

**CABINET/COMMISSIONERS'
DECISION MAKING MEETING
15th January, 2018**

Present:- Councillor Read (in the Chair); Commissioner Kenny, Councillors Alam, Beck, Hoddinott, Lelliott, Roche, Steele, Watson and Yasseen.

Apologies for absence were received from Councillors Commissioner Bradwell and Commissioner Ney.

Also in attendance were Councillor Steele, Chair of the Overview and Scrutiny Management Board, and Councillors Cowles and Short.

The webcast of Cabinet and Commissioners' Decision Making Meetings can be viewed at:-

<https://rotherham.public-i.tv/core/portal/webcasts/enctag/Executive%252BArea>

94. DECLARATIONS OF INTEREST

There were no Declarations of Interest reported.

95. QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

96. MINUTES OF THE PREVIOUS MEETING

Resolved:- That the minutes of the Cabinet and Commissioners' Decision Making Meeting held on 11th December, 2017, be agreed as a true and correct record of the proceedings.

97. CALCULATION OF THE COUNCIL TAX BASE FOR 2018/19

Consideration was given to the report which set out the calculation of the Council's proposed Council Tax base for the forthcoming financial year 2018/19.

The formula for calculating the Council's Tax Base was set out by the Local Authorities (Calculation of Council Tax Base) Regulations 2012 and the projected Tax Base was shown in Appendix A. The Tax base was set in Band D equivalent properties – that was properties placed into one of eight valuation bands (A-H) and these were converted to Band D Equivalent properties using the proportions set out in the 1992 Act which were weighted in relation to the Band D property - Band A being 6/9^{ths}, Band B 7/9^{ths} and so on.

This calculation took into account the Council's own Local Council Tax Support Scheme (CTSS), discretionary discounts and premiums on second homes, projected in-year council tax collection rate in 2018/19 and estimates of the changes and adjustments in the tax base that occur during the financial year.

In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 governing its calculation, it was determined that the Council's Tax Base for the financial year 2018/19 be 69,240.35 Band D Equivalent Properties.

Resolved:- That Council be recommended to approve the amount calculated by Rotherham Metropolitan Borough Council as its Council Tax Base and those of the Parish Councils shown at Appendix A for 2018/19 shall be a total of 69,240.35 Band D Equivalent Properties.

98. INCREASE IN COUNCIL TAX EMPTY PROPERTY PREMIUM

Consideration was given to a report that detailed how from 2013/14 the Government introduced changes affecting the way that Council Tax was charged on certain types of empty property or second homes, by allowing Local Authorities increased discretion to set the level of charges locally.

One option available to Local Authorities was the introduction of a 50% Premium for long term empty properties which had been unoccupied and substantially unfurnished for a period of over two years. The principle of the introduction of the Premium was to incentivise owners to bring empty properties back into use.

The Council introduced the Council Tax Premium with effect from 1st April, 2013 with the 50% Premium being charged on the two year anniversary of a property becoming unoccupied and substantially unfurnished.

In the November, 2017 Budget statement, the Chancellor of the Exchequer announced that authorities would be given the power to increase the Council Tax empty homes premium from the current level of 50% to 100% as further encouragement to owners to bring empty properties back into use.

No further detail had yet been released by the Government regarding the implementation timeline or any exceptions that may be introduced and the change would require legislation meaning the earliest implementation date could not yet be confirmed.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations with a further suggestion that clarity about the appeals process was provided to affected residents.

Resolved:- That Council be recommended to approve an increase in the Empty Property Premium from 50% to 100% from the 1st April, 2018 or any later date upon which the Autumn Budget 2017 provision to increase the Empty Homes Premium was implemented.

99. HOUSING REVENUE ACCOUNT BUSINESS PLAN 2018-19

Consideration was given to the report which detailed how the Housing Revenue Account (HRA) recorded all expenditure and income relating to the provision of council housing and related services, and how the Council was required to produce a HRA Business Plan setting out its investment priorities over a thirty year period.

A series of options were considered as part of scenario modelling, these were detailed at Appendix D of the report. Details of the preferred HRA Business Plan Base Case Option D were set out in the main body of the report. This would result in the HRA having an Operating Surplus of £83m by Year 30 and provide support to the housing growth agenda and the Council's General Fund position. Additional resources had also been redeployed to manage the modelling process.

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

- 1% per annum reduction in Council rents over four years.
- Reinvigoration of the Right to Buy (reduction of qualifying period to three years): Reducing stock.
- Welfare reform - bedroom tax, universal credit and benefits cap: Impacting on tenants' ability to pay their rent, and increasing the resources required by the Council to collect rent from tenants in receipt of benefits.
- Introduction in the future of mandatory fixed term tenancies.
- Introduction in the future of the enforced sale of high value properties/ equivalent levy meaning the Council would have to pay in the region of £2m annually to the Treasury, to cover the costs of the discounts housing associations must offer now they could offer the Right to Buy to their tenants.

Whilst significant savings were required to ensure the HRA Business Plan was balanced over the thirty year period the extent of these pressures had reduced somewhat following recent policy announcements; the most significant of which was the return of the previous rent formula from 2020-21 onwards i.e. CPI + 1% for five years. This policy change increased HRA balances by over £104m over the life of the Plan.

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The subsequent review of the HRA Business Plan for 2018-19 was now focused on achieving:-

- Contributing to the borough's housing growth target of 900 homes per annum through building and/ or purchasing new properties.
- Maintaining and continuing to improve our 20,500 Council homes.
- Contributing to the development of low cost home ownership products that are needed locally and will play a critical role in Rotherham's overall economic growth.
- Continued investment to support the General Fund budget position.

The report further detailed a technical overview of the current position and the reason for changes to the Plan and considered alongside proposed 2018-19 rents, service charges and budgets.

Going forward whilst the financial position of the HRA deteriorated over the next two years due to the ongoing 1% per annum rent reduction this was against a backdrop of a healthy reserves position. These levels of reserves represented a significant opportunity to support housing growth throughout the borough over the next five years. Consequently it was proposed that £57m of HRA resources would be invested in building new homes over the next five years. This included grant from the HCA of £6.8m. Assuming all properties developed for private sale were sold at forecast values, this would result in sales income of circa £16m.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations. Further detail had also been requested on the options discounted for the Base Case and this had been provided and circulated to Overview and Scrutiny Management Board Members prior to the meeting taking place.

Cabinet Members noted the potential for adverse changes in rental income as a result of universal credit and the impact on vulnerable residents alongside the spare room subsidy which would have to be managed locally. However, it was hoped the Government would reverse the currently deferred decision on the sale of higher value Council Properties and this would be removed from the Plan.

Resolved:- (1) That Council be recommended to approve the proposed 2018-19 Base Case for the HRA Business Plan and investment in services detailed within.

(2) That the plan be reviewed annually to provide an updated financial position as new Government regulations come into force.

100. HOUSING REVENUE ACCOUNT RENTS & SERVICE CHARGES 2018/19

Consideration was given to the report which sought approval for the proposed values for the setting of the housing rents, non-dwelling rents and service charges for 2018/19.

Changes to the Government's policy on social housing rents resulted in the requirement to reduce dwelling rents by 1% over four years from April 2016. To comply with the legislation it was proposed that rents would be reduced by 1% for a third year from April, 2018.

In previous years increases to charges for non-dwelling rents have been linked to changes in CPI. As at September 2017 CPI was 3% and, therefore, it was proposed to increase charges for garages and communal facilities including laundry and cooking gas by 3%.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations.

Resolved:- (1) That Council be recommended to approve that dwelling rents be reduced by 1% for 2018/19 in line with the requirements outlined in the Welfare Reform and Work Act 2016.

(2) That there is a 3% increase to charges for garage rents, communal facilities, cooking gas and laundry facilities in 2018/19 in line with the increase in Consumer Price Index as at September 2017.

(3) That the unit charge per Kwh for District Heating Schemes remains at the same level as agreed by the Council in December, 2017.

(4) That the draft Housing Revenue Account budget for 2018/19 be approved.

101. INTRODUCTION OF A CHARGING SCHEME FOR FOOD HYGIENE RATING RE-INSPECTION VISITS

Consideration was given to the report which detailed how the food hygiene rating displayed at food premises reflected the standards of food hygiene found on the date of inspection or visit by the Council. The food hygiene rating was not a guide to food quality, but rather to the standards at the premises. Very often, where a business had received a low food hygiene rating, the owners requested a re-visit from the Council following improvements to standards.

The Food Standards Agency had issued guidance which allowed Councils to charge for undertaking requested re-inspections under the Food Hygiene Rating Scheme. It was proposed that a fee of £150 be charged for such re-inspections.

The South Yorkshire Food Liaison Group, which was attended by the Food Hygiene Principal Officers considered the introduction of a re-inspection fee and it was agreed by the group that a county wide re-inspection fee should be considered.

Sheffield City Council already introduced charging for re-visits (£150) in accordance with the revised Brand Standard. The Brand Standard was guidance set by the Food Standards Agency which Local Authorities were required to follow when they operated the Food Hygiene rating Scheme.

Adopting this charging scheme brought with it advantages to business in that the timescale for re-inspections shortened and more than one re-inspection could be requested.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations.

Resolved:- (1) That a charging scheme for re-inspections of food businesses be introduced, when requested, in respect of the Food Hygiene Rating Scheme, with effect from 1st February, 2018.

(2) That the fee for re-inspections of food business, upon request as part of the Food Hygiene Rating Scheme, be set at £150 per inspection.

102. RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Consideration was given to the circulated report, the contents of which were included as part of the relevant items and the details included accordingly.