

THE CABINET
20th February, 2013

Present:- Councillor Stone (in the Chair); Councillors Akhtar, Doyle, Hussain, Lakin, McNeely, Rushforth, R. S. Russell, Smith and Wyatt.

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

C152 QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

C153 DECLARATIONS OF INTEREST

Councillors Akhtar, Doyle, Hussain, Lakin, McNeely, Rushforth, R. S. Russell, Smith, Stone and Wyatt declared disclosable pecuniary interests in Minute No. 155 (Revenue Budget and Council Tax Setting) on the grounds that they were, or related to, a Council tenant.

Dispensation from the Code of Conduct had been granted to all Cabinet Members when dealing with the reports, if they were directly affected by the outcome, allowing them to remain in the room and vote.

C154 ROTHERHAM LOCAL PLAN STEERING GROUP

Councillor Smith, Cabinet Member for Regeneration and Development, introduced the minutes of the Rotherham Local Plan Steering Group held on 18th January, 2013.

Reference was made to Minute No. 59 (Rotherham Biodiversity Action Plan Review) and Minute No. 60 (Bassingthorpe Farm Progress).

Resolved:- (1) That the progress to date and the emerging issues be noted.

(2) That the minutes of the Local Plan Steering Group held on 18th January, 2013 be received.

C155 REVENUE BUDGET AND COUNCIL TAX SETTING

Councillor Akhtar, Deputy Leader, introduced a report by the Director of Financial Services, which proposed a Budget for 2013/14 based on the outcome of the Council's Financial Settlement and provided details of:-

- The progress of the Budget process since July, 2012 (including confirmation of the Local Government Financial Settlement).

- The ongoing principles reflected in the Budget and spending plans.
- The Council's recommended Revenue Budget for 2013/14.
- Savings proposals from Directorates.
- Precepts and levies made on the Council by other authorities.
- Proposed Council Tax levels for the coming financial year.
- Proposed future developments in the three year Medium Term Financial Strategy (MTFS) 2013/14 to 2015/16.

As required by Legislation, the report also contained the Director of Financial Services' (the Council's Responsible Financial Officer) assessment of the robustness of the estimates included within the Budget and the adequacy of the reserves for which the Budget provided.

Since the 2011/12 Budget the Council had said that its focus must be on the customers it served, the communities and businesses of Rotherham and not its organisational structure.

To achieve this end, a clear set of principles had been identified for considering Budget proposals. This had, as a first course of action, been to streamline management and administration and to reduce as far as possible back office costs and to date these had been reduced by over 15% with further significant reductions being proposed for 2013/14. In addition, areas had continued to be identified where better ways of working could result in even greater efficiency and effectiveness. However, faced with such a significant budget deficit, the Council had still to make some tough choices which were reflected in the proposals put forward to Cabinet.

By adopting a calm and measured approach and planning ahead it was possible for the Council to protect services for those most in need. Within the Budget, provision was made to:-

- Ensuring that safeguarding of children was a top priority through the provision of improved services for children in care and with Special Educational Needs.
- Support to vulnerable families and individuals.
- Continuing investment in preventative services and early intervention.
- Reducing the time taken to provide new packages of care and supply equipment, assistive technologies and adaptations to safeguard adults when their life circumstances changed.
- Continuing to promote new business start-ups and stimulate the local economy.

- Helping Rotherham Credit Unions continue to provide financial support to residents who were in danger of being made homeless because of the economic downturn.
- Continuing to invest in infrastructure across the Borough – houses, schools, roads, customer services and town centre regeneration.

The Budget, as outlined in the report, would:-

- Protect funding helping to provide vital services for those most in need in communities.
- Continue to reduce management and administration and back office costs as far as possible.
- Enable the Council to continue to focus on Service transformation, ensuring services continued to be equipped to deliver a high standard that was fully aligned to the Community Strategy and Corporate Plan priorities and objectives.

The proposals for the 2013/14 Budget and Council Tax contained within the report were put forward having regard to several factors. These were:-

- That the assumptions about the level of resources and reserves available to support the 2013/14 Revenue Budget were sound.
- That the budget proposals upon which the Budget was predicated would be actioned by Elected Members and officers, as appropriate, and that this would be done having full and proper regard for the Council's financial position. The prospects for this were good.
- That through the on-going rigorous challenge of service design and delivery, other scrutiny and strategic and service planning processes the Council would ensure the sustainability of its annual Budget and other financial plans as well as the resilience of its overall financial position. Again the prospects were good.

This report, therefore, recommended:-

- The Council Tax to remain at £1,230.03 at Band D equivalent for the fourth year running (i.e. no increase on the 2010/11 level).
- A General Fund Revenue Budget for Rotherham Council in 2013/14 of £221.474m.

For information, the following general assumptions with respect to inflation have been provided for within the Budget:-

- An overall 1% increase in staff pay in line with the Local Government Employers' Organisation proposals.
- A general price inflation rate of nil %, and where known in relation to specific items of expenditure, a specific provision for inflation if significantly different. In line with Council policy, it was expected that all such pressures will be contained within Directorate Cash Limit budgets.
- Average income inflation of 2.5%.

Cabinet Members acknowledged the hard work that had led to the finalisation of the budget process and the attempts that were being made to focus on service transformation whilst ensuring that services continued to deliver a high standard.

Recommended:- (1) That a General Fund Revenue Budget for 2013/14 of £221.474m to be allocated to services, as set out in this report, be approved.

(2) That there be no increase (for a second year running) in the Council Tax in respect of this Council's own Budget giving an annual Band D Council Tax of £1,230.03.

(3) That the comments of the Director of Financial Services, provided in compliance with Section 25 of the Local Government Act 2003, as to the robustness of the estimates included in the Budget and the adequacy of reserves for which the Budget provided, be noted and adopted.

(4) That the precept figures from South Yorkshire Police Authority, South Yorkshire Fire and Civil Defence Authority and the various Parish Councils and Parish Meetings of the Borough be incorporated, when known, into the recommendations to the Council on 6th March, 2013.

C156 CAPITAL PROGRAMME BUDGET 2013/14 TO 2015/16

Councillor Akhtar, Deputy Leader, introduced a report by the Director of Financial Services, which set out the capital programme for the financial years 2013/14 to 2015/16.

Concurrently, the Council had been proactively looking to rationalise its asset and buildings portfolio so as to realise revenue savings and potential capital receipts from any future asset sale. Generally, such capital receipts were expected to be used to reduce future capital financing costs so as to reduce the revenue cost of borrowing in support of the Council's Medium Term Financial Strategy.

The report set out in detail the budget process that had led to the recommended Capital Programme 2013/14 to 2015/16, the revised proposed spends and funding allocations for Directorates.

Any revenue implications from the revised programme have been fully reflected in the Council's revenue forecast and its updated Medium Term Financial Strategy.

The Capital Programme was funded through a number of sources borrowing (both supported and unsupported), capital grants and contributions, revenue contributions and capital receipts. Any uncertainty over the funding of the Programme rested on confirmation that grants/contributions and capital receipts continued to be available in coming years. Where funding sources were volatile in nature the risks would be managed by continually keeping the programme under review.

Cabinet Members welcomed the level of investment in the Borough especially in primary and secondary schools, despite the disappointment at the Building Schools for the Future initiative being withdrawn by Central Government.

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

(2) Recommended:- That the 2013/14 to 2015/16 Capital Programme be approved.

**C157 TREASURY MANAGEMENT STRATEGY & PRUDENTIAL
INDICATORS 2013/14**

Councillor Akhtar, Deputy Leader, introduced a report by the Director of Financial Services, which detailed how, in accordance with the Prudential Code for Capital Finance, the Secretary of State's Guidance on Local Government Investments, the CIPFA Code of Practice for Treasury Management in Local Authorities and with Council Policy, the Director of Financial Services was required, prior to the commencement of each financial year, to seek the approval of the Council to:-

- The Prudential Indicators and Limits for 2013/14 to 2015/16.
- A Minimum Revenue Provision (MRP) Statement which set out the Council's policy on Minimum Revenue Provision.
- An Annual Treasury Management Strategy in accordance with the CIPFA Code of Practice on Treasury Management including the Authorised Limit.
- An Investment Strategy in accordance with the CLG investment guidance.

The report set out in detail the background to the Strategy, the review of the currently approved Investment Strategy, Counterparty List, Prudential Indicators and Minimum Revenue Provision Policy.

Treasury Management formed an integral part of the Council's overall financial arrangements.

The assumptions supporting the capital financing budget for 2013/14 and for the future years covered by the Medium Term Financial Strategy of the Council have been reviewed in light of the current economic and financial conditions and the revised future years' Capital Programme.

The proposed Treasury Management and Investment Strategy was not forecasted to have any further revenue consequences than those identified and planned for in both the Council's 2013/14 Revenue Budget and approved Medium Term Financial Strategy.

Cabinet Members welcomed the use of the selection criteria to minimise any risks inherent in operating a treasury management function during volatile and adverse economic and financial conditions.

Recommended:- (1) That the prudential indicators and limits for 2013/14 to 2014/15 contained in Appendix A to the report be approved.

(2) That the Minimum Revenue Provision Statement contained in Appendix A which set out the Council's policy on Minimum Revenue Provision be approved.

(3) That the Treasury Management Strategy for 2013/14 to 2015/16 and the Authorised Limit Prudential Indicator (Appendix B) be approved.

(5) That the Investment Strategy for 2013/14 to 2015/16 (Appendix B – Section (e) and Annex B1) be approved.

C158 CORPORATE RISK REGISTER

Councillor Akhtar, Deputy Leader, introduced a report by the Director of Audit and Asset Management, which detailed the current Corporate Risk Register summary. The summary showed the risks associated with the Council's most significant priorities and projects and actions being taken to mitigate these risks.

The Council's key current risks continued to relate to the financial pressures faced by the Council and the implications of the Welfare Reforms. The report summarised the management actions that were being taken to mitigate these and other risks in the register.

Risks relating to funding of the Capital Programme, personalisation of Adults Care Services, Commissioning and Highways have been removed from the Corporate Risk Register. This did not mean these risks would no longer be monitored; rather they would now be reviewed at directorate level. They could be re-instated at corporate level at any point in time in the future if/as appropriate.

New risks relating to economic growth and Public Health and Well-being have been added to the register and an entry included recognising opportunities to promote the Council's achievements and enhance its reputation.

Resolved:- (1) That the Corporate Risk Register summary be noted.

(2) That the current assessment of the Council's top corporate risks be approved.

(3) That any further risks or opportunities that should be added to the risk register be identified.

C159 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 (as amended March, 2006) (information relating to financial and business affairs of any particular person).

C160 STRATEGIC ACQUISITIONS

Further to Minute No. 27 of the meeting of the Cabinet held on 20th June, 2012, Councillor McNeely, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Neighbourhoods and Adult Services, which detailed how, following a Borough-wide property developer review, a number of properties that conformed to the Strategic Acquisition Protocol had been identified. Permission was now sought to acquire the first tranche of properties and the report detailed the progress being made to acquire more Council Homes.

The financial information and risks and uncertainties associated with these acquisitions were set out in detail as part of the report.

Resolved:- That the expenditure of £435,000 from the Strategic Acquisition Budget to progress the acquisition of seventeen homes on Kingfisher Walk, Hopwood Park and Lakeside developments be approved.

C161 DALTON CLUSTER INVITATION TO TENDER

Councillor McNeely, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Neighbourhoods and Adult Services, which set out the process the Council had followed in identifying a regeneration partner for the cleared sites of Whinney Hill and Chesterhill Avenue, and the decisions required to enable residential redevelopment to take place.

To enable site redevelopment, approval is sought to proceed with a developer based on:-

- Delivery of 87 new homes in Phase 1 with future phases to follow.
- The Council purchasing the 25% Section 106 units for Council homes.
- The Council dispose of the Phase 1 to the developer at a fee to be agreed.
- A development agreement be entered into to protect both parties' interests and enable any overage to be shared if the market recovered and proceed with subsequent phases if it was in the best interests of both parties.

The financial information and risks and uncertainties associated with this invitation were set out in detail as part of the report.

Cabinet Members sought clarification on the Right to Buy Scheme and were satisfied with the response, but asked that all Elected Members be issued with the procedure for future reference.

Resolved:- (1) That the selection of Keepmoat as the preferred development partner be approved.

(2) That authority be delegated to the Director for Housing and Neighbourhood Services to approve the development agreement with a clause agreeing the sharing of any overage.

(3) That the release of the Whinney Hill site for a fee to be agreed, to assist the Council's regeneration objectives in Dalton, be approved.

(4) That the purchase of twenty two homes by the Council from the development partner and delegate authority to the Director for HNS to confirm the terms of the purchase agreement be approved.

(5) That details of the Right to Buy Scheme be issued to all Members for information.

C162 CAPITAL PROGRAMME - CAPITAL RECEIPTS UPDATE

Councillor Smith, Cabinet Member for Regeneration and Development, introduced a report by the Director of Audit and Asset Management, which highlighted the changes to the forecast of capital receipts.

The report set out how the programme was set over five years to appropriately reflect the levels of risk associated with disposing of the types of assets the Council currently held for sale and took account of the still depressed local and regional markets.

The financial information and risks and uncertainties associated with the capital receipts were set out in detail as part of the report.

Resolved:- That the report be received and the position on the current status of the capital receipts be noted.

C163 TENDER REPORT FOR MODULAR CLASSROOMS AT ASTON HALL JUNIOR AND INFANT SCHOOL

Further to Minute No. D140 of the meeting of the Cabinet Member held on 6th February, 2013, Councillor Lakin, Cabinet Member for Children, Young People and Families Services, introduced a report by the Strategic Director of Children and Young People's Services seeking authority to accept a tender for the construction of a modular building to form additional teaching space, at the Aston Hall Junior and Infant School, for the increase in pupil numbers from September 2013. It was noted that planning permission was currently being obtained for this construction scheme.

The financial information and risks and uncertainties associated with the tender were set out in detail as part of the report.

Resolved:- (1) That the report be received and its contents noted.

(2) That the tender submitted by Springfield Mobile (Lancs) Ltd, dated 28th January 2013, in the sum of £527,659.00, be accepted in respect of the construction of a modular building at the Aston Hall Junior and Infant School.