

SUSTAINABLE COMMUNITIES SCRUTINY PANEL

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

Date: Thursday, 9th December 2010

Time: 9.30 a.m.

A G E N D A

1. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
2. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
3. Apologies for Absence
4. Declarations of Interest
5. Questions from members of the public and the press

FOR CONSULTATION

6. Consultation of Social Housing Reform: Local Decisions: A Fairer Future for Social Housing (Pages 1 - 8)
You are invited to complete a short online survey:

www.rotherham.gov.uk/fairerfuture

It will only take a few minutes to complete and your views will ensure that Rotherham's response to the 30 Consultation Questions reflect the needs of its service users.

7. Consultation on New Homes Bonus (Pages 9 - 13)

FOR PRESENTATION

8. RotherFed

FOR DISCUSSION

9. Scrutiny Review - Private Rented Sector
- verbal update

FOR INFORMATION

10. Cabinet Member for Safe and Attractive Neighbourhoods
- minutes of meetings held on:-

18th October, 2010 –

<http://moderngov.rotherham.gov.uk/mgConvert2PDF.aspx?ID=8392&T=1>

1st November, 2010 –

<http://moderngov.rotherham.gov.uk/mgConvert2PDF.aspx?ID=8393&T=1>

MINUTES FOR INFORMATION

11. Sustainable Communities Scrutiny Panel (Pages 14 - 20)
- minutes of meeting held on 28th October, 2010
12. Performance and Scrutiny Overview Committee (Pages 21 - 34)
- minutes of meeting held on 22nd October and 12th November, 2010
13. Exclusion of the Press and Public
Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any person (including the Council)).

Please note that the following item was moved into open session at the meeting.

14. Future of Council Housing Stock (Pages 35 - 39)

**Date of Next Meeting:-
Thursday, 27th January, 2011**

Membership:-

Chairman – Councillor The Mayor (Councillor McNeely)

Vice-Chairman – Councillor P. A. Russell

Councillors:-Atkin, Blair, Cutts, Ellis, Gamble, Havenhand, Hodgkiss, Nightingale and Walker

Co-optees:- Jenny Andrews (Maltby Town Council), Mr. J. Carr (Environment Protection UK), Derek Corkell (RotherFed) and Andrew Roddison (RotherFed)

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1. Meeting	Sustainable Communities Scrutiny Panel
2. Date	9th December, 2010
3. Title	Consultation on Social Housing Reform: <i>Local Decisions: a fairer future for Social Housing</i>
4. Directorate	Neighbourhoods

5. Summary

It is the Coalition Government's intention to shift power from Westminster to councils and communities. As part of this programme, Government is carrying out a fundamental reform of social housing, set out in a consultation document: *Local Decisions: a fairer future for Social Housing*.

The Government's stated intention is to "make the social housing system fairer, striking a proper balance between the needs of new and existing tenants to ensure that the support, which social housing provides, is focused on those who need it most for as long as they need it". This report informs the discussion and sets out to prepare a response to the 30 Consultation Questions contained within, about the way these new powers are likely to be exercised.

The consultation document proposes new powers for local authorities and housing associations so that they can make best use of their housing, in a way which best meets the needs of individual households and their local area.

There will be a change the law to deliver many of these reforms and it is intended that the Decentralisation and Localism Bill will do this. (Due but not yet published.)

Released for consideration by councils on the 22nd November 2010, the consultation deadline for response is Monday 17th January 2011.

The Corporate process for responding to consultation is currently under review by the Performance, Review and Overview Committee (03/12/10), in the interim, and as the consultation period is only six weeks, the report proposes that the Cabinet Member for Safe and Attractive Neighbourhoods signs off the response on behalf of the Council on 10th January 2011.

6. Recommendations

- **That Cabinet Member considers the report**
- **Approves the consultation process**
- **Receives and signs off the completed Consultation Response at Cabinet for Safe and Attractive Neighbourhoods, 10th January 2011.**

7. Proposals and Details

22nd November 2010, the Government published a consultation document about social housing reform: [Local decisions: a fairer future for social housing](#).

This report sets out the key points of the proposal and the 30 consultation response questions, to be returned to government no later than Monday 17th January 2011.

Due to the short six week consultation time and the current corporate review of how consultation should be dealt with (Report to Performance Review and Overview Committee 3rd December 2010) it is proposed to gather tenant, Member and Officer considerations during December, including presentation to the Sustainable Communities Scrutiny Panel (9th December 2010).

The final response will be brought back to Cabinet Member for Safe and Attractive Neighbourhoods for approval 10th January 2011 for submission to Communities for Local Government 17th January 2011.

7.1 The Reform of Social Housing

The government's proposal to reform social housing has five key objectives:

- To enable localism, fairness and focus social housing on those most in need, in a way that enables them to use it as a springboard to opportunity
- That social housing is flexible and available to more people and to those that genuinely need it.
- To make the best use of the four million social rented homes
- To increase the freedoms available to all social landlords to determine the sort of tenancy they grant to new tenants.
- To protect the rights of existing tenants.

There are six main proposals, to:

- Create a new local authority flexible tenancy with a minimum fixed term of two years. This will be in addition to, rather than replacing, secure and introductory tenancies.
- Protect the rights of existing secure and assured tenants.
- Provide local authority flexible tenants with similar rights to secure tenants, including the right to exchange.
- Provide that all new secure and flexible tenancies include a right to one succession for spouses and partners, but give landlords the flexibility to grant whatever additional succession rights they choose.
- Place a new duty on local authorities to publish a strategic policy on tenancies.
- Allow the Secretary of State to direct on the content of a tenancy standard. (The Tenancy Standard will provide increased freedom to all social landlords on the tenancies they can grant, subject to appropriate parameters on which this consultation seeks views.

7.2 Tenancies

The lifetime tenancies of existing council and housing association tenants (that is to say, people who are tenants at the time the law is amended) will not change.

For new tenants, the Government will give councils and housing associations the freedom to grant fixed term tenancies, as well as lifetime tenancies. These fixed term tenancies will be at social rent levels and provide another option for landlords and tenants alongside the new fixed term Affordable Rent tenancies (See 7.4 below).

Landlords will not have to grant the new fixed term tenancies and will be able to continue to give lifetime tenancies in some or all cases, if they consider this is right.

Generally speaking, fixed term tenants will have the same rights as lifetime tenants, such as a right to repair, and a right to buy/acquire.

The new fixed term tenancies will have a minimum time period of at least two years, but no maximum time period, so landlords can provide a length of tenancy that takes account of the needs of individual tenants and the local community, for example 10 years, 20 years, or longer.

The consultation also asks for views on other rules for the use of fixed term tenancies. Those include whether the minimum period should be more than two years; whether some groups should always be guaranteed a longer fixed term or a social home for life; and whether existing secure or assured tenants should always continue to receive a lifetime tenancy when they move.

Landlords will need to publish their own policy on tenancies in the light of these rules and tenants' views. Their decisions on whether to renew a tenancy at the end of the fixed term will need to be in line with that policy.

What happens at the end of the fixed term tenancy is important. Many tenants will need to stay in social housing, either in their current home or another more suitable property; others will be able to move on to low cost home ownership or private rented housing. Landlords will need to discuss the various housing options with their tenants well before the end of the fixed term, and help tenants move on to different accommodation, where this is appropriate.

7.3 Succession

The rules on tenancy succession are changing (where someone else living in a property inherits the tenancy when the tenant dies) so they will be the same for all new council and housing association tenants. For all new tenancies (lifetime and fixed term) in future, the spouse or partner of the tenant will have an automatic legal right to succeed, as long as the tenant him/herself isn't a successor. However, landlords will be able to give additional succession rights in the tenancy agreement, if they choose.

The changes to succession will not affect existing secure tenants who stay in their current home or move using the nationwide social home swap scheme. They will

also not affect the right of a joint tenant to take over the tenancy when the other joint tenant dies.

7.4 Affordable Rents

A new 'Affordable Rent' tenancy is to be introduced for Registered Providers (housing associations) to offer to new tenants of social housing from April 2011.

Affordable Rent properties will offer shorter term tenancies at a rent higher than social rent, with landlords able to set rents anywhere between current social rent levels and up to 80 per cent of local market rents. Local authorities will continue to play a key role on nominations.

Tenants of Affordable Rent properties will be able to get housing benefit, if they are eligible.

7.5 Allocations

Councils will be able to set the rules which decide who qualifies to go on the housing waiting list. Currently they have to keep 'open' waiting lists, which means that people can get onto any council's waiting list whether they need social housing or not.

The rules which determine who should get priority for social housing will continue to be set by central government, by means of the statutory Reasonable Preference (RP) categories. This is to ensure that priority for social housing continues to go to the most vulnerable in society and those who need it most.

Council and housing association tenants who want, rather than need, to move will no longer have to compete with other people on the waiting list. Councils will be able to develop their own policies for these transferring tenants. However, social tenants who are in housing need (e.g. those who are overcrowded) will still go on the waiting list and will also continue to get priority.

7.6 Mobility

The Government is introducing a nationwide social home swap scheme so that all council and housing association tenants wishing to move have the best chance of finding a suitable match.

7.7 Homelessness

Councils will be able to bring the homelessness duty (owed to people homeless through no fault of their own and in priority need) to an end with an offer of suitable private rented housing. At the moment, they can only do this if the person agrees (unless they are offering temporary accommodation). So, people owed the main homelessness duty can effectively insist on being offered social housing, whether they need it or not, taking around a fifth of new social lettings. This significantly restricts the number of social homes that could be made available to others in need on the waiting list. The tenancy offered will have to be for at least 12 months and if the person becomes homeless again within two years through no fault of their own,

the council would have a duty to secure accommodation for them again. Councils will still be able to offer social housing to end the homelessness duty, if they choose.

7.8 Council Housing Finance

The current arrangement for financing council housing which is through the Housing Revenue Account subsidy system, is complex and leaves councils uncertain about future income and doesn't enable them to plan long-term. The Government plans to replace this with a new self-financing arrangement that will enable councils to keep all the rent money they raise in order to manage and maintain social housing provision. It will also enable tenants and local taxpayers to hold their landlord to account for the cost and quality of their housing.

7.9 Consultation Methods

Appended to this report is the 30 Consultation Questions which Members and Officers are encouraged to consider. Comments and considerations will be co-ordinated by Neighbourhood Investment Services, and should be e.mailed to tracie.seals@rotherham.gov.uk before 5pm on Friday 24th December 2010.

The document can be viewed electronically by clicking [here](#) and a paper copy has been placed in the Members Room.

It is not a requirement to consult with tenants and residents however we will endeavour to do so; the Consultation Questions will be posted on the Key Choices website and comments will be encouraged through Rotherfed and tenant representatives.

8. Finance

There are no direct financial implications arising from the report as management of the consultation process is from within existing resources.

9. Risks and Uncertainties

There will be significant policy implications for the Council. There will also be policy implications for the Council working in partnership, both with other organisations and the expectations of working with tenants and communities.

The Council continues to monitor the Government's policy development on social housing reform and is well placed to understand the implications of the broader policy agenda; the legislative programme; and effects on local priorities.

In order to be able to influence the direction and detailed proposals it will be important to ensure that the consultation response is robust, effective and timely.

10. Policy and Performance Agenda Implications

The proposal contained within this report is in line with the Council priorities, policies, and procedures established and set out in key documents.

The aim is to deliver effective services that are cost efficient, fair, and value for money for the people within Rotherham.

11. Background Papers and Consultation

Local decisions: a fairer future for social housing – CLG 22/11/2010

CIH Briefing on Social Housing Reform -

Local decision: a fairer future for social housing November 2010

Contact Name: Tracie Seals - Sustainable Communities Manager (Interim)
Neighbourhood Investment Services 01709 334969

Appendix 1 – List of 30 Consultation Questions

1: As a landlord, do you anticipate making changes in light of the new tenancy flexibilities being proposed? If so, how would you expect to use these flexibilities? What sort of outcomes would you hope to achieve?

2: When, as a landlord, might you begin to introduce changes?

3: As a local authority, how would you expect to develop and publish a local strategic policy on tenancies? What costs would you expect to incur?

4: Which other persons or bodies should local authorities consult in drawing up their strategic tenancy policy?

5: Do you agree that the Tenancy Standard should focus on key principles? If so, what should these be?

6: Do you have any concerns that these proposals could restrict current flexibilities enjoyed by landlords? If so, how can we best mitigate that risk?

7: Should we seek to prescribe more closely the content of landlord policies on tenancies? If so, in what respects?

8: What opportunities as a tenant would you expect to have to influence the landlord's policy?

9: Is two years an appropriate minimum fixed term for a general needs social tenancy, or should the minimum fixed term be longer? If so, how long should it be? What is the basis for proposing a minimum fixed term of that length? Should a distinction be drawn between tenancies on social and affordable rents? If so, what should this be? Should the minimum fixed term include any probationary period?

10: Should we require a longer minimum fixed term for some groups? If so, who should those groups be and what minimum fixed terms would be appropriate? What is the basis for proposing a minimum fixed term of that length? Should a distinction be drawn between tenancies on social and affordable rents? If so, what should this be?

11: Do you think that older people and those with a long term illness or disability should continue to be provided with a guarantee of a social home for life through the Tenancy Standard?

12: Are there other types of household where we should always require landlords to guarantee a social home for life?

13: Do you agree that we should require landlords to offer existing secure and assured tenants who move to another social rent property a lifetime tenancy in their new home?

14: Do you agree that landlords should have the freedom to decide whether new secure and assured tenants should continue to receive a lifetime tenancy when they move?

15: Do you agree that we should require social landlords to provide advice and assistance to tenants prior to the expiry of the fixed term of a tenancy?

16: As a landlord, what are the factors you would take into account in deciding whether to reissue a tenancy at the end of the fixed term? How often would you expect a tenancy to be reissued?

17: As a local authority, how would you expect to use the new flexibilities to decide who should qualify to go on the waiting list? What sort of outcomes would you hope to achieve?

18: In making use of the new waiting list flexibilities, what savings or other benefits would you expect to achieve?

19: What opportunities as a tenant or resident would you expect to have to influence the local authority's qualification criteria?

20: Do you agree that current statutory reasonable preference categories should remain unchanged? Or do you consider that there is scope to clarify the current categories?

21: Do you think that the existing reasonable preference categories should be expanded to include other categories of people in housing need? If so, what additional categories would you include and what is the rationale for doing so?

22: As a landlord, how would you expect to use the new flexibility created by taking social tenants seeking a transfer who are not in housing need out of the allocation framework? What sort of outcomes would you hope to achieve?

23: What are the reasons why a landlord may currently choose not to subscribe to a mutual exchange service?

24: As a tenant, this national scheme will increase the number of possible matches you might find through your web-based provider but what other services might you find helpful in arranging your mutual exchange as well as IT-based access?

25: As a local authority, how would you expect to use the new flexibility provided by this change to the homelessness legislation?

26: As a local authority, do you think there will be private rented sector housing available in your area that could provide suitable and affordable accommodation for people owed the main homelessness duty?

27: Do you consider that 12 months is the right period to provide as a minimum fixed term where the homelessness duty is ended with an offer of an assured shorthold tenancy? If you consider the period should be longer, do you consider that private landlords would be prepared to provide fixed term assured shorthold tenancies for that longer period to new tenants?

28: What powers do local authorities and landlords need to address overcrowding?

29: Is the framework set out in the 1985 Housing Act fit for purpose? Are any detailed changes needed to the enforcement provisions in the 1985 Act?

30: Should the Housing Health and Safety Rating System provide the foundation for measures to tackle overcrowding across all tenures and landlords?

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1. Meeting	Sustainable Communities Scrutiny Panel
2. Date	9th December, 2010
3. Title	Consultation on New Homes Bonus
4. Directorate	Neighbourhoods

5. Summary

It is the Government's aim for the New Homes Bonus to create a powerful, simple, transparent and permanent incentive, which rewards local authorities that deliver sustainable housing development.

The New Homes Bonus Consultation document was released for consideration by councils on the 12th November 2010; the consultation deadline for response is Friday 24th December 2010.

This report informs the discussion and sets out to prepare a response to the 13 Consultation Questions contained within; about the way this new initiative is likely to affect the Council.

Officers from Neighbourhood and Adult Services, with Economic Development Services are working together to understand the implications for the Council and Members are encouraged to inform consultation process.

The Corporate process for responding to consultation is currently under review by the Performance, Review and Overview Committee (03/12/10), in the interim, and as the consultation period is only six weeks, the report proposes that the Cabinet Member for Safe and Attractive Neighbourhoods signs off the response on behalf of the Council on 20th December 2010.

6. Recommendations

- **That Cabinet Member considers the report**
- **Approves the consultation process**
- **Receives and signs off the completed Consultation Response at Cabinet for Safe and Attractive Neighbourhoods, 20th December 2010.**

7. Proposals and Details

7.1 New Homes Bonus

In July 2010, the Government revoked Regional Spatial Strategies (*Cala Homes Judicial Review has temporarily overturned this position however it is anticipated that the pending Decentralisation and Localism Bill will permanently revoke*) and its new localism approach now gives Councils the freedom, but also the significant responsibility, of deciding what level of new housing should be planned for.

Planning authorities are still required to identify a long term supply of housing land for at least 15 years from the adoption of their Core Strategies. The Government has advised that planning authorities should collect and use reliable information to justify their housing targets however, a 'New Homes Bonus' incentives scheme is to be introduced shortly, to encourage planning authorities to plan for higher house building rates.

It is the Government's aim for the New Homes Bonus is to create a powerful, simple, transparent and permanent incentive, which rewards local authorities that deliver sustainable housing development.

The scheme is intended to incentivise local authorities to increase housing supply by rewarding them with a New Homes Bonus (NHB). Equal to the national average for the council tax band on each additional property, the bonus will be paid for the following six years, as non-ringfenced grant.

Further, there will be an additional payment for affordable homes. Rewards are also proposed for bringing empty homes back into use and providing affordable homes in the form of Gypsy and Traveller pitches.

7.2 Payments

Payments would be calculated by measuring the change in dwellings on council tax valuation lists; meaning that demolished properties and dwellings becoming empty will affect the level of bonus received.

Government states that currently the amount of grant relating to an additional council tax band D property would be about £1,439 per annum or £8,634 over six years. This amount would be reviewed if council taxes rise. There would be a flat rate enhancement of £350 per annum for each additional affordable home. Over six years an affordable home would receive an enhancement of £2,100.

The baseline year (Year 1) for calculating the NHB will be October 2009 to October 2010. The first receipt would be payable as soon as consultation concludes and for future years the return would be reported by local authorities in December. Settlements would be announced in February and received in April.

It is important to note that this policy redistributes a portion of formula grant on the basis of housing delivery and in the long run will be revenue neutral for the government. The funds come from the abolition of the Housing and Planning Delivery Grant. The total allocation is £946m for 4 years (£196m, £250m, £250m,

£250m) which equates to basic payment ie no affordable enhancements, of 113,000 dwellings over 6 years.

7.3 Community Benefit

As 'a starting point for negotiation' the Government's consultation proposes splitting payment of the New Homes Bonus in the following way in two tier areas:

- 80 per cent to the lower tier
- 20 per cent to the upper tier.

As a unitary authority, this should imply that 100 per cent is received however, clarity is being sought as to whether 20 per cent might be pursued by sub-region, region or city region or conversely whether 80 per cent be further devolved?

7.4 Consultation Questions and Response Deadline

The full NHB consultation document was published 12th November 2010. Consideration of NHB is currently underway by Officers in NAS and EDS, working towards producing a joint response to the 13 consultation response questions, to be returned to government no later than Friday 24th December 2010.

Due to the short six week consultation time and the current corporate review of how consultation should be dealt with (Report to Performance Review and Overview Committee 3rd December 2010) it is proposed to gather Member and Officer considerations during December, including presentation to the Sustainable Communities Scrutiny Panel (9th December 2010).

Appended to this report is the 13 Consultation Questions which Members and Officers are encouraged to consider. Comments and considerations will be co-ordinated by Neighbourhood Investment Services, and should be e.mailed to tracie.seals@rotherham.gov.uk before 5pm on 16th December 2010.

The document can be viewed electronically by clicking [here](#) and a paper copy has been placed in the Members Room.

The final response will be brought back to Cabinet Member for Safe and Attractive Neighbourhoods for approval 20th December 2010 for submission to Communities for Local Government 24th December 2010.

8. Finance

There are no direct financial implications arising from the report as management of the consultation process is from within existing resources.

9. Risks and Uncertainties

There may be policy implications for the Council. There will also be policy implications for the Council working in partnership, both with other organisations and the expectations of working with communities.

The Council continues to monitor the Government's policy development on housing and planning matters and is well placed to understand the implications of the broader policy agenda; the legislative programme; and effects on local priorities.

In order to be able to influence the direction and detailed proposals it will be important to ensure that the consultation response is robust, effective and timely.

10. Policy and Performance Agenda Implications

The proposal contained within this report is in line with the Council priorities, policies, and procedures established and set out in key documents.

The aim is to deliver effective services that are cost efficient, fair, and value for money for the people within Rotherham.

11. Background Papers and Consultation

Communities and Local Government Consultation – New Homes Bonus
12th November 2010

Contact Name: Tracie Seals - Sustainable Communities Manager (Interim)
Neighbourhood Investment Services 01709 334969

Appendix 1 – List of 13 Consultation Questions

New Homes Bonus consultation questions:

1. Do you agree with our proposal to link the level of grant for each additional dwelling to the national average of the council tax band?
2. The Government proposes an affordable homes enhancement of £350 for each of the six years - what do you think the enhancement should be?
3. Do you agree with the proposal to use PPS3 and also include pitches on Gypsy and Traveller sites owned and managed by local authorities or registered social landlords to define affordable homes?
4. Do you agree with the proposal to reward local authorities for bringing empty properties back into use through the New Homes Bonus? Are there any practical constraints?
5. Outside London: Do you agree with the proposal to split the payment of the New Homes Bonus between tiers: 80 per cent to the lower tier and 20 per cent to the upper tier, as a starting point for local negotiation? If not, what would the appropriate split be, and why?
6. Do you agree with the proposal to use the data collected on the Council Tax Base form as at October to track net additions and empty homes?
7. Do you agree with the proposal for one annual allocation based on the previous year's Council Tax Base form, paid the following April?
8. Do you agree that allocations should be announced alongside the local government finance timetable?
9. Do you agree with the proposal to reward local authorities for affordable homes using data reported through the official statistics on gross additional affordable supply?
10. How significant are demolitions? Is there a proportionate method of collecting demolitions data at local authority level?
11. Do you think the proposed scheme will impact any groups with protected characteristics?
12. Do you agree with the methodology used in the impact assessment?
13. We would welcome your wider views on the proposed New Homes Bonus, particularly where there are issues that have not been addressed in the proposed model.

SUSTAINABLE COMMUNITIES SCRUTINY PANEL
28th October, 2010

Present:- The Mayor (Councillor McNeely) (in the Chair); Councillors Atkin, Blair, Ellis, Nightingale, Walker, Jenny Andrews (Maltby Town Council), Jack Carr (Environment Protection UK), Derek Corkell (RotherFed) and Roddison (RotherFed).

Apologies for absence were received from Councillors Gamble, Havenhand, Hodgkiss and P. A. Russell.

34. DECLARATIONS OF INTEREST

There were no Declarations of Interest made at the meeting.

35. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

Two Members of Voluntary Action Rotherham came to observe the meeting.

36. COMMUNICATIONS

The Chair announced that the Christmas lunch would take place following the next Panel meeting on 9th December, 2010.

37. BEREAVEMENT SERVICES IN ROTHERHAM

Mark Ford, Safer Neighbourhoods Manager, presented a report on the progress made with regard to the Bereavement Service in Rotherham since the inception of the partnership between Dignity Funerals Ltd. and the Council in August, 2008.

To date, the partnership with Dignity had seen the following improvements in Rotherham:-

- Improvements to the Chapel including access to the waiting room, facilities for funeral directors and a covered canopy to the Chapel exit
- A new bereavement services administration centre including reception, interview room, records and archive section, location of an electronic Book of Remembrance and visitor parking provision
- A new 120 space car park, with overspill provision for a further 40 vehicles, including improved arrangements for the disabled and other visitors to the Crematorium

- The development of the Crematorium grounds to provide an extensive landscaped memorial garden offering increased memorial choice to the bereaved
- A new depot for grounds maintenance staff built to modern standards, including shower and mess facilities and secure provision for plant and machinery
- Introduction of a 24 hour telephone line that customers could use to request bereavement services 365 days a year
- Improved security and management of Cemetery grounds to prevent crime, damage to buildings and infrastructure and to address anti-social behaviour
- Management plan for the maintenance and development of Cemetery roads, pathways and grounds to meet vehicular access needs and the needs of pedestrians visiting the site
- Under the financial agreement reached with Dignity, £400,692 would be paid to the Council in 2010/ 11
- Fees and charges were set in accordance with the projections contained with the previously agreed financial model. The level of fees reflected the costs incurred by Dignity in delivering the service

The following work was currently ongoing:-

- Upgrading of the existing cremators to meet the essential requirements of new Environmental Legislation effective from 31st December, 2012
- Development of a new IT system that would permit electronic access to archived burial and cremation records
- Work taking place on securing land to provide future burial space

It was viewed that the partnership with Dignity had delivered real improvements in Bereavement Services and this included provision of funerals for particular faith groups.

Further planned improvements were also explained.

It was confirmed that the financial model for the partnership still ensured a guaranteed income sum for the Council and there was

provision for further “super profit” element where income produced in excess of a 20% internal rate of return.

The process for Fees and Charges together with the Council's challenge and moderation elements were explained. A benchmark chart of fees and charges from other local authorities was referred to.

Mark identified continuing Council liability with regard to Cemetery Chapels and explained the current option appraisal, involving Ward Member consultation, being carried out.

The development of the risk and performance management systems was summarised. These arrangements being the result of an Officer workshop on the 17th June 2010. The Business Regulation Manager would be ensuring;

- Improved scrutiny of the financial standing of Dignity Funerals Ltd
- Development of Business Continuity Plans for both operational failures (in place) and complete failure of the partnership (low risk).
- Quarterly monitoring of the agreed Performance Management Framework
- Customer satisfaction and service testing

Mark introduced Georgina Bembridge, Dignity's Manager of Bereavement Services in Rotherham, who would help answer any questions raised.

Discussion ensued on the report with the following issues raised/ highlighted:-

- Disappointment that the performance monitoring framework had not been implemented due to management changes within Dignity. As a result there had been no Performance Indicators to track performance or customer satisfaction. It was noted that the formal quarterly meetings needed to commence as soon as possible and that the Cabinet Member for Safe and Attractive Neighbourhoods had asked for 6 monthly reports

- Rotherham’s cremation costs were the highest of those quoted on Appendix A, however, it was not known what other authorities included in their costings. Nationally there were huge differences in costs and service provision
- Appendix A did not include a comparison with the fees charged by Sheffield
- At the beginning of the contract, the Authority had decided to concentrate on the actual construction work and the mercury abatement requirements. By the end of the year Rotherham would be compliant with environmental legislation – two years ahead of the statutory timeframe
- Problems were being experienced regarding ownership and responsibility for cemeteries across the Borough.
- Rotherham currently did not offer a “no frills” burial or publicise how to arrange funerals without an undertaker however this would be included on the revamped website.
- There was no extra charge for Monday to Friday 24 hours a day but there was a weekend charge

Concern was expressed at the potential staffing situation faced across the Council given the current financial climate. All Cabinet Members and Directors had to be pro active in maintaining service and resilience in the difficult times being experienced.

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

(2) That a visit be made to the East Herringthorpe Cemetery and Crematorium to view the improvements.

(3) That a briefing note be prepared for Members setting out the differing responsibilities and contacts for the cemeteries around the Borough

(4) That, once developed, the Business Continuity Plan be submitted to this Scrutiny Panel.

(5) That a further report be submitted in 6 months including performance monitoring.

(6) That the Performance and Strategic Overview Committee be

requested to take a strategic view on managing the future resilience of services given the current financial climate.

38. LOCAL LETTINGS POLICY FOR NEW BUILD COUNCIL HOUSING

The Director of Independent Living and Housing Choices Manager presented a report and powerpoint presentation on the proposed Local Lettings Policy for the new build Council Housing which the Authority had successfully attained funding for. There would be a total of 127 properties built - 36 at Wood Street/ School Street, Thrybergh, 29 at Albert Road, Kilnhurst, 8 at Newlands Avenue, Maltby and 4 at Stone Park Close, Maltby.

All the new homes would meet high quality design standards and Level 4 of the Code for Sustainable Housing resulting in a quality residential social housing offer. It was important to ensure that all of the schemes were looked after by the new tenants, compliance with the Tenancy Agreement and that the estate(s) did not suffer from anti-social behaviour. It was proposed that any prospective tenant must comply with the Local Letting Policy detailed in Appendix 1 of the report submitted.

The proposed local lettings would be closely monitored and reviewed in 6 months following the date of the first lettings. All of the 127 properties would be advertised in accordance with the normal advertising quotas. All properties would only be offered to existing Council tenant transfer applicants who had held a Council tenancy in Rotherham for the past 2 years and who had a clear rent account and no housing management issues. The approach would be:-

- All properties initially offered to Priority Plus applicants and then 50% to the Priority Group, 30% to the General Plus Group and 20% to the General Group
- Approximately 10% of the total (13 properties) would be let only to tenants in employment
- The following types of households would be excluded from applying:-
 - Housing Association tenants
 - Private rented tenants
 - People who were statutory homeless
 - Home owners
 - Applicants on the Housing Register living with friends or relatives

Due it being a major change to the current Housing Allocation Policy, wide consultation was taking place and would be completed by 5th

November, 2010. The outcomes would be fed back to the Cabinet Member on 29th November, 2010.

So far the consultation had revealed concern with regard to the management of the properties and the need for additional support and management as well as careful allocation of new tenants.

The Panel's comments were sought on the proposed Policy.

The following comments were made:-

- Local connection, family support, move for work purposes etc. should be added to the criteria for applicants
- Could the 10% employment condition be seen as discriminatory against those who had retired?
- Consideration be given to families with young children who had disabilities so the properties could be built with the necessary adaptations or be adapted more easily due to their newness
- Important that the new properties should not stand empty and have tenants from day 1
- Could 10% of the properties be for key workers only?
- Would the former Maltby Tarren tenants be given priority for the Maltby properties?
- How would the empty Council properties be allocated when a tenant moved into a new build property? Housing Association and private rented tenants who were in such accommodation due to there being no Council properties available, would be excluded from the new build

Resolved:- That the comments above be fed into the consultation exercise.

39. THE COMPREHENSIVE SPENDING REVIEW - UPDATE

Sioned Mair Richards circulated information from the Government website on the Comprehensive Spending Review with particular emphasis on Housing.

Discussion ensued on the paper with the following issues raised:-

- What is the Council's Forward Plan?

- What would happen to future Council tenants who would no longer have secure tenancies?
- Changes to Housing Benefits
- Review of the Housing Revenue Account

Resolved:- That the Performance and Scrutiny Overview Committee as well as this Panel seek reports on the above due to the wide ranging effects on the Council.

40. PRIVATE RENTED SECTOR SCRUTINY REVIEW - UPDATE

Councillor Atkin gave a brief verbal report on the work of the above Review Group.

41. CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS

The Panel noted the decisions made under delegated powers by the Cabinet Member for Safe and Attractive Neighbourhoods held on 6th and 20th September and 4th October, 2010.

42. SUSTAINABLE COMMUNITIES SCRUTINY PANEL

The minutes of the meeting held on 16th September, 2010, were agreed.

43. PERFORMANCE AND SCRUTINY OVERVIEW COMMITTEE

The minutes of the Performance and Scrutiny Overview Committee held on 10th and 24th September and 8th October, 2010, were noted.

Arising from Minute No. D66 (Quarter 1 Performance), it was felt that Scrutiny should look at all the Indicators that were to be scrapped to ascertain if there were any which might be kept especially any specific to Rotherham.

It was also felt that a Scrutiny Member from the relevant Panel should be invited to attend performance clinics as part of their development/ understanding of performance.

Resolved:- That the Performance and Scrutiny Overview Committee be informed of the above.

PERFORMANCE AND SCRUTINY OVERVIEW COMMITTEE**22nd October, 2010**

Present:- Councillor Whelbourn (in the Chair); The Mayor (Councillor McNeely); Councillors Austen, Gilding, J. Hamilton, Jack, License, G. A. Russell, P. A. Russell, Swift and Whysall.

Also in attendance were Councillors Kaye and St. John for Item 78 below.

An apology for absence was received from Councillor Steele.

75. DECLARATIONS OF INTEREST.

Councillor Jack declared a personal interest in Item 77 (Sheltered Housing) on the basis of a tenancy.

76. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS.

There were no questions from members of the public or the press.

77. SHELTERED HOUSING

Kirsty Everson, Director of Independent Living and Shona McFarlane, Director of Health & Wellbeing gave a presentation detailing the following:-

The Background

- Warden Service and Care Enabler Service – highly valued services with excellent customer satisfaction
- Proposal builds on successful pilots - York Gardens
- Why a merger?
 - The two services carry historical overspends of approx £ 1.2 million per year
 - Duplication, inefficiencies, future opportunities
- Merger proposal agreed by Cabinet on the 10th August, 2010 to assist with in-year budget pressures
- 12 week Consultation underway, ends 12th November
- Final proposals are going back to Cabinet Members 29th November

Proposal

- Amalgamating existing roles of the Care Enablers, and Sheltered Housing Wardens
- one multi-skilled team
- single line management arrangement

- borough wide visiting service, providing support, personal care, or both
- Generic workforce, 7 days a week , ward and area based teams
- Staff will carry out planned visits to deliver care enablement or more preventative visits focused on general support and wellbeing
- Capacity to deliver unplanned visits responding to a crisis, where the focus would be on broader support provision
- Making better use of Rothercare
- Investment in electronic home care scheduling – better service for customers

Consulting for a new service

- Staff meetings
- Unions engaged
- Member information
- A consultation exercise with 2,100 customers to get their individual views
- Focus group with customers receiving care

Workforce issues

- Approx 490 staff affected
- Up to 110 redundancies – potential for 90% of this to be achieved voluntarily
- More flexible working patterns
- Changes to roles and some new roles e.g. activity coordinator
- Training will be provided

Consultation points

- Generic workforce, area based team approach
- Visit only when required/ agreed
- “step up” “step down”
- Make better use of technology e.g. Rothercare
- Individual support plan
- Charges for the new service

Members reviewed the general position and asked a range of questions which were answered.

Resolved:- (1) That the position be noted and the consultation exercise be supported fully.

(2) That an update report be submitted to this Committee on a

quarterly basis.

(Councillor Jack declared a personal interest in the above item on the basis of a tenancy)

78. BARR PARK UPDATE

Phil Gill, Green Spaces Manager, gave an update on the good progress being made with transferring this Park to the Council.

Councillor St John reported that he hoped to finalise the details of the transfer at his delegated powers meeting on 9th November, 2010.

Resolved:- That the position be noted.

79. SECTOR SELF REGULATION AND IMPROVEMENT - LOCAL GOVERNMENT GROUP CONSULTATION

Julie Slatter, Head of Policy and Performance, presented the submitted report which stated that, with the abolition of the Comprehensive Area Assessment and the Audit Commission, the Local Government Group had set out its proposals for a system of self improvement for councils.

The Sector Self Regulation and Improvement consultation paper invited views from local authorities about the overall approach and its key components. Attached to the report was a copy of an initial response to the seven questions contained within the consultation document for consideration and comment.

The deadline for responses to this consultation document was 1st November, 2010.

There currently remained a whole range of uncertainties around the performance agenda in the absence of any national guidance. It was imperative that the Authority remained focused on performance and continued to maintain the good performance management practices which had led to successful outcomes in previous years.

The Authority needed to ensure it was aware fully of proposals and needed to ensure existing structures and reporting regimes could be adapted according to any new arrangements. All the risks, and in

particular the uncertainties, had been highlighted in the initial response to the seven consultation questions.

Members suggested a number of changes to the response.

Resolved:- That the report be noted and a response made to the Local Government Group.

80. CORPORATE RISK REGISTER

Rob Houghton, Governance and Risk Manager, presented the submitted report which showed the Council's most significant risks and a summary of how they were being managed.

Attached to the report was the current corporate risk register summary. The summary showed the risks associated with the Council's most significant priorities and projects, and actions being taken to mitigate those risks. The report was presented to the Strategic Leadership Team on 11th October, 2010.

A small number of risks (e.g. relating to the Local Area Agreement) were currently being reviewed as a consequence of recent major budget and legislative announcements made by the Government, and any changes to these would be reflected in the next quarter's report.

There were 5 red residual risks, relating to Children's Services (4 risks) and achievement of the Cultural Quarter aspirations.

It was important to review the effectiveness of the approach to capturing, managing and reporting corporate risks on an ongoing basis, to ensure risks relating to the Council's key projects and priorities were monitored effectively and managed by the Strategic Leadership Team and Members.

A number of comments were made.

Resolved:- (1) That the updated corporate risk register summary, attached at Appendix A to the report, be noted.

(2) That the comments of the Performance and Scrutiny Overview Committee be fed back to the appropriate officers.

81. SCHOOL CLOSURE DUE TO EXTREME WEATHER

Councillor G. A. Russell presented the submitted report which set out the findings and recommendations of the scrutiny review into

'School closure due to extreme weather', undertaken by the Children and Young People's Services Scrutiny Panel.

The report stated that last winter was confirmed as the coldest since 1978-79. The heavy snowfall on Tuesday, 5th January, 2010 and prolonged period of freezing temperature caused considerable disruption to a number of services, including schools, public transport and businesses. The following day almost 90% of Rotherham schools were closed.

Questions were raised about the procedures for closure of schools during periods of adverse weather or in other emergencies. The Children and Young People's Services Scrutiny Panel was asked to undertake a short review to see if lessons could be learnt to ensure that future disruption was minimised.

The report was submitted to the Panel at its meeting of 15th October, 2010. The report was attached as Appendix 1.

In circumstances of extreme weather conditions, the decision to close a school was delegated to its Headteacher in consultation with their chair of governors. Given the likelihood of extreme weather events occurring more frequently in future years, the Local Authority and schools should work together to develop comprehensive plans to mitigate against potential disruption.

Resolved:- (1) That the report be noted and submitted to Cabinet.

(2) That Cabinet's response to the recommendations be fed back to the Children and Young People's Services Scrutiny Panel within two months of its submission.

82. MINUTES

Resolved:- That the minutes of the meeting held on 18th October, 2010 be approved as a correct record for signature by the Chairman.

83. WORK IN PROGRESS

Each member gave an update on activity, meeting agendas and discussions and on Scrutiny Reviews.

84. CALL-IN ISSUES

There were no formal call - in requests.

PERFORMANCE AND SCRUTINY OVERVIEW COMMITTEE
12th November, 2010

Present:- Councillor Whelbourn (in the Chair); The Mayor (Councillor McNeely); Councillors Austen, Gilding, Jack, License, P. A. Russell, Steele, Swift and Whysall.

Also in attendance for items 90 onwards were George Bailey, Mateen Duresmain, Emily Green, Daniel Moorhouse, Oliver Newrick, Chloe Shaw and Joshua Whitehouse (representatives of the Rotherham Youth Cabinet).

Danyal Mullen (representative of the Looked After Children Council).

Councillors Fenoughty, Smith (Cabinet Member for Regeneration and Environment) and Stone (Leader of the Council)

Apologies for absence were received from Councillors J. Hamilton and G. A. Russell .

85. DECLARATIONS OF INTEREST.

There were no declarations of interest made at this meeting.

86. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS.

There were no questions from members of the public or the press.

87. MINUTES

Resolved:- That the minutes of the meeting held on 22nd October, 2010 be approved as a correct record for signature by the Chairman subject to the addition of Councillor P. A. Russell in the list of Members present.

88. WORK IN PROGRESS

Members of the Committee reported as follows:-

- (a) Councillor Whysall reported that further consideration was to be given to the review of PE and Sport in Schools.
- (b) Councillor Austen reported that the latest meeting of the Democratic Renewal Scrutiny Panel had considered:-
 - six month review of the Council website
 - delivering electoral services: current and future issues

- presentation on the work of the Women's Refuge
- equality and cohesion update

(c) Councillor Jack reported that the latest meeting of the Adult Services and Health Scrutiny Panel had considered:-

- a presentation on stroke services in Rotherham
- annual report of the Joint Learning Disability Service
- Hospital Discharge Process: improving the customer experience

Councillor Jack also reported:-

- it was Domestic Violence Awareness Week commencing on Monday, 22nd November, 2010 with a march on 27th November, 2010
- bogus callers, claiming to be from the Water board, had been operating in the Holderness Ward the previous night

(d) Councillor License reported that the next meeting of the Children and Young People's Services Scrutiny Panel would be looking at primary school attainment and he had also requested early consideration of the implications of the coalition Government's education agenda.

89. CALL-IN ISSUES

There were no formal call-in requests.

90. 11 MILLION TAKEOVER DAY - INFORMAL SESSION

At this point in the proceedings, the meeting was adjourned to facilitate an informal session between representatives of the Rotherham Youth Cabinet and members of this Committee and the Cabinet.

The meeting reconvened together with Members of the Cabinet and representatives of Rotherham Youth Cabinet.

As part of 11 Million Takeover Day, George Bailey (Youth Cabinet) chaired the remainder of the meeting.

(George Bailey in the Chair)

George welcomed everyone to the meeting and introductions were made.

91. THE LOOKED AFTER CHILDREN'S COUNCIL TERMS OF REFERENCE

Danyal Mullen, Looked After Children (LAC) Council, gave a presentation relating to the recently established Looked After Children Council reflecting on the work being done to establish it on a more solid footing. The presentation covered:-

- LAC Council Terms of Reference
- To improve services for looked after children
- To raise awareness of LAC issues
- Deliver training around LAC issues
- Aiming for 6 formal meetings per year with Councillors
- Meetings to be held at the Town Hall
- Meetings held on Thursdays at 5.30 p.m. to 7.00 p.m.
- Sharing parts of the training programme with the Rotherham Youth Cabinet
- Rotating Chair/ support
- Minuted meetings
- Supported by Youth Workers from the Voice and Influence Unit

Discussion and a question and answer session ensued and the following issues were covered:-

- how children and young people were able to contact key workers should their social workers not be available

- achievements so far and frustration at the speed of changes/ improvements
- need for placement stability.
- progress regarding the development of a pledge
- need to ensure that agreed actions were carried through and any delays were explained clearly to the young people
- opportunity for LAC Council representatives to meet the Leader/ Deputy Leader on a monthly basis to discuss any frustrations/ problems/ issues arising
- publication of a newsletter by the new Corporate Parenting Group which could be informed by the LAC Council thereby ensuring Elected Councillors were aware of the important issues
- offer to give a presentation to the LAC Council on 'How the Council Works'
- possibility of a 'shadow day' whereby LAC Council representatives could work with Cabinet Members
- ensure that Elected Councillors know and understand the issues and what it is like being in care
- first formal meeting to be held in January, 2011.

Resolved:- (1) That the LAC Council consider the offer of:-

(a) monthly meetings with Leader and Deputy Leader and

(b) receiving a presentation on 'How the Council Works'.

(2) That the LAC Council terms of reference be received and referred to the Corporate Parenting Group and Cabinet Member for Safeguarding and Developing Learning Opportunities for Children,

(3) That Danyal be thanked for a very interesting and informative presentation.

92. YOUNG PEOPLE AND USE OF LIBRARIES

Mateen Duresmain, Emily Green, Daniel Moorhouse, Oliver Newrick,

Chloe Shaw and Joshua Whitehouse, Rotherham Youth Cabinet, gave a presentation focusing on the work they did at the Rotherham Show to ask young people's views about the Library Service. The Committee also welcomed Jo Hinchliffe, Children's Champion (Library Service) who elaborated on the joint working with the Rotherham Youth Cabinet from a Library Service perspective.

The presentation covered:-

- Rotherham Show 2010 questionnaire
- Response to the questionnaire regarding usage of a local library
- What young people told us they also wanted in a library
- Next steps: focus on writing standards for libraries to follow and possibly be involved in staff training
- Important qualities for library staff
- Conduct
 - Approachable
 - Friendly
 - Open Minded
 - Eye Contact
 - Genuine
 - Enthusiastic
- We want them to be proactive
 - Willing to help
 - Having relevant information
 - IT skills
 - Passionate about the job
- Need to respect young people
 - Don't stereotype
 - Be tolerant
 - Accepting of different groups
 - Understanding of young people's issues/ culture
 - Take young people seriously

- Need to be organised
 - Need a knowledge of library
 - Ability to adapt to situations
- Communication
 - Good interpersonal skills
 - Ability to communicate with everybody not just young people
- Roles of Libraries
 - Reaching out, linking to communities
 - Recognise libraries are for everyone and people have different needs
 - Young people should be involved in training staff
 - Bring libraries into the 21st Century and promote the changes to young people (e.g. silence rule)

Jo Hinchcliffe highlighted the following:-

- Framework for the future
- Ad hoc/ sporadic activity in libraries
- Library Service link with the Youth Cabinet, quick and pacy work progressing
- Young People's Committee established in Libraries
- Moving towards a formal action plan
- Next phase to get young people to visit libraries
- Utilise the Youth Cabinet with the consultation approach
- Ensure libraries were the pillar of the community

Discussion and a question and answer session ensued and the following issues were covered:-

- Increased versatility of the role of Libraries
- Rural nature of Rotherham and the Mobile Library Service (better use of resources, look at doing more for the rural network and better advertising of the Mobile Library Service)
- Potential for young people to volunteer to be assistants in libraries when possible
- Need to address the stereotypical view of libraries with the new physical buildings
- What libraries expect from young people not addressed in the survey
- Tensions library book users versus cyber café e.g. spread the siting of computers to avoid congregation, behaviour issues
- Work with the Youth Cabinet to develop a behaviour policy, guideline for staff and involving young people more to try and achieve a balance
- Role for School Libraries
- Essential libraries cater for everyone's needs
- Potential for allowing public into school libraries and encourage the youth/ adult mix
- Important to involve young people in the design/ development of new libraries
- Impact of individual demands on other user groups
- Libraries should also be for leisure not just education

Resolved:- (1) That the information be noted and the Youth Cabinet be thanked for their interesting and informative presentation.

(2) That the finished work be referred to the Regeneration Scrutiny Panel.

Before closing the meeting, the Committee wished to acknowledge formally the success of fifteen year old Rotherham Schoolboy Joshua Sayles who had been selected as the Royal British Legion Youth Division's Standard Bearer at the Royal Albert Hall.

In closing the meeting, George thanked everyone for their attendance and contributions to the discussions.

ROTHERHAM BOROUGH COUNCIL - REPORT TO MEMBERS
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1.	Meeting	Sustainable Communities Scrutiny Panel
2.	Date	9 December 2010
3.	Title	The Future Management of Rotherham's Council Housing
4.	Directorate	Neighbourhoods and Adult Services

5. Summary

This report outlines the reasons behind the Cabinet's decision to undertake consultation on the proposal to return to RMBC the direct management of council house landlord functions. A second report will be taken to Cabinet late February/early March when the outcomes of a comprehensive consultation programme will be shared.

The report notes that the ALMO was set up and chosen as an option by tenants because of a strong economic argument. Now that Decent Homes funding is coming to an end this economic argument no longer exists and that there are compelling economic arguments supporting the return of direct housing management to the council.

6. Recommendations

That Scrutiny notes the rationale behind the proposed return in house of landlord functions, and endorses the proposals.

7. Proposals and Details

Background

In 2001 local authorities were tasked by Government with drawing down much needed investment funds for improving council housing stock to 'decency' standard through either:

- full/partial stock transfer
- private finance initiative (PFI) or
- the creation of an arms length management organisation (ALMO)

Following two tenant ballots and initial opposition, 2010 Rotherham Ltd was established in 2005, as one of around 70 ALMOs created to manage and deliver improvements to council homes.

The decent homes programme is coming to an end and the initial rationale for establishing the ALMO no longer exists. Against a backdrop of significant cuts to public sector finance, (the impact of which, according to the Institute of Fiscal Studies, will disproportionately effect vulnerable communities with greater dependence upon the public sector for support) and following the outcome of a detailed, independent financial options appraisal, it is proposed that it is in the best interests of the Borough's tenants and residents to return the service in house.

Rotherham's Option Appraisal

In August 2010, PriceWaterhouse Cooper (PWC) was commissioned to carry out an independent financial assessment to determine the best means of managing and maintaining council housing in future years. PWC submitted their findings on 15 October 2010 and concluded that, 'In view of the potential savings that could be achieved, there is a sound case for returning the management service to the Council at the end of the current contract'. Whilst the PWC report primarily focussed on the economic issues, there are a range of other factors which lead to the view that a return in house is in the best interests of tenants, residents and vulnerable communities.

7a) The Economic Reasons

To offer the best services for tenants from what are increasingly limited resources, local authorities need to deliver services that are as lean as possible and any duplication and unnecessary bureaucracy need to be removed.

- 2010 Rotherham Ltd has been successful in delivering the £315m decent homes programme (this includes funds contributed by the Council) and now that money has been spent, and there is no further Decency funding available to Rotherham (through either the council or the ALMO), there is no financial advantage to keeping the ALMO.
- Establishing and maintaining a separate company such as the ALMO inevitably requires a range of management and support functions with associated overhead costs which duplicate those that exist within the council. Significant savings could be made in reducing such duplication.

- As Housing Revenue Account (HRA) funds are tightly ring fenced (80% of HRA funding has to be spent on ‘affordable housing activity’) efficiency savings will be ringfenced to support housing related activities which benefit Rotherham’s poorer communities.
- Further savings could be made through economies of scale.
- The estimated savings of returning the direct management of housing to the council are in the region of £1m per annum.
- Whilst both the council and 2010 Rotherham Ltd face difficult economic times, the ALMO has endured a difficult financial history requiring financial support and guarantees from the Council. The ALMO has made great strides in addressing this but nonetheless the future economic viability of the ALMO is challenging.

7b) Less Confusion, More Accountability

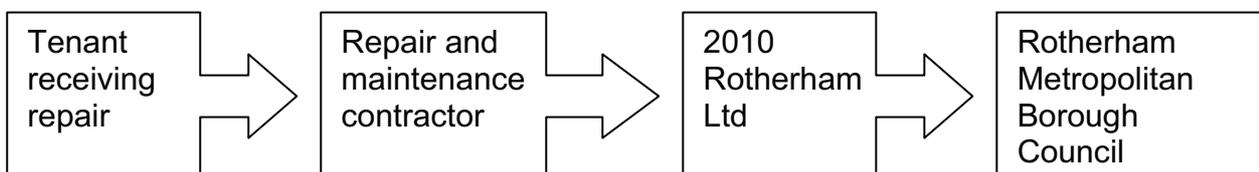
A number of tenants are confused about the ALMO’s roles and responsibilities and RMBC’s roles and responsibilities. This is evidenced for example, by RMBC regularly forwarding enquiries to 2010 Rotherham Ltd and vice versa. A return to in-house housing management provides an opportunity to address this. In addition:

- Aligning services would bring about smoother delivery of a number of services, for example, tackling antisocial behaviour, a function which is current split across RMBC and 2010 Rotherham Ltd.
- There would be a clearer, unified approach to communication with tenants, leaseholders and residents.
- As the majority of 2010 Rotherham Ltd’s Board of Directors are unelected, returning the housing management function to the Council could improve democratic accountability and governance.
- In future, there is an opportunity to build on the strengths of the Area Housing Panel’s, by seeking a closer alignment with other governance structures such as Area Coordination Groups and this Scrutiny Committee.

7c) Performance

Shortly after 2010 Rotherham Ltd was established in 2005 it was inspected and awarded a rating of ‘2 Star – Good with uncertain prospects’ by the Audit Commission. 5 years on, 2010 Rotherham Ltd is still a 2 Star ALMO, with good to uncertain prospects.

There is nothing intrinsic in Arms Length Management Organisations which mean they perform better, in fact, there is a good deal of duplication across the performance management function with RMBC monitoring 2010 Rotherham Ltd’s performance. Now the repairs and maintenance functions have been outsourced the relationship between tenants and the council is more distant:



To enable the council to make a decision about the future of the ALMO in light of all the facts, a tenant consultation programme will run from November 2010 to the middle of February 2011.

The consultation programme will include a range of opportunities for tenants and leaseholders to express their views. Including:

- Newsletter and questionnaire sent to every tenant and leaseholder
- A series of Tenant Roadshows
- A telephone survey of approximately 15% of tenants and leaseholders
- Opportunities to make verbal and written submissions

A report detailing the outcomes of the consultation programme will be submitted to Cabinet at the end of February 2011.

It is anticipated, on the back of the major improvement work to properties delivered through the Decent Homes programme that tenants will be highly satisfied with the services they have received through 2010 Rotherham Ltd. However, it is important to consider council housing's future and how best to secure the continuing improvement to housing services in the current financial climate.

8. Financial implications

PWC's independent financial appraisal identified potential savings of around £1m per annum, not accounting for exit costs. Much of this saving would stem from elimination of duplication across the two organisations when services return.

9. Risks and uncertainties

Financial risks include;

- indicative expected efficiencies of £1m are subject to further detailed scrutiny
- associated implementation costs in the first year will be subject to a range of variances, for example determined by which employees leave the organisation.

Legal risks include;

- challenges from staff from RMBC and 2010 Rotherham Ltd, about the process or pay equalisation issues
- in principle notice being given to the ALMO, pending the outcome of the consultation process – it may be necessary to consider a short term extension

The outcome of the tenant consultation programme is unknown.

As the Coalition Government is currently proposing many changes to housing policy, housing finance and housing management, there is a small risk that funding may become available which could be accessed by ALMOs but not by local authorities. This is highly unlikely since the announcement of the Decent Homes Backlog Fund has already been made as has the detail of HRA reform.

10. Policy and performance agenda implications

Links to 3 of RMBC's Corporate Priorities:

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

11. Background papers and consultation

- Options Appraisal for the Management of Council Housing in Rotherham, PriceWaterhouse Cooper LLP, October 2010
- 2010 Rotherham Ltd Management Agreement
- Formation of the Arms Length Management Organisation (ALMO), 2010 Rotherham Ltd, February 2005
- Proposals Around the Future Shape of Social Housing, September 2010

12. Contact Details

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