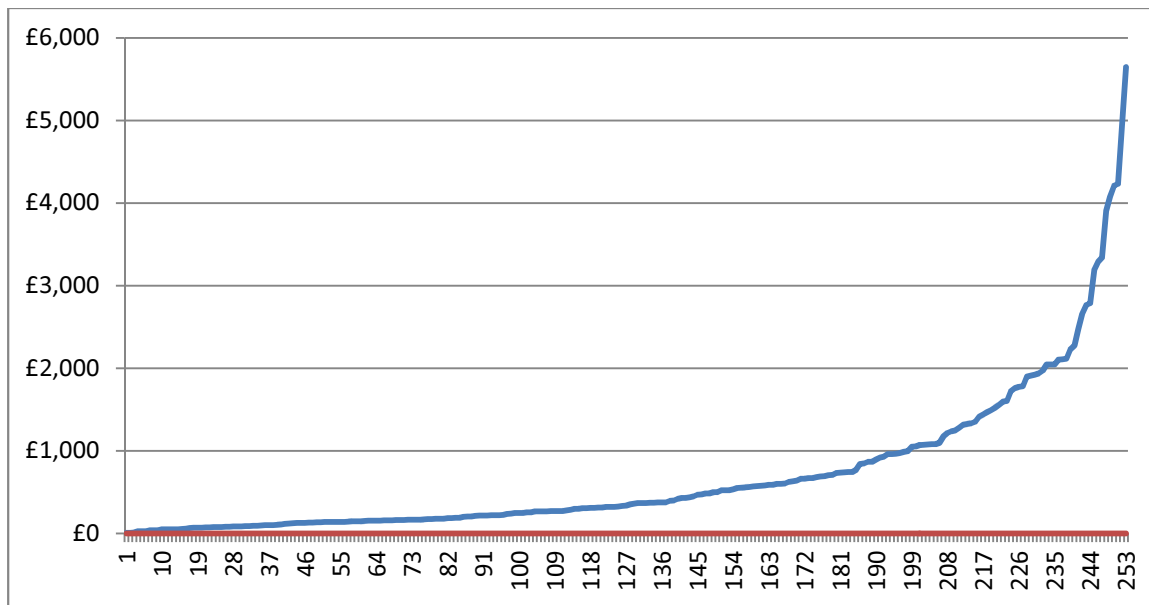
Band 1



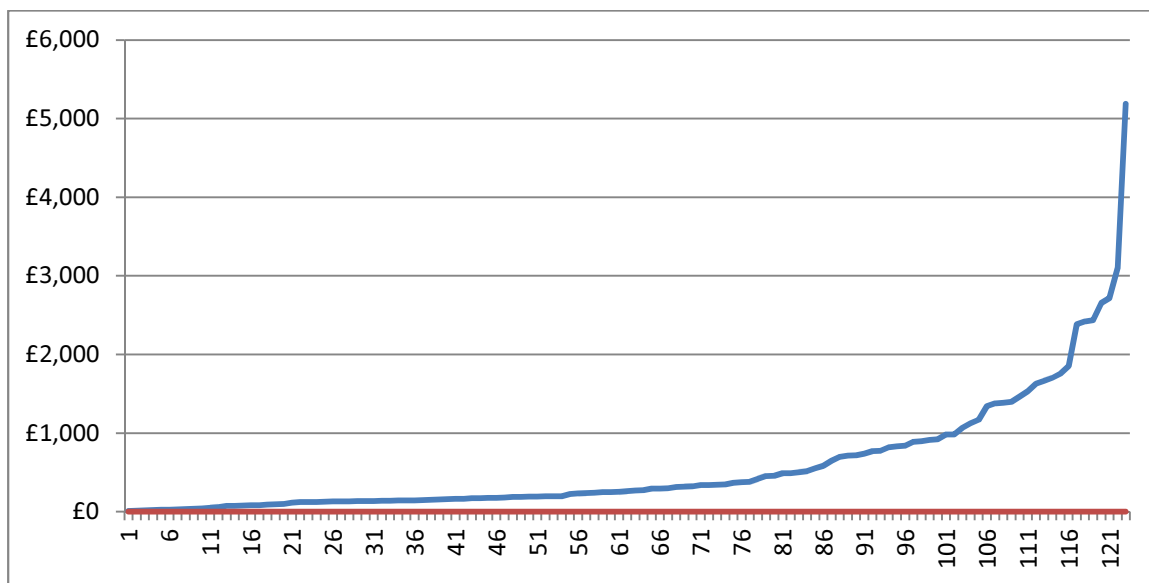
Band 2



Band 3



Transfer Band



Summary Sheet

Council Report

Improving Places Select Commission 30th November 2016

Title

Dignity / Rotherham MBC Contract Performance Update

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

This is not a key decision.

Director Approving Submission of the Report

Damien Wilson – Strategic Director for Regeneration and Environment

Report author(s):

Alan Pogorzelec – Business Regulation Manager
Community Safety and Street Scene
01709 254955, alan.pogorzelec@rotherham.gov.uk

Ward(s) Affected

All wards

Executive Summary

On 1st August 2008, the Council entered into a 35 year contractual agreement with Dignity Funerals Ltd for the provision of bereavement services to the people of Rotherham. This unique partnership led to the transfer of significant risks from the Council to Dignity, and saw Dignity take on the responsibility for the capital works and maintenance of the East Herringthorpe Cemetery and Crematorium along with the maintenance of the eight other Municipal Cemeteries located throughout the Borough. The Council retained the risk in relation to cemetery chapels, associated buildings and boundary walls on some cemetery sites. The partnership has resulted in a number of significant improvements in relation to the provision of bereavement services throughout Rotherham.

Dignity has sub-contracted the grounds maintenance elements of the service to Glendale Countryside Management Ltd (but Dignity retain the overall responsibility for the delivery of the service).

At the meeting of the Improving Places Select Commission on 14th September 2016, members received a verbal update from the Strategic Director for Regeneration and Environment regarding the background to the contract and the works that have been undertaken. Members of the Commission were informed that Dignity provide an annual report in relation to the delivery of the service over the previous 12 months, and requested a further update from officers once this report has been received.

The annual report was received from Dignity on 9th November 2016, and is attached as Appendix 1. Further narrative is provided later in this report which gives detail on key points from Dignity's annual report.

In addition, the report provides further information in relation to the following:

- Complaints received regarding the service (in relation to grounds maintenance, burial times and fees),
- Flexibility of the contract (in terms of the potential for renegotiation on certain aspects),
- Matters related to burials into lined graves (including costs),
- General information relating to the setting of fees (including standard services and memorial benches).

Recommendations

- That the Improving Places Select Commission notes the content of this report.

List of Appendices Included

Appendix 1 Dignity Annual Report 2016
Appendix 2 Details of complaints recorded by Rotherham MBC

Background Papers

None.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Not applicable.

Council Approval Required

No.

Exempt from the Press and Public

Not exempt.

Title (main report)

Dignity / Rotherham MBC Contract Performance Update

1 Recommendations

1.1 That the Improving Places Select Commission notes the content of this report.

2 Background

On 1st August 2008, the Council entered into a 35 year contractual agreement with Dignity Funerals Ltd for the provision of bereavement services to the people of Rotherham.

This agreement saw Dignity take on the responsibility for the capital works and maintenance of the East Herringthorpe Cemetery and Crematorium along with the maintenance of the eight other Municipal Cemeteries located throughout the Borough.

The Council retained the risk in relation to cemetery chapels, associated buildings and boundary walls on some cemetery sites.

The partnership has resulted in a number of significant improvements in relation to the provision of bereavement services throughout Rotherham, including:

East Herringthorpe Crematorium Facility:

- Upgrade of the existing cremators in the facility to meet the essential requirements of new environmental legislation.
- Improvements to the chapel including access to the waiting room, facilities for funeral directors and a covered canopy to the chapel exit.
- A new state of the art bereavement services administration centre including reception, interview room, records and archive section, location of an electronic Book of Remembrance and visitor parking provision.
- A new 80 space car park, with overspill provision for a further 40 vehicles, including improved arrangements for the disabled and other visitors to the crematorium.
- The development of the crematorium grounds to provide an extensive landscaped memorial garden offering increased memorial choice to the bereaved.
- A new grounds maintenance depot built to modern standards and including staff welfare facilities and secure storage of plant and machinery.

Municipal Cemeteries:

- A strategic plan identifying future burial requirements and the means by which the requirements are to be addressed based on community consultation.
- The identification of land within or adjacent to existing cemeteries appropriate for development for future burial use to meet the needs of local communities.
- Improved security and management of cemetery grounds to prevent crime, damage to buildings and infrastructure and to address anti-social behaviour.
- A management plan for the maintenance and development of cemetery roadways, pathways and grounds to meet vehicular access needs and the needs of pedestrians visiting the site.
- Development of cemetery grounds to provide areas of contemplation and memorial gardens offering improved memorial choice to the bereaved.

In order to deliver the objectives described above, Dignity Funerals Ltd have invested over £3 million in Bereavement Services in Rotherham. Without this financial input, it would not have been possible to bring about the necessary improvements.

Unlike a traditional contracting arrangement where a contractor is paid to deliver a service to the contract commissioner, the Council does not make a payment to Dignity for the provision of bereavement services in Rotherham. Whilst the bereavement services function was under the Council's control, the service returned a surplus of around £355k. In order to compensate the Council for this loss of revenue, Dignity guarantee a sum of £375k annually (linked to inflation) to be paid to the Council for the duration of the contract (this is in addition to the capital investment). Dignity increased this figure from £355k on condition that the contract length was extended from 30 to 35 years.

In addition, the Council will benefit from a share of any higher than expected annual profits generated by Dignity in the delivery of the contract – this is known as “exceptional surplus”. The payment made to the Council depends on the Equity Internal Rate of Return or “Equity IRR”, which represents the financial return to Dignity after taking into consideration the initial investment / debts generated as a result of delivering the contract.

The exceptional surplus provisions become relevant if the Equity IRR exceeds 20%. If the figure is between 20% and 25% then Council will receive 40% of the exceptional surplus. If the Equity IRR exceeds 25% then the Council will receive 60% of the exceptional surplus.

Any payments in relation to the exceptional surplus are made to the Council on at the end of each contract year (ending 31st March).

Dignity have provided an annual report in relation to the delivery of the contract over the preceding 12 month period (attached as Appendix 1), further narrative in relation to this report is provided at Section 3 below.

In an attempt to address Member's concerns about other elements of the Dignity contract, Section 3 also provides further information in relation to the following:

- Complaints received regarding the service (in relation to grounds maintenance, burial times and fees).
- Flexibility of the contract (in terms of the potential for renegotiation on certain aspects)
- Matters related to burials into lined graves (including costs)
- General information relating to the setting of fees (including standard services and memorial benches).

3 Key Issues

3.1 Annual Report

The annual report provided by Dignity is attached as Appendix 1.

The report is relatively brief, however there are a number of key themes running throughout the report that are expanded on below:

Refurbishment of crematorium chapel

Complaints / comments have been received regarding two issues that have presented themselves at the crematorium chapel.

The first relates to the sound system that is used during services. There have been comments made by mourners that they cannot hear the service when they are standing outside of the chapel in the garden of remembrance (usually due to the chapel being full to capacity). In order to mitigate against the effects of this, Dignity are making arrangements for the installation of a temporary public address system that can be used in circumstances such as this.

The second issue relates to the use of the balcony above the chapel seating area. Access to this area is currently prohibited due to health & safety concerns. All chapel attendants have been informed of this, and advise mourners that they cannot access the area. It is the case however that on some occasions, mourners have obtained access to the balcony – as a result, the attendants have been reminded that access has been prohibited and signage has been erected to inform mourners of this.

Dignity are in the final stages of developing plans for the refurbishment of the crematorium chapel. This work will address both of the issues referred to above and whilst the balcony will still not be in use, the capacity of the chapel increase meaning that use of the balcony is less likely to be required.

Parking at East Herringthorpe

Additional signage / wardens are being considered to ensure that those attending funeral services are aware of the car park location and park appropriately.

In addition, Dignity are investigating whether it is possible to extend the car park (which has a capacity for 120 vehicles) by using waste land at the rear of the current grounds maintenance depot. This proposal is still in the very early stages.

Extension of burial hours

Dignity have given consideration to extending the hours during which burials can take place. At the present time there is no viable option for extending hours – primarily due to the lack of suitable lighting at the cemetery during the winter months in particular.

The current burial times are as follows:

- Summer (Apr – Sep) 9:00am – 3:00pm
- Winter (Oct – Mar) 9:00am – 2:30pm

The contract document refers to the burial times being as follows:

- Summer (Apr – Sep) 9:00am – 3:10pm
- Winter (Oct – Mar) 9:00am – 3:10pm (2:30pm Dec – Jan)

The latest time of 3:10 was set to avoid conflict with cremation services that may also be taking place at the same time. However, at the commencement of the contract, Dignity increased the cremation service times (from 20 minute slots to 45 minutes slots) which meant that the later time of 3:10 pm was no longer required.

Enquires have been made of Dignity in relation to the winter burial times, and the apparent anomaly between the times that burials take place and the times stated in the contract. The member of staff that is responsible for the administration of the burial appointments has confirmed that, apart from the amendment referred to above, the winter burial times have not changed since Dignity took over the management of the service and the latest burial has always been 2:30pm in winter.

Kerb sets at Greasbrough Lane

Greasbrough Lane is a “lawned cemetery”, and as such the installation of kerb set memorials in this cemetery is prohibited.

However, over the years, there has been a proliferation of “DIY kerb sets” within this cemetery in particular.

As a result of a combination of the ground conditions, and the presence of DIY kerb sets, there are significant health & safety risks within the cemetery.

Dignity will be undertaking a number of actions in Greasbrough Lane Cemetery early in the New Year. These actions will include ground works to stabilise the area where burials can place and the provision of an official kerb set area. Once these actions are completed, then consideration will be given to dealing with the problems caused by the DIY kerb sets – this may include the removal of the items. This action will not be taken without the involvement / agreement of the Council, and only after significant consultation and publicity with the families of those buried in Greasbrough Lane Cemetery in addition to other interested parties (including Elected Members). There is no timescale on this activity as yet, however further information will be provided as soon as it is available.

Chapels (general condition)

The Victorian chapels within a number of cemeteries remain the responsibility of the Council. Current budget constraints have limited expenditure on the chapels to essential maintenance work only.

All chapels are secured using appropriate security measures, including the use of security screening supplied by a specialist contractor.

However, vandals have gained access to the chapels on a number of occasions. Where this has been identified (usually where damage has been observed by cemetery operatives) then the property is secured as a matter of urgency.

Where any general disrepair issues are identified, the extent of the damage is assessed and where necessary (such as in cases where the damage presents a risk to the safety of cemetery users) an urgent repair is undertaken.

Burial capacity within the Borough

There is no new burial capacity within a number of district cemeteries, and these cemeteries are only accepting burials into existing grave plots.

Land has been identified at Wath and Masbough cemeteries that can be utilised for burials and preparations are underway for this to be developed.

The capacity at Maltby cemetery will only provide for the community for the next 4 – 6 years (depending on burial rates). It is not possible to extend this cemetery due to its location, therefore Dignity and the Council are considering alternative locations within Maltby that could be redeveloped for burial use.

Condition of roads and pathways

The contract requires Dignity to maintain the main thoroughfares through the cemetery, these may be roadways or footpaths excluding those that are not considered to be the main routes used within the cemetery.

As a result of the extreme weather conditions in recent years, a number of pot holes and other damage have occurred on the paths within some cemeteries.

Dignity have undertaken a review of the footpaths and roadways, and where there are significant risks to health and safety have prioritised repair work in these cemeteries.

Footpaths and roadways that are in a poor condition, but not so poor as to present a safety risk, will be considered as part of the standard maintenance programme.

3.2 Summary of complaints that have been received regarding the service that is provided by Dignity.

The service would appear to be generally well received by members of the public, and Dignity have received numerous letters / cards thanking them and their staff for the service that has been received.

Although Dignity strives to deliver an excellent service, it remains the case that complaints are received in relation to the services that are provided. Any complaints that are received are fully investigated by Dignity and attempts made to ensure that the customer is satisfied with the outcome of the investigation. The nature of the service that is provided means that those that make use of it are likely to be emotionally vulnerable, and as such it is not always possible to resolve the matter to the customers satisfaction – on these occasions the Council is occasionally required to act as an intermediary and determine the most appropriate way forward in relation to the complaint. These complaints are recorded by the Council (see Appendix 2) but are very small in number as the vast majority complaints are resolved by Dignity to the satisfaction of the customer.

The council and Dignity have agreed that details of the complaints that are received will be reported through to the council on a quarterly basis. This will allow for an analysis of trends and identification of any deficiencies within the service that is delivered by Dignity, and also any positive comments that are made by customers that have experienced the service provided by Dignity. This will also allow for accurate reporting of detailed information in relation to customer comments and complaints

Greasbrough Lane (Rawmarsh) and Maltby are the two cemeteries that attract the majority of complaints. A summary of the complaint types is provided below:

Greasbrough Lane (Rawmarsh):

- Complaints have been received regarding the site in general. Parts of the site are in extremely bad condition, areas are water logged and in places are considered dangerous under certain weather conditions. Dignity cordon areas off over the winter and spring period and advise people that they need to be aware of the conditions if they did cross the cordon.
- Dignity have introduced a disclaimer form where the purchaser of the grave / cremation plot signs to say they have been made aware of the conditions. The land is not ideally suitable for burial and we have concerns over the actual digging of graves as well as the re-opening etc.
- This is an issue that Dignity inherited from the Council and there is a general view that the site is unsuitable for use as a cemetery and further discussion is taking place between the Council and Dignity in order to agree the most appropriate action to be taken to resolve the issues with the site at Greasbrough Lane.
- Other complaints include:
 - Grass cutting issues including grass sticking to headstones. This happens when the maintenance operatives use machinery to strim / cut the grass around headstones. This can cause grass cuttings to become deposited on headstones, particularly if the grass or headstones are damp / wet. Operatives have been instructed to use a blower to remove grass from headstones (which is less effective in wet / damp weather).
 - Soil sinking and top ups required. These are considered to be request for service rather than complaints, as top ups are often required following a burial due to natural ground settlement. However, extreme weather has increased the number of requests for top ups as a result of soil being washed away from the top of the graves by the rain.
 - Litter and dog fouling in the cemetery. The Council has identified this cemetery as one that requires attention from the neighbourhood warden's. The warden's will take action in relation to this antisocial behaviour wherever possible.
 - There is anecdotal evidence that youths are congregating within the cemetery. Visits to the site by Council and Dignity personnel have failed to confirm that this is taking place to any significant extent,

however the boundary fence will be repaired / enhanced to make it more difficult for people to gain access to the cemetery once the main gates have been locked.

Maltby Cemetery:

- Generally all complaints relate to grounds maintenance issues (grass on headstones, grass not being cut, grass being left and not collected etc.). A cut and collect mower has been purchased and is now being used by the maintenance operatives.
- In addition to the above, the following complaints have been received:
 - There was an allegation that maintenance operatives appearing to sit on kerb sets whilst a burial was taking place. On further investigation it was revealed that they were not sitting on the kerb sets, but were sitting on the grass at the base of a grave while a burial took place in the cemetery. The operatives have been informed about how their behaviour is being perceived and instructed to amend it accordingly.
 - A complaint has been received regarding the prices of a headstone and additional vases and permits required for headstones. The customer was given information regarding the cost and further detail on what is included in the charge.
 - One resident had raised a complaint with the Council regarding the failure to reduce the height of trees on the boundary between the resident's property and the cemetery. The Council's tree service has undertaken a review of the trees in the cemetery and all recommended work has been undertaken. The resident remains dissatisfied however, and has requested that the Council reduce the height of the trees – this would however be against the recommendation of the Tree Service manager and the matter remains unresolved.
 - Maltby Town Council have previously raised a number of issues regarding the condition of the drive way / drains in the cemetery. All major pot holes and the issues with the drain have been rectified, some minor pot holes remain and these will be addressed as part of the rolling maintenance programme for the cemetery.

Complaints in relation to the other municipal cemeteries can be summarised as follows:

- Rawmarsh (Haugh Road) – issues with dog fouling and grave top up requests have been addressed as described above.

- Masbrough Cemetery - ivy growing on headstones, work is currently underway to remove the ivy.
- Wath Cemetery – It has been suggested that there are youths congregating in the cemetery and causing anti-social behaviour. This is predominantly anecdotal information, but the Council has requested additional visits from neighbourhood wardens and Dignity staff to deter youths from congregating in the area. The cemetery is bordered by a low wall which is insufficient to make the site fully secure, significant investment would be required to erect a more substantial fence.

In addition to this complaint, comments have been received regarding litter and graves top up requests – these have been addressed as detailed above.

- East Herringthorpe - grave top up requests, dealt with as referred to above.
- Moorgate Cemetery – dog fouling complaints, these have been addressed as described above.

The Council also records complaints information in relation to Bereavement Services (these would have been complaints referred directly to the Council rather than via Dignity) – in most cases these complaints have been directed to Dignity for action / response. Further details are provided at Appendix 2 to this report, all complaints have been appropriately responded to within required timescales.

3.3 Flexibility of the contract

The contract details a formal protocol under which the agreement between Dignity and the Council can be varied. This may require an amendment to the way that the payments are handled within the contract for example, by amending the amount paid to the Council each year by Dignity, or to the length of the contract agreement.

However, the working relationship with Dignity is generally good, and there exists a degree of flexibility outside of the formal contractual arrangements. This flexibility can be used to address areas of concern in relation to specific aspects of the service, but will rely upon good will rather than a contractual obligation.

The Council may terminate the contract should Dignity be found to be in default of their obligations under the contract provided that the default cannot be addressed by any other remedy, such as the dispute resolution procedure provided by the contract.

The Council may also terminate the contract at any time (referred to as voluntary termination) should it chose to do so – however in this circumstance the Council would be required to compensate Dignity by means of a financial settlement calculated as follows:

- An amount that represents the internal rate of return for a period of five years from the date that the termination takes place, plus
- Any redundancy payments payable to the employees of Dignity as a result of the terminations, plus
- Any unamortised capital expenditure incurred by the service provider.

The actual amount payable will depend on the point in time when the termination occurs (and the period of the contract that has elapsed), however it can be estimated that any termination within the first 10 – 15 years of the contract period would cost in excess of £2m.

3.4 Matters related to burials into lined graves (predominantly utilised by members of the Muslim faith)

The contract requires Dignity to provide a burial service that takes into account the different needs and cultural requirements of various faith groups. Therefore, although not specifically referred to in the contract, there is an expectation that graves will be provided that meet the needs of the Muslim community of Rotherham.

Approximately three years ago, there was significant dialogue between Council officers, local Councillors, Dignity representatives and local faith leaders in relation to the provision of lined graves. This resulted in a specification being developed that met the needs of the local community, at a reasonable cost. This specification has not been amended since it was agreed.

The provision of the graves for the Muslim community is not something that it is easy to compare between local authorities. The construction of the grave varies considerably from one local authority to another, as does the period of time that the right of burial is purchased for. The method of construction in Rotherham is to a relatively high standard - this was due in a large part to the specific requests of the community in Rotherham. Lower cost options are available in other Council areas but the construction of the grave / tomb is to a much lower standard (in some areas they are simply a standard grave shored up with plywood).

The current cost of a lined grave (including interment charge) is £3,189. This provides the exclusive right of burial into the grave for a period of 100 years. By way of comparison, the cost of a lined grave in Sheffield is £2,625 (£564 cheaper than Rotherham). However, in Sheffield the exclusive right of burial is only for a 50 year period (meaning that after this time the grave may lawfully be reused for the burial of another person). In order to secure the exclusive right of burial for a period in excess of 50 years, the customer would be required to pay an additional fee. It is not possible to extend the exclusive right of burial in a Sheffield cemetery to a period of exactly 100 years, however burial into a lined grave with a 95 year exclusive right would cost £3,470 (£281 more than a 100 year

exclusive right in Rotherham). This illustrates the difficulty in making direct comparisons between local authorities, and also shows that the prices in Rotherham are not overly excessive when the totality of the service is considered.

Attempts are made to accommodate same day burials wherever this is required for cultural or religious reasons, where a same day burial is not possible then the burial will take place the following morning. This is on condition that the required paperwork is provided by 12 noon on the day that the request is made (this is common practice across the country).

The current times that burials can take place is as follows:

- Winter 9:00am to 2:30pm.
- Summer 9:00am to 3:00pm.

This includes weekends and Bank Holidays (although an additional charge is made for burials at these times), and are applicable to all burials into any grave plot in the Borough.

The rationale for the times being set at the hours they are relate to the length of time that there is useful daylight during the summer and winter months. Sufficient time needs to be allowed for the mourners to leave the cemetery after the interment and for the cemetery attendants to close and backfill the grave once the mourners have left. The cemetery then needs to be locked up at the stated times by the cemetery wardens (the locking of the gates is done according to a rota, and the attendants and mourners must have left the cemetery by this time).

On occasion, members of the Muslim community have made requests for later burial times. Although Dignity attempt to accommodate reasonable requests, they must assess each on a case by case basis. The extension of burial times must be balanced with the availability of staff and the need to service burials in other cemeteries at the same time (some of which may have been booked for several weeks).

Dignity have recently reported a number of issues to the Council that relate to the provision of Muslim burials, these include:

- Additional services being requested by the family at short notice, and then a failure to make payment for the service that has been provided,
- Families attempting to make arrangements directly, in addition to using a funeral director (which can lead to confusion regarding the required arrangements),
- Traffic management issues during the times that burials are taking place (mourners tend to park on the access road to the crematorium rather than in the car park, this can block access to the crematorium by other service users),

- Ground conditions leading to safety issues for mourners and others when attending the burial,
- Unavailability of graves for pre-purchase.

In order to address these issues, it would be appropriate to make arrangements for a meeting between representatives of the Council (officers and Council members), Dignity and local representatives of the Muslim faith. Clarity on the specific requirements regarding grave construction can also be revisited.

3.5 General information relating to the setting of fees (including standard services and memorial benches)

An Internal Audit report dated 7/4/2009 stated that “management should consider the adequacy of the bench marking exercise carried out and the price increases proposed by Dignity Funerals Limited. Consideration should also be given as to whether the current price setting regime is appropriate and if not, the possibility of amending the project agreement should be investigated.”

Following this report, service management reviewed the benchmarking process and confirmed that it could not be amended without further contract negotiation, which was not considered appropriate at the time (due to the fact that the contract had only been signed 7 months prior to the audit report). They did however recognise that the difficulties in obtaining benchmarking data around some non-core services, and agreed that the benchmarking would be restricted to the principal services that are delivered by Dignity – i.e. burials and cremations. There was an agreement that the situation would be monitored and further action taken at a future date if required.

The contract requires Dignity to develop a pricing structure for the services it provides, and recognises that such a pricing structure should permit Dignity to recover the investment referred to above. That said, the contract also makes it clear that in setting fees for services, Dignity must have regard to customer’s budgets.

In order to ensure that the fees charged for services are reasonable, Dignity are under a contractual obligation to undertake benchmarking of the fees that are charged for the services provided. However, there is an acceptance that effective benchmarking can only be undertaken if external data is available – and it is often difficult to obtain such data as services differ so significantly from one local authority area to another. In general terms, the services in relation to a basic cremation or burial are similar throughout the country. As a result, it is relatively straightforward to benchmark costs in relation to cremations and burials. However, the situation is significantly more complex when it comes to the provision of optional services such as memorials, as is explained further below.

As a minimum, the Council expects Dignity to benchmark the fees against the national average and those charged by Sheffield, Doncaster and Barnsley Councils. Once the benchmarking has been completed, the Council may suggest changes to the proposed fees using the benchmarking data as a guide. The contract requires Dignity to consider these suggested changes, however it does not require them to amend their pricing structure as a result. The contract explicitly states that Dignity are ultimately responsible for determining the fee structure, and that the Council cannot raise a dispute in relation to these fees (provided that the benchmarking process has been undertaken correctly).

The local 2016/17 fees in relation to burials and cremations were as follows:

Sheffield:	Burial £2510	Adult cremation £690
Barnsley:	Burial £2504	Adult cremation £720
Doncaster:	Burial £2125	Adult cremation £730
UK average*:	Burial £1950	Adult cremation £733
Rotherham:	Burial £2119	Adult cremation £881

* source: SunLife "Cost of Dying Report 2016"

Although it is true to say that fees have increased during the eight years that Dignity have operated the service in Rotherham, the fees charged for basic funeral services are not so disproportionate to those charged in other areas – especially when the capital investment and revenue payments made to the Council are taken into consideration. In addition, some services in Rotherham are offered free of charge, whereas in other areas there is a charge made for that same service (for example, in relation to child burial and cremation services).

During the negotiations prior to the signing of the contract, it was made clear by Dignity that they would significantly improve the provision and promotion of memorials to the general public. This has been achieved through the development of a new memorial garden at East Herringthorpe Cemetery and an increased range of memorials to the general public. It was also made clear that the income received will enable Dignity to receive payback on capital investment and a rate of return commensurate with this investment and the taking on of risk associated with the delivery of the service.

In previous years, wooden benches were made available to residents of Rotherham at a relatively low price. However, a great many of these benches have fallen into disrepair due to both the constant exposure of the bench to the elements and also from a lack of maintenance on the part of the bench owner.

As a result of this, Dignity no longer offer wooden memorial benches in any of the cemeteries for which they are responsible. Instead, Dignity offer a custom made granite bench that is installed on a plinth with an inscribed plaque fixed to the bench. Although these benches are expensive (currently in the region of £3500 depending on location), they

retain their condition almost indefinitely, are significantly resistant to damage / vandalism and are provided to the owner in perpetuity (which is taken to mean at least 100 years and can therefore be considered to be a permanent memorial to the deceased). There is no other local cemetery that provides a memorial of this type, but Sheffield City Council will allow a lease on a wooden bench in one of their cemeteries (the lease is for a period of 10 years). After the lease has expired, the bench could be leased to another person, or the lease extended (which will attract whatever fee is in place at that time).

At the current time, the cost of a leasing a wooden bench in a Sheffield cemetery for a 10 year period is £1,026 – approximately a third of the cost of a bench in Rotherham, but for a tenth of the period of time. This illustrates that the services provided between Councils differ significantly, and that the cost of the memorial bench in Rotherham is, over time, a far more cost effective and lasting memorial than that offered in Sheffield.

The cost of a funeral in Rotherham is typically between £3,500 and £4,000 (including funeral director fees). In order to lessen the impact of additional financial expenditure at the time of bereavement, Dignity offer interest free credit on all memorials over £1200. This facility has allowed many people to access a wide range of high quality memorials when they would otherwise have been unable to do so.

That said, the council recognises the need to provide memorial options that fit all budgets, and as such will be discussing options for the provision of lower cost memorials – in particular memorial benches.

4 Options considered and recommended proposal

- 4.1 The report is for information only, and therefore no options / proposals are recommended.

5 Consultation

- 5.1 During the development of the proposal Extensive consultation took place during the development of the contract, this included:

- local faith groups
- elected representatives (Councillors, MPs)
- staff affected by the proposal (including Trade Unions)
- service user representatives (such as Friend's Groups etc.)
- funeral directors
- members of the public

- 5.2 All responses were considered and informed the ultimate development of the proposals and subsequent contract documentation.

6 Timetable and Accountability for Implementing this Decision

6.1 This report is for information only, no decision is requested.

7 Financial and Procurement Implications

7.1 This report introduces no additional financial or procurement implications.

8 Legal Implications

8.1 There are no specific legal implications that are introduced by this report.

9 Human Resources Implications

9.1 This report introduces no additional human resources implications.

10 Implications for Children and Young People and Vulnerable Adults

10.1 There are no specific implications in relation to Children and Young People and / or Vulnerable Adults that are introduced by this report.

11 Equalities and Human Rights Implications

11.1 Dignity are required to undertake their obligations under the contract in a way that ensures that there is no discrimination on the grounds of culture, ethnic or national origins, gender, disability, age, sexual orientation, political or religious beliefs, socio-economic status, or any other matter.

11.2 Adherence to these requirements is assured by means of monitoring of complaints and other information that may indicate whether the service is being provided

12 Implications for Partners and Other Directorates

12.1 This report introduces no additional implications for partners or other directorates.

13 Risks and Mitigation

13.1 Contract Management

The member of staff that project managed the introduction of the Dignity contract left the authority shortly after the contract was signed. No specific provision was made for continued management of the contract, and so this function was allocated to the Business Regulation Manager.

Since the commencement of the contract, numerous options have been considered to ensure that effective oversight is given to the delivery of the contract. None of these options were successful however, and the function remains with the Business Regulation Manager.

As a result of this, the Council's capacity for the management of the contract is limited and relies upon the Business Regulation Manager being available to undertake the management of the contract. This puts the Council in a vulnerable position should this staff member be absent from work for a protracted period. In this event, there would also be a significant loss of knowledge around the contract and the operation of it.

13.2 Commercial Failure of Dignity Ltd

As a commercial organisation, Dignity are susceptible to commercial / financial pressures that may result in the failure of the company.

Such a failure would have an extremely detrimental impact on the delivery of the service within Rotherham.

In order to mitigate this risk, the Council undertake regular financial monitoring of Dignity Funerals Ltd and Glendale Countryside Ltd in order to allow for the early identification of any financial instability in either company that may mean that the survival of the company is at risk.

14 **Accountable Officer(s)**

- 14.1 Alan Pogorzelec – Business Regulation Manager
Community Safety and Street Scene
01709 254955, alan.pogorzelec@rotherham.gov.uk

This report is published on the Council's website or can be found at:-

<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

Crematorium

- Renovation works to the chapel
- Final plans are being submitted for approval
- Issues have been raised over the music system in that large attendance is struggling to hear the service. Music system will be addressed during the refurbishment but in the meantime we are looking into interim PA system which will help.
- Asbestos water pipe replacement is currently ongoing
- Due to Health and Safety reasons the observation area cannot be opened to mourners. The chapel refurbishment will increase the chapel capacity.

East Heringthorpe cemetery

- Looking into the possibility of extending V section
- Looking into suitable burial area for babies and children
- Currently offering pre-purchase on V section
- Parking is become a bit of an issue. Vehicles blocking the road – looking ways in which we can increase parking
- Muslim section. I have looked into the possibility of extending the burial times however I don't feel this is faisable. In order to get lighting in the section we would need to hire/buy a generator which will be extremely loud. Security costs still outstanding from last year.
- We have been informed from a local muslim FD that some families are not following the weekend burial procedure and are pretending to be funeral directors when phoning to make burial arrangements.

Greasbrough Lane

- New lawn section mapped out
- New traditional grave section mapped out
- Monitoring of the DIY kerb set. In the New Year we would like start a "tidy up" programme at Greasbrough lane. Middle of January we will write to all families who have an unauthorised kerb set notifying them that we will be removing any unauthorised memorials over the next 3 months. We will also put notices up all around the cemetery and – where possible – place signs by Graves who we no longer have up to date information. Families will be allowed to have a full kerb set if they wish but they will have to go through their local stonemason or visit the crematorium office who will be able to assist. From the date stated in the letters and signs, the wardens will work their way around the cemetery removing all of the unauthorised memorials. They will be bagged individually and clearly marked so should any families wish to collect their memorial they can. As previously discussed families placing unauthorised memorials in the cemeteries is a huge health & safety hazard and the support from the council will be greatly appreciated.
- Dog walkers remain an issue
- In talks about re-vamp of middle section to create additional space

- Adequate space for burial and cremated remains but concerns are still being raised over weather and site conditions

Greasbrough Town

- Roofs on 2 chapels are in poor condition, guttering is down and tiles are falling off – council responsibility.
- Pot holes in pathways and drives are causing some concerns
- We have recently had a problem with young people climbing trees and breaking the branches. Our contractors are currently putting together some costs to hopefully help this issue.
- Re-open's only for burial and cremated remains

Haugh Road

- We have recently had issues with break-in's in the chapel. They are getting through the doors and windows and turning the heating on (council are aware) We have taken all the fuses out and put more locks on the doors but needs to be boarded up properly.
- Re-open's only for burials and cremated remains

Wath

- Possible extension. Land has already been established and council are aware
- Pot holes are a bit of a situation. It may require the whole drive and paths being re-tarmac. Currently monitoring the situation
- Currently burying in T section
- Tree work being monitored

Masbrough

- Recently received a couple of complaints about moss on the path. Situation has been passed to contractors who will sort this out.
- Burial space is quite limited. We are currently going through all the maps to try and find new burial space.
- Mostly re-opens

Moorgate

- Continuous problems with chapel break in's. Doors and windows really require shutters
- There is a hole in the chapel roof causing some health and safety issues
- Ivy is quite a big problem. The ivy is well established through the chapel and is causing deterioration as well as a number of other issues

Maltby

- Maltby generally OK
- No recent complaints with regards to contractors, grass cutting etc
- The Litch Gate is in need of repair. Friends of Maltby have applied for a grant from English Heritage
- The council are painting the railings black
- The toilet block is supposed to be coming down (this is under council control)
- Friends of Maltby Group has been set up. We are currently reviewing their terms and conditions
- Tree work all in order
- Burial space is quite limited. We are currently looking through all the maps to try and find new burial space

Appendix 2 – details of complaints recorded on council systems

Enquiry Type	Details	Date
Service Request	Maltby cemetery not being locked	25/09/2012
Stage 1	Purchased grave plot, want a refund was told would receive all but 10 percent only received half of costs back wants to know why.	01/02/2013
Service Request	Lack of information re: pensions etc. following bereavement	14/03/2013
Stage 1	On the morning of the funeral my uncle went to place flowers on his brothers grave Mr Anthony Hare, who was buried in a different plot. On arriving at the cemetery he discovered that Mr Anthony Hare's plot had been disinterred in error and the headstone removed. Mrs Hare was to be buried alongside her husband Mr William Hare. Fortunately the groundsmen were still on site and could prepare my grandmothers plot for her funeral. I would like to know who is responsible for this gross error, and compensate the family for the upset this caused, under an already extremely stressful circumstance.	02/08/2013
Informal Complaint	Excessive cost for re-opening cremated remains.	15/10/2013
Informal Complaint	Grass cutters have damaged a flower arrangement on grave	11/06/2013
Informal Complaint	Cutting of grass and upkeep to Wath Cemetery.	17/06/2014
Cllr Surgery	The crematorium are not maintaining the boundary	18/07/2014
LGO	Refusal to refund cost of grave plot	11/12/2014
MP Enquiry	Damage and vandalism to graves at Upper Haugh Cemetery	24/02/2015