

**SELF REGULATION SELECT COMMISSION
10th January, 2013**

Present:- Councillor Currie (in the Chair); Councillors Atkin, Beaumont, Beck, Ellis, Godfrey, J. Hamilton, Mannion, The Mayor (Councillor Pickering), Sharman and Tweed.

Councillors Akhtar, Doyle, Lakin, McNeely, Rushforth, R. Russell, Stone and Smith

An apology for absence was received from Councillor Watson.

45. COMMUNICATIONS.

There were no communications to report.

46. DECLARATIONS OF INTEREST.

All Members present declared an interest in Minute No. 50 (Housing Rent Increase) on the basis of either being a Council tenant or related to or associated with a Council tenant.

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

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

48. MINUTES OF THE PREVIOUS MEETING HELD ON 22ND NOVEMBER, 2012

Resolved:- That the minutes of the meeting of the Self Regulation Select Commission held on 22nd November, 2012, be approved as a correct record for signature by the Chairman.

49. 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 items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 [as amended 2006 - information relates to finance and business affairs].

50. HOUSING RENT INCREASE

Consideration was given to a joint report of the Finance Manager (Neighbourhoods and Adult Services) and Director of Housing and Neighbourhood Services, setting out the proposed housing rent, new build rents, garage rent and communal facilities increases for 2013/14.

The report set out in detail the proposed housing rent, new build rents, garage rent and communal facilities increases for 2013/14. The rents had been calculated in accordance with the national rent setting regime requiring all authorities to use the prescribed formula and apply annual increases to actual rents to achieve the Formula Rent. The Government expected that all similar properties in the same local area would have similar rent levels even if owned by different landlords (rent convergence). Rotherham was expected to achieve

rent convergence by 2015/16.

2013/14 was a 53 week year and, therefore, the average rent required amending to reflect this. The revised rent would be payable over 49 weeks thereby maintaining the policy of 4 weeks during the year when rent was not collected.

The building of 132 new Council properties had been completed in 2011/12. The funding model assumed that rents would be aligned to the Council's existing rent structure based on them having a higher property value than existing stock and already fully converged.

The report also contained at Appendix A the 2013/14 draft Housing Revenue Account budget for consideration.

In anticipation of a Self Regulation Select Commission Scrutiny Review recommendation on District Heating being accepted by Cabinet, the proposed changes for District Heating were contained within a separate report (Minute No. 57 refers).

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

- Potential impact of the forthcoming Bedroom Tax and Universal Credit on rent collection rates
- Transfer from reserves
- New build properties - how their rents had been calculated and Right to Buy
- Management and supervision costs
- Garage Investment Programme

Resolved:- That Cabinet be requested to recommend to Council:-

(1) An average rent increase of 6.19% based on the DCLG rent formula which results in an average weekly increase of £4.30 when collected over 48 weeks.

(2) An average rent of £98.39 on new build Council properties.

(3) In line with the Retail Price Index, Garage Rents, Communal Facility charges (including where there were applicable laundry charges and cooking gas charge) be increased by 2.60%.

(4) That the draft Housing Revenue Account budget for 2013/14 be noted.

51. DISTRICT HEATING SCHEME CHARGES 2013-14

Consideration was given to a joint report of the Finance Manager (Neighbourhoods and Adult Services) and Director of Housing and Neighbourhood Services, setting out the proposed increases for District Heating for 2013/14.

In general, District Heating charges were made up of 2 components i.e. a weekly charge and a metered charge per kilowatt hour of heating used. It was proposed that there be no increase in the weekly charges (with the exception of

St. Ann's) but an increase in kilowatt hour charges to more accurately reflect true costs.

Pooled metered schemes had a weekly pre-payment flat rate charge collected through the rent system applied to all properties dependant upon the size of the property. The actual costs of each property's heating was determined by meter readings of the amount of kilowatt hours of heating actually used. St. Ann's was added to the pooled scheme in 2011/12 and agreed to bring their charges into line with the other pooled metered schemes over a 3 year period, 2013-14 being the final year.

Resolved:- That Cabinet be requested to recommend to Council:-

(1) That weekly district heating charges be not increased with the exception of St. Ann's which will follow the formula agreed in 2010/11.

(2) That the various proposed increases to the kilowatt hour charges, as outlined in the report submitted, be approved as a means of achieving full cost recovery.

(3) That to assist tenants, increases in the kilowatt hour charge be phased over a period of up to 5 years.

52. BUDGET 2013/14 - UPDATE

Councillor Akhtar, Deputy Leader, opened the presentation with an overall summary of the budget as at 2nd January, 2013 which included:-

- Initial funding gap
- Directorate proposed savings
- Provisional Settlement
- Medium Term Financial Strategy

The Select Commission then received presentations from the Strategic Directors/Directors representing Children and Young People's Services, Neighbourhoods and Adult Services, Environment and Development Services, Resources and Health and Wellbeing.

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

- Potential impact of proposals on Services and Service users and mitigation
- Smarter working methods including greater working practices/sharing of resources with outside agencies/partners
- What effect had the stringent budget cuts of the last 3 years had on Services?
- What processes had Directorates gone through to arrive at the proposed savings?
- Demographic pressures including increasing ageing population
- Consideration to alternative Service delivery
- Disadvantaged Communities agenda
- Possible impact of the Welfare Reform
- Impact on reserves

The Chairman thanked the Cabinet Members and officers for their attendance at the meeting.

Resolved:- That the proposed budget savings for 2013/14 be noted.

53. DATE AND TIME OF NEXT MEETING

Resolved:- That the next scheduled meeting take place on Thursday, 21st February, 2013 at 3.30 p.m.