

WRITTEN ANSWERS FOR COUNCIL

27TH JANUARY, 2016

Questions from Members of the Public

Question - Mr. Smith asked about the type of properties being discussed?

Answer – These are all Council properties, they are located across the borough, but have been subject to little or no interest from prospective tenants.

Low demand properties mainly arise because of affordability issues due to some applicants being affected by the spare room subsidy. Tenants who are eligible for housing benefit are charged 14% of their rent for 1 additional bedroom and 25% of the rent for 2 extra bedrooms. This means that 3 bedroom flats for example can take longer to let.

However, low demand only applies to a relatively small proportion of our stock, as an example whilst we let approximately 1800 properties per annum, there are currently 47 properties that we would classify as low demand.

Housing Rents 2016/17

Question - Minute No. 118 - Councillor Currie asked about the impact on the thirty year business plan and the Medium Term Financial Strategy in relation to the report on housing rents.

Answer – The reduction in social housing rent by 1% per year for the next 4 years until 2019-20 has had a significant impact on the HRA 30 year Business Plan. During the period 2016-17 to 2020-21 our planned income has reduced by circa £40m. Over the lifetime of the business plan forecast income may reduce by over £900m.

Clearly this will have significant impact on the services we are able to provide to tenants. For 2016-17 the repairs and maintenance budget has been protected and will remain at £19.075m. To produce a balanced budget for 2016-17 and onwards we have reduced the 2016-17 Capital programme by £3.4m (equivalent to 10% of the Capital refurbishment budget). In addition we have also reduced management and administration expenditure in 2016-17 by £200k.

We are currently finalising revisions to the 30 year business plan to take account of this and other government policy changes affecting social housing income so that we have a business plan that is financially viable. A series of options to balance the HRA business plan budget over the medium to long term will be presented to Advisory Cabinet in March 2016.

Mid Year Treasury Management and Prudential Indicators

Question – Minute No. 120 – Councillor Parker sought clarification on the inclusion of PFI Schemes on the balance sheet, why it was not included as part of this report as Rotherham was still liable for the money and asked what the actual figure was.

Answer - The Council's Statement of Accounts has been fully prepared on the basis of International Financial Reporting Standards (IFRS) from 1st April 2010. Whilst most amendments to the Accounts were made at that point it had been an IFRS requirement to fully reflect the financial impact of Private Finance Initiative schemes and Finance Lease Liabilities on the Council's Balance Sheet from 1st April 2009.

A further consequence of the change in accounting practice was to reflect the inclusion of these liabilities from that point within the calculation of the Council's underlying need to borrow, i.e. the Capital Financing Requirement (CFR), which is derived from the Council's Balance Sheet.

It is important to note that the Council is not required to separately borrow for these schemes as they include a "borrowing facility" within the schemes' financing, this borrowing having been undertaken by the contractor and the amount can only be changed if the contractor is able to refinance the scheme.

Whilst this borrowing remains outside normal Treasury Management activity it is a requirement to include the impact within the reporting of the Council's Prudential Indicators, etc. Therefore the borrowing estimate for 31st March 2016 of £137.600m is shown in the report presented to Council on 27th January. The figure is shown in the first table at 2.3.5, with an explanation for the increase from 31st March 2015 of £11.905m provided in the second bullet point in the paragraph preceding the table.

It may be noted that a different overall total of £139.267m is given in the report where reference is being made to the Operational Boundary (within the first table at 2.3.5) and the Authorised Limit (within the first table at 3.3). This is the estimated maximum borrowing in the year rather than the estimated position at the year end.

Question to Advisory Cabinet Members and Committee Chairmen

Questions 10 and 11 from Councillor Reeder:-

Question 10 - From Councillor Reeder to the Advisory Cabinet Member for Corporate Services and Budgeting - In the Casey report she said that there were Councillors who were not paying their council tax. Can we now be sure that all Councillors are now paying their council tax and their arrears if they have any?

Answer - The Council Tax Team carry out a monthly check of outstanding Council Tax accounts for current Councillors and where there are arrears this is addressed through Legal Services and the Chief Executive. The most recent check revealed no current Councillors with Council Tax arrears.

Question 11 - From Councillor Reeder to the Advisory Cabinet Member for Waste, Roads and Community Safety - Following the Commissioners' roadshows I understand top of the list was the poor state of our roads. Why then am I still driving on local roads that are like Beirut? Obviously its all just a show; Labour carry on as normal and residents are treated with contempt.

Answer - On average £4.2m is spent every year on maintaining our roads. Maintaining our highways in a safe condition is a priority for the council, elected members and for residents. As part of the budget setting process for 2015/16 this priority was recognized and an extra £5 million was allocated to improve the unclassified estate roads in the borough over the following two years, 2015/16 and 2016/17.

Councillor Reeder will remember attending a Council seminar on the subject where the priorities for highway maintenance were discussed and agreed. As part of this process elected members were encouraged to put forward roads in their wards to be improved during the 2015/16 financial year. I hope you took the opportunity to put forward roads in your ward to be included in 2015/16 programme of works.

These elected member priorities would be considered along with the regular outcome of highways inspections to put together a programme of works to be completed during the 2015/16 financial year.

£3 million of the £5 million investment will have been spent by the end of this financial year with a further £2m allocated in the budget for 2016/17.

Investment in our highways continues to be a high priority and discussion on how we can continue to invest the significant sums needed has been part of the current budget setting process.

Question 13 – Councillor Lelliott provided further information to Councillor Reynolds on visitor numbers at Magna ranging back to 2001. The table below provides information on Magna visitor numbers, leisure and education, over the period 2001/02 – 2014/15.

2001/02	430,077
2002/03	242,014
2003/04	165,234
2004/05	156,487
2005/06	132,855
2006/07	154,843
2007/08	135,678
2008/09	111,047
2009/10	137,828
2010/11	124,959
2011/12	124,751
2012/13	130,429
2013/14	115,385
2014/15	119,896