

**THE CABINET
21st January, 2019**

Present:- Councillor Read (in the Chair); Councillors Alam, Allen, Hoddinott, Lelliott, Roche and Watson.

Also in attendance Councillor Steele (Chairman of the Overview and Scrutiny Management Board)

An apology for absence was received from Councillor Beck.

86. DECLARATIONS OF INTEREST

Councillor Lelliott declared a personal interest in Minute No. 91 (Housing Revenue Account – Rents and Service Charges for 2019/2020) on the grounds of her parents being tenants in a Council bungalow and her own lease of a Council garage. She left the room during the debate and did not observe the vote.

87. QUESTIONS FROM MEMBERS OF THE PUBLIC

A member of the public referred to his own predicament and the difficulties he had faced in his privately rented accommodation with theft of money and personal belongings and his dwelling not being up to a recognised standard. He further elaborated on an issue with the boiler being condemned and the health and safety risks within the property. He asked, therefore, if the Council could look to challenge and hold to account private landlords to maintain properties and under a Freedom of Information request how many other privately rented homes had been condemned.

The Leader confirmed that the member of the public would be contacted by relevant staff and the information provided to him.

88. MINUTES OF THE PREVIOUS MEETING

Resolved:- That the minutes of the Cabinet and Commissioners' Decision Making Meeting held on 17th December, 2018, be agreed as a true and correct record of the proceedings, subject to an alteration to Minute No. 76 on Page 9 of the agenda pack to now read:-

"Councillor Hoddinott, Cabinet Member for Waste, Roads and Community Safety, confirmed hate crime outcomes had fallen significantly, but were now starting to go in the right direction with a small increase in the outcomes.

Staff would continue to talk to Police on how positive outcomes for victims were achieved. Victim satisfaction was very high as a result of the investigations going forward.

One area for improvement and performing well was anti-social behaviour. Officers and the Police were working with repeat victims, which was going down, but anti-social behaviour perception was going up.”

89. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the agenda items 11 and 12 on the grounds that the appendices involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006.

90. CALCULATION OF THE COUNCIL TAX BASE FOR 2019/20

Consideration was given to a report which set out the calculation of the Council Tax Base for the 2019/20 financial year. This calculation took into account:-

- the total number of dwellings in the Borough and their banding;
- the Council's own Local Council Tax Support Scheme (CTSS);
- other discounts, exemptions and premiums on second homes and empty properties;
- the projected in-year tax collection rate in 2019/20 and;
- estimates of the changes and adjustments in the tax base that occur during the financial year.

In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 governing its calculation, it was determined that the Council's Tax Base for the financial year 2019/20 be 70,279.97 Band D Equivalent Properties.

Setting the Tax Base was an integral part of the Budget setting process and the determination of the Council Tax level, of which the Council had no discretion.

The Tax Base must be calculated in accordance with regulations under Section 33(5) of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012. The period for the calculation of the tax, between 1st December and 31st January in the financial year preceding that for which the calculation of the Council Tax Base was made, was set by the regulations. The Tax Base was set in Band D equivalent properties that was properties were placed into one of eight valuation bands (A-H) and these were converted to Band D Equivalent properties using the proportions set out in the 1992 Act which were weighted in relation to the Band D property.

Resolved:- (1) That Council be asked to approve:-

- (a) The amount calculated by the Council as its Council Tax Base and those of the Parish Councils shown at Appendix 1 for 2019/20 shall be a total of 70,279.97 Band D Equivalent Properties.
- (b) The creation of a new Parish of Waverley is noted.
- (c) The Local Council Tax Support Scheme for 2019/20 remains unchanged from 2018/19.

91. HOUSING REVENUE ACCOUNT – RENTS AND SERVICE CHARGES FOR 2019/2020

Consideration was given to the report which sought approval for the proposed values for the setting of the housing rents, non-dwelling rents, District Heating and service charges and the draft Housing Revenue Account Budget for 2019/20.

Changes to the Government's policy on social housing rents resulted in the requirement to reduce dwelling rents by 1% over four years from April, 2016. To comply with the legislation rents would be reduced by 1% for a fourth and final year from April, 2019.

In previous years increases to charges for non-dwelling rents have been linked to changes in CPI. As at September, 2018 CPI was 2.4% and, therefore, it was proposed to increase charges for garages and communal facilities including laundry and cooking gas by 2.4%.

During 2017-18 there was an extensive review of district heating pricing to ensure that charges were fair and reasonable to all tenants. However, the latest forecast for 2018/19 was that the scheme would be in deficit by £16k, therefore, it was proposed to leave district heating charges unchanged.

Resolved:- That Council be asked to approve:-

- (a) That dwelling rents are reduced by 1% for 2019/20 in line with the requirements outlined in the Welfare Reform and Work Act 2016.
- (b) That there is a 2.4% increase to charges for garage rents, communal facilities, cooking gas and laundry facilities in 2019/20 in line with the increase in Consumer Price Index (CPI) as at September 2018.
- (c) That the unit charge per Kwh for District Heating Schemes remains at the same level as agreed by the Council in December 2017.
- (d) Agree the draft Housing Revenue Account budget for 2019/20.
- (e) That rents and service charges will be collected over 52 weeks in line with Universal Credit payments.

92. HOUSING REVENUE ACCOUNT – BUSINESS PLAN 2019/20

Consideration was given the report which provided a detailed technical overview of the current position and the reason for changes to the Plan. This report was considered alongside proposed 2019-20 rents, service charges and budgets (Minute No. 91).

The Housing Revenue Account (HRA) recorded all expenditure and income relating to the provision of Council housing and related services, and 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. A number of policies were introduced by Central Government that resulted in a reduction to HRA resources, namely:-

- 1% per annum reduction in Council rents over four years. 2019-20 is the final year of this policy.
- Reinvigoration of the Right to Buy (RTB) (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.

At the time this resulted in the need for significant savings to be made over the life of the business plan.

The key shift in policies that had resulted in changes to underlying assumptions were:-

- Agreed rent formula of CPI + 1% from 2020-21 onward for five years.
- Removal of the HRA Debt Cap.
- Removal of pay to stay which would have meant any household earning over £31,000 would have been required to pay at or near market rent.
- Removing the proposed restriction of Housing Benefit to Local Housing Allowance rate for new tenants from April 2019.
- Removal of the proposed enforced sale of higher value Council Properties.
- Removing the planned restriction of Universal Credit Housing costs to the majority of 18-21 year olds.

Whilst there have been a number of welcomed policy changes, there were still multiple policies which would continue to impact directly or indirectly on the amount of resources available with the HRA Business Plan. These were:-

- Roll out of full service Universal Credit to all remaining working age tenants in Rotherham since July 2018 onwards.
- Ongoing Right to Buy eligibility.

The combined effect of these changes was likely to have a significant impact on the nature of housing provision in Rotherham, not just in terms of Council Housing.

Cabinet Members recognised the ongoing work mitigating the impact of welfare reform and the support being given to tenants for general financial pressures to help with money, benefits and debt advice through the Financial Inclusion Team.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations.

Resolved:- That Council be asked to approve:-

- (a) The proposed 2019-20 Base Case Option 2 for the HRA Business Plan.
- (b) The plan being reviewed annually to provide an updated financial position.

93. AMENDMENTS TO THE HOUSING ALLOCATION POLICY - JANUARY 2019

This item was deferred to an extra meeting of the Cabinet to be held on Monday, 4th February, 2019 at 10.00 a.m.

94. DISPOSAL OF HRA SITES WHINNEY HILL AND CHESTERHILL AVENUE, THRYBERGH

This item was deferred to an extra meeting of the Cabinet to be held on Monday, 4th February, 2019 at 10.00 a.m.

95. DELIVERY OF BUNGALOWS ON HRA SITES USING MODERN METHODS OF CONSTRUCTION

This item was deferred to an extra meeting of the Cabinet to be held on Monday, 4th February, 2019 at 10.00 a.m.

96. DISPOSAL OF SURPLUS PROPERTIES

Consideration was given to the report which sought approval to dispose of the Council's freehold interest of a number of surplus properties, namely:-

- a) 2 Goodwin Crescent, Swinton
- b) 36 Nelson Street, Boston Castle
- c) Netherfield Court, Eldon Road, Eastwood
- d) 20 Percy Street, Boston Castle
- e) 21 Scholes Lane, Scholes Village
- f) 92 Creswick Road, East Herringthorpe

- g) 17 West Close, Kimberworth Park
- h) 60 Studmoor Road, Kimberworth

The subject properties have all been declared surplus to the operational requirements of the service directorates. Some have been held in the Land and Property Bank for a number of years whilst services and external public sector bodies have investigated various potential uses.

The overall condition of the properties was deteriorating and many were suffering from continued acts of vandalism and anti-social behaviour.

Resolved:- (1) That the proposed disposal of the Council's freehold interest in the following properties be approved:-

- (a) Goodwin Crescent, Swinton.
- (b) 36 Nelson Street, Boston Castle.
- (c) Netherfield Court, Eldon Road, Eastwood.
- (d) 20 Percy Street, Boston Castle.
- (e) 21 Scholes Lane, Scholes Village.
- (f) 92 Creswick Road, East Herringthorpe.
- (g) 17 West Close, Kimberworth Park.
- (h) 60 Studmoor Road, Kimberworth.

(2) That the Assistant Director Planning, Regeneration and Transport be authorised to agree and implement the method of disposal of each asset.

(3) That the Assistant Director of Legal Services be authorised to negotiate and complete the necessary legal agreements.

97. RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Consideration was given to the circulated report, the contents of which were included as part of the relevant item and the details included accordingly.