



Please ask for Joel Hammond-Gant  
Direct Line: 01246 34 5273  
Email: [committee.services@chesterfield.gov.uk](mailto:committee.services@chesterfield.gov.uk)

The Chair and Members of Cabinet

29 December 2017

Dear Councillor,

Please attend a meeting of the CABINET to be held on TUESDAY, 9 JANUARY 2018 at 10.30 am in Committee Room 1, Town Hall, Rose Hill, Chesterfield, the agenda for which is set out below.

AGENDA

Part 1(Public Information)

1. Declarations of Members' and Officers' Interests relating to items on the Agenda
2. Apologies for Absence
3. Minutes (Pages 3 - 14)

To approve as a correct record the Minutes of the Cabinet meeting held on 19 December, 2017.

4. Forward Plan

Please follow the link below to view the latest Forward Plan.

[Forward Plan](#)

5. Minutes of the Sheffield City Region Combined Authority (Pages 15 - 22)

To note the Minutes of the meetings of the Sheffield City Region Combined Authority Meetings held 30 October, 2017.

Items Recommended to Cabinet via Cabinet Members

Deputy Leader

6. Collection Fund Revised Estimates 2017/18 (Pages 23 - 28)

Cabinet Member for Homes and Customers

7. Annual HRA Rent and Service Charge Setting 2018/19 (Pages 29 - 50)

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Randy', written in a cursive style.

Local Government and Regulatory Law Manager and Monitoring Officer

## CABINET

Tuesday, 19th December, 2017

Present:-

Councillor Serjeant (Chair)

Councillors T Gilby  
Bagley  
Blank  
A Diouf

Councillors Huckle  
P Gilby  
Brunt  
Ludlow

Non Voting Catt  
Members

Dickinson

\*Matters dealt with under the Delegation Scheme

94 **DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS  
RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

95 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor J Innes.

96 **MINUTES**

**RESOLVED –**

That the minutes of the meeting of Cabinet held on 5 December, 2017 be approved as a correct record and signed by the Chair.

97 **FORWARD PLAN**

The Forward Plan for the four month period 1 January 2018 to 30 April 2018 was reported for information.

**\*RESOLVED –**

That the Forward Plan be noted.

**98**     **LEADER OF THE COUNCIL REVENUE BUDGET 2017/18 - 2022/23**

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2017/18 and provided details of the draft budget for 2018/19.

**\* RESOLVED –**

1. That the probable outturn for the current financial year be noted.
2. That the draft budget for 2018/19 be noted.

**REASON FOR DECISIONS**

To enable the Council to set a balanced budget for 2018/19.

**99**     **DEPUTY LEADER OF THE COUNCIL REVENUE BUDGET 2017/18 - 2022/23**

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2017/18 and provided details of the draft budget for 2018/19.

**\* RESOLVED –**

1. That the probable outturn for the current financial year be noted.
2. That the draft budget for 2018/19 be noted.

**REASON FOR DECISIONS**

To enable the Council to set a balanced budget for 2018/19.

**100**     **CABINET MEMBER FOR BUSINESS TRANSFORMATION REVENUE BUDGET 2017/18 - 2022/23**

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2017/18 and provided details of the draft budget for 2018/19.

**\* RESOLVED –**

1. That the probable outturn for the current financial year be noted.
2. That the draft budget for 2018/19 be noted.

### **REASON FOR DECISIONS**

To enable the Council to set a balanced budget for 2018/19.

#### **101 CABINET MEMBER FOR ECONOMIC GROWTH REVENUE BUDGET 2017/18 - 2022/23**

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2017/18 and provided details of the draft budget for 2018/19.

It was reported that a Growth Request had been received to support implementation of the Council's Skills Action Plan. It was agreed that a decision on the Growth Request would not be made until the Cabinet Member Portfolio Budgets are finalised in February 2018.

#### **\* RESOLVED –**

1. That the probable outturn for the current financial year be noted.
2. That the draft budget for 2018/19 be noted.
3. That the Growth Request as attached at Appendix 6 to the officer's report be noted.

### **REASON FOR DECISIONS**

To enable the Council to set a balanced budget for 2018/19.

#### **102 CABINET MEMBER FOR GOVERNANCE REVENUE BUDGET 2017/18 - 2022/23**

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2017/18 and provided details of the draft budget for 2018/19.

**\* RESOLVED –**

1. That the probable outturn for the current financial year be noted.
2. That the draft budget for 2018/19 be noted.

**REASON FOR DECISIONS**

To enable the Council to set a balanced budget for 2018/19.

**103 CABINET MEMBER FOR HEALTH AND WELLBEING REVENUE BUDGET 2017/18 - 2022/23**

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2017/18 and provided details of the draft budget for 2018/19.

**\* RESOLVED –**

1. That the probable outturn for the current financial year be noted.
2. That the draft budget for 2018/19 be noted.

**REASON FOR DECISIONS**

To enable the Council to set a balanced budget for 2018/19.

**104 CABINET MEMBER FOR HOMES AND CUSTOMERS REVENUE BUDGET 2017/18 - 2022/23**

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2017/18 and provided details of the draft budget for 2018/19.

**\* RESOLVED –**

1. That the probable outturn for the current financial year be noted.
2. That the draft budget for 2018/19 be noted.

## REASON FOR DECISIONS

To enable the Council to set a balanced budget for 2018/19.

### 105 **CABINET MEMBER FOR TOWN CENTRES AND VISITOR ECONOMY REVENUE BUDGET 2017/18 - 2022/23**

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2017/18 and provided details of the draft budget for 2018/19.

#### \* RESOLVED –

1. That the probable outturn for the current financial year be noted.
2. That the draft budget for 2018/19 be noted.

## REASON FOR DECISIONS

To enable the Council to set a balanced budget for 2018/19.

### 106 **GENERAL FUND REVENUE BUDGET SUMMARY**

The Director of Finance and Resources presented a report to update members on the development of the General Fund Revenue Budget for 2018/19 and future years.

The latest revised budget for 2017/18 showed a projected surplus of £776K. The report attributed this rise to increased surpluses from the Streetscene and Landscape Services Direct Service Organisation, NNDR Pooling and a change in the Minimum Revenue Provision policy, as well as other smaller contributions from the Crematorium and other income-generating facilities.

The report provided an update on the Medium Term Financial Forecast, noting the latest projected deficits of £446K in 2019/20, increasing to £1,418K by 2022/23. It was reported that future projections are dependent on the success of core trading income streams, as these are sensitive to changes in the market.

The report noted that the expenditure required to deliver the Council's ICT investment plan had yet to be approved and there still needed to be included in the Medium Term Financial Forecast Plan.

The Director of Finance and Resources advised that in advance of the final budget for 2018/19 being agreed by full Council on 22 February 2018, work would be undertaken between Cabinet Members and the Corporate Management Team to continue to identify further savings and income generation proposals.

**\* RESOLVED –**

1. That the updated budget projections for 2017/18, and future years, be noted.
2. That work be continued to refine the draft estimates and to develop budget saving proposals.
3. That the use of earmarked reserves be approved.
4. That the amendment to the Minimum Reserve Provision policy, subject to external audit approval, be noted.

**REASON FOR DECISIONS**

To keep members informed on the development of the budget proposals for 2018/19 and to provide an update on the medium term financial forecasts.

**107 CIVIC ARRANGEMENTS 2018/19**

The Cabinet Member for Governance presented a report outlining proposals for the civic year 2018/19 in respect of the election of the Deputy Mayor, the Annual Council Meeting and Civic Dinner, and Civic Service.

The report noted that each year the Council is asked to confirm its civic arrangements for the forthcoming municipal year, namely the appointment of the Deputy Mayor, the date of the Annual Council meeting to elect the Mayor and Deputy Mayor and the associated civic events.



The appointment of the Deputy Mayor as Vice Chairman of the Council is a statutory appointment under Part 1 of the Local Government Act 1972. In the case of a Borough Council the Vice Chairman is entitled to use the title of Deputy Mayor.

**\* RESOLVED –**

1. That it be recommended to Council that Councillor Gordon Simmons be invited to become Deputy Mayor of the Borough for 2018/19.
2. That it be noted that the Annual Council meeting will be held on Wednesday 9 May, 2018, followed by a civic reception at The Winding Wheel.
3. That it be noted that the Annual Civic Service and Procession will be held on Saturday 12 May, 2018.

**REASON FOR DECISIONS**

To enable the Council to confirm civic arrangements for 2018/19.

**108 EXCLUSION OF THE PUBLIC**

**RESOLVED –**

That under Regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 – as they contained information relating to

3. information relating to financial and business affairs.

**109 FUTURE WASTE COLLECTION ARRANGEMENTS**

The Assistant Director – Commercial Services submitted a report recommending for approval a proposed approach for the future delivery of the Council's Waste Collection Contract.

The report noted that the current Waste Collection Contract with Veolia for a three bin collection service, in place since October 2011, was set to expire on 1 November 2018.

Ongoing commercial negotiations had taken place with Veolia over the last 18 months to determine the cost-effectiveness of an extension to the current contract. Costings had been requested for an extension of both 7 years and 18 months, as well as for the exclusion of the Dry Recycling Collection Service.

Over the same timeline, the Council had carried out a joint procurement with North East Derbyshire and Bolsover District Councils for the independent provision of a Dry Recycling Collection Service.

The Derbyshire Waste Partnership had also undertaken work during the last 24 months to review how its members would work more effectively in collaboration. This piece of work had identified the potential for further joined up working following the termination of Waste Collection Contracts at nearby Councils.

The report noted that the proposed 18 month extension with Veolia would be an affordable option as an additional budgetary provision had been incorporated into the Medium Term Financial Plan, and that it would allow the Council sufficient time to consider joint working and procurement opportunities with neighbouring authorities, as well as further consideration of an internal delivery model.

The Assistant Director – Commercial Services also highlighted the modelling exercise commissioned by the Waste and Resource Action Programme (WRAP) on the possible options for the future delivery of waste and recycling services for Chesterfield Borough Council, Derbyshire Dales District Council and High Peak Borough Council.

**\* RESOLVED –**

1. That an extension of all aspects of the Council's current Waste Collection Contract to Veolia with the exemption of the Dry Recycling Service, until May 2020, be approved.
2. That upon termination of the Council's current contract with Veolia for the Dry Recycling Service on 27 April 2018, the contract be

awarded to Wards Recycling from 28 April 2018, for a period of 7 years with the potential to extend for a further 2 years.

3. That the findings of the WRAP consultancy report be noted, and that the recommendations be considered as part of any future service specification for Waste Collection Services.

## **REASON FOR DECISIONS**

To agree future waste collection arrangements prior to the expiration of the current contract.

### **110 RE-ADMISSION OF THE PUBLIC**

That after the consideration of an item containing exempt information, the public be re-admitted to the meeting.

### **111 HOUSING REVENUE ACCOUNT BUSINESS PLAN 2017/18 ONWARDS**

The Assistant Director – Housing presented a report to Cabinet to update members on the position of the Housing Revenue Account (HRA) and various developments that had taken place over the last year, in particular the results of the Council's Housing Stock Condition Survey.

The report noted the recommendations of the HRA Steering Group to the Corporate Cabinet and Corporate Management Team in December 2016, and the work subsequently carried out by various working groups comprised of tenants, officers and elected members to consider in greater detail how the recommended savings could be achieved.

Members were informed that the consultation programme with tenants on the revised Tenancy Agreement had ended on 3 December 2017, and that a report setting out the results would be presented to Cabinet on 30 January 2018.

A Stock Condition Survey on 960 properties in Chesterfield was carried out by Savills in Spring 2017. The results confirmed that 100 per cent of the Council's housing stock fully complies with the Decent Homes Standard, which compared favourably with a national average of 14 per cent failure.

It was reported that the estimated investment required to maintain the housing stock to the Decent Homes Standard over the next 30 years was £19,347,309 per annum. This cost included the works to the remaining non-traditional housing stock that had not yet received any work following the 2014 Non-Traditional Housing Stock Condition Survey.

A revised version of the HRA Business Plan model had been prepared for 2017/18, taking into account the outcome of the Stock Condition Survey, and this was set out at Appendix 2 to the officer's report.

The Assistant Director – Housing advised Cabinet that forecast surpluses within the HRA had given the Council the opportunity to realise its ambition of delivering up to 100 new homes over the next 5 years. It was noted that this would help to ensure that the Government's expectation on local authorities to deliver new homes could be addressed, and that more affordable homes could be made available to local residents.

**\* RESOLVED –**

1. That the current financial position of the Housing Revenue Account be noted.
2. That the Stock Condition Survey report be noted.
3. That the potential changes to investment arising from the Stock Condition Survey, and the emerging areas of work to reshape the financial strategy be noted, and that it be agreed for further work to be undertaken on the strategy ahead of further Cabinet decisions in February 2018.
4. That the work of the Housing Revenue Account Steering Group be continued to monitor the Housing Revenue Account, and that further reports are brought to members on an annual basis or as a result of changes in national housing policy.

**REASONS FOR DECISIONS**

1. To deliver a balanced and sustainable Housing Revenue Account that is self-financing in the longer term.

2. To support the Council's Vision and Priorities within the Council Plan.

## 112 **ANNUAL REPORT TO TENANTS 2016/17**

The Assistant Director – Housing submitted a report on the draft Annual Report to Tenants 2016/17, as required by the Homes and Communities Agency (HCA). A copy of the text of the Annual Report was attached at Appendix A to the officer's report.

The Annual Report included details on performance, service delivery and future improvements in relation to:

- Repairs and maintenance
- Allocating homes
- Rent collection
- Tenancy and estate management
- Careline
- Value for money and financial sustainability

### **\* RESOLVED –**

1. That the Annual Report to Tenants be approved.
2. That the Annual Report be published to the Council's website and an article be published in the January edition of 'Our Homes', to direct tenants to the website and offer them the option of receiving a hard copy.

### **REASON FOR DECISIONS**

To comply with regulatory requirements.

This page is intentionally left blank

**SHEFFIELD CITY REGION COMBINED AUTHORITY**

**THE AMP TECHNOLOGY CENTRE, WAVERLEY, ROTHERHAM, S60 5WG**

**MINUTES OF THE MEETING HELD ON 30 OCTOBER 2017**

PRESENT:

Councillor Tricia Gilby, Chesterfield BC (Chair)

Councillor Jim Andrews BEM, Barnsley MBC  
Councillor Graham Baxter MBE, North East Derbyshire DC  
Councillor Julie Dore, Sheffield CC  
Councillor Simon Greaves, Bassetlaw DC  
Mayor Ros Jones CBE, Doncaster MBC  
Councillor Chris Read, Rotherham MBC  
Councillor Lewis Rose OBE, Derbyshire Dales DC  
Councillor Ann Syrett, Bolsover DC

Councillor Chris Furness, Derbyshire Dales  
Councillor Simon Spencer, Derbyshire CC  
Sir Nigel Knowles, SCR LEP Chair  
Fiona Boden, SCR Exec Team  
Huw Bowen, Chesterfield BC  
Steve Davenport, SYPTE  
Mel Dei Rossi, SCR Exec Team  
Andrew Frosdick, Monitoring Officer  
Andrew Gates, SCR Exec Team  
Lee Hickin, Bolsover DC  
Sharon Kemp, Rotherham MBC  
Mark Lynam, SCR Exec Team  
John Mothersole, Sheffield CC  
Jo Miller, Doncaster MBC  
Andrew Shirt, Joint Authorities Governance Unit  
Dave Smith, SCR Exec Team  
Neil Taylor, Bassetlaw DC  
Diana Terris, Clerk / Barnsley MBC  
Mike Thomas, SCC / SCR Exec Team  
Eugene Walker, S.151 Officer  
Lyndsey Whitaker, SCR Exec Team

Apologies for absence were received from Councillor S Houghton CBE, R Adams and C Tyler

1 APOLOGIES

Members' apologies were noted as above.

2 ANNOUNCEMENTS

None.

3 URGENT ITEMS

None.

4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

None.

5 VOTING RIGHTS FOR NON-CONSTITUENT MEMBERS

It was confirmed that voting rights could not be conferred on non-Constituent Members in respect of agenda item 11 – 'Devolution/Mayoral Election' as this matter regards the constituent Local Authorities only.

It was agreed that there were no additional agenda items for which the non-Constituent Members should not have full voting rights.

6 DECLARATIONS OF INTEREST BY INDIVIDUAL MEMBERS IN RELATION TO ANY ITEM OF BUSINESS ON THE AGENDA

None received.

7 REPORTS FROM AND QUESTIONS BY MEMBERS

None received.

8 RECEIPT OF PETITIONS

None received.

9 PUBLIC QUESTIONS

The Monitoring Officer reported that one question had been received from Mr Nigel Slack. Mr Slack had asked the Combined Authority (CA):

"With the clear conflict of interest between his position as Chair of the Combined Authority and his advocacy for the 'One Yorkshire' devolution proposals, will the CA insist that Councillor Houghton resign his role as Chair and elect a new Chair for the period up to the Mayoral Election?"

The Monitoring Officer replied that Councillor Houghton had informed him of his intention to resign from the role as CA Chair at the CA meeting arranged for 11<sup>th</sup>



December 2017. The appointment of a new CA Chair would then be agreed at the CA meeting scheduled for 29<sup>th</sup> January 2018.

It was noted that a written reply would be sent to Mr Slack after today's meeting.

10 MINUTES OF THE CA MEETINGS HELD ON 11TH AND 18TH SEPTEMBER

RESOLVED – That the minutes of the CA meetings held on 11<sup>th</sup> and 18<sup>th</sup> September 2017 were agreed to be an accurate record of the meetings.

11 DEVOLUTION/MAYORAL ELECTION

A report was received informing the CA that an election date was presently set in legislation for the 3<sup>rd</sup> May 2018. The Combined Authority (CA) now had a legal duty to appoint a Combined Authority Returning Officer (CARO).

It was noted that, in law the CARO is personally and independently responsible for the conduct of the election and must plan and prepare on the basis of the current legal position. The appointment was required at this time to provide sufficient time for the CARO to safely plan and to make all the necessary arrangements for the election with the minimum of risk.

The CA were made aware that, in seeking this decision it was not intended to imply a settled policy position within the CA over the issue of the Mayoral Election. It continued to be the case that the Constituent Members of the CA are divided between those who wish the election to go ahead and those who do not. The CARO is nevertheless required to plan and prepare for an election so long as this remains the legal position. Should the election be deferred then the CARO would act accordingly.

In assisting to manage the overall costs of the election and consistent with local practice in local elections, it was recommended that the CARO does not attract a fee for the conduct of the election.

Councillor Andrews requested a recorded vote be taken on the recommendations set out within the report. Mayor Jones seconded Councillor Andrews' request for a recorded vote.

The Monitoring Officer advised Members that, for the request to be moved, and in accordance with the requirements of procedural Standing Order 15.1 (d), three Members were required to support Councillor Andrews' request for a recorded vote.

Following discussion, the recommendations were put to a vote by show of hands. Two Constituent Members voted in favour of the recommendations; no Constituent Members voted against the recommendations and two Constituent Members abstained from voting.

The recommendations were therefore approved.

RESOLVED – That the Combined Authority:-

1. Appoint the Combined Authority's Head of Paid Service, as the Combined Authority Returning Officer (CARO) in respect of the Sheffield City Region Combined Authority Mayoral Election.
2. Agreed that no fee is payable to the CARO in fulfilling their role.

## 12 Q2 FINANCE REPORT

A report was received updating Members on the position of the CA's revenue budgets and Capital Programme as at the end of Quarter 2, 2017/18.

The report highlighted that there was a need for the Authority to identify any funding available to support the costs of the Mayoral Election from its reserves, without affecting the Authority's ability to meet ongoing expenditure and to cover its financial risks.

A number of budget variations were also recommended within the paper, which were noted and agreed by Members.

RESOLVED – That the Combined Authority:-

1. Noted the contents of the paper, including:
  - Forecast drawdown on unallocated reserves of £655k to support CA/LEP activity;
  - Forecast revenue budget underspend of £1.2m on SYPTE activity;
  - Forecast CA/LEP Capital Programme underspend of £23.6m against approved budget; and
  - Forecast underspend of £541k on the Local Transport Capital Programme.
2. Agreed the budget variation recommendations summarised in section 2 of the report.
3. Noted that further approvals for project level capital expenditure were sought within the 'Programme Approvals' report on today's agenda.

## 13 17/18 LGF PROGRAMME PERFORMANCE POSITION AT Q2

A report was received to provide the CA with an overview of the Local Growth Fund performance position as at Quarter 2 and sought Members approval to a range of actions to mitigate the risk of in-year slippage of the programme.

The report highlighted actions which would be recommended to the LEP Board to help address two significant problems:

- The over-commitment of the programme over its life, which peaks at £34.29m by 2020; and
- The 2017/18 in-year forecast underspend and the potential associated loss of grant.

RESOLVED – That the Combined Authority:-

1. Considered and approved delegated Authority to the Head of Paid Service, in conjunction with the Section 73 Officer to approve the requested changes and enter into the contractual arrangements required as a result of the approvals. Noting that this would be considered on a case by case basis when actions to reduce the over commitment and over programming are confirmed by each Authority.
2. Noted that the LEP Board would be asked to consider and approve publishing an open call for a reserve pipeline of projects which could deliver in the short to medium term.

#### 14 FINANCIAL APPROVALS

A report was presented confirming and seeking endorsement of the CA Financial Approvals which had progressed through the Appraisal Framework.

RESOLVED – That the Combined Authority:-

##### 1. Change Requests

- 1.1 Considered and approved the category 1 to category 4 changes as detailed in Appendix A to the report.
- 1.2 Considered the category 5 changes and approved delegated authority for the Head of Paid Service and Chief Financial Officer to approve individual change requests on a case by case basis, subject to satisfactory resolution to the over programming and over commitment of the programme.

##### 2. Business Case Approvals

- 2.1 Considered and approved progression of Worksop Site Delivery – Phase 2a Mantonwood to Full Approval and Award of Contract at a cost of £1.246m to the SCR CA, subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix B to the report.
- 2.2 Considered and approved progression of Knowledge Gateway to Full Approval and Award of Contract at a cost of £4.115m to the SCR CA, subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix C to the report.

##### 3. Housing – SCR Pilot Housing Fund

- 3.1 Considered and approved the Housing Fund mirroring the arrangements in operation for the Business Investment Fund with a delegated approval to Statutory Officers (or delegates) of up to £2m per individual investment.
- 3.2 Noted that the membership of the Housing Advisory Board would be reported to a future meeting of the Combined Authority.

##### 4. Access Fund for Sustainable Travel

4.1 Considered and approve entering into the contractual arrangements required to deliver the Access Funds for the Sustainable Travel Programme.

5. Delegated Authority

5.1 Considered and approved delegated Authority to the Head of Paid Service, in conjunction with the Section 73 Officer, to enter into the contractual and financial arrangements required as a result of the above approvals.

15 HEALTH LED EMPLOYMENT TRIAL GRANT ACCEPTANCE

A report was presented requesting approval from the CA to accept £7.558m from the Work and Health (DWP / Dept. of Health) Innovation Fund. The report also recommended that the CA approve the entering into of a Partnership Agreement with NHS Sheffield Clinical Commissioning Group (CCG) in order for them to procure and contract the appropriate provider(s) to deliver the SCR Health Led Employment Trial on behalf of the CA.

Members noted that the Sheffield City Region was one of only two city regions that had been awarded such funding and as such, the trial would be part of national evaluation.

RESOLVED – That the Combined Authority:-

1. Delegate authority to the Chief Financial Officer to accept the Innovation Funding from the Work and Health Unit, subject to due diligence on any conditions of award.
2. Delegate responsibility to the Head of Paid Service to mobilise the SCR Health Led Employment Trial and to agree the appropriate terms with suppliers and to enter into the necessary contractual arrangements required to deliver the trial within the available funding.
3. Approve the establishment of and entering into of a Partnership Agreement with Sheffield Clinical Commissioning Group (CCG) in order for the SCR Health Led Employment Trial to be procured as an NHS contract, as stipulated by the Work and Health Unit on terms to be agreed by the Head of Paid Services.

16 TRANSPORT STRATEGY REFRESH

A report was presented seeking approval from the CA on the draft SCR Transport Strategy in preparation for statutory consultation.

Members were reminded that the Transport Act and Local Transport Act 2008 placed a statutory obligation on the CA to produce a Local Transport Plan. The refreshed Transport Strategy would form part of the Local Transport Plan for the SCR.

Following public consultation the Transport Strategy would be further refined. The refreshed Transport Strategy was currently scheduled for publication in April 2018, with adoption by the SCR CA thereafter.

Members' requested a minor number of changes within the draft Transport Strategy; these were acknowledged by Officers.

RESOLVED – That the Combined Authority:-

1. Approves the draft SCR Transport Strategy for consultation, subject to minor amendments requested by Members' at today's meeting.
2. Commits to undertake a 12-week public consultation on the Draft Transport Strategy.

#### 17 ONE PUBLIC ESTATE & LAND RELEASE FUND: FUNDING BID PROPOSAL

A report was submitted requesting the Combined Authority to approve the submission of a bid from the Sheffield City Region (SCR) to the national One Public Estate (OPE) programme for a minimum of £681,000 and to the DCLG Land Release Fund for a minimum of £950,000.

Members were informed that the final details of the bid content and partners in the bid were still being finalised up to the submission date.

A summary of the SCR projects currently receiving OPE funding along with a full list of the potential bid schemes were noted by Members.

RESOLVED – That the Combined Authority:-

1. Considered and endorsed the outline bids from Sheffield City Region partners in response to the latest round of national funding for One Public Estate and the Land Release Fund.
2. Delegate approval for sign off of any final bid document to the Head of Paid Service and Chief Finance Officer of the Combined Authority.
3. Approve delegations to the Head of Paid Service, such that if approved the bid can be operationalised including to contract with third parties for the delivery of all approved One Public Estate and Land Release Fund activity included in the SCR bid.

#### 18 DELEGATED AUTHORITY REPORT

A report was presented updating the CA on delegations made in CA approved recommendations that have been acted upon in the last period.

RESOLVED – That the Combined Authority note the contents of the report providing confirmation of decisions made under CA delegation that have been acted upon in the last period.

19 EGM OF SYITA PROPERTIES LTD SHAREHOLDER - TO APPROVE COMPANY WIND UP

A report was presented outlining the need for the CA in its capacity as Shareholder of SYITA Properties Ltd to convene an extraordinary general meeting to resolve to wind up the company.

RESOLVED – That the Combined Authority adjourned its meeting in order to convene a Shareholders extraordinary meeting and at that meeting resolved to put the company SYITA Properties Ltd into voluntary liquidation.

CHAIR

## **For publication**

### **Collection Fund Revised Estimates 2017/18 (J000)**

---

Meeting:	Cabinet
Date:	9 <sup>th</sup> January 2018
Cabinet portfolio:	Deputy Leader
Report by:	Director of Finance & Resources

---

## **For publication**

---

### **1.0 Purpose of report**

- 1.1 To agree the revised estimate of the surplus or deficit on the Collection Fund for 2017/18 so that it can be shared amongst the major precepting authorities in 2018/19.

### **2.0 Recommendations**

- 2.1 That the estimated surplus on the Council Tax of £523,799 be agreed and allocated to the major precepting authorities as detailed in Appendix A.

### **3.0 Background**

- 3.1 The Local Government Finance Act 1992 requires Billing Authorities to calculate the estimated surplus or deficit on the Council Tax elements of the Collection Fund each year.
- 3.2 The Act prescribes that the estimated surplus or deficit should be allocated to the major precepting authorities in proportion to their precepts and that the major preceptors should then take it into

account when calculating their Council Taxes for the following financial year.

## **4.0 Considerations**

### **4.1 Council Tax Transactions**

4.1.1 The estimate of Council Tax income for the year 2017/18 is £47.2m.

4.1.2 The accumulated bad debt provision has been estimated at £2,146,910.

4.1.3 In setting the Council Tax for 2017/18 it was originally estimated that there would be a surplus from the previous year of £367,981 to allocate. However, at the end of 2016/17 the surplus was £508,065. The increase in surplus of £140,084 will be allocated in 2018/19.

4.1.4 The precepts on the fund in 2017/18 total £47.0m.

4.1.5 The net result of all of the above items is to produce an estimated surplus of £523,799 on the Fund at 31st March 2018. Appendix A shows how the surplus is to be shared between the major precepting authorities in 2018/19. The majority (74.14%) goes to the County Council. The Borough Council receives 10.37% of the surplus i.e. £54,340.

## **5.0 Legal and data protection implications**

5.1 The Local Government Finance Act 1992 requires Billing Authorities to calculate the estimated surplus or deficit on the Council Tax elements of the Collection Fund each year.

## **6.0 Alternative options**

6.1 None.

## **7.0 Recommendations**



- 7.1 That the estimated surplus on the Council Tax of £523,799 be agreed and allocated to the major precepting authorities as detailed in Appendix A.

## 8.0 Reasons for recommendations

- 8.1 To fulfil a statutory requirement and to feed into the budget setting process for 2018/19.

### **Decision information**

<b>Key decision number</b>	769
<b>Wards affected</b>	All
<b>Links to Council Plan priorities</b>	To become financially self-sufficient by 2020, so we can continue to deliver the services our Communities need.

### **Document information**

<b>Report author</b>	<b>Contact number/email</b>
Richard Staniforth	01246 345456 <a href="mailto:richard.staniforth@chesterfield.gov.uk">richard.staniforth@chesterfield.gov.uk</a>
<b>Background documents</b>	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
<b>Appendices to the report</b>	
Appendix A	Revised Collection Fund Estimates 2017/18

This page is intentionally left blank

## REVISED COLLECTION FUND ESTIMATES 2017/18

	Council Tax £	
Surplus/(deficit) b/fwd		508,065
<b><u>Income:</u></b>		
Gross Debit	47,223,000	
Reduction/(increase) in bad debt provision	(246,056)	46,976,944
		47,485,009
<b><u>Expenditure:</u></b>		
Parishes	(418,062)	
Chesterfield BC	(4,453,888)	
Derbyshire CC	(34,813,721)	
Derbyshire Fire & Rescue	(2,085,707)	
Police & Crime Commissioner for Derbyshire	(5,189,832)	(46,961,210)
<b>Estimated Surplus / (Deficit)</b>		<b>523,799</b>
<b><u>Share of Surplus / (Deficit):</u></b>	<b>%</b>	<b>£</b>
<b>Chesterfield BC</b>	<b>10.37</b>	<b>54,318</b>
Derbyshire CC	74.14	388,344
Derbyshire Fire & Rescue	4.44	23,257
Police & Crime Commissioner for Derbyshire	11.05	57,880
<b>Total Surplus</b>	<b>100%</b>	<b>523,799</b>

This page is intentionally left blank

## For publication

### **Annual Housing Revenue Account Rent (HRA) and Service Charge Setting Review (HC000)**

---

Meeting:	Cabinet
Date:	9 January 2018
Cabinet portfolio:	Cabinet Member for Homes and Customers
Report by:	Assistant Director - Housing Director of Finance and Resources

---

## **For publication**

---

### **1.0 Purpose of report**

- 1.1 To set rent and service charge levels for 2018/19.

### **2.0 Recommendations**

It is recommended that;

- 2.1 For 2018/19 individual social rents be set based on the current National Social Rent Policy, giving a cash rent decrease of 1.0% with effect from 1 April 2018.
- 2.2 For 2018/19 and onwards, where a social rent property is re-let to a new or transferring tenant the rent level be increased to the target rent for that property.
- 2.3 For 2018/19 individual affordable rents be set based on the current National Social Rent Policy, giving a cash rent decrease of 1.0% with effect from 1 April 2018.
- 2.4 For 2018/19 and onwards, where an affordable rent property is re-let to a new or transferring tenant the rent level be set by

reference to 80% of the market rent for a similar property prevailing at the time of re-letting.

- 2.5 The true costs of delivering services should be passed onto tenants. Therefore, service charges should be increased to ensure services break even. This was agreed by Cabinet 26 January 2016. It is recommended that charges be reviewed and the following revised levels be agreed for:
- a) Heating service charges (Sheltered Schemes) – recommend an average charge of £17.67 per week
  - b) Garage rents – recommend a charge of £6.70 per week
  - c) Garage Sites – recommend a charge of £49.60 per annum (Shale); £62.40 per annum (Asphalt); £68.30 per annum (Other)
  - d) Tenants Metered Water Charges – recommend an average charge of £3.55 per week
  - e) Garden Assistance Scheme – recommend that approval is given to the Assistant Director – Housing, in consultation with the Cabinet Member for Homes and Customers to set the charges for non-disabled service users at the appropriate level to cover the costs of providing the service once the tenders have been received and the contract awarded
  - f) Sheltered Scheme Service Charge – recommend a charge of £12.30 per week
  - g) Sheltered Scheme Support Charge – recommend a charge of £7.85 per week
  - h) Careline Response – recommend a charge of £5.72 per week (Monitor and Response including equipment rental in Chesterfield) and £8.22 per week (Monitor, Response and support service including equipment rental in Chesterfield)
  - i) Monitoring of Dales Housing alarms – recommend a charge of £3.50 per week
  - j) Monitoring of alarms for Housing Associations – recommend a weekly charge of £1.65

- k) Charges in respect of Community Rooms – no increase recommended
- l) Communal Staircase Cleaning – recommend a charge of £1.99 per week
- m) Tenant Home Contents Insurance Premium Tax – recommend an increase from 10% to 12%

### **3.0 Report Detail**

#### Background

- 3.1 The council is required to keep a separate Account for its activities as a housing landlord. This is called the Housing Revenue Account (HRA). The HRA is closely governed by the Local Government and Housing Act 1989 and by Determinations made under this Act by DCLG.
- 3.2 As a consequence of the HRA self-financing regime, we are required to ensure that our HRA Business Plan is financially viable, delivers reasonable standards for tenants and maintains at least the minimum Decent Homes Standard.
- 3.3 Future investment in the Housing Service and the housing stock is largely funded through income from the properties and is therefore directly influenced by decisions on rent levels, additional borrowing or the use of cash reserves.
- 3.4 Social housing rents are set according to the Government's National Social Rent Policy and the Welfare Reform and Work Act 2016.
- 3.5 In accordance with this legislation, from the 4 April 2016, Chesterfield Borough Council housing rents (social and affordable) for existing tenants have decreased by 1% annually from the chargeable rent for each individual property at the 8 July 2015. The current policy specifies a 1% reduction in each year, the final reduction being in April 2019. Prior to April 2016, rents had been allowed to rise by RPI + 0.5% and then for April 2015 only CPI + 1%.
- 3.6 In addition where a property is re-let during the financial year (and where it is not already at target rent), the new tenant's rent

level can continue to be increased to the target rent for that property. The target rent however has also decreased by 1% per annum, as the target rent is the relevant rent at the 8 July 2015. This policy will also continue in each year until April 2019.

- 3.7 Members previously agreed these policies in a report to Cabinet on 26 January 2016 and 24 January 2017.

#### Rent Setting for 2018/19

- 3.8 Therefore in line with the aforementioned, it is recommended that for 2018/19 (and in the following year) all local authority social rents will decrease by 1%. This is a cash decrease of 1% in 2018/19 (excluding the effect of Right to Buy sales losses), but a real decrease of 4% based on CPI in September 2017 of 3% or 4.9% if based on RPI of 3.9% at the same date.
- 3.9 From 1 April 2018 onwards all Chesterfield Borough Council housing rents (social and affordable) will be calculated on a 52 week basis. Members agreed this change in a report to Cabinet on 24 January 2017.
- 3.10 Therefore the impact of this decrease across all existing properties in the housing stock is an average actual decrease for 2018/19 of £0.77 per week on a 52 week basis.
- 3.11 This is only an average actual monetary decrease and because rents will be calculated for each individual address, some rents will reduce by more than the average but conversely some rents will reduce by a lower amount. The lowest change is a decrease of £0.58 per week and the highest a decrease of £1.25 per week (this is an affordable rent property), both based on a 52 week basis. The highest social rent decrease is £1.03 per week.

This gives an average rent in 2018/19 of £76.43 per week.

#### Service Charges

- 3.12 A detailed consideration of possible increases to heating charges, garage rents, garage site rents, the garden assistance scheme, tenants water charges, community room charges and Wardens Services is set out in **Appendix 1**.



3.13 As service charges are collected as part of the gross weekly rent for individual properties, from 1 April 2018 onwards all housing service charges will be calculated on a 52 week basis.

3.14 Therefore, whilst it is recommended that service charges increase in 2018/19, tenants will actually pay a reduced amount each week but in every week of the financial year.

#### Rent, Fee and Charges Summary

3.15 The table below shows the annual impact of the recommended rent decrease and fee and charge increases (set out in Appendix 1), on the 2018/19 year-end balance available:

<b>Description</b>	<b>Additional Income in 2018/19 (£)</b>
Heating Service Charge	5,320
Garage Rents	29,600
Garage Sites	1,350
Water Charges	240
Garden Assistance Scheme	-
Community Room Hire	-
Communal Staircase Cleaning	4,720
Sheltered Scheme Service Charge	3,790
Careline Response	10,500
<b>Total of Proposed Increases</b>	<b>55,520</b>
Rent Reduction	(374,110)
<b>Total of Proposed Decreases</b>	<b>(374,110)</b>
<b>Net Total of Proposals (Decrease)</b>	<b>(318,590)</b>

## **4.0 Financial implications**

4.1 The financial implications are an intrinsic element of this report.

## **5.0 Legal and data protection implications**

- 5.1 The Welfare Reform and Work Act 2016 states that from April 2016 and in each of the following three years 'Registered providers of social housing must secure that the amount of rent payable in a relevant year by the tenant of their social housing in England is 1% less than the amount that was payable by the tenant in the preceding 12 months'

## 6.0 Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Universal Credit changes tenants failure to pay rent Enhanced debts and costs of recovery	High	High	Move to 52 week rent year Sign tenants up to direct debits An increased assumption for bad debt provision has been made within the HRA Business Plan for 2018/19	High	Medium/High

## 7.0 Equalities Impact Assessment (EIA)

- 7.1 In setting the National Social Rent Policy within the Welfare Reform and Work Act, an Equalities Impact Assessment has been carried out nationally. This is attached at **Appendix 2**.
- 7.2 Overall this policy has no impact on the majority of social housing tenants as they have their rent paid by Housing Benefit or Universal Credit. The remaining proportion of social tenants who do not have a high income will benefit from lower rent payments over the duration of the policy.
- 7.3 In addition, by collecting rents and service charges on a 52 week basis, tenants and service users will benefit from a reduced weekly charge each week but in every week of the year. This charge will also be payable in line with the amount received in the housing element of Universal Credit.

7.4 The impact on tenants with protected characteristics has been considered when setting fees and charges and where possible these have been minimised to mitigate any negative impact.

## **8.0 Recommendations**

It is recommended that;

8.1 For 2018/19 individual social rents be set based on the current National Social Rent Policy, giving a cash rent decrease of 1.0% with effect from 1 April 2018.

8.2 For 2018/19 and onwards, where a social rent property is re-let to a new or transferring tenant the rent level be increased to the target rent for that property.

8.3 For 2018/19 individual affordable rents be set based on the current National Social Rent Policy, giving a cash rent decrease of 1.0% with effect from 1 April 2018.

8.4 For 2018/19 and onwards, where an affordable rent property is re-let to a new or transferring tenant the rent level be set by reference to 80% of the market rent for a similar property prevailing at the time of re-letting.

8.5 The true costs of delivering services should be passed onto tenants. Therefore, service charges should be increased to ensure services break even. This was agreed by Cabinet 26 January 2016. It is recommended that charges be reviewed and the following revised levels be agreed for:

- a) Heating service charges (Sheltered Schemes) – recommend an average charge of £17.67 per week
- b) Garage rents – recommend a charge of £6.70 per week
- c) Garage Sites – recommend a charge of £49.60 per annum (Shale); £62.40 per annum (Asphalt); £68.30 per annum (Other)

- d) Tenants Metered Water Charges – recommend an average charge of £3.55 per week
- e) Garden Assistance Scheme – recommend that approval is given to the Assistant Director – Housing, in consultation with the Cabinet Member for Homes and Customers to set the charges for non-disabled service users at the appropriate level to cover the costs of providing the service once the tenders have been received and the contract awarded
- f) Sheltered Scheme Service Charge – recommend a charge of £12.30 per week
- g) Sheltered Scheme Support Charge – recommend a charge of £7.85 per week
- h) Careline – recommend a charge of £5.72 per week (Monitor and Response including equipment rental in Chesterfield) and £8.22 per week (Monitor, Response and support service including equipment rental in Chesterfield)
- i) Monitoring of Dales Housing alarms – recommend a charge of £3.50 per week
- j) Monitoring of alarms for Housing Associations – recommend a weekly charge of £1.65
- k) Charges in respect of Community Rooms – no increase recommended
- l) Communal Staircase Cleaning – recommend a charge of £1.99 per week
- m) Tenant Home Contents Insurance Premium Tax – recommend an increase from 10% to 12%

## **9.0 Reasons for recommendations**

- 9.1 To enable the council to set the level of council house rents in accordance with Government guidelines.
- 9.2 To enable the council to set service charges for 2018/19 and to ensure that the cost of delivering services continues to break even.

- 9.3 To contribute to the council's Corporate Priority 'To improve the quality of life for local people'.

**Decision information**

<b>Key decision number</b>	<b>689</b>
<b>Wards affected</b>	<b>ALL</b>
<b>Links to Council Plan priorities</b>	'To improve the quality of life for local people' and 'To provide value for money services'

**Document information**

<b>Report author</b>	<b>Contact number/email</b>
<b>Alison Craig</b>	<b>345156 / alison.craig@chesterfield.gov.uk</b>
<b>Background documents</b>	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
<b>Appendices to the report</b>	
Appendix 1	Service Charge Increase
Appendix 2	EIA

This page is intentionally left blank

**HOUSING REVENUE ACCOUNT SERVICE CHARGES 2018/19**

**1.0 DISTRICT AND GROUP HEATING**

**1.1 General**

1.1.1 Tenants linked to group heating schemes (sheltered housing schemes) pay for heat through a Service Charge. Service charges, paid with the rent, apply to all tenants linked to group heating schemes. The average charge for this service in 2017/18 was £18.49 per week over 48 weeks (£17.07 over 52 weeks). V.A.T. is not currently payable on service charges.

1.1.2 Heating charges are **not** eligible for Housing Benefit.

1.1.3 It is proposed that in order for the group heating schemes to continue to breakeven in 2018/19 the charges are increased by 3.5% **to an average of £17.67 per week on a 52 week basis** (This would have equated to £19.14 per week on a 48 week basis).

**2.0 GARAGE RENTS & GARAGE SITES**

2.1 Income streams from both garage rents and garage site rents currently cover expenditure. However, capital improvements to sites are planned in future years. Therefore, it is proposed to increase the charges as detailed in the table below (8% on all charges).

<b>Service</b>	<b>Current Charge</b>	<b>Revised Charge</b>	<b>Actual Increase in 2018/19</b>
Garage Rents	<b>£6.20 per week over 52 weeks</b> (£6.72 per week over 48 weeks)	<b>£6.70 per week over 52 weeks</b> (£7.26 per week over 48 weeks)	<b>50 pence per wk over 52 weeks</b> (54 pence per wk over 48 weeks)
Garage Site – Shale Surface	£45.90 per annum	£49.60 per annum	£3.70 per annum

Garage Site - Asphalt Surface	£57.80 per annum	£62.40 per annum	£4.60 per annum
Garage Site - Other	£63.20 per annum	£68.30 per annum	£5.10 per annum

2.2 Garage Rents are **not** eligible for Housing Benefit.

### 3.0 **WATER CHARGES**

3.1 Members previously agreed to review charges to tenants with a metered water supply (in some sheltered schemes) annually as part of the review of service charges.

3.2 In order to maintain a breakeven position it is proposed to increase charges by 2% (the estimated inflationary increase on water rates for 2018/19). This gives an average **increase from £3.48 per week to £3.55 per week** on a 52 week basis. (This would have equated to an average increase from £3.77 per week to £3.85 per week on 48 week basis).

3.3 Water charges are **not** eligible for Housing Benefit.

### 4.0 **GARDEN ASSISTANCE SCHEME**

4.1 The current contract for this work expired in October 2017 and the retendering process has commenced with the aim of having a new contract in place for March 2018.

4.2 Following an internal review by Housing it was identified that as the Council currently charge all tenants using the Garden Assistance Scheme it could be in breach of the Equality Act 2010, as we need to provide the service free of charge to disabled people.

4.3 On 14 November 2017 Cabinet approved a new set of qualifying criteria and principles for the garden assistance scheme that addresses this issue. The cost of providing the service to any eligible disabled service users will be met from the HRA Working Balance, with the remainder of the users being charged the appropriate service charge.

4.4 Until the tenders are received it is not possible to present a table of charges in the usual manner. Therefore, it is proposed that approval is given to set the charges for non-disabled service users at the appropriate level to cover the costs of providing the service once the tenders have been received and the contract awarded. 4 weeks notice will be given to service users of this charge at that time, in accordance with the terms of the Tenancy Agreement.



4.5 Garden Assistance charges are **not** eligible for Housing Benefit.

## 5.0 **COMMUNITY ROOMS**

5.1 Housing Services manage 6 community rooms at various locations across the Borough. Usage currently varies between the venues, with income not meeting the costs associated with the maintenance and management of these facilities. Some of the venues have been refurbished in 2017/18, with other venues due to be refurbished in the next two financial years.

5.2 Charges for the hire of community rooms are in accordance with the table at 5.3 below. Bookings are offered at a fixed price for the usage of the rooms per slot:

- 9.00am to 1.00pm
- 1.00pm to 5.00pm
- 5.00pm to 9.00pm

5.3 As usage remains low, it is not proposed to increase the charges in 2018/19.

Type of Group	Comments	Charge for per slot
Tenant and Resident Group	Groups which work on behalf of members of the community	Nil Charge
Councillor Surgeries	Surgeries run by Chesterfield BC or Derbyshire CC Members	Nil charge
Activities for the benefit of vulnerable people and for which funding is not available	For example, preparation and distribution of food hampers to vulnerable people	Nil charge
Activities for the benefit of local people	Activities where a charge can be made for the activity	£8.00
Charitable Organisations	Those with a charitable status and registration number	£8.00
Support Groups	Groups which support vulnerable or disadvantaged people and which are non-profit making	£8.00
Other non-commercial groups	Including statutory organisations who use the premises e.g. use of Polling Stations or parties	£12.00
Commercial Organisations	Other organisations	£20.00

## **6.0 COMMUNAL STAIRCASE CLEANING**

- 6.1 The contract for cleaning communal staircases is carried out by the in-house Building Cleaning ISP. The inflation on this contract is based on the increase in the Living Wage, which is 2.42% from April 2018.
- 6.2 In order that this service continues to recover its costs it is proposed to increase the weekly charge to tenants by 2.42% from 1<sup>st</sup> April 2018. Based on a 52 week year the charge **increases from £1.94 to £1.99 per week**. (This would have equated to an increase from £2.10 per week to £2.15 per week on a 48 week basis).
- 6.3 Communal Staircase Cleaning charges **are** eligible for Housing Benefit.

## **7.0 TENANT HOME CONTENT INSURANCE PREMIUM TAX**

- 7.1 On 1<sup>st</sup> June 2017, the Government increased Insurance Premium Tax from **10% to 12%**. In order that this service continues to recover its costs it is proposed to increase this weekly charge to tenants accordingly.
- 7.2 The tax is recovered weekly from tenants as part of their Home Contents Insurance Premium, the amount charged will depend on their individual level of home contents cover and is **not** eligible for Housing Benefit.

## **8.0 SHELTERED SCHEME SERVICE CHARGE**

- 8.1 In order to maintain a breakeven position it is proposed to **increase charges by 4.24% from £11.80 to £12.30 per week on a 52 week basis**. (This would have equated to an increase from £12.78 to £13.33 on a 48 week basis). The approved charge applies to all sheltered housing schemes and will continue to be reviewed annually.

## **9.0 CARELINE RESPONSE AND SUPPORT SERVICES CHARGE**

- 9.1 Careline Response and Support Services for older and vulnerable people are currently provided to funded and non-funded customers. For those eligible for funding, there are two separate contracts with DCC – Floating Visiting Support and Careline. In addition tenants and residents who cannot access funding from DCC can pay for the service.
- 9.2 The contracts with DCC for both services have been extended up to 31 March 2019 on the existing terms, with a retendering exercise being carried out by DCC during 2018/19.
- 9.3 **Sheltered Schemes** –It is estimated that this service will breakeven in 2017/18 and therefore it is proposed that the charges remain at the same level for 2018/19 of **£7.85 per week** on a 52 week basis (this would have equated to £8.50 on a 48 week basis).

- 9.4 **Support Service** – For self-funded customers, it is proposed that the current weekly charge for the Support Service is **increased by 8.23% from £2.31 to £2.50 per week on a 52 week basis** (this would have equated to an increase from £2.50 to £2.71 on a 48 week basis).
- 9.5 **Careline Response** –For self-funded customers, it is proposed that the current weekly charge for the Careline Response service is **increased by 3.25% from £5.54 to £5.72 on a 52 week basis** (This would have equated to an increase from £6.00 to £6.20 on a 48 week basis). This service charge still remains low in comparison to neighbouring local authorities and other providers in this market.

During 2016/17, Chesterfield Borough Council offered to monitor the alarms of Dales Housing customers, when Dales Housing decided to end their service. Over 250 customers took up this option and as part of our offer it was agreed to freeze the weekly charge until March 2018. It is proposed that the current weekly charge for this monitoring service be **increased by 8.36% from £3.23 to £3.50 on a 52 week basis** (this would have equated to an increase from £3.50 to £3.79 on a 48 week basis). It should be noted that we do not provide a falls recovery service for Dales Housing customers.

A number of agreements are also in place between the Council and Housing Associations in the Borough to monitor alarms. It is proposed that the current weekly charge for Housing Association customers be **increased by 10% from £1.50 to £1.65 on a 52 week basis**.

This page is intentionally left blank

		Impact Assessment (IA)
<b>Title:</b>  Welfare Reform and Work Bill: Impact Assessment of Social Rent Reductions  <b>Lead department or agency:</b> Department for Work and Pensions <b>Other departments or agencies:</b> Department for Communities and Local Government		<b>Date:</b> 28 September 2015
		<b>Stage:</b> Final
		<b>Source of intervention:</b> Domestic
		<b>Type of measure:</b> Primary legislation
		<b>Contact for enquiries:</b> Alison Cremin, tel: 0303 444 1619, Email: alison.cremin@communities.gsi.gov.uk Kara Kashemsanta, tel 0303 444 3118 Email: kara.kashemsanta@communities.gsi.gov.uk
<b>Summary: Intervention and Options</b>	<b>RPC Opinion: Not Applicable</b>	
<b>What is the problem under consideration? Why is government intervention necessary?</b>		
<p>The Government has made clear its objective of tackling the deficit and rebalancing the welfare state, whilst sharpening work incentives and supporting the vulnerable. Social housing rents are set according to Government's rent policy which includes a limit on annual rent increases for private registered providers. Over a decade to 2014, social rents have risen by an average of over 60%, outstripping those in the private sector, which increased by 23% between 2005 and 2015.</p> <p>Housing benefit paid to the social sector have increased in real terms by around 20% over the three years from 2010-11 taking the bill to £13bn. Local Housing Allowance curbed the spiralling housing benefit bill in the private sector, but without the same restraint in the social sector where social housing providers build up surpluses.</p> <p>The existing rent policy from April 2015 puts greater restrictions on rent increases in the social sector, but to bring public finances under control it is necessary to go further, whilst protecting claimants who will see no change to their household finances as a result of the rent reduction policy.</p>		
<b>What are the policy objectives and the intended effects?</b>		
<p>The objective of this policy change is to further limit the growth in social housing rents which have been contributing to the rapid growth in the housing benefit bill. It is not fair that tenants in private sector housing have had restraint on their housing benefit whilst social landlords have seen large increases in rental income from housing benefit. The Government aims to reduce the housing benefit bill in the social sector while protecting the income of claimants who are already reacting to the incentives set out in other welfare reforms and moving into work and those vulnerable claimants who are not able to do so.</p> <p>To achieve savings and bring rent increases within the social sector back into line with the private rented sector the Government will reduce rents in social housing in England by 1% a year for four years from 2016. This will reduce average rents in the social housing sector by around 12% by 2020, from the current forecast. By 2020/21 there will be an in-year housing benefit saving of £1.995bn, which translates to an in-year net saving to the taxpayer of £1.445bn by 2020/21 once the impact on local authorities is taken into account.</p>		

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

We have considered three options (1) continue the current policy of annual rent increase limit of CPI + 1% for ten years between 2015/16 and 2024/25, and (2) reduce social housing rents annually by 1% for four years from April 2016 and (3) reduce amounts of housing benefit paid to cover rent in the social sector.

The current policy has already resulted in some housing benefit savings compared to that in place previously, but the rise in social rents in the past five years has largely been due to relatively high inflation rates in certain years between 2010 and 2014 as a result of applying the rent increase formula of RPI plus 0.5%, plus an additional £2 where rents were below the formula. We have further restricted the limit on rent increases to CPI +1% under the policy from April 2015, but to bring public finances under control we now need to go further.


These savings are, however, set alongside the rapid increase in housing association surpluses in recent years. We do not think that continuing with the current policy is fair at a time when we need to show restraint in public finances. Option one does not provide a fair outcome for the taxpayer or indeed to the hard working families paying all, or part of their rent, to also have to face ongoing increases in costs.

We also do not consider that option three is appropriate as this would reduce income for housing benefit claimants, but allow rents to keep increasing above inflation. It would not be fair to other social housing tenants and would decrease the incentives provided by other welfare reform measures to move into work if they are able to. The reductions set out in option two will reset the levels of social rent, help to restore fairness to the welfare system and thereby benefitting families in the social sector.

**Will the policy be reviewed? It will be reviewed. If applicable, set review date: 2020**

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister:



Date: 28/09/2015

- Age
- Disability
- Gender
- Race
- Gender reassignment
- Pregnancy and maternity
- Sexual orientation
- Religion or belief
- Marriage and civil partnership

Overall this policy has no impact on the majority of social housing tenants as they have their rent paid by housing benefit. The remaining proportion of social tenants who do not have a high income will benefit from lower rent payments over the duration of the policy. This increase in disposable income will continue to benefit the household as rent increases after the period affected by the policy will be from a lower base. We do not therefore envisage any negative impact on the more vulnerable social tenants in protected groups whilst those that are in work, other than high income earners, and paying their own rent will directly benefit from a reduced rent and have a greater disposable income.

Concerns have been raised that the rent reduction measures may disproportionately impact on supported housing and may cause a reduction in service provision given these housing providers tend to operate on lower profit margins and have higher rents. The Government has included clauses in the Bill to allow exceptions from the rent standard by regulation. We expect that the reductions will apply only to social housing properties currently subject to the Rent Standard. The types of accommodation that are exempted from the Rent Standard are likely to remain exempted – these include specialised supported accommodation and residential care homes and nursing homes.

We are considering whether the existing definitions are appropriate in light of the revised policy and will be setting out details in secondary legislation and working with the sector to ensure regulations laid under clause 20 of the Bill protect vulnerable groups.

A complete exception for supported accommodation has been considered but is regarded as disproportionate. Housing providers will be able to apply for an exemption from the rent reductions where financial viability is threatened. Excluding specific vulnerable groups on the face of the Bill from the rent reduction policy change with no prior evidence that it was needed, would raise serious questions of fairness and lead to negative impact on protected groups.

### **Life Chances**

The new Life Chances legislation (incorporated into the Welfare Reform and Work Bill) proposes to remove a number of the legal duties and measures set out in the Child Poverty Act 2010 and to place a new duty on the Secretary of State to report annually on children in workless households and the educational attainment of children. This is because evidence shows these to be the two main factors leading to child poverty now and in the future (respectively).

The social rent reductions is supportive of the Life Chances legislation in that this policy will protect vulnerable tenants who are not able to go out to work from savings to their housing benefit bill. Alongside reducing the rent for hard working families who have had above inflation rises in rent over previous years. This will increase the incentive for people to make the choice to move into work by making paying their own rent more affordable. Reducing social rent for four years will increase the gains from moving into employment as the difference between the potential disposable income from earnings after payment of housing costs and income from benefits grows. In this way the number of children living in workless households could fall over time.

## Introduction

Social housing rents are set according to Government's rent policy which includes a limit on annual rent increases; determining what the fair level is for social housing providers, for social tenants and for the taxpayer who funds the housing benefit bill. In the last Parliament the Government looked to curb the growth of the housing benefit bill and published the new ten-year rent policy in May 2014. However, to bring public finances under control we need to go further.

Under this policy registered providers of social housing in England must reduce the rents payable by their individual tenants by 1% per annum for four years. The rent baseline is calculated by reference to the rent payable on 8 July 2015, or, with the consent of the Secretary of State, an alternative permitted review day.

The four year period commences on 1st April 2016, except if a registered provider's rent year for the greater number of its tenants runs from a date other than the 1st April. Where that is the case then the rent reductions will be applied on that date and relevant years run from that date.

The policy also requires that when rents for new tenants are set these should reflect the 1% per annum reduction.

This policy change is to apply further restraint to social housing rents. The scale of the housing benefit bill means that we need to go further to reduce welfare spending while helping those on low income who pay their own rents. Therefore it is fair to ensure that we protect hard working families and return fairness to the taxpayer by reducing this growth in the housing benefit bill. Social housing is a well regulated sector and we judge that they are able to manage the financial impact of further rent reductions, given recent increases in budget surpluses across the sector as a whole.

The housing benefit bill in the social rented sector in England is £13bn, up 20% in real terms over the last 10 years. This is a sensible and fair measure which will result in an in-year housing benefit saving of £1.995bn by 2020/21<sup>1</sup>, as the majority of social housing tenants receive housing benefit and most of these have their rent paid in full. The reduction is equivalent to £12 off the average weekly social rent / over £600 per year by 2020-21 based on the current forecast, and will reset the levels of social rent, which over recent years have become out of kilter with private rents.

### Exceptions and exemptions to the policy change

There will be a number of exceptions from the rent reduction requirements including low cost home ownership and shared ownership, and where there is a mortgagee in possession or the successors in title. This mirrors the current policy and is designed to prevent adverse impact on the valuation of existing social housing stock for security purposes.

Further exceptions will be set out in regulations. This may include the types of accommodation and tenants that are currently exempted from the Rent Standard will continue to be exempted – these include specialist supported housing, temporary social housing, PFI accommodation, student accommodation, Intermediate Rent accommodation, care homes and nursing homes.

The Regulator of Social Housing will have the power to grant a full or partial exemption to a private registered provider, where it considers that complying would jeopardise the financial viability of that provider and with agreement from DCLG Secretary of State. Statutory guidance will set out the circumstances in which a waiver will be considered.

### Estimated costs and benefits of the policy change

#### Impact on social tenants (tenants of private registered providers and local authorities)

- This will reduce rents for households by around 12% by 2020, in comparison to rising rents under the existing regime. For the third of households in social housing who pay their own rent this is equivalent

---

<sup>1</sup> This translates to an in-year net saving to the taxpayer of £1.445bn by 2020/21 once the impact on local authorities is taken into account.



to a reduction in rent of £12 of the average weekly social rent / over £600 per year in comparison to rising rents that would have occurred by 2020-21 under the previous policy.

- For the two thirds of tenants who claim housing benefit to pay their social rent they will have no impact. Reduction in rent will reduce housing benefit payments and hence benefit the taxpayer but with no change to their disposable income.
- This policy therefore protects those who are vulnerable and most have a low income and are unable to access housing (without housing benefit). 28% are aged over 65; around a quarter describe their status as inactive, which includes those who have a long-term illness or disability and those looking after the family or home. The policy will therefore benefit those in the protected groups who are social housing tenants, and not impact on those who are in receipt of housing benefit.

### Housing benefit savings

The table below presents the estimated housing benefit savings as a result of downrating social rents relative to current rent policy which allows uprating rents by CPI+1% each year. The housing benefit savings are across both local authority and housing association stock. These figures are in line with the Office for Budget Responsibility (OBR) certified policy costing as published in the Summer Budget 2015.

### Housing Benefit Impact (£m)

	2016/17	2017/18	2018/19	2019/20	2020/21
Savings (£m)	240	685	1,250	1,860	1,995

### Impact on housing associations

The new policy will reset future rent levels in the social housing sector. It will reduce housing costs faced by working families on low income in social housing and housing benefit costs funded by the taxpayer by around £2 billion a year by 2020/21 as demonstrated in the 'Housing Benefit savings' section above (approximately 63% of social housing tenants receive housing benefit, English Housing Survey 2013/14). But it will also reduce the rental income received by social landlords.

The table below estimates the change in rental income likely to be incurred by housing associations as a result of the policy in comparison to the previous policy of above inflation increases.

This is based on OBR (Summer Budget round 4 economic determinants) forecasts of weekly housing association rent level both before and after the policy change. The weekly rent figures are multiplied by the total number of social dwellings forecast, which includes expected new builds but not those which will be exempt from the policy, to give a total rental income.

£m, cash	2016/17	2017/18	2018/19	2019/20	2020/21
Total rental income, no policy change	12,155	12,575	12,925	13,295	13,685
Total rental income, with 1% downrating	11,910	11,940	11,830	11,715	12,055
Impact on total Housing Association rent (£m)	-245	-635	-1,095	-1,580	-1,625

### **Risks and mitigation, the role of the Regulator**

This policy change could have wider impacts on spending decisions and the amount of expenditure by landlords who made their spending plans based on previous funding arrangements. The Government is engaging the housing association sector as they develop plans to manage the change.

The 2014 Global Accounts of social housing providers published by the Regulator of Social Housing ("the Regulator") demonstrated that the sector is financially robust. They recorded strong financial results in the year ending March 2014, turnover increased by 5% to £15.6 billion and the operating margin also increased

from 25.9% in 2013 to 26.5% in 2014. Surpluses for the sector have continued to rise to a total of £2.4 billion for 2014, an increase of 22% compared to 2013.

We recognise that the reductions will have an impact on housing associations' finances. However, the strong balance sheets mean they are well placed to manage these reductions and have proved themselves to be more than capable of adapting and responding to change. With a large surplus of £2.4 billion in 2014, the Government is confident they will be able to find efficiencies to accommodate the rent changes

The Budget also includes a complementary measure that would create additional rental income for housing associations to help mitigate the impact of rent reductions. Social tenants with a household income of over £40,000 in London and over £30,000 outside London will be charged higher rents allowing housing associations to retain the additional incomes. It is estimated that hundreds of millions pounds per year of additional rental income will be available to support their business plans to invest in services for their tenants, maintaining and improving existing homes, or delivering more new affordable homes.

Where complying with rent reductions would jeopardise the financial viability of a housing association, the Regulator will still have the power to issue a full or partial exemption, with the Secretary of State's consent. Other circumstances where exemptions may be considered will be set out in regulations. However, we expect the circumstances in which housing associations will receive a waiver will be limited and do not expect housing associations to plan on the basis that they will receive one.

Housing associations need to ensure that they have a credible business plan in place and that these remain fit for purpose for the environment in which they operate. Some associations might need to adapt their business plans and operating structures in response to budget measures. The Regulator is seeking assurance that housing association boards have properly considered the implications of these changes for their businesses, and that there are effective plans in place should this be required.

The Regulator is currently collecting information from large private registered providers (which own more than 1,000 units), requiring a revised annual Financial Forecast Return (FFR) which reflects the impact of the changes in government policy and mitigating actions they propose. Housing associations have also been advised that if they anticipate exceptional challenge to adapt they should inform and discuss the matter with the Regulator. The Regulator will work collaboratively with them to explore how any difficulties might be resolved.

The Government has also considered whether the rent reduction measures would impact on the supply of affordable housing. The Government is continuing to engage with the housing association sector and it remains confident that they will be able to find the necessary efficiencies to manage this change. At the same time the Government remains committed to delivering 275,000 affordable homes over the course of the Parliament, and to supporting the most vulnerable in our society to have a decent place to live, as well as being committed to taking steps to increase home ownership.

The Government has a wide number of levers at our disposal to ensure that this country has the right homes to meet people's needs and legitimate aspirations to own. 200,000 Starter Homes will be built encouraged by an improved planning system. The Affordable Homes Guarantees Scheme has delivered over £1.5bn of guaranteed borrowing at record low levels for 41 housing associations to deliver 11,000 homes so far – with more in the pipeline. There continues to be an important role for housing associations in delivering the mix of housing supply this country needs.

### **Impact on Income for Protected Groups**

Households that include someone with a protected characteristic (as defined by the Equality Act 2010) will be affected by this policy if they receive one or more of the affected benefits. Overall, those groups who are more likely to be in receipt of affected benefits are more likely to be affected by this policy change, though these groups will not see a change in benefit income in cash terms. The protected groups according to the Equality Act 2010 are: