

OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Date and Time :- Wednesday, 16 January 2019 at 11.00 a.m.
Venue:- Town Hall, Moorgate Street, Rotherham.
Membership:- Councillors Brookes, Cowles, Cusworth, Evans, Keenan, Mallinder, Napper, Sansome, Short, Steele (Chair) Walsh and Wyatt.

This meeting will be webcast live and will be available to view [via the Council's website](#). The items which will be discussed are described on the agenda below and there are reports attached which give more details.

Rotherham Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair or Democratic Services Officer of their intentions prior to the meeting.

AGENDA

1. Apologies for Absence

To receive the apologies of any Member who is unable to attend the meeting.

2. Declarations of Interest

To receive declarations of interest from Members in respect of items listed on the agenda.

3. Questions from Members of the Public and the Press

To receive questions from members of the public or press who are present at the meeting.

4. Exclusion of the Press and Public

To consider whether the press and public should be excluded from the meeting during consideration of any part of the agenda.

Items for Pre-Decision Scrutiny

In accordance with the outcome of the Governance Review in 2016, the following items are submitted for pre-scrutiny ahead of the Cabinet meeting on 21 January 2019. Members of the Overview and Scrutiny Management Board are invited to comment and make recommendations on the proposals contained within the report.

5. Amendments to the Housing Allocation Policy - January 2019 (Pages 1 - 13)

Cabinet Portfolio: Housing

Strategic Directorate: Adult Care, Housing and Public Health

6. Housing Revenue Account – Business Plan 2019/20 (Pages 14 - 32)

Cabinet Portfolio:- Housing

Strategic Directorate:- Adult Care, Housing and Public Health

For Information/Monitoring:-

7. Budget Consultation Report 2019-20 & 2020-21 (Pages 33 - 57)

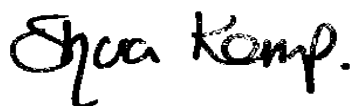
To consider the summary of consultation responses received in respect of the proposals for the Council's budget in the 2019-20 and 2020-21 financial years.

8. Urgent Business

To determine any item which the Chair is of the opinion should be considered as a matter of urgency.

9. Date and time of next meeting

The next meeting of the Overview and Scrutiny Management Board on Wednesday 30 January 2019 at 11.00 a.m. in Rotherham Town Hall.



SHARON KEMP,
Chief Executive.

Summary Sheet

Committee Name and Date of Committee Meeting

Cabinet – 21 January 2019

Report Title

Amendments to the Housing Allocation Policy - January 2019

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 of Adult Care, Housing and Public Health

Report Author(s)

Sandra Tolley, Head of Housing Options
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Ward(s) Affected

Borough-wide

Executive Summary

The Council is required to allocate Social Housing according to a published Allocations Policy which has been drawn up according to the Housing Act 1996, Part VI and Part VII as amended by the Homelessness Act 2002, the Homelessness Reduction Act 2017 and the Localism Act 2011.

Rotherham Council's Housing Allocation Policy was last fully reviewed in February 2017. The policy outlines who can seek re-housing through the local authority, the properties they can apply for and how people are prioritised for available homes.

There are certain circumstances when the Allocation Policy needs to be adjusted. These include when there are legislative changes, if there are changes in supply and demand or when equality data informs the Council that should the Council need to change the way properties are allocated. The 5 proposed amendments address some of these issues and will also help to prevent homelessness earlier, reduce waiting time for households with a medical need and apply consistent approaches within the policy for people who wish to move to a smaller home.

Recommendations:

1. That the five proposed amendments to the Allocation Policy detailed below are approved:

- (a) Amend the banding related to homelessness households to award a higher band following a full homelessness assessment as detailed in section 3.2.6 of the report.
- (b) Amend the downsizing policy to award Band 2 status to Council or Housing Association tenants who are under occupying their home to move to a property with at least 1 less bedroom (a ground floor flat or a bungalow will require a medical assessment)
- (c) Amend the quota of advertised properties in Band 2 from 50% to 60%, reduce the quota of advertised properties in Band 3 from 40% to 30%, and retain the 10% quota for Transfers.
- (d) Amend the rule for single people who are Council or Housing Association tenants living in a flat who are expecting their first child to be eligible for family accommodation on the production of the MATB1 form.
- (e) Amend the local connection rule to give a person a local connection if their Grandparents or Primary Carer live in Rotherham and have done so for the last 3 years. There will be a validation process asking the applicant to provide proof of the Grandparent's address and confirmation that they are in contact with them.

List of Appendices

None

Background Papers

Housing Allocation Policy (May 2017)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Improving Places Select Commission
Overview and Scrutiny Management Board

Council Approval Required

No

Exempt from the Press and Public

No

Amendments to the Housing Allocation Policy - January 2019

1. Background

- 1.1 The Council's Housing Allocation Policy had been in place since 29 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 of households from over 30,000 to 6,677 applicants by 1 August 2018. There have been various revisions and the latest was on 13th February 2017. Further amendments to the Allocation Policy are set out below in Sections 3.2 to 3.5.

2. Key Issues

2.1 The Housing Register

- 2.1.1 As at 1 August 2018 there are 6788 applicants on the housing register and the number of applicants in each band is:

Band	Reason	Numbers in each band
Band 1	Households who require immediate housing and are considered for all vacant Council properties	246
Band 2	People who experience urgent housing need and require moving due to specific circumstances	1,668
Band 3	Applicants who are entitled to reasonable preference on a non-urgent basis	1,783
Band 4	Applicants who have no reasonable preference entitlement/priority need	1,755
Transfer	Council or Housing Association tenants with no housing need	1,336
Total		6,788

- 2.1.2 The reasons and number of applicants in Band 2 are:

Band 2 Reason	Number of applications
Statutory Homeless	19
Medical priority	1,280
Statutory overcrowded	19
Not ready for independent living held in suspension	147
Leaving supported housing ready to live independently	67
Requiring extra care housing	5
Offender, not a high risk to the community	4
Applicants living in private rented who cannot afford the rent, but are employed	24
Victim of domestic violence	96
Looked after child ready to live independently	7
Total in Band 2	1668

2.2 Legislative changes which aim to prevent homelessness earlier

Recommendation 1 - Amend the banding related to homelessness households to award a higher band following a full homelessness assessment as detailed in section 3.2.6 of the report

- 2.2.1 On 5 February 2018, the Homelessness Advice and Support Team, from the Ministry of Housing, Communities and Local Government visited the Homelessness Team to hear about the work Rotherham is doing in preparation for the Homelessness Reduction Act 2017.

The feedback was very positive and there was recognition that the team have a preventative approach in operation. The Allocations Policy supports Rotherham's homelessness prevention work but it was recommended that the policy should be reviewed in light of the Homelessness Reduction Act; ensuring reasonable preference is given to those under the prevention and relief duties.

- 2.2.2 The Homelessness Reduction Act 2017 is one of the biggest changes to the rights of homeless people in England for 15 years. It effectively combines two new duties onto the original statutory rehousing duty. These are the Homelessness Prevention Duty and the Homelessness Relief Duty.

- 2.2.3 The Allocation Policy must adhere to a legal framework outlined in Part VI and Part VII of the 1996 Housing Act, an element of which mandates that certain groups of applicants must be given 'reasonable' preference in determining who is allocated properties. This already applies to people who are homeless in priority need and some who face losing their accommodation within 28 days, but the 2017 Homelessness Reduction Act, which came into effect from April 2018, means preference needs to be given to all applicants who are threatened with homelessness within 56 days. This report recommends the extension of rehousing preference to applicants meeting this criterion, ensuring legal compliance and offering greater assistance to those at risk of losing accommodation.

- 2.2.4 An applicant who is homeless and has lost their accommodation through no fault of their own and have a priority need for accommodation is currently placed into Band 2. In accordance with legislation the following categories are deemed to have priority need:

- (a) a pregnant woman
- (b) a person with whom dependent children reside or might reasonably be expected to reside
- (c) a person who is vulnerable as a result of old age, mental illness, learning disability or physical disability or other special reason, or with whom such a person resides
- (d) a person aged 16 or 17 who is not a 'relevant child' or a child in need to whom a local authority owes a duty under section 20 of the Children Act 1989
- (e) a person under 21 who was (but is no longer) looked after, accommodated or fostered between the ages of 16 and 18 (except a person who is a 'relevant student')

- (f) a person aged 21 or more who is vulnerable as a result of having been looked after, accommodated or fostered (except a person who is a 'relevant student')
- (g) a person who is vulnerable as a result of having been a member of Her Majesty's regular naval, military or air forces
- (h) a person who is vulnerable as a result of having served a custodial sentence
- (i) a person who is vulnerable as a result of ceasing to occupy accommodation because of violence from another person or threats of violence from another person which are likely to be carried out
- (j) a person who is homeless, or threatened with homelessness, as a result of an emergency such as flood, fire or other disaster.
- (k) a person who is terminally ill who is receiving palliative care

2.2.5 The Council's Allocation Policy is afforded by a Banding approach for different types of need, for homeless households the current policy is as follows:

- Band 2 for households who are unintentionally homeless in priority need (as detailed in section 3.2.4)
- Band 3 for households who are unintentionally homeless but not in priority
- Band 4 for households who are awaiting an assessment.

2.2.6 As the new Homelessness Reduction Act is aimed to intervene at earlier stages to prevent homelessness it is proposed that the current banding related to homelessness households be enhanced to award a higher banding but this would only be applicable following a full assessment. It is therefore proposed that:

- Applicants in priority need who actually become homeless and a relief duty is owed or when a full housing duty is owed are placed into Band 1.
- Applicants in priority need who are faced with homelessness and a prevention duty is owed are placed into Band 2.
- Non-priority homeless applicants, who are owed a prevention or relief duty, be placed into Band 3.
- Applicants awaiting a homelessness assessment are placed into Band 3

2.2.7 The Allocation Policy rules regarding applicants who are excluded from joining the housing register will remain in place. This includes applicants who have previously been evicted from a Council or Housing Association secure tenancy in the last 5 years due to breaches of their tenancy conditions will remain ineligible to join the housing register. However, individual cases for vulnerable homeless applicants will continue be considered by the Housing Assessment Panel or under delegated powers of the Head of Housing Options.

2.2.8 With the introduction of the Homelessness Reduction Act, the number of people who present to the local authority due to being faced with homelessness is rising. In April 2018, the Homelessness team's case load was 132 cases, this increased to 321 on 31st August 2018 and 354 cases as at 30 September 2018.

2.2.9 There are currently 577 households who are actually homeless or faced with homelessness on the housing register. These policy changes will help to prevent homelessness sooner as the applicants will receive a higher banding status, which in turn means that there will be less people progressing to actually becoming homeless. The impact would however be monitored on an ongoing basis to ensure the balance is met between assisting those facing homelessness, and not affecting adversely the allocation scheme at the expense of all other types of housing need such as overcrowding or medical and welfare need.

2.2.10 The table below shows the total numbers of applications in each band (excluding the Transfer band) and the number of homeless applicants in each band as at 1st August 2018.

Homelessness category	Total number of applications in each Band	Number of homeless applications	Percentage of homelessness applications as a percentage of the total in that Band
<ul style="list-style-type: none"> Band 1 Homeless households who are both homeless and also have a medical need 	246	61	24.80%
<ul style="list-style-type: none"> Band 2 Unintentionally homeless households who are in priority need 	1668	19	1.14%
<ul style="list-style-type: none"> Band 3 Unintentionally homeless but not in priority need 	1783	280	15.70%
<ul style="list-style-type: none"> Band 4 Threatened with homelessness awaiting assessment 	1755	217	12.36%
TOTAL	5452	577	10.58%

a. **Changes to ensure that there is equality and fairness**

Recommendation 2 - Amend the downsizing policy to award Band 2 status to Council or Housing Association tenants who are under occupying their home to move to a property with at least 1 less bedroom (a ground floor flat or a bungalow will require a medical assessment).

2.3.1 It is proposed to amend the Downsizing Policy so that all tenants wishing to move to a smaller home are offered the same options. The issue is that the current policy for tenants wishing to downsize offers inconsistent choices. Applicants who are under occupying their home are all currently awarded Band 1 status, but are offered different choices as follows:

- Tenants under occupying a 4 bedroom house can move to a 2 bedroom house.
- Tenants who are affected by the bedroom tax can move to any type of property with 1 less bedroom.
- Tenants who are not affected financially can only move to a flat or a bungalow.

2.3.2 The proposed option is to award Band 2 status to Council or Housing Association tenants who are under occupying their home to move to a property with at least 1 less bedroom, for a flat or a bungalow (a medical assessment will be required for bungalows.) The current policy can be confusing to existing tenants, but, moreover by offering bungalows to under occupied tenants with no medical need via a Band 1 status impacts on the waiting time for applicants who have been assessed for a bungalow due to their health needs. This is because properties are offered to Band 1 applicants ahead of other bands.

2.3.3 If this recommendation is agreed it is proposed that all under occupied housing applications will be reviewed to apply this approach. Existing applicants will retain their banding date and remain in Band 1 but any new applications from the policy implementation date will be placed into Band 2.

2.4 Changes to reduce the waiting time for applicants in urgent housing need.

Recommendation 3 - Amend the quota of advertised properties in Band 2 from 50% to 60%, reduce the quota of advertised properties in Band 3 from 40% to 30%, and retain the 10% quota for Transfers.

2.4.1 There are currently 1280 households who have been assessed for Band 2 status due to living in unsuitable housing due to a medical reason. The waiting time is extremely long as outlined below, especially for ground floor accommodation.

2.4.2 **The table below shows a sample of lettings and the waiting times for households living in unsuitable housing due to medical reasons.**

Property type	Date of the advert	Number of requests made for the property	Date of the application of the successful applicant	Successful applicant reason for the band status
2 bedroom bungalow with a level access shower.	16/03/2018	42	29/11/2016	Band 2 medical reasons
2 Bed Bungalow with ramped access and an over bath shower	11/04/2018	88	04/12/2017	Band 1 terminally ill
1 Bed Bungalow with over bath shower	25/05/2017	45	23/03/2006	Band 2 medical reasons
2 Bed Bungalow with over bath shower	13/12/2017	81	18/05/2007	Band 2 medical reasons
2 bedroom bungalow with over bath shower	15/01/2018	76	12/03/2010	Band 2 medical reasons

2.4.3 It is proposed to increase the quota of advertised properties in Band 2 from 50% to 60%, reduce the quota of advertised properties in Band 3 from 40% to 30% and retain the 10% quota for Transfers.

2.4.4 The proposed change would increase the number of properties that are advertised to people in Band 2 in urgent housing need. The reason why this quota has been increased is that Band 2 contains an extremely high volume of applications in urgent housing need and the waiting times are lengthy.

	Old Quota	Proposed New Quota
Band 2	50 %	60%
Band 3	40%	30%
Transfer	10%	10%

2.4.5 Properties are initially offered to Band 1 applicants, and then to the advertised group, where there are no suitable bidders from the advertised band the next band in the sequence is selected and so on. All applicants can bid for any advertised group but as Band 4 applicants have no housing need they will always be the lowest priority in shortlisting. Properties will be advertised and the shortlist will be sorted as follows:

- **Advertised to Band 2 (60%):** Offered to Band 1, then Band 2, then Band 3, then Transfers, then Band 4
- **Advertised to Band Three (30%):** Offered to Band 1, then Band 3, Transfer Band, Band 2 and Band 4
- **Advertised to Transfer (10%):** Offered to Band 1, then Transfers, Band 2, then Band 3 and then Band 4

2.4.6 The letting results for 1st April 2017 to 31st March 2018 detailed below show how many Council properties have been let to each Band. As mentioned above although the advert might prioritise a certain band if they don't make requests another banded applicant maybe successful.

Band 1	Band 2	Band 3	Band 4	Transfer Band
267	570	479	108	90

2.4.7 The table below shows all properties which were let between 1st April 2017 and 31st March 2018. All of these properties were advertised in the Key Choices letting scheme.

Council Houses	Council Bungalows	Council Flats	Council Bedsits
531	355	616	12

2.5 Changes to ensure that there is equality and fairness

Recommendation 4 - Amend the rule for single people who are Council or Housing Association tenants living in a flat who are expecting their first child to be eligible for family accommodation on the production of the MATB1 form.

2.5.1. The current policy is that Council or Housing Association single tenants living in a flat who are expecting their first child will become eligible for family housing when their baby is born. An applicant who is in the same situation living with parents or in private rented accommodation becomes eligible for family accommodation whilst they are pregnant when a MATB1 form has been provided. It is proposed that all single applicants become eligible for family accommodation when the MATB1 form has been produced. This will reduce the waiting time for Council tenants wanting to move into more suitable family accommodation.

Changes to ensure that there is equality and fairness

Recommendation 5 - Amend the local connection rule to give a person a local connection if their Grandparents or Primary Carer live in Rotherham and have done so for the last 3 years. There will be a validation process asking the applicant to provide proof of the Grandparent's address and confirmation that they are in contact with them.

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. A person has a local connection where:

- They have lived for the last 3 years in Rotherham through their own choice.
- They are currently employed in Rotherham and have been for the last 3 years.
- They have direct family who live in Rotherham and they have done so for the last three years. Direct family members include spouses, civil partners, parents, sons, daughters, brother and sisters.

2.6.2 There are applicants who have no parents and have been brought up by their grandparents or a carer. It is therefore proposed that grandparents or primary carers are included as direct family members. There will be a validation process asking the applicant to provide proof of the grandparent's address and confirmation that they are in contact with them.

3. Summary of options considered and recommended proposals

3.1 There are no alternative options being considered and the recommendation is that the proposed changes to the Allocation Policy are implemented to meet the statutory requirements of the Housing Act 1996 Part VI and VII.

4. Consultation

4.1 Extensive consultation has taken place via an online survey, at the Tenant Conference, at the Tenant Involvement Panel, with Rotherham Federation, the Quality Standards and Challenge Group and at the Rotherham Show.

4.2 Members were consulted via the Improving Places Select Commission who received the report on 1 November 2018. Overview and Scrutiny Management Board will formally receive the report in December 2018.

4.3 Improving Places Select Commission supported all five recommendations, but also requested that recommendation 5 be extended to also include primary carers.

4.4 If the proposals are agreed, the Housing Allocation Policy and Summary Guide will be updated to reflect the changes.

The cost of printing is a minimum as all policy documents are available electronically. Any postage costs for the housing register reviews will be contained within existing budgets.

- 4.5 If the recommendations are approved, existing tenants will also be informed of the policy changes through articles published in “Home Matters” which is the Council’s Tenants’ Newsletter.

5. Timetable and Accountability for Implementing this Decision

- 5.1. Improving Places Select Commission November 2018
OSMB (pre-Cabinet) December 2018
Cabinet January 2019
- 5.2 If Cabinet approves these recommendations the policy will be implemented from the 1st day of the following month. The Council’s Housing Allocation Policy will be formally amended to reflect the changes, the new version published on the website.
- 5.3 There will be a timetable of staff training and briefing sessions for Members.
- 5.4 A progress report to monitor the impact of the policy changes will be presented back to Cabinet in 12 months’ time.

6. Financial and Procurement Implications

- 6.1 Implementation of the changes proposed in this report will help the Council to house homeless people more expediently and therefore reduce the cost by reducing the usage of temporary accommodation.
- 6.2 Following the completion of the revised Allocation Policy, a summary booklet will be amended and issued to existing and new applicants. This will incur no printing or postage costs as the document is electronic.
- 6.3 Most of the changes needed to the ICT system can be undertaken in-house at no extra cost, however there may be some more complex changes required which will incur a cost of £140 per day. There is a budget in place to cover this cost and the work is envisaged to take no more than 5 days. The costs will cover amendments to the Housing Register and choice based letting module rules which ensure applicants are placed in the correct bidding queue position.
- 6.4 Changes to the Allocations Policy will need to be effectively communicated to staff. This training will be undertaken in-house by the Housing Options Manager.

7. Legal Implications

- 7.1 The 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. Further the proposed amendments to the Allocation Policy implement the two new duties imposed on the Council by the Homelessness Reduction Act 2017, namely the duty to prevent homelessness and the duty to relieve homelessness.

8. Human Resources Implications

- 8.1 If the recommendations are agreed the policy will be delivered within existing resources.

9. Implications for Children, Young People and Vulnerable Adults

- 9.1 The recommendation will help to prevent homelessness and 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 help people to avoid financial hardship and can have a significant impact on people's health and wellbeing.

10. Equalities and Human Rights Implications

- 10.1 The policy will ensure that as far as possible tenants are able to sustain independent living in their homes. The Allocation Policy helps to prevent homelessness across the borough, but especially helps those households on low incomes. An initial equalities screening has been carried out to assess the impact of the proposed amendments. Due to the nature of the Council Housing Allocation Policy and its impact on some of our most vulnerable households gaining access to social housing it is proposed to refresh and update the existing Equality Impact Assessment within the next month.

11. Implications for Partners and Other Directorates

- 11.1 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 homelessness prevention, and proposals have been developed in conjunction with these organisations.
- 11.2 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.

12. Risks and Mitigation

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

12.2 The main risks associated with not approving the report are that:

- New vulnerable applicants will be waiting for a property longer.
- Homeless households will remain living longer in temporary accommodation

13. Accountable Officers

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

Tom Bell, Assistant Director of Housing

Approvals obtained on behalf of:-

	Named Officer	Date
Chief Executive	Sharon Kemp	07/01/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Julie Copley	17/09/18
Assistant Director of Legal Services (Monitoring Officer)	Stuart Fletcher	21/12/18
Assistant Director of Human Resources (if appropriate)	N/A	N/A
Head of Human Procurement (if appropriate)	N/A	N/A

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

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

Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet Meeting – 21 January 2019

Report Title

Housing Revenue Account Business Plan 2019-20

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 of Adult Care, Housing and Public Health

Report Author(s)

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Ward(s) Affected

All

Executive summary

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

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

- 1% per annum reduction in Council rents over four years. 2019-20 is the final year of this policy.
- Reinvigoration of the Right to Buy (RTB) (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

At the time this resulted in the need for significant savings to be made over the life of the business plan. Over the past 12 months however, there has been a shift in government policy towards increasing the availability of housing across all tenure types. This has reduced pressures on the business plan, the most significant policy announcement being the return of the previous rent formula from 2020-21 onwards i.e. Consumer Price Index (CPI) + 1% for five years.

The subsequent review of the HRA Business Plan for 2019-20 is now focused on achieving the following:

- 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

This report provides a detailed technical overview of the current position and the reason for changes to the Plan. This report is to be considered alongside proposed 2019-20 rents, service charges and budgets.

Recommendations

1. That Cabinet recommends to the Council to:

- (a) That the proposed 2019-20 Base Case Option 2 for the HRA Business Plan be approved.
- (b) That the plan be reviewed annually to provide an updated financial position.

List of Appendices Included

Appendix 1 HRA Operating Statement- Base Case
Appendix 2 Summary of modelled Business Plan Scenarios
Appendix 3 HRA Business Plan Risk Register

Background Papers

HRA Business Plan 2018-19
DCLG Guidance on Rents for Social Housing from 2015/16 (May 2014)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Improving Places Select Commission
Overview and Scrutiny Management Board
Council

Council Approval Required

Yes

Exempt from the Press and Public

No

Housing Revenue Account Business Plan and Rent Setting 2019-20

1. Background

- 1.1 This report sets out the proposals for the HRA Business Plan for 2019-20 onwards and provides information on the positioning of the HRA Business Plan as a driver of Housing Growth to assist in meeting the Council's housing objectives. In essence the overall approach is to make savings where it is feasible to do so these can be invested in future housing growth and to position the housing service so it is best placed to respond to future challenges that arise.
- 1.2 It was originally envisaged there would be a profoundly different position for the HRA finances following the 2015 Summer Budget. However, over the last 12 months there have been some significant shifts in government policy, which whilst resources are still significantly lower than anticipated at the onset of self-financing in 2012, they are far healthier than the Council had been planning for.
- 1.3 The key shift in policies that has resulted in changes to underlying assumptions are:
- Agreed rent formula of CPI + 1% from 2020-21 onward for five years.
 - Removal of the HRA Debt Cap
 - Removal of pay to stay which would have meant any household earning over £31,000 would have been required to pay at or near market rent.
 - Removing the proposed restriction of Housing Benefit to Local Housing Allowance rate for new tenants from April 2019.
 - Removal of the proposed enforced sale of higher value Council Properties.
 - Removing the planned restriction of Universal Credit Housing costs to the majority of 18-21 year olds.
- 1.4 Whilst there have been a number of welcomed policy changes, there are still multiple policies which will continue to impact directly or indirectly on the amount of resources available with the HRA Business Plan. These are summarised as:
- Roll out of full service Universal Credit to all remaining working age tenants in Rotherham since July 2018 onwards
 - Ongoing Right to Buy eligibility
- 1.5 The combined effect of these changes is likely to have a significant impact on the nature of housing provision in Rotherham, not just in terms of Council Housing.
- 1.6 Within this context, deriving a sustainable business plan has been problematic, in terms of estimations as to how the underlying business will change and how to address the potential reductions in income that will result from these changes, not least the requirement to reduce rents by 1% for a further year at a time when costs are increasing.

- 1.7 The overall position remains challenging, but given the level of reserves and the previous decision to defer some investment in stock until later in the plan there is the ability to divert resources to fund housing growth and contribute to the Council's Corporate Plan.
- 1.8 Over the short to medium term, the business plan shows healthy cash flow and balances; however over the longer term there is a significant squeeze on income due to ongoing right to buy assumptions. The policy of Right to Buy and lifting the debt cap are somewhat contradictory as it means there is the potential for an ongoing reduction in cash flow to fund a potential increase in debt. This means the underlying business has to continue to become more efficient over the long term and new build housing schemes have to at least break even over the long term. This will ensure there are sufficient resources to service the service the debt to ensure long term viability of the business plan.

2. Key Issues

- 2.1 The Council currently owns circa 20,400 homes, 544 leasehold homes and 3,375 garages with a turnover from rents and other sources approaching £82m per annum (excluding the sale of new properties).
- 2.2 The overall financial strategy for the HRA is focused on:
- Supporting housing growth (circa £105m including grant income will be available over the next five years, subject to Cabinet approval of remaining projects)
 - Supporting delivery of the Council's Corporate Plan
 - Maintaining a sufficient level of balances, both as a contingency against risks and to ensure that investment can be sustained over the period of the business plan
 - Achieving and maintaining the decent homes standard
 - Providing a customer focused and effective repairs service
 - Supporting housing and neighbourhood management
- 2.3 The proposed changes means there is a need to restructure the budget. With this in mind proposals are designed to ensure:
- There is a significant contribution to housing growth and support to the Council's Corporate Plan
 - Whilst savings are made no action is taken that will undermine the Council's longer term ability to react to changes
 - Provision is made to ensure there are sufficient resources available to invest in services where there is an identified need

- The longer term viability of the HRA business plan is maintained
- Budgets remain flexible to react to any significant changes in property numbers currently expected or further government policy changes
- No early repayment of debt is made

Financial Position of the HRA

2.4 The HRA currently has a healthy financial position with a general reserve balance forecast to be £32.98m, a forecast Major Repair Reserve of £19.072m and a One for One receipt balance of £2.570m as at 1 April 2019. A summary of the proposed Income and Expenditure for 2019-20 is as follows:

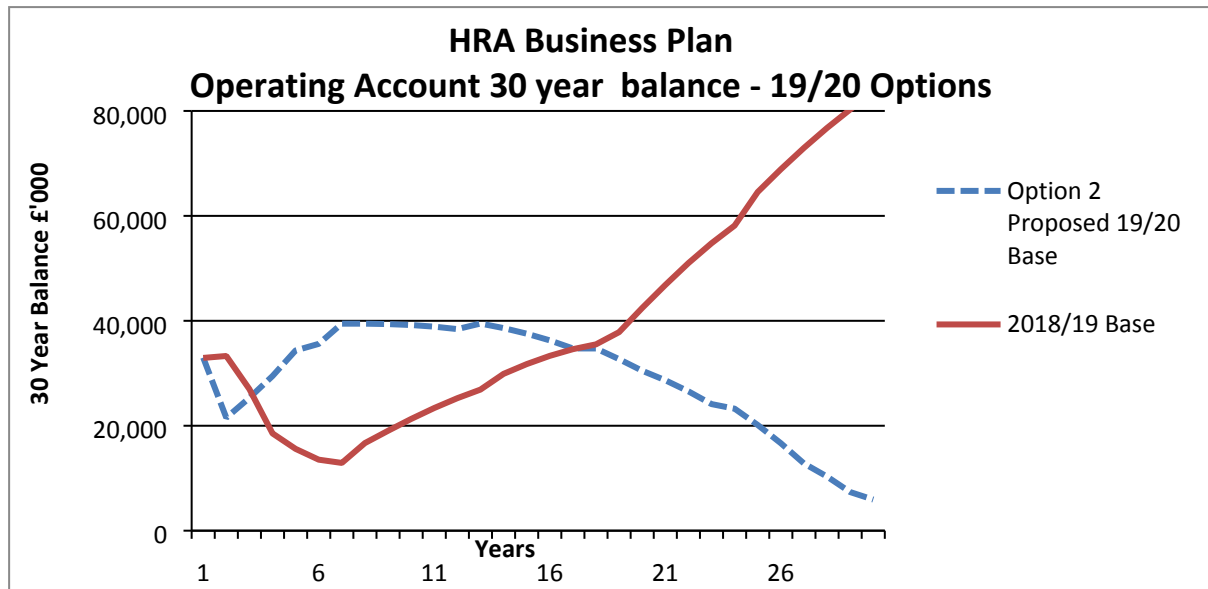
Housing Revenue Account	Proposed Budget 2019/20 £'000
Expenditure	80,489
Income (including service charges)	-82,939
Net Cost of Service	-2,450
Interest Received	-100
Net Operating Expenditure	-2,550
Revenue Contribution to Capital Outlay	14,692
Transfer from Reserves	-12,142
Surplus/Deficit for the Year	0

2.5 The £2.550m operating surplus is being used to fund part of the Housing Capital Programme via a Revenue Contribution to Capital Outlay (RCCO) together with a transfer from reserves of £12.142m.

Supporting Housing Growth

2.6 Going forward, whilst the financial position of the HRA deteriorates over the next year due to the ongoing 1% per annum rent reduction this is against a backdrop of a healthy reserves position. These levels of reserves represent a significant opportunity to support housing growth throughout the borough over the next five years. Consequently it is proposed that the housing growth programme continues to expand and £51m of HRA resources will be invested in building new homes over the next three years. There is the potential for the Business Plan to be able to support a total development programme of £105m without further borrowing, subject to Cabinet approval of pipeline schemes. This includes grant from the Home and Communities Agency (HCA) of £6.8m. Assuming all properties developed for private sale are sold at forecast values, this will result in sales income of circa £19m.

- 2.7 The following graph shows the 2018/19 Base and the positive impact that government social housing policy changes to have had on the Operating Account. Option 2 Proposed Base shows the impact of the Council increasing the gearing of the business plan towards supporting further housing growth and increased resources to fund ongoing investment of £1.6m per annum to enhance housing support services contained in the General Fund.



- 2.8 The 2019-20 Base Option 2 is the recommended option. A series of assumptions have been modelled which give a variety of different scenarios over the life of the business plan. A summary of these scenarios are detailed at Appendix 2.

Option 1 of the modelled scenarios is not recommended. Whilst it incorporates all approved housing growth projects and maintains sufficient operating balances there are insufficient capital financing available from year 12 of the plan.

Option 3 of the modelled scenarios demonstrate that further investment in housing growth based on the assumptions below is affordable over the life of the plan. However this is not the recommended option as the housing growth projects have not been approved. On this basis further reports supporting continued Housing Growth will be submitted to Cabinet and the implications on the HRA Business Plan operating statement will be set out and adjusted subject to approval of projects.

- 2.9 The key changes to assumptions modelled from the 2018-19 Base to 2019-20 Base Option 2 have been:

- **2019-20 Base Option 2**

This assumes

- rent will decrease by 1% for 2019-20 and then increase by CPI + 1% for five years (in line with government rent formula) then CPI only for the remainder of the plan.
- Service charges will increase by 2.4% (CPI) in 2019-20 and then CPI for rest of the plan.
- CPI has been refreshed to the latest forecasts by the Office for Budgetary Responsibility.
- Right to Buy sales remain at 200 per year from Year 3 of the plan. To accommodate the reduction in income as a result of RTB forecasts 50% of Supervision and Management expenditure has been flexed along with 75% percent of Repairs and Maintenance expenditure (excluding disabled adaptations and garages) in proportion to RTB sales.
- Repairs and maintenance revenue expenditure will reduce by 10% for a period of five years from 2020-21 onwards.
- Investment in Capital works has increased from £577m to £734m. An increase of £157m over the life of the plan.
- Invest a further £1m per year in Supervision and Management as explained further at 3.23 of the report.
- Ongoing investment of £1.6m per year will be made enhancing Housing support services contained in the General Fund.
- The High Value Property Levy of £2m per year has been removed.
- Reduced bad debt provision from 1.73% to 1.4% per annum.

This results in an Operating Surplus at Year 30 of £5.928m.

2.10 In developing the 2019-20 Base Case Option 2, Capita Housing and Consultancy have provided advice on completion of the HRA Business Plan.

2.11 The Proposed 2019-20 Base Case Option 2 results in a significant decrease in forecast surpluses of circa £77.5m when compared to the previous approved plan. The assumptions detailed ensure expenditure is kept in line with forecast income throughout the life of the business plan.

2.12 This scenario has been chosen because:

- It provides opportunities to contribute to the housing growth agenda through deferring stock investment and reducing repairs and maintenance expenditure where it is sensible to do so.
- It enables investment of £1m per annum to develop capacity to deliver on the Council's service priorities to meet the increasingly complex needs of our tenants.
- Ongoing investment of £1.6m per year will be made enhancing Housing support services contained in the General Fund.
- Expenditure is reduced proportionately to stock size, so mitigating the effect of increasing Right to Buys.
- RPI is set at 0.25% higher than CPI so provides a more prudent assessment of potential cost inflation compared to some other scenarios from Year 5.
- Rent increases are kept in line with CPI following expiry of the government's new social rent formula for five years from 2020-21 to increase rents by CPI + 1%.

- Repairs and maintenance costs reflect the current fixed overhead charge of circa 25% until 2019-20.
- Although debt is not repaid, there is no additional borrowing requirement. Although this may become necessary to continue funding housing growth and will be subject to a further report in Spring 2019.

Impact on the Housing Growth agenda

2.13 The 2019-20 review of the Business Plan continues to focus on the housing growth agenda. Resources are focused on construction and acquisition of new council homes for the next three years. The business plan supports delivery of multiple housing schemes throughout the borough across a variety of tenures as detailed below:

Year	Budget £	Units
2018-19	19,953,000	60
2019-20	24,614,000	199
2020-21	6,410,000	135
2021-22	0	23
Total	50,977,000	417

2.14 Continuing investment in new housing will contribute to the Council's housing growth target of 900 new homes per year. The benefits of the Council developing and enabling new housing include:

- Generation of income to the General Fund via New Homes Bonus and Council tax
- Ensuring new homes meet changing local needs, particularly the needs of older people, people with support needs and single person households
- Regenerating neighbourhoods
- Wider economic benefits including employment and training opportunities
- Access to grant funding from Homes England and the Sheffield City Region
- Replacement of Council homes sold through the Right to Buy
- Improved quality and energy efficiency of housing stock, which improves health and wellbeing and reduces fuel poverty

The priorities in the housing growth programme over the next five years are:

- Developing 182 new homes in the town centre
- Piloting modern methods of construction in order to ascertain the potential to build homes at an increased pace and lower cost
- Delivering more shared ownership homes to enable first time buyers and older people wishing to downsize, to own an affordable home
- Continuing to build bungalows and other accessible accommodation to enable older people and people with support needs to live independently
- Releasing HRA owned sites for development by the private sector and housing associations

- 2.15 The government announced in the autumn of 2018 Budget that the HRA Borrowing Cap would be removed with immediate effect. This offers further potential to support Housing Growth into the future. Given the significance of this policy announcement a further paper will be brought to Cabinet in Spring 2019 detailing the Council's proposals.

Impact on Repairs and Maintenance

- 2.16 Given the level of historic investment in existing stock, circa £115m over the past five years, that the stock is overwhelmingly traditional build and its condition is at or beyond the decent homes standard, a decision was taken in 2018-19 to reallocate investment from this area to further increase the Council new build programme. This meant that additional housing assets could be created, generate greater rental income and meet housing need in the borough. Given the Business Plan has now been refreshed based on revised assumptions and new government policies mean more properties will be built and fewer sold through RTB there is a slight increase in savings required to Repairs and Maintenance budgets as detailed in the table below when compared to 2018-19 proposals:

Year	Repairs and Maintenance Budget £'000s (savings included)	2018-19 Proposed savings £'000s	2019-20 Proposed savings £'000s	Additional savings required £'000s
2019-20	20,543	0	23	23
2020-21	19,003	2,095	2,114	19
2021-22	19,436	2,131	2,204	73
2022-23	19,724	2,167	2,229	62
2023-24	20,015	2,204	2,262	58
2024-25	20,308	2,241	2,293	62
Total	119,029	10,838	11,125	297

- 2.17 Whilst significant; in the context of the overall property based budgets, the repairs and maintenance savings still equate to a 10% reduction in spend from 2020-21 for five years. This timeline continues to allow for consultation with tenants and Councillors on what the new service offer will look like prior to commencement of the new repairs and maintenance contracts in 2020-21. Housing Services will look to reduce demand for those repairs, having minimal impact on residents and being low risk and in line with best practice across the industry. It is also envisaged the re-tendering exercise, will also deliver organic savings and provide the opportunity to deliver the same or improved services in a different and more innovative way, at a lower cost to the Council.

Impact on Capital Investment

- 2.18 During 2018-19 there has been a review of the capital investment needed in our stock over the next 30 years. This resulted in an increasing Capital investment from £577m to £734m over the life of the plan. Once modelled within the Business Plan this level of investment, whilst affordable, had a number of years when there was insufficient cash flow to fund the required level of investment. The decision has therefore been taken to smooth out peaks in demand by delaying some stock investment and replacements to later years as necessary. This will not affect the ability to meet the Decent Homes standard.

Supporting tenants with Financial Pressures

- 2.19 A key priority is the ongoing work mitigating the impact of welfare reform and general financial pressures tenants face. The Council is committed to minimising any effects of welfare reform on tenants and to do this through continuing early intervention and arrears prevention. Our efforts will continue to be in supporting tenants to continue to pay their rent; by offering additional support to vulnerable tenants to help with money, benefits and debt advice; this is being done through our Financial Inclusion team. The HRA also supports the Advocacy and Appeals service through funding for Money Advice Officers to support tenants in rent arrears manage priority debts.
- 2.20 Following a restructure of the Housing Income Service in 2017-18 which saw staffing levels more than double, following an investment of over £600k per annum. A key driver for this change has been the ongoing squeeze on tenants' incomes so the service now has a dedicated Financial Inclusion Team that supports tenants facing financial exclusion.
- 2.21 On the 11 July 2018 Universal Credit Full Service was rolled out throughout Rotherham, this to date as seen over 1,400 tenants move onto Universal Credit. The impact on rent arrears is now starting to become evident at individual account level, with the average arrears for a tenant on Universal Credit being £726.92 compared to £395.12 for other tenants i.e. the average arrears for a tenant on Universal Credit is 84% higher than other tenants. This presents a significant risk to income collection and manifests itself through increased bad debt provision. The forecast arrears balance for new Universal Credit claims is £625k for 2018-19. To mitigate this risk all new tenants who are eligible for Universal Credit have to make a claim and set up either a Direct Debit or a Recurring Card payment for rent prior to being issued with the keys for their new home.
- 2.22 The Housing service also has active partnerships with a number of other partners and Directorates all aimed at supporting tenants maximise income and promote independence thereby increasing their ability to pay rent:

1. Age UK, Rotherham
2. Children's and Young Persons Service
3. Employability Support Officer

Investment in other Council Housing Services

2.23 In reviewing the business plan, it is assumed there will be growth in the management and administration costs to the HRA of circa £1m per annum for the remainder of the plan. This continues to assume that cost savings previously identified within the plan following a review of average underspends within the HRA Management and Administration budgets over the last five years will be spent on:

- Investment in the Strategic Housing and Development Service to provide capacity to deliver the housing growth agenda detailed earlier in the report.
- Increasing capacity in the Housing Options Service to provide support to prevent homelessness following introduction of the Homelessness Reduction Act
- Establishing a Business Planning Unit
- Expanding the Tenancy Involvement team
- Changes to the management of compliance functions through the creation of a small Mechanical and Electrical team.
- Increasing capacity within the Housing management team to support vulnerable customers with high need on their journey to a more independent future.

2.24 An ongoing investment of £1.6m per year will be made enhancing Housing support services contained in the General Fund over the period. In addition it is proposed to work in partnership with Adult Care to complete a review of Rothercare so it is transformed into a service which promotes customers to maintain independence within their own home for as long as possible.

Impact of the proposed scenario

2.25 The impact of the changes to the business plan are summarised below:

- There will be £51m spent on housing growth over the next three years. This will result in 417 new properties being built or acquired
- The General Fund will receive additional funding for HRA support services of £1.6m per year for the life of the plan.
- There will be £10.8m less spent on day to day repairs over the next five years.
- There will be £1m more invested per year into developing capacity in the Housing Service to deliver Council priorities.
- By Year 30 the plan forecasts the housing stock size will have reduced to circa units 14,800. ie a reduction of around 5,600 units.
- There will be surpluses of £5.9m by year 30.

2.26 These savings have already been factored into the proposed HRA budgets within the HRA Business Plan Base 2019-20 Option 2. The challenge is to ensure that the savings to repairs and maintenance budgets are delivered and tenants are consulted on their priorities for the future of Council housing in Rotherham.

3. Options considered and recommended proposals

- 3.1 A series of options were considered as part of scenario modelling, these are detailed at Appendix 2 of the report. Details of the preferred HRA Business Plan Base Case Option 2 are set out in the main body of the report. This will result in the HRA having an Operating Surplus of £5.9m by Year 30 and provide support to the housing growth agenda and the Council's General Fund position.

4. Consultation on proposal

- 4.1 The Cabinet Member for Housing has been consulted over these proposals. The Tenants' Quality and Standards Group will be consulted and their comments will be incorporated into future revisions of the plan.
- 4.2 The Housing Service undertake an annual survey of tenants' views, referred to as the Star (Standard Tenant Assessment Response) Survey which supports how resources are targeted and allows the Council to benchmark satisfaction with other social housing providers. The most recent survey found:
- 80% of tenants are satisfied with the overall service provided
 - 80% of tenants are satisfied with the quality of their home
 - 78% of tenants believe their rent provides value for money
 - 48% of tenants were satisfied that their views were listened to and acted upon
 - Satisfaction with grounds maintenance and estate services were varied across the borough
- 4.3 The HRA Business Plan responds to some of the above concerns by increasing investment in Tenant Involvement Services and increasing capacity in the housing management teams.

Members have been consulted on various aspects of the Housing Revenue Account Business Plan. Seminars and Workshops have been held on Housing Growth, Repairs and Maintenance, Universal Credit and Housing Policy updates. This has helped inform the proposed Business Plan.

- 4.4 The HRA Business Plan also supports housing growth, the targets which were set following The Rotherham Strategic Housing Market Assessment (SHMA) which was completed in 2015; and consisted of a large scale resident survey, targeted focus groups and detailed analysis of housing market, population and demographic data. The study contains a calculation which takes into account delivery of new housing against newly forming households to highlight any shortfall. The Rotherham SHMA concluded that 900 new homes are required per year to meet housing needs in the borough, a quarter of which should be 'affordable'. The data from the study has been used to develop Housing Profiles for each ward which considers specific housing needs, and sets out opportunities for housing growth at a local level.

5. Timetable and Accountability for Implementing this Decision

5.1 The table below shows the approval timeline:

Date	Meeting
16/01/19	Overview and Scrutiny Management Board Meeting
21/01/19	Cabinet decision making meeting
23/01/19	Council

6. Financial and Procurement Advice Implications

6.1 In developing the HRA Business Plan the Chartered Institute of Public Finance and Accountancy/ Chartered Institute of Housing, CIPFA / CIH, code of practice for a self-financed housing revenue account; the Financial Viability principle has been taken into account which states that:

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

6.2 A reduction of 1% on rental values as required by legislation continues for one final year in 2019-20. Thereafter rent increases have been assumed at CPI + 1% for five years, thereafter reducing to CPI for the remainder of the plan. This change in policy, alongside the removal of the High Value Property Levy previously proposed by central Government as had a significant impact on income and capital funding available to fund investment in housing growth and capital works.

6.3 Significant cuts to capital investment built into the plan in 2018/19 have been removed and capital funding available for investment in existing housing stock as increased by £157m over the life of the plan.

6.4 Reductions to revenue repairs & maintenance costs of £10.8m have been incorporated into the HRA Business Plan from 2020/21 to 2024/25 (detailed at 3.16 above). It is anticipated that these savings can be made from 2020, when the existing repairs & maintenance contracts end and contracts based on revised service standards are negotiated.

6.5 Significant investment in property developments and acquisitions of £51m has been built into the plan over the next three years. On current assumptions the Business Plan indicates that this is fundable within available resources. Affordability is reliant upon £31.8m of funding which has been built into the plan: £6.8m of HCA grant funding, £6m of unallocated capital receipts and sales income of £19m from properties built for sale and shared ownership.

7. Legal Advice and Implications

7.1 There are no procurement implications.

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

8. Human Resources Advice and Implications

- 8.1 There are no immediate human resource implications although the proposal for expanding existing and developing new business units will result in a requirement for additional staffing resource.

9. Implications for Children and Young People and Vulnerable Adults

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

10. Equalities and Human Rights Implications

- 10.1 The local authority is aware of its duties under the Equality Act 2010 to promote equality, diversity, cohesion and integration and has ensured that the HRA Business Plan is compliant with that duty. An initial equalities screening has been carried out to assess the impact of these proposals and due to the scale of investment and nature of households affected the Council will need put in place an Equality Impact Assessment for this plan. This will ensure the Council continues to promote positive impact and reduce or remove negative impact as a result of the proposed investments. An Equality Impact Assessment will take place within the next month to ensure the correct policies and strategies are in place.

11. Implications for Partners and Other Directorates

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

12. Risks and Mitigation

- 12.1 Self-financing involved a significant transfer of risk from Central Government to the Council. Variables such as interest rates, cost inflation, number of homes owned etc. are all risks managed by the Council.
- 12.2 Any adverse changes in rental income (for example as a result of welfare reform or changes in the number of Right to Buy sales) must be managed locally.
- 12.3 The risks associated with the HRA Business Plan demand a smarter approach to risk management. The Council will closely monitor the viability of the HRA Business Plan; by building a HRA Business Plan monitoring report to monitor key variables such as:
- Number of homes

- Rental income
- Rent arrears and bad debts
- Voids and void rent loss
- Debt levels and repayment
- Reserve levels, and
- Maintenance backlog

12.4 The risk management plan for the HRA Business Plan is contained in the HRA Business Plan at Appendix 3. The plan follows the Council's risk management methodology and approach. It includes a clear description of the risk, an assessment of probability and impact of the risk, a summary of controls and information on when the risk will be reviewed. Risks are monitored monthly at Housing Senior Management Team (SMT) meetings.

12.5 Significant risks will be placed on the Corporate Risk Register and risk issues will be escalated through the Council to Directorate Leadership Team and Senior Leadership Team as necessary.

12.6 The Council has risk based reserves to ensure that HRA reserves are maintained at the appropriate level. The reserves will be maintained at the appropriate level to fund potential future financial pressures from risks such as welfare reform and investment requirements.

13. Accountable Officer(s)

Anne Marie Lubanski, Strategic Director for Adult Care and Housing
Tom Bell, Assistant Director of Housing

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Sharon Kemp	07/01/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Graham Saxton	21/12/18
Assistant Director of Legal Services (Monitoring Officer)	Stuart Fletcher	13/12/18
Assistant Director of Human Resources (if appropriate)	Kay Wileman	04/12/18
Head of Human Procurement (if appropriate)	N/A	N/A

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

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

Appendix 1 - HRA
Operating Statement

ROTHERHAM MBC
HRA Business Plan
Operating Account
(expressed in money
terms)

DO NOT DELETE

Year	Year	Income										Expenditure										Working Balance check	Cashflow Balance check	
		Net rent Income	Other incom e	Misc Incom e	Total Income	Managt.	Depreci ation	Responsive & Cyclical	Other Revenu e spend	HRA Cost of Rent Rebates	Misc expenses	Total expenses	Capital Charges	Net Operating (Exp.)	Repaym ent of loans	Transfer to MRR	Transfer from / (to) Revenue Reserve	RCCO	Surplus (Deficit) for the Year	Surplus (Deficit) b/fwd	Interest			Surplus (Deficit) c/fwd
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000			£,000
1	2018.19	74,749	241	5,813	80,803	(21,498)	(20,347)	(19,957)	(185)	0	0	(61,988)	(13,475)	5,339	0	0	0	(9,970)	(4,631)	37,508	108	32,985	0	0
2	2019.20	75,342	260	6,277	81,879	(24,167)	(20,926)	(20,543)	(230)	0	0	(65,866)	(13,476)	2,537	0	0	0	(14,071)	(11,534)	32,985	78	21,529	0	0
3	2020.21	75,956	260	6,601	82,817	(24,828)	(21,513)	(19,003)	(237)	0	0	(65,582)	(13,509)	3,726	(0)	0	0	0	3,726	21,529	65	25,320	0	0
4	2021.22	77,740	260	6,927	84,928	(25,459)	(22,126)	(19,436)	(244)	0	0	(67,265)	(13,589)	4,073	0	0	0	0	4,073	25,320	76	29,469	0	0
5	2022.23	79,377	260	7,209	86,846	(25,902)	(22,400)	(19,724)	(250)	0	0	(68,276)	(13,769)	4,801	0	0	0	0	4,801	29,469	83	34,353	0	0
6	2023.24	81,040	260	7,494	88,794	(26,352)	(22,676)	(20,015)	(255)	0	0	(69,298)	(13,468)	6,028	0	0	0	(4,861)	1,168	34,353	84	35,605	0	0
7	2024.25	84,320	260	7,782	92,362	(26,810)	(22,952)	(20,308)	(261)	0	0	(70,332)	(13,202)	8,828	0	0	0	(5,068)	3,761	35,605	90	39,455	0	0
8	2025.26	83,637	260	8,063	91,960	(27,275)	(23,230)	(22,878)	(267)	0	0	(73,650)	(13,162)	5,147	0	0	0	(5,242)	(95)	39,455	95	39,455	0	0
9	2026.27	84,546	260	8,343	93,149	(27,747)	(23,508)	(23,211)	(273)	0	0	(74,739)	(13,162)	5,248	0	0	0	(5,421)	(174)	39,455	95	39,376	0	0
10	2027.28	85,456	260	8,618	94,335	(28,226)	(23,787)	(23,547)	(279)	0	0	(75,840)	(13,162)	5,332	0	0	0	(5,605)	(273)	39,376	94	39,197	0	0
11	2028.29	86,367	260	8,883	95,510	(28,714)	(24,067)	(23,887)	(286)	0	0	(76,953)	(13,169)	5,388	0	0	0	(5,793)	(405)	39,197	94	38,886	0	0
12	2029.30	87,277	260	9,137	96,675	(29,208)	(24,347)	(24,230)	(292)	0	0	(78,078)	(13,169)	5,428	0	0	0	(5,987)	(558)	38,886	93	38,421	0	0
13	2030.31	89,884	260	9,388	99,532	(29,711)	(24,628)	(24,577)	(299)	0	0	(79,214)	(13,169)	7,149	0	0	0	(6,185)	964	38,421	94	39,478	0	0
14	2031.32	89,098	260	9,646	99,004	(30,221)	(24,909)	(24,926)	(305)	0	0	(80,362)	(13,214)	5,428	0	0	0	(6,389)	(961)	39,478	94	38,612	0	0
15	2032.33	90,007	260	9,910	100,177	(30,739)	(25,191)	(25,279)	(312)	0	0	(81,521)	(13,214)	5,442	0	0	0	(6,597)	(1,156)	38,612	91	37,547	0	0
16	2033.34	90,914	260	10,182	101,355	(31,265)	(25,472)	(25,635)	(319)	0	0	(82,692)	(13,215)	5,449	0	0	0	(6,812)	(1,363)	37,547	89	36,273	0	0
17	2034.35	91,819	260	10,455	102,534	(31,800)	(25,753)	(25,995)	(326)	0	0	(83,874)	(13,254)	5,405	0	0	0	(7,031)	(1,626)	36,273	85	34,733	0	0
18	2035.36	94,505	260	10,730	105,495	(32,342)	(26,034)	(26,358)	(334)	0	0	(85,068)	(13,254)	7,173	0	0	0	(7,257)	(84)	34,733	83	34,732	0	0
19	2036.37	93,621	260	11,012	104,893	(32,893)	(26,315)	(26,723)	(341)	0	0	(86,272)	(13,255)	5,366	0	0	0	(7,489)	(2,123)	34,732	81	32,690	0	0
20	2037.38	94,517	260	11,301	106,078	(33,452)	(26,595)	(27,092)	(349)	0	0	(87,488)	(13,146)	5,444	0	0	0	(7,726)	(2,282)	32,690	76	30,484	0	0
21	2038.39	95,409	260	11,597	107,267	(34,020)	(26,874)	(27,464)	(357)	0	0	(88,715)	(12,465)	6,086	0	0	0	(7,970)	(1,884)	30,484	71	28,671	0	0
22	2039.40	96,297	260	11,901	108,458	(34,597)	(27,152)	(27,840)	(365)	0	0	(89,953)	(12,464)	6,041	0	0	0	(8,220)	(2,179)	28,671	66	26,558	0	0
23	2040.41	97,179	260	12,213	109,652	(35,182)	(27,430)	(28,218)	(373)	0	0	(91,202)	(12,464)	5,986	0	0	0	(8,477)	(2,491)	26,558	61	24,128	0	0
24	2041.42	99,940	260	12,533	112,733	(35,776)	(27,706)	(28,598)	(381)	0	0	(92,461)	(12,464)	7,808	0	0	0	(8,741)	(932)	24,128	57	23,252	0	0
25	2042.43	98,924	260	12,861	112,045	(36,379)	(27,981)	(28,982)	(390)	0	0	(93,731)	(12,464)	5,850	0	0	0	(9,011)	(3,161)	23,252	52	20,143	0	0
26	2043.44	99,787	260	13,197	113,243	(36,990)	(28,254)	(29,369)	(399)	0	0	(95,012)	(12,461)	5,770	0	0	0	(9,289)	(3,518)	20,143	44	16,669	0	0
27	2044.45	100,641	260	13,540	114,441	(37,611)	(28,525)	(29,758)	(408)	0	0	(96,302)	(12,457)	5,682	0	0	0	(9,574)	(3,892)	16,669	35	12,813	0	0
28	2045.46	101,487	260	13,866	115,612	(38,242)	(28,794)	(30,150)	(417)	0	0	(97,602)	(12,457)	5,553	0	0	0	(8,083)	(2,530)	12,813	28	10,311	0	0
29	2046.47	102,323	260	14,174	116,757	(38,881)	(29,060)	(30,545)	(426)	0	0	(98,912)	(12,457)	5,388	0	0	0	(8,359)	(2,971)	10,311	21	7,362	0	0
30	2047.48	105,133	260	14,490	119,883	(39,530)	(29,324)	(30,942)	(436)	0	0	(100,232)	(12,457)	7,194	0	0	0	(8,643)	(1,450)	7,362	16	5,928	0	0

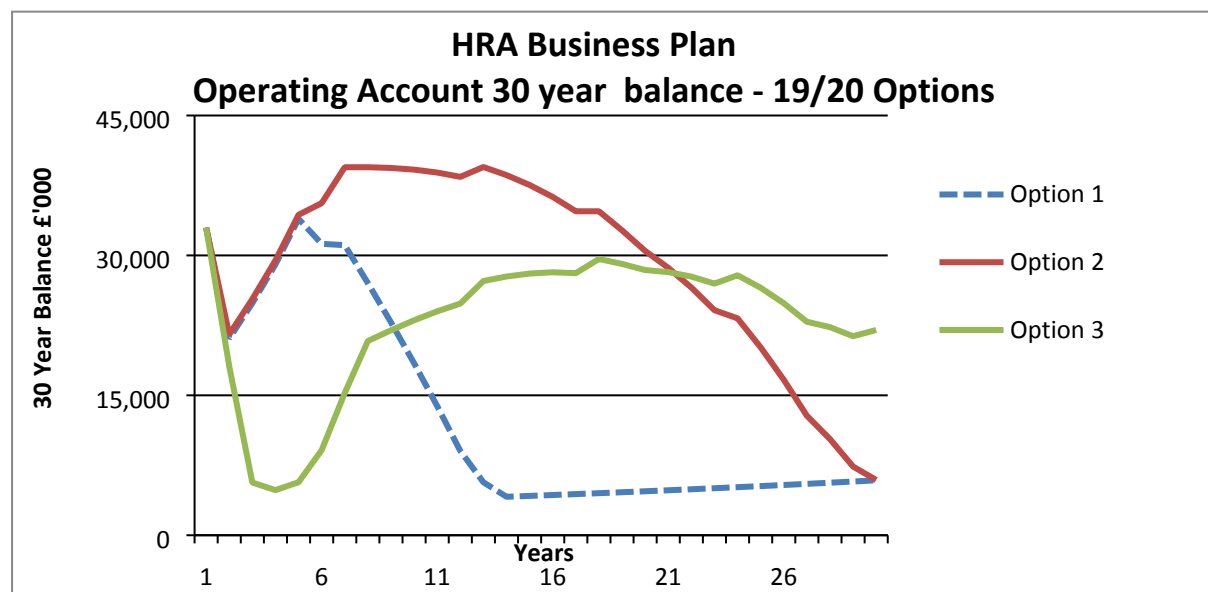
Appendix 2 – Summary of modelled Business Plan Scenarios

The graph below shows the cash flow projections of modelled Business Plan Scenarios in arriving at the 2019-20 recommended Base Case.

Option 1 is not recommended. Whilst it incorporates all approved housing growth projects and maintains sufficient operating balances throughout the life of the plan, there is insufficient capital financing available from Year 12 of the plan.

Option 2 is the recommended base case as this incorporates all approved housing growth projects and maintains sufficient operating balances throughout the life of the plan. Capital investment in housing stock has been increased by £157m over the life of the plan.

Option 3 incorporates all approved housing growth projects and maintains sufficient operating balances throughout the life of the plan. Capital investment in housing stock has been increased by £157m over the life of the plan. It also incorporates a further £54m of investment in housing growth. This is not recommended as the base case as housing growth pipeline projects have not yet been approved by Cabinet, but it does demonstrate the proposals to be put forward are affordable.



Appendix 3 - HRA Business Plan Risk Register December 2018

Risk No	Business Objective	Risk Detail	Consequence / Effect	Impact	Likelihood	Risk Rating	Review Date	Risk Owner	Further Mitigating Actions	Current Risk Rating Heat Map
1	Long term viability of HRA Business Plan	RTB Sales	Increased marketing of RTB by government. RTB sales are detrimental to the HRA's financial position as net income is reduced.	4	4	16	31.03.19	Jane Davies	RTB rates kept under constant Review.	
2	Charges incurred by the HRA are fair and proportionate	Internal Recharges	Charges to the HRA are unreasonable or disproportionate, this result in the HRA funding a greater proportion of Council General Fund services. The total cost of charges by other council services to the HRA is forecast to be circa £8m for 2019-20.	2	5	10	30.06.19	Paul Elliott	Benchmark 2018-19 costs against peers. Agree clear basis for charges with all council services.	
3	Long term viability of HRA Business Plan	Interest Rates	Increase in interest rates resulting in higher costs to service HRA debt	3	3	9	30.06.19	Paul Elliott	External review by Capita housing.	

4	Long term viability of HRA Business Plan	Inflation	Inflation assumptions are incorrect and result in incorrect 30 year forecast. This may result in pressure on income and or expenditure	2	3	6	30.06.19	Paul Elliott	External review by Capita housing.	<div> <div> <div>Likelihood</div> <div>Impact</div> </div> </div>
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Council Report

Overview and Scrutiny Management Board – 16 January 2019

Report Title

Budget Consultation 2019-20 & 2020-21

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

No

Strategic Director Approving Submission of the Report

Shokat Lal, Assistant Chief Executive

Report author(s):

Elena Hodgson, Partnership Consultation and Engagement Officer
01709 334020 or elena.hodgson@rotherham.gov.uk

James McLaughlin, Head of Democratic Services
01709 822477 or james.mclaughlin@rotherham.gov.uk

Ward(s) Affected

All

Executive Summary

The report presents the findings of the recent public consultation on the Council budget for 2019-20 and 2020-21, which took place from October 26th to November 30th 2018.

The purpose of the consultation was to seek the views on specific proposals for the Council budget over the next two years, and to inform the public about the necessity of working in a different way and the scale of the challenges faced due to ongoing Government reductions.

A total of 1,181 people participated in the consultation overall, through online engagement, face-to-face sessions, letters and emails. The report gives a more detailed breakdown of responses and issues raised.

Following this meeting, the report will be considered as part of the budget setting process in February 2019.

Following the Budget Scrutiny process in October 2018, the Chair of Overview and Scrutiny Management Board wrote to the Chief Executive to provide an interim response from the Board on the budget proposals. The Chief Executive responded to the Chair of Overview and Scrutiny Management Board in December 2018 and a copy of this response to appended to the report.

Recommendations

1. That the reported be noted.

List of Appendices Included

Appendix 1 Letters from Organisations

Appendix 2 Response to the Chair of Overview and Scrutiny Management Board from the Chief Executive

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

BRIEFING	TO:	Overview and Scrutiny Management Board
	DATE:	16.01.2018
	LEAD OFFICER <i>(Full name, title and Directorate)</i>	Shokat Lal, Assistant Chief Executive Assistant Chief Executive's Directorate
	TITLE:	Budget Consultation 2019-20 & 2020-21

Background

- The scale and breadth of the budget proposals for 2019-2021 will impact the whole of Rotherham and its residents. For the first time, Rotherham Council intends to set a two-year budget in order to help deal with a further £30 million of required savings.

A number of proposals (ASRs) have been put forward from all services in order to help achieve these savings. A public consultation on the specific proposals took place from October 26th and closed on November 30th 2018.

As part of this consultation process, there was also a need to inform the public about the necessity of working in a different way and the scale of the challenges faced due to ongoing Government reductions, particularly, the cost of social care (one of the most expensive aspects of the budget) which helped to explain some of the difficult decisions faced by councils like Rotherham.

After reviewing budget consultation approaches from other areas, digital channels and social media proved more effective than public consultation events. Therefore a reduced number of face-to-face sessions were held, with the main focus on online engagement through the following channels:

 - Online questionnaire
 - Social media engagement – Facebook and Twitter
 - Short videos of the Leader answering budget related questions
 - Web content on Council website

A total of 1,181 people participated in the consultation overall, through online engagement, face-to-face sessions, letters and emails. The majority of the comments were made on social media. A breakdown of the responses follows.

Online Consultation

- The online consultation was open for 4 weeks from the 26th October to 30th November and consisted of 5 questions relating to the budget proposals and the proposed rise in Council Tax. A total of 76 people completed the online consultation, the main responses to the questions are as follows:

Q1. What Council services do you think are most important to the borough?

Adult Social Care – 43%
 Children's Services – 41%
 Disability Services – 20%
 Transport and Highways – 16%
 Waste Management – 16%
 Rotherham Sight and Sound – 16%

Q2. Are there any particular savings proposals for 2019-20 and 2020-21 that you would like to comment on?

Not to cut funding to the following:

- Sight and Sound – 20%
- Adult Social Care – 13%
- Learning Disability Services – 12%
- Children's Services – 12%

Q3. After reading our proposals are there other areas you want to see further reductions to?

Reduce Councillor Allowances – 20%
 Reduce Mayor's Expenses – 7%

Q4. What do you think would most improve the quality of life in your local community?

Community Hubs and services – 22%
 Reduced ASB and Crime – 20%
 Rotherham Sight and Sound – 17%
 Improved waste management – 17%

Q5. Given we are getting less funding from Government, would you prefer a Council Tax increase of:

Three per cent and protect £3 million of services – 26%
 Five per cent and protect £5 million of services – 18%
 A different increase – 26%
 No response – 29%

At what level would you prefer to set any increase of Council Tax?

Nil/none – 30%
 One per cent – 7%
 Any increase as long as public can see the benefit – 10%

Overall, 44% would agree to some increase in Council Tax, provided they could see the benefit.

Social Media Engagement

- 3.** Social media posts on the budget have included information, promotion of the drop-in sessions and online questionnaire and short video interviews with the Leader in which he answered pre-submitted questions from the public. The videos were hosted on the Council website and shared on social media. The number of people engaged are as follows:

No. of	Comments	Likes/	Shares/	Video	Total
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	Posts		Reactions	Retweets	Views	Reach
Facebook	17	809	134	142	1,928	51,992
Twitter	42	195	47	62	4,698	100,046
YouTube	20				177	
Totals	79	1,004	181	204	6,803	152,038

Comments on the posts have generally been about:

- Councillor's allowances
- 'Free lunches' / 'free trips'
- The cost of the Mayor
- Number of councillors
- Leader's wages
- Senior Management wages
- Management/ staff wages
- Number of Managers/ staff
- Free car parking
- Road resurfacing
- Cost of recent waste changes
- Cost of interpreters
- Increases to Council Tax
- That decisions on the budget have already been made and the Council won't listen

The funding of Healthwatch, and cost of social care and children's services have been mentioned by one or two users, but they aren't common themes of the comments received on social media.

Face-to-face Consultation Sessions

4. In addition to the online engagement, three informal drop-in sessions were held in north, south and central locations in the borough. These sessions provided an opportunity for people that may not have been able to engage online to ask questions about how the Council is funded and how we will work in future.

- Monday 12th November, 4pm-6pm, Wickersley Library
Cllr Chris Read and Sharon Kemp attended
- Wednesday 21st November, 4pm-6pm, Rawmarsh CSC
Cllr Chris Read and Sharon Kemp attended
- Wednesday 28th November, 3pm-5pm, Riverside House Café,
Cllr Chris Read and Shokat Lal attended

A total of 32 people attended the 3 sessions in Wickersley, Rawmarsh and Riverside House, with 21 attending the session at Riverside House. The consultations in the other two areas were not well attended, with only 4 people attending at Rawmarsh and 7 people at Wickersley.

The main themes from the discussions were as follows:

- Adult Social Care
- Council Tax (willing to pay more for better services)
- Services need to be more joined up, move to digital services (but vulnerable people still need face-to-face assistance)
- Litter/fly tipping
- Grounds maintenance
- Concerns regarding the proposed cuts to Healthwatch
- Effect this will have on the deaf community who rely on Healthwatch for translators
- Need to look at the turnover of apprentices (and how the Council needs to do more to keep them)

Letters and emails:

A number of letters and emails were received from community organisations, prominent figures and service users opposing the proposed cuts to the following services:

- Healthwatch – 45 letters (including one with 28 signatures in support)
- Rotherham Sight and Sound – 24 letters

The letters regarding Healthwatch were all about how valuable people found the service and how much they had helped individuals in terms of advocacy, advice and support for vulnerable adults and families.

The letters in support of Rotherham Sight and Sound also mentioned how invaluable the service was in providing information, peer support and social activities for people with sight and hearing loss to enable them to remain independent and prevent loneliness and isolation.

Of particular concern for both organisations was the number of people they currently support and the impact on service users (particularly the deaf community in Rotherham) if there was nothing to replace them.

Recommendations

5.

1. To note and consider the findings as part of the overall budget discussions

Appendix A – Letters from Organisations

Dear Anne-Marie

Cuts to prevention services for blind and partially sighted people in Rotherham:

We write concerning the decision taken by the Council to end a range of prevention services including the service supporting blind and partially sighted residents of Rotherham.

About RNIB:

We are the largest organisation of blind and partially sighted people in the UK. RNIB's Connect network is a growing community that brings together over 27,000 people across the UK affected by sight loss, including blind and partially sighted people, their friends, families and carers. More than 80 per cent of our Board of Trustees are blind or partially sighted. We support, empower and involve thousands of people affected by sight loss to improve lives and challenge inequalities.

As a campaigning organisation, we defend the rights of blind and partially sighted people to receive the vision rehabilitation/prevention services that they are entitled to and that meets their needs. We also campaign to ensure that those responsible for commissioning prevention/rehabilitation services adequately resource these services to ensure that they meet the needs of blind and partially sighted people and those at risk of sight loss.

The issue:

The proposal to not renew the funding for sight loss provision (page 21 of the Budget Options 2019/20 and 2020/21 paper presented to the Overview & Scrutiny Management Board on 24th October).

Living with Sight Loss:

There are an estimated 8,330 people living with some degree of sight loss in Rotherham. Of this total, 5,360 are living with mild sight loss, 1,870 are living with moderate sight loss and 1,100 are living with severe sight loss.

Cost of Sight Loss:

There are a number of different costs associated with the provision of eye health services, such as direct costs which includes inpatient procedures, outpatient procedures, residential and community care services and the ongoing treatment of eye conditions. There are also indirect costs caused by sight loss, including the provision of unpaid care by family and friends to those with sight loss, lower employment and absenteeism.

In NHS programme budgets, the combined spend on problems of vision in NHS Rotherham is £10.7 million pounds, or £39 per person in the general population. The proportion of overall programme budget spent on problems of vision is 3.3%.

The total indirect cost of sight loss is estimated to be £22,760,000. million pounds.

The indirect cost of sight loss per person is £90 in the general population.

Support:

The provision of emotional and practical support at the right time can help people who are experiencing sight loss to retain their independence and access the support they need. Patient experience in the eye clinic is crucial. It is here that people receive their diagnosis, undergo treatment and potentially go through the process of receiving a Certificate of Vision Impairment (CVI). Equally, when someone experiences sight loss it is vital for them to have support in their homes and communities. This could include social care paid for and provided by local authorities.

Falls are more common, and also more likely to have serious outcomes, amongst older people. In some cases, falls can lead to serious medical problems and a range of adverse outcomes for health and wellbeing. In Rotherham, as of 2015, it is estimated that:

1,045 people with sight loss aged over 65 experience a fall per year.

Of these falls, 494 are directly attributable to sight loss.

80 people aged over 65 with sight loss experience a severe fall per year (here, a severe fall is defined as a fall that results in hospital admission through A&E).

Proposal:

Whilst RNIB appreciates the very severe budgetary pressures on the Council at the present time, it is still under an obligation to ensure that spending decisions affecting vulnerable customers are made in a lawful manner.

We would like to appeal to the council to take the following steps:

Undertake a full assessment of the Council's obligations in respect of the Care Act and the impact that any proposed cuts to preventative services provided by voluntary organisations are likely to have on the discharge of these obligations.

Ensure that any decision taken by the Council in respect of preventative services is taken lawfully including a full Equality Impact Assessment.

RNIB would welcome further conversations with RMBC around support for people living with sight loss across the area, as we have had (successfully) in the past.

With thanks

Scott

Scott Jobson

Network Manager Yorkshire & Humber

RNIB (Royal National Institute of Blind People) Fairfax House Merrion Street Leeds

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i: (552) 2844

m: 07908 473 051

e: scott.jobson@rnib.org.uk

w: www.rnib.org.uk

tw: [www.twitter.com/RNIBYorks](https://twitter.com/RNIBYorks)

30 November 2018

Mrs S J Keene
Independent Chair
Rotherham Safeguarding Board,
Riverside House,
Rotherham

Dear Sharon,

Budget 2019/20 - consultation response.

Many thanks for the opportunity to contribute to the consultation in respect of Rotherham Metropolitan Borough Councils budget proposals, for your letter and the helpful meeting this week.

The proposal to achieve a two year budget is very positive and will assist in providing for stability and certainty, especially with those services most influenced and affected by demand management pressures. The work to benchmark expenditure and service outcomes will inform service transformation to achieve budget balance in the future. The commitment to Adult Services stability and sustainability in this and previous year's budget process is recognised.

In the context of the near impossible demands from Central Government for budget reductions in Local Authorities, the approach set out in Rotherham is welcomed. The Adult Safeguarding Board has seen at first hand the consequences of limited budget provision and has been only been able to develop in the last three years as a result of the determination, dedication and commitment of staff in Rotherham Metropolitan Borough Council and partner agencies.

As with other services, progress has been limited by the resource envelope. You are aware from our ongoing, regular and valued discussions that the absence of dedicated policy, performance and administrative support has meant that developments in the Adult Safeguarding Board have been slower than anticipated, slower than officers would want and arguably slower than should be the case.

As Independent Chair, my perception is that staff from Adult Services have endeavored to deliver the change necessary within the resources available and in the context of significant staffing change in the service. Their commitment and support has been appreciated. Thanks are also due to wider RMBC staff and partners in other agencies, particularly the Health Service, who have enabled specific developments to take place.

In the next two years it is crucial to build on existing developments and create additional momentum in order to keep pace with the requirements and standards of a modern Adult Safeguarding Service.

The Board has identified significant areas for development which include:

- Service user and carer engagement
- Prevention and early help
- Policy and procedure development
- Quality and assurance
- Multiagency training

The pace of change and ability to deliver on these priorities will be influenced by the resources available. Ongoing review will be required in order to be satisfied that the work of the Board and multiagency responses remain appropriate and safe.

It is fully recognised that financial responsibility for safeguarding is not the sole responsibility of RMBC and other Statutory Agencies have a part to play. I look forward to ongoing discussion and engagement as the detailed prioritisation of budget, partnership and service development takes place.

With Best Wishes

Yours sincerely,

Sandie Keene CBE
Independent Chair
Rotherham Safeguarding Adult Board.



RECEIVED

21 NOV 2018

Rotherham MBC

Ms Sharon Kemp
Chief Executive
Rotherham Metropolitan Borough Council
Riverside House
Main Street
Rotherham
S60 1AE

Our Ref: SC5580

16 November 2018

Dear Sharon

I am writing to you regarding the proposal to withdraw funding from Rotherham Sight and Sound, which is contained within RMBC's recently published budget proposals.

As you will be aware, I have expressed concern for several years about the support for and services made available to Rotherham's sensory disabled community.

It is therefore of significant concern that the very service RMBC has frequently pointed to as an example of the support it does provide is itself facing being defunded, only a relatively short time after its initial commissioning.

Sight and Sound provides a variety of services to the community, many of which had previously been provided by the council directly, but which are no longer viable to be performed in house. Services such as helping sensory disabled people to read and understand letters, assisting with arranging medical appointments and ordering repeat prescriptions are absolutely essential for many with sensory disabilities.

Furthermore, sensory disabled people are particularly vulnerable to isolation, loneliness and marginalisation. Social and support groups

Sarah Champion

Member of Parliament for Rotherham

Moorgate Crofts Business Centre, South Grove, Rotherham, S60 2DH

T: 01709 331035

sarah.champion.mp@parliament.uk

www.sarahchampionmp.com



facilitated by the Sight and Sound Service provide a vital link for the community. Should they be ended, I am troubled that deeper marginalisation may be the inevitable result.

I am aware that the proposals within the budget suggest that the service will transition to being self financing. However, I also know that media reports quoting sources from the service suggest this approach was not previously discussed with them, nor is it deemed viable.

I therefore consider it likely that the withdrawal of local authority funding may result in the ending of the service altogether. Given the paucity of alternative services for the sensory disabled community in Rotherham, the effects of this could be devastating.

Whilst I of course recognise the extremely challenging financial situation the council faces as a consequence of massive cuts in central government funding, I would urge RMBC to consider all options to ensure the Sight and Sound Service remains viable and that the Rotherham's sensory disabled community continue to be able to access the services and support on which they depend.

I would be grateful if you could ensure my comments are considered as part of the public consultation on the budget proposals and for any reassurance you may be able to provide.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Sarah Champion', written over a faint horizontal line.

Sarah Champion MP
Member of Parliament for Rotherham

Direct Dial: 01709 302702
Our ref: CE/JR
Email: Christopher.edwards7@nhs.net
Date: 28th November 2018

**Oak House
Moorhead Way
Bramley
Rotherham
S66 1YY**

By email to: Sharon.kemp@rotherham.gov.uk

Sharon Kemp
Chief Executive
RMBC
Riverside House
Main Street
Rotherham
S60 1AE

Dear Sharon

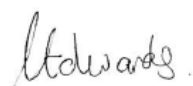
Thank you for your letter dated 17th October 2018.

NHS Rotherham CCG understands the significant budget pressures you face and welcomes the chance to respond to your consultation.

We will need to work closely with you on your plans for Adult and Children's services to ensure we maximise the benefit of the Rotherham Pound. We also need to ensure that we fully understand any changes to services that will impact on the services commissioned by NHS Rotherham CCG.

We have already started to work even closer together with our joint Rotherham Health and Social Care Place Plan and our joint Better Care Fund. It is important that we continue to implement our plans as the budget reductions are implemented. We look forward to continue working closely with you over the coming years to jointly meet this significant challenge.

Yours sincerely



Chris Edwards
Chief Officer NHS RCCG



Dr Richard Cullen
Chair of NHS RCCG

Nathan Atkinson
Assistant Director Strategic Commissioning
Adult Care, Housing and Public Health
Rotherham Metropolitan Borough Council

24 November 2018

Dear Nathan,

Many thanks for the opportunity to discuss the funding and contract situation regarding Healthwatch Rotherham services.

Among its duties under the Health and Social Care Act 2012, Healthwatch England has a legal requirement to provide general advice and support to local authorities and have an opinion on the effectiveness of Healthwatch services.

The main points of our discussion and issues we covered are summarised below:

Proposed level of funding for Healthwatch Rotherham

The proposal document presented to Rotherham Borough Council is to reduce the budget from £156,735 to £90,000 i.e. a 40% reduction in funding. This will be the second reduction in two years for Healthwatch Rotherham and appears disproportionately high relative to the overall cuts Rotherham Borough Council has to make.

Central Government provides funding for local Healthwatch through two routes: 1) the Local Government settlement and 2) the Local Reform and Community Voices section 31 Grant (LRCV). The Local Authority Social Services letter (LASSL) sets this out and also explains that the LRCV grant is in fact the smaller element of these two Healthwatch funding streams with the larger element having been rolled into the Local Government Settlement.

An indication of the balance of funding between these three different activities can be gauged from Annex A of the LASSL, which sets out a national LRCV grant of £33m with £13.8m (41%) allocated for local Healthwatch. Using this as a guide it would suggest that the funding for Healthwatch activity in Rotherham would fall in the region of £80,000, with an additional higher amount allocated for Independent NHS Complaints Advocacy. Comparing this with the £90,000 budget proposed for Healthwatch Rotherham (which would be funding both the Healthwatch Rotherham service and the Independent NHS Complaints Advocacy service) this indicates that in reality Rotherham Borough Council is making around £45,000 available for the Healthwatch activity which is significantly lower than the indicative LRCV allocation of around £80,000 (and even lower when taking into account the additional funding for Healthwatch activity that is allocated in the Local Government Settlement).

Healthwatch Viability

Healthwatch England has serious concerns that an effective Healthwatch can be delivered on the proposed budget. This would place Rotherham as possibly the lowest funded

Healthwatch in England and a significant outlier compared to Healthwatch serving a similar population size. The concern is that this level of funding would not allow sufficient staffing to deliver a full time and effective service, including advice and information which is one of the statutory activities of Healthwatch. It could also result in reduced leadership function which is a key ingredient in Healthwatch being able to convert evidence into insight for the health and care system. Furthermore, the National Committee of Healthwatch England would need to consider very carefully if such a proposal jeopardised the reputation of Healthwatch before issuing the brand licence.

Prospective market

With the proposed level of funding we question whether there is a market to deliver an effective Healthwatch service. This could jeopardise continuity of service, lose the knowledge and expertise built up through the current staff and volunteers and could result in further costs incurred through the procurement process itself.

Healthwatch England recognise the financial pressures and difficult decisions facing local authorities in the current climate. However, the vast majority of councils have chosen to recognise the importance of giving their community a voice by maintaining their investment in their local Healthwatch in the context of other, very difficult decisions.

We are working closely with commissioners and providers of Healthwatch across England to develop a new quality framework to help commission and deliver an effective Healthwatch which we very much hope will assist local authorities going forward.

Healthwatch England are committed to working with Rotherham MBC to support the commissioning and delivery of an effective Healthwatch. We will await the results of the consultation on the current proposals to see how we can best support Rotherham MBC and Healthwatch Rotherham.

Kind regards

Gavin Macgregor
Head of Network Development

Submission to Rotherham MBC relating to the proposal not to renew the current contract funding Rotherham Sight & Sound

Background

We were originally approached in late summer 2016 by RMBC to partner with them to provide a range of services to support people with a sensory impairment in Rotherham. Initially this was offered as contract until 31st March 2018 but SRSB stated that it would not be practical for in effect a 1 year contract and eventually a 2 year contract to 31st March 2019 was agreed, the variation to 2 years being done under “officers delegated powers”.

The proposal to not renew the funding (page 21 of the Budget Options 2019/20 and 2020/21 paper presented to the Overview & Scrutiny Management Board on 24th October) states “The new service called Rotherham Sight and Sound, located at Ship Hill in Rotherham town centre commenced in October 2017. It is delivered by Sheffield Royal Society for Blind. Funding for the project was agreed for a two year period and the provider agreed that it would be a time limited investment to pump prime their Rotherham offer, with a view to the service being self-financing from there on in.”

There are 2 errors in this statement which we want to highlight and should be corrected:

- The service actually commenced in April 2017 with the Ship Hill Centre opening on 1st August 2017
- More importantly, SRSB were never made aware that the service was intended to be self-financing at the end of the initial 2 year term. The original proposal agreed at the Cabinet & Commissioners Decision Making Meeting on 12th September 2016 (page 173) states “The new service will be monitored for outcomes/outputs and value for money tested throughout the pilot period and a new service specified based on the findings of the review. A tender on the open market would ensue commencing September 2017 to secure services beyond the end of March 2018 – on conclusion of the pilot period.

Had SRSB been made aware that the service was to be self-financing after the initial 2 year term we would not have entered into the contract.

We know how difficult it is to raise sustainable funding – SRSB was established 158 years ago and throughout that period has been helped by numerous substantial legacies. The people that left us that money expected it to be used for the benefit of people in Sheffield so it is not available for Rotherham. It will be many years before we can expect to generate sufficient income in Rotherham to fully fund the service. The annual operating costs for Rotherham for the year ended 30th June 2018 were £194,707 as per our audited accounts, so even with £140,000 of income from RMBC we have invested heavily ourselves. We did not incur this level of costs through poor management; it was a conscious decision to develop a service for the long term, confident that the quality of our services would secure a further contract when it went out for tender.

Impact of the decision to not renew the funding

1. Rotherham Sight & Sound (RSS) will cease to exist and RMBC will be letting down almost 700 service users.
2. The number of people not receiving support with their disability will increase.
3. The number of people referred by RSS to social services for support will decline to nothing - This is a very big negative in terms of the council's responsibilities under the Social Care Act 2014.
4. RSS currently issues equipment on behalf of RMBC, with a home demonstration/training in the safe use of the equipment if required. Without RSS, RMBC staff will have an increased workload **OR** service users will go without equipment or training in the safe use of the equipment. Single Point of Access (SPA) were delighted when we took over from them the issuing of equipment as they felt they were not giving the service users a good level of service.
5. Without RSS some 700 service users will not have a hub for social and leisure activities. This will result in social isolation which impacts upon wellbeing in terms of both their mental and physical health.
6. The Eye Clinic Liaison Officer (we understand that you fund this service) has benefitted greatly from our service, being able to refer people to us confident in the knowledge that they will receive a good service from us. Without RSS there will be no organisation for the ECLO to refer patients to, which is the unenviable situation she was in prior to us operating in Rotherham.
7. A decline in mental and physical health will result in much more costly interventions in the future in terms of both health (hospital admissions) and social care. It is difficult to evidence what doesn't happen in the future as a result of early intervention but there is a lot of national evidence to support this.
8. Without RSS the service users will not receive any welfare benefits service, thereby reducing the "Rotherham pound" which will have a negative impact upon the general economy of Rotherham.
9. Without RSS the service users will struggle to access services from statutory organisations e.g. Disabled Parking Permits (Blue Badge), disabled mobility passes (bus pass) amongst many other services.
10. Without RSS there will not be any awareness raising of good eye health, thereby increasing the likelihood of sight loss in the future.
11. Without RSS there will not be any promotion to statutory and commercial businesses around accessibility of information or training for the staff of those organisations in visual and hearing impairment awareness. This will result in more isolation for service users with all the associated negative impacts.
12. Without RSS the "Living with Sight Loss Course" will not happen. This introduces people who have started to lose their sight to the various support services they can expect to receive, technology etc., enabling them to live as independently as possible.

13. Many local sight/hearing impairment support groups meet at our Ship Hill Centre (free of charge) and without that facility they will struggle to exist. These groups include the Rotherham Hard of Hearing Group, Rotherham Macular Group, Cochlear Implant Group and Tinnitus Support Group.
14. RSS operates the “Hear to Help” scheme on behalf of Action on Hearing Loss providing a drop in service for hearing aid battery, tubes and minor repairs. Without RSS the town centre drop in, Monday to Friday 9:30am to 3:30pm, will no longer be available for people who are hard of hearing.

The above points are endorsed by a statement from Visionary -

“Visionary is the membership organisation for local sight loss charities throughout the UK. We are concerned that the proposed changes to the services provided by Sheffield Royal Society for Blind will have a significant negative impact on blind and partially sighted people. People living with visual impairment are at risk of isolation and loneliness which can have a long term detrimental impact on mental and physical well-being; therefore it is crucial that these factors are considered in any decisions taken which will increase risk factors already present for blind and partially sighted people.”

Fiona Sandford, CEO, Visionary, November 2018”

Reference Documents

Living with Sight Loss: Updating the National Picture – RNIB/NatCen Social Research 2015 (Copy attached)

This covers many aspects of a visually impaired person’s life but a few points worth picking out:

- Wellbeing - The latest figures show that USoc respondents with sight loss are nearly three times as likely as people with no impairment to report feeling depressed.
- Health - Respondents with sight loss are 24 times more likely than respondents with no impairment to report bad or very bad general health than those without any impairment.
- Work - Respondents with sight loss are less likely to be in work than respondents with no impairments.
- Finance - Respondents with sight loss are less likely to be high earners and more likely to be on a low income.
- Welfare Benefits - Respondents with sight loss are more likely than those without impairments to have had difficulties accessing benefits services.

Depression and anxiety in visually impaired older people. - Ophthalmology. 2007 Feb;114(2):283-8. Evans JR, Fletcher AE, Wormald RP.

Visually impaired people had a higher prevalence of depression compared with people with good vision. Of visually impaired older people, 13.5% were depressed (GDS-15 score of 6 or more) compared with 4.6% of people with good vision.

Questions

Have RMBC carried out an Equalities Impact Assessment on the withdrawal of this service as a consequence of not renewing the funding?

Have RMBC considered the potential for increased workload on a reducing RMBC staff with the resultant impact this will have on both service users and RMBC staff?

Have RMBC considered how much potential unidentified need there will be as a result of no referrals being generated by RSS?

Have RMBC considered how this will have a negative impact upon their prevention agenda?

Have RMBC considered that they are storing up an enormous cost for the future as a result of all the issues highlighted under the preceding Impact section? This cost will significantly outweigh the short term savings through not renewing the RSS contract.

Have RMBC considered the impact on British Sign Language users and their user-led representative organisation, Deaf Futures?

Have RMBC considered the impact of the loss of service provision in Rotherham resulting from the added value contributed by SRSB (£54k year ended 30th June 2018).

From: Short, Peter-Cllr
Sent: 23 October 2018 09:39
To: Lal, Shokat
Cc: Cowles, Allen-Cllr; Kemp, Sharon
Subject: Budget Savings Option/Restructure of Democratic Services

Dear Shokat,

As deputy leader of the UKIP opposition group and also a member of the OSMB I wish to register my concerns over the proposal of the reduction of the scrutiny support team by one officer, my reasons are outlined below.

Scrutiny Officers provide vital support to Councillor Members who sit on Committees BOARDS and Commissions, I have found their involvement and commitment to be so important and I do not wish to see this good work diminished in any way in the future.

The past has shown that good scrutiny work must be “seen to be done”, in order to ensure historical mistakes are not made again. Indeed the people of Rotherham will be looking at the work that scrutiny committees do, and at this moment of our Towns progress when Commissioners have now left it will be seen as a negative move.

I do understand that budget savings must be made, however the proposed restructure of Democratic Services to include the reduction scrutiny of one officer will send the wrong message at this time. Therefore I cannot support this action and ask we think again of other ways to save money within the department.

Yours sincerely
Cllr Peter Short Sitwell Ward

Tony Clabby

From: phil.turner22@BTInternet.com
Sent: 28 November 2018 12:00
To: chris.read@rotherham.gov.uk
Cc: Tony Clabby
Subject: Proposed cuts to Rotherham Healthwatch budget

Sent from my Huawei Mobile

Dear Cllr Read,

Proposed cuts to Rotherham Healthwatch's budget:

Rotherham TUC was shocked and appalled by the savage cuts proposed to Rotherham Healthwatch's budget by Rotherham Council, which will have a huge impact on its advocacy service. TUC members were unanimously opposed to the planned cuts.

Representing thousands of trade unionists across the borough, trade unions see the severe daily damage to people's lives being done by Tory government cuts to health and social care. We believe a Labour council should be fighting such cuts, not implementing them.

We can see no justification for these cuts other than to weaken or remove entirely the vital voice that Healthwatch gives to the most vulnerable.

We urge the council to reconsider so that support can continue for adults and families when they need it most.

Yours sincerely,
Phil Turner secretary
Andy Searson, chair

Chief Executive's Office

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E-mail: sharon.kemp@rotherham.gov.uk
*Email the Council for **free** @ your local library!*

Our Ref:	Direct Line:	Extension:	Please Contact:
296-18	(01709) 822770	22770	Sharon Kemp

21st December 2018

Councillor Brian Steele
Chair – Overview and Scrutiny Management Board

Dear Councillor Steele

Budget 2019/20 – Interim Response to Savings Proposals

In response to your letter emailed on the 14th November 2018 where you have outlined the Overview and Scrutiny Management Board (OSMB) response to the savings proposals for the Council Budget 2019/20 and beyond.

I note your confirmation that no proposals were formally rejected by OSMB and you have set out the issues raised on some proposals which I will respond to in the order they are set out in your letter:

- **Medium Term Financial Strategy (MTFS)**

As the council is intending to set a two year budget for the first time it is particularly important that the information in the draft MTFS is as accurate and complete as possible prior to publication of the plan. There were a number of key aspects involved in finalising this, including the Chancellors Autumn Budget and the need to ensure the figures were as robust as possible in advance of final adjustments and confirmation of the settlement figure. Also, the work involved in considering the Children's Services budget in great detail to ensure a robust plan for the future and appropriate level of budget requirement contributed to the delay in the production of the final draft. The MTFS was published on 3rd December for consideration at Cabinet on 17th December. A final version of the plan will be published alongside the detailed budget in February.

- **Equality Impact Assessments (EIA's)**

The council has a very clear framework on completing EIA's which I believe has recently been shared with you and every proposal that requires an assessment will have that completed. There has been further learning around EIA's and you will see a continuous improvement of this process.

- **Public consultation**

As you will know we have now completed the public consultation process and a considerable amount of work has been done in reaching out to our residents including both the Leader and I holding face to face public meetings with our residents and utilising social media in a much more significant way. I have attached to this letter a summary report of the consultation for your consideration.

Your letter then provides feedback on each directorate:

- Assistant Chief Executive – The specific concern around the proposal to delete a post from Scrutiny is noted and the request to consider a full service review of Democratic Services. Your recommendation has been considered and discussed with Cabinet Members and I can confirm that there will now be a full review of Democratic Services.
- Finance and Customer Services – the service would welcome your overview and scrutiny of the Customer and Digital proposal.
- Adult Care, Housing and Public Health –

ACH1 (Proposed ending of funding for the Sheffield Royal Society for the Blind Sight and Sound service) – OSMB heard representations from a Trustee of the society who indicated that they were unaware of the proposal to withdraw funding from the Council. The Strategic Director indicated that she would meet with the society and report back to OSMB on the outcome of that meeting.

The meeting took place on the 8th November between senior officers from Adult Care and Sheffield Royal Society for the Blind trustees (SRSB). SRSB outlined their concerns regarding the funding proposals. The meeting provided clarity on SRSB's financial position and future budget expectations. The details of the lease arrangements for the Ship Hill premises were discussed. There is a break clause for 2019 and if this is not exercised, then SRSB are tied into a longer lease. The differing views as to the ongoing funding after the two years were discussed and both parties now have more clarity as to each other's financial position. SRSB have confirmed that they could not provide a service in Rotherham without funding. This has been fed into the budget consultation for consideration. The directorate has received letters of support for the service and these have all been responded to and fed into the budget consultation feedback. Officers have since also met with users of the service to listen to their views.

Given the various responses to the consultation and all relevant considerations, a revised option is being developed and is expected to be formally presented to Cabinet for consideration as part of the Budget report in February.

- ACH2 (My Front Door) – Members were concerned that this represented a large saving to be achieved over a short period of time. Whilst the proposal was broadly accepted, delivery will need to be monitored by the Health Select Commission.

The delivery of the modernisation of learning disabilities has significant challenges; however, the progress from August 18 is positive. There is a My Front Door project board, membership includes the chair of the ALD Partnership Board, providers, independent advocates, commissioner's health partners and housing which met on 19th November. The board provides oversight, challenge and support. This is then monitored both from a performance and financial monitoring perspective by the Project Assurance Group which

meets fortnightly chaired by the Strategic Director. This particular group monitors all the projects/activity/savings for Adult Care.

- ACH4 (New Target Operating Model (TOM) for Adult Care, Housing and Public Health) – like ACH2, this will require monitoring by Health Select Commission as Members did not consider that there were sufficient performance measures attached to this proposal.

The resourcing model will commence in December to Feb/March with an implementation in October 2019.

- ACH6 (Proposed reduction in the contract value of the Healthwatch Rotherham contract) – Members considered that this was similar to ACH1, with a further meeting required to take place between officers and Healthwatch.

A meeting with the Assistant Directors of Strategic Commissioning and Independent Living and Support was offered soon after OSMB, however, Healthwatch requested a meeting with Strategic Director of Adult Care, Housing and Public Health and the Director of Public Health and this is currently being organised. The outcome of the meeting will be fed back into the final budget considerations and the subsequent Budget report to Cabinet in February.

Officers have spoken to representatives from Healthwatch England about their view as the national oversight organisation. They have provided constructive feedback and voiced their position as to a reasonable level of funding. This will be fed into the final budget considerations.

The directorate has received letters of support for the service and these have all been responded to and fed into the budget consultation feedback.

- Regeneration & Environment – you have requested further detail on three proposals; Riverside House café, Asset Management (retention of records) and Bring Site Removal. These are addressed as follows:
- RE16 (Bring Site Removal) – whilst Members understood the logic behind this proposal, it has subsequently come to our attention that one of the bring sites concerned (at Morrison's Superstore, Bramley) has ceased to operate. Members are keen to understand how this impacts on this particular saving proposal.

The service does not believe that the closure of the site at Morrison's Superstore in Bramley makes a difference to the proposal. The remainder of the network of bring sites is still in place, and will remain so until October 2019, when the Council proposes to cease provision of any bring site for materials that can be recycled through the kerbside service. The costs associated with maintenance and cleansing of the sites will remain until the provision is ceased later in the year.

- Asset Management (retention of records)

The future provision/location of the services currently located in Bailey House is being considered as part of the SCR OPE6 Storage and Archive project, which is at the very earlier stages. The retention of records and where these will be stored in the future will be considered as part of this process.

- Riverside Café

This item has been considered at the December meeting of Cabinet and has been for pre-scrutiny and the issues raised have been noted.

- Children & Young People

There was a concern around the level of detail provided and a further meeting was held on 14 November. Whilst you have indicated your support in principle I hope this session addressed any further queries.

As with previous years I would welcome the continued oversight and governance that OSMB provides and the assurance from Cabinet Members and senior officers that these savings are delivered.

Finally, I just want to thank you and all the members of OSMB for reviewing the proposals and applying oversight and scrutiny in a considered and constructive way and your involvement is central in supporting the budget setting process.

Yours sincerely

A handwritten signature in black ink, reading "Sharon Kemp". The signature is written in a cursive, flowing style.

Sharon Kemp
Chief Executive