

SUSTAINABLE COMMUNITIES SCRUTINY PANEL
Thursday, 10th March, 2011

Present:- The Mayor (Councillor McNeely) (in the Chair); Councillors Atkin, Ellis, Hodgkiss, Nightingale and P. A. Russell, together with Derek Corkell (RotherFed) and Andrew Roddison (RotherFed)

Councillor Akhtar was in attendance at the invitation of the Chair.

Apologies for absence were received from Councillors Blair, Havenhand, Walker and Jenny Andrews.

60. DECLARATIONS OF INTEREST

Derek Corkell and Andrew Roddison declared a personal interest in Minute No. 63 (Housing Rent Increase) on the basis of being Council tenants.

61. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

There were no members of the public or the press present at the meeting.

62. COMMUNICATIONS

The Chair reported that Jack Carr and his wife had celebrated their Diamond Wedding Anniversary on 3rd March, 2011.

Resolved:- That the Panel's congratulations be conveyed to Mr. and Mrs. Carr.

63. HOUSING RENTS 2011/12

The Panel considered the report of the Strategic Director for Neighbourhoods and Adult Services, approved by the Cabinet at its meeting on 19th January, 2011 (Minute No. 149 refers) with respect to the 2011/12 increases in housing rent, new build rents, garage rent, heating charge and communal facilities.

The report set out in detail information relating to:-

- Council Rent Setting.
- Housing Subsidy and Rent Determination.
- Garage Rents.
- District Heating.
- Warden Service and Communal Facilities.

The greatest risk and uncertainty surrounded the level of rent income received into the Housing Revenue Account. This was dependent upon the number of properties available to generate income. The level of properties was directly affected by the level of sales and demolitions which may vary to those used in the budget assumptions. Due to the current economic climate it was unlikely that Rotherham would see any significant sales.

It was possible that arrears may rise, this would affect the amount of income received and, therefore, be reflected in housing revenue account balances.

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

- The Authority had not received notification of the increase in formula until 10th January, 2011 (expected on 24th December, 2010), making further consultation difficult on such a tight timescale. Whilst the formula had not changed, the date for convergence had been brought forward. In order to comply with that deadline, rents had to be increased earlier by a higher percentage for a significant number of years
- Garage rents had been increased by the rate of inflation
- The rents for the new build Council houses had been modelled on the actual repayment and income charge which was factored into the affordability model for the scheme
- Members asked that in future, breakdown of rent increases should be given by house type rather than just in averages
- How much longer would it take before there was full recovery of District Heating costs?
- Why had there been no increase in District Heating charges in the 2009/10 financial year?
- Request for breakdown of spend/level of investment on garage sites and income generated

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

(2) That further reports be submitted on:-

- Local Authority new build rent setting and Affordability modelling
- Garage Improvement Plan, income, expenditure and investment programme
- District Heating Charges
- Housing Revenue Account

(3) That a report be submitted by July, 2011, on the review taking place regarding Neighbourhood Centres and the implications of the ending of the Sheltered Housing Warden Service.

(4) That the rent setting report for 2012/13 be submitted to this Scrutiny Panel in January, 2012 for consideration.

64. REVENUE BUDGET AND COUNCIL TAX LEVEL 2011/12

The Panel considered a report previously submitted to the 23rd February, 2011, meeting of the Cabinet (Minute No. 169 refers) and approved by the 2nd March Council meeting regarding the Budget for 2011/12 based on the outcome of the Council's Financial Settlement with details of:-

- The progress of the Budget process since July, 2010 (including confirmation of the Local Government Financial Settlement).
- The principles reflected in the Budget and spending plans.
- The Council's recommended Revenue Budget for 2011/12.
- Spending plans for Directorates.
- Precepts and levies made on the Council by other authorities.
- Proposed Council Tax levels for the coming financial year.
- Proposed future developments in the three year Medium Term Financial Strategy (MTFS) 2011/12 to 2013/14.

As required by legislation, the report also set out the Strategic Director of Finance's assessment of the robustness of the estimates included within the Budget and the adequacy of the reserves for which the Budget provided.

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

- What would the implications be for the Neighbourhoods Directorate with regards to staffing/what would the staffing structure look like?
- Confusion as to which Directorate/Scrutiny Panels some of the budget savings related to

The Panel recognised that the cuts had been passed onto the Authority by the Conservative-led Government. However, Members still needed to know what the proposals meant for the people of Rotherham so they could be monitored.

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

(2) That a report be submitted on the savings made by the Neighbourhoods Directorate and Service implications.

(2) That a report be submitted on the future of Neighbourhood Services and how it was proposed to structure it.

65. THE FUTURE OF COUNCIL HOUSING IN ROTHERHAM

The Director of Housing and Neighbourhood Services presented a report which was previously submitted to the 23rd February meeting of the Cabinet (Minute No. 176 refers) summarising the responses to the test of opinion carried out to understand the views of tenants and leaseholders on the options available to manage and maintain the Council's housing stock.

The overwhelming majority of tenants had supported the view that it was in their best interests for the Council to directly provide housing management services in the future. The report, therefore, outlined the steps that needed to be taken if a decision was taken to bring the services back in-house, including more indepth information on the tenants and residents consultation and the way forward.

Advice received from PwC suggested that the financial benefits achieved by returning housing management services to the control of the Council could be in the region of £1m p.a. post-exit costs. Taking back the Service provided the

Council with the opportunity to assimilate and absorb functions and by so doing remove costs from back office and management functions. This would allow any Housing Revenue Account savings to be reinvested into those services which mattered most to tenants (hence the question in the questionnaire) and which had a more immediate effect on tenants' perceptions of the quality of service.

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

- Meetings were being held on a fortnightly basis and a Risk Workshop was to be established to ensure service did not deteriorate during the period of transfer back in-house
- Possible staffing structures were being considered; the main concern was that staff should not feel destabilised and that the critical players in 2010 Rotherham were still critical players when the business came back into the Council. There might be a need for some interim appointments to bridge the transfer gap
- Issues to be addressed regarding some pay differentials between Council and 2010 Rotherham officers. Officers that would TUPE over were pay protected for 3 years

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

(2) That once confirmed, the new structure be submitted to this Scrutiny Panel.

66. SCRUTINY REVIEWS - UPDATE

The Chair reported that the review on Private Sector Housing was in the process of being written up.

The Adverse Weather Review was meeting again shortly.

67. 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 24th January, 7th and 18th February, 2011.

68. SUSTAINABLE COMMUNITIES SCRUTINY PANEL

The minutes of the meeting held on 27th January, 2011, were agreed.

The Chair reported that during the passage of the Localism Bill through the Commons, a Housing Minister had proposed that tenants transferring due to under occupancy could have their secure tenancy status removed.

Resolved:- That the Panel requests the Council to oppose this action.

69. PERFORMANCE AND SCRUTINY OVERVIEW COMMITTEE

The minutes of the Performance and Scrutiny Overview Committee held on 14th and 28th January and 11th February, 2011, were noted.

70. HOUSING INVESTMENT PROGRAMME (HIP) 2010/11

The Director of Housing and Neighbourhood Services presented a report which set out details of the progress on the 2010/11 Housing Investment Programme (HIP) and Non HIP Capital Schemes for the period to 15th December, 2010.

For 2010/11 a revised HIP of £50.379M was approved on 13th December, 2010 [Minute No. 88 refers]. As at 15th December, 2010, spending totalled £30,293M, 60.13% of the revised approved Programme.

The Programme was divided into 2 sections between the schemes managed by 2010 Rotherham Ltd. (totaling £26.545M) and those managed by the Council (totaling £23.833M).

2010 Rotherham Ltd.

- Expenditure incurred of £19.723M (74.3%)
- Forecasted overspend on Refurbishment budget for Decent Homes Phase 2 of approximately £1.063M due to a number of variations to planned work
- This was partially offset by a projected underspend of £597,000 on the Windows budget

RMBC Managed Schemes

- Expenditure incurred of £10.571M (44.35%).
- £27,000 forecast underspend for the Garage Programme
- Projected underspends on all 3 phases of the New Build projects due to the weather conditions experienced in December
- Approved schemes to the value of £572,000 within the Non-HIP Capital Programme for Neighbourhoods
- Forecasted underspend of £234,000 on Landfill Sites as a result of the difficulty in obtaining specialist input to undertake the complex site investigations
- Projected underspend of £22,861 on Air Quality

Right to Buy Sales

- 13 sales had been completed to the end of December, 2010 against the projected sum of 20

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

- o There were underspends on Home Assistance Grants, Garages Sites investment and Air Quality. Was this due to staffing shortages?
- o Efforts were being concentrated on closing down the Decent Homes Programme as successfully as possible

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

(2) That the issue of the former Landfill Sites be referred to the Regeneration

Scrutiny Panel for investigation.

(3) That a report be submitted to the next Panel meeting on the 2011/12 Air Quality Plan and the carried forward underspend.

(4) That future HIP reports be submitted to this Scrutiny Panel as well as the Cabinet Member.

(The above item was moved into the open session of the meeting with the agreement of the Chair)