

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
10th January, 2018

Present:- Councillor Steele (in the Chair); Councillors Brookes, Clark, Cowles, Cusworth, Mallinder, Napper, Sheppard, Short, Walsh and Wyatt.

An apology for absence was received from Councillor Evans.

The webcast of the Council Meeting can be viewed at:-

<https://rotherham.public-i.tv/core/portal/home>

74. DECLARATIONS OF INTEREST

There were no Declarations of Interest reported.

75. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

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

76. TO CONSIDER WHETHER THE PRESS AND PUBLIC SHOULD BE EXCLUDED FROM THE MEETING DURING CONSIDERATION OF ANY PART OF THE AGENDA

The Chair reported that there were no items of business requiring the press and public to be excluded from this meeting.

77. INCREASE IN COUNCIL TAX EMPTY PROPERTY PREMIUM

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

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

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

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

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

Members queried whether information on the Valuation Tribunal appeals process was provided to affected individuals and recommended that this should become standard practice when issuing correspondence.

Resolved:-

1. That the recommendation to Council be supported for approval of an increase in the Empty Property Premium from 50% to 100% from the 1st April, 2018 or any later date upon which the Autumn Budget 2017 provision to increase the Empty Homes Premium was implemented.
2. That clarity be provided to affected persons on the appeals process.

78. HOUSING REVENUE ACCOUNT BUSINESS PLAN 2018-19

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

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

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

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

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

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

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

Members requested further information on the options and parameters for Option D within the report, as it was not clear what the rationale was from the information provided. In response, officers confirmed that the HRA Business Plan had been subject to review since the summer of 2017 and various options for modelling the impact of growth and new homes being built. The various options had been tweaked and been subject to external review by consultants. Following on, Members requested more detail on why Option D was the preferred option.

Members sought further assurance in respect of the Council's confidence in the private sector to deliver the housing requirement for site clusters. In response, the Cabinet Member for Housing explained that the Council wanted to be in a position where the HRA could invest in housing growth year on year, but the private sector will need to deliver the majority of the housing requirement. The Council would do more than ever to intervene in the market to deliver as much as possible, but the burden would need to be met in the main by the private sector.

Resolved:-

1. That Cabinet be advised that the recommendations
2. That further detail of the options discounted for the Base Case be circulated to OSMB members prior to the Cabinet meeting.

79. HOUSING REVENUE ACCOUNT RENTS AND SERVICES CHARGES 2018-19

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

Members referred to the district hearing scheme and the fluctuation of gas prices in the energy market and indicated that the cost of capital works in different schemes would need to be borne in mind in future.

Resolved:-

That Cabinet be advised that the recommendations be supported.

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

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

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

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

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

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

Resolved:-

That Cabinet be advised that the recommendations be supported.

81. BUDGET SCRUTINY FOLLOW UP

Further to the budget scrutiny meetings of the Overview and Scrutiny Management Board held on 14th and 20th December, 2017 respectively, consideration was given to additional information in respect of the following proposals which had been deferred previously:

- a) CYPS 5 – School Improvement – Members asked for more detail in respect of where the saving will come from and the impact on the service, including a description of the minimum service requirement.
- b) PH2 – Withdrawal of £25k funding from homelessness service – further information required detailing the impact of the reduction on the delivery of the homelessness strategy.

The Strategic Director of Children and Young People's Services provided a verbal update in respect of budget proposal CYPS 5 regarding the School Improvement Service. It was explained that the original proposal had been misleading in that the proposal did not relate to school improvement, but rather the Rotherham Youth Enterprise, which formed part of the Education and Skills Service in Children and Young People's Services. In elaborating on the revised proposal, it was reported that the number of full time equivalent redundancies arising was expected to be seven and the saving from the cessation of the service would be £183,500. In reviewing the proposal, Members expressed concerns regarding the plan to not fill a vacant post in the Early Years service and Members requested an update on this position in June 2018 to understand the impact of not filling the vacancy. Having received the verbal update, Members not willing to support the proposal and requested that a further report fully detailing the proposal be submitted to the next meeting on 31 January 2018.

Officers from Housing Services provided additional information on the proposal to withdraw £25,000 of funding for homelessness services from the Public Health budget. Assurances were provided that there would be no impact on homelessness services as there were other resources that could be used to mitigate the removal of the Public Health funding stream, such as the Housing Revenue Account and the Homelessness Grant.

Members reflected on the other areas where they had requested further information from the Strategic Director of Regeneration and Environment and noted that this information had been circulated separately and that they were able to provide support to the proposals.

Resolved:-

1. That the Strategic Director of Children and Young People's Services submit a report on the budget proposal in respect of Rotherham Youth Enterprise to the next meeting on 31 January 2018.

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2. That, following the assurances provided, the budget proposal in respect of the withdrawal of £25,000 of funding for homelessness from the Public Health budget be supported.

82. DATE AND TIME OF NEXT MEETING

Resolved:- That the next meeting of the Overview and Scrutiny Management Board take place on Wednesday, 31 January 2018 at 11.00 a.m.