

**SELF REGULATION SELECT COMMISSION**  
**22nd November, 2012**

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

Also in attendance were: - Councillor Akhtar, Deputy Leader, and Councillor Smith, Cabinet Member for Regeneration and Environment for Items 11 and 12 on the agenda.

An apology for absence was received from Councillor Tweed.

**33. COMMUNICATIONS**

A request was made by Councillor Wyatt, Cabinet Member for Health and Wellbeing, for a representative of the Self Regulation Select Commission to sit on the newly formed Environment and Climate Change Strategy Group which would look at the refreshed strategy documents prior to authorisation and subsequently to monitor the Council's performance in these areas and would also involve future discussion on bio diversity and ecological issues.

The first meeting would take place on Wednesday, 12th December, 2012 at 11.30 a.m.

Resolved:- That Councillor Mannion be the Select Commission's representative to sit on this Group.

**34. DECLARATIONS OF INTEREST**

There were no Declarations of Interest to report.

**35. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS**

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

**36. MINUTES OF THE PREVIOUS MEETING HELD ON 11TH OCTOBER, 2012**

Resolved:- That the minutes of the meeting of the Self Regulation Select Commission held on 11<sup>th</sup> October, 2012 be approved as a correct record for signature by the Chairman.

Reference was made to Minute No. 31 (Digital Region) and an update was requested in terms of Rotherham's current position.

**37. WORK PROGRAMME UPDATE 2012/13**

Further to Minute No. 27 of the meeting of the Self Regulation Select Commission held on 11th October, 2012, consideration was given to a report presented by the Senior Scrutiny Adviser containing this Select Commission's Work Programme 2012/2013.

At its June meeting, the Select Commission agreed its priorities over the municipal year. The work programme had now been drawn up on the basis of

these priorities, which was attached as part of the report. These have been informed by comments from Commission Members and discussion with Cabinet Members and the Senior Leadership Team. Additional items have been raised during the year, which have been added to the work programme.

Specific reference was made to an additional item on the format of performance clinics, and the Public Sector Equality Duty, which had been submitted as an item at the Select Commission's request.

Resolved:- That the work programme as submitted be approved.

### **38. SCRUTINY REVIEW OF RMBC'S DISTRICT HEATING SCHEME**

Further to Minute No. 7 of the meeting of the Self Regulation Select Commission on 31st May, 2012, consideration was given to a report presented by Councillor Beck, Chairman of the Review Group, which set out the findings and recommendations of the scrutiny review of District Heating, undertaken by the Self-Regulation Select Commission.

The review explored how cost effective and fuel efficient provision of District Heating (DH) could be achieved and the importance that residents receive reliable, competitive and value for money heating. The review set out some practical steps to ensure that charges were fair and affordable to tenants and explored how changes were communicated, service improvements or disruptions with tenants.

In order for District Heating to be efficient and effective, the review concluded that management continuity and oversight needed to be improved and set out how this could be achieved in relation to financial management, District Heating stock condition and future investment plans into existing schemes or in new technologies. Building on the recent scrutiny review of Fuel Poverty, the review group explored how new and more efficient technologies can minimise reliance on fossil fuels and if other sources of funding could support such developments.

There were sixteen recommendations addressing the following areas:-

- Consolidation of management arrangements and procedures;
- A review of charges and creation of a mechanism for annual review to ensure that the district heating fuel cost can be fully recovered from residents;
- That a full Stock Condition Survey of all schemes is carried out, taking into account the boiler house, plant, infrastructure (distribution system) and presence of controls;
- On the basis of information gathered by the Stock Condition Survey, that revenue spend profiles and capital investment plans are created, supported by the Housing Revenue Account 30 Year Business Plan to:
- Improve existing viable schemes
- Remove non-viable schemes and replace with the most effective alternative.
- That all future investment in district heating should incorporate where possible funding opportunities presented through ECO-obligations and Greendeal.

- Ensuring that communication with service users is improved and that awareness is raised about energy efficiency and usage.

The Review Group wished to play on record its thanks and appreciation to Tracie Seals, Sustainable Communities Manager, and Caroline Webb, Senior Scrutiny Adviser, for the help and information they provided as part of the review process.

It was noted that the review was being submitted to Overview and Scrutiny Management Board on the 30<sup>th</sup> November, 2012 and Cabinet on the 5<sup>th</sup> December, 2012

Questions were raised about the subsidy from the Housing Revenue Account for district heating and the sustainability of green initiatives, which would be looked at and considered in more detail.

Resolved:- (1) That the report's recommendations be supported.

(2) That the completed report be forwarded to the Overview and Scrutiny Management Board for its consideration and then onto Cabinet;

(3) That the response of Cabinet to the recommendations be fed back to this Select Commission in due course.

### **39. SUPPORT COSTS REVIEW**

Further to Minute No. 73 of the meeting of the Self Regulation Select Commission held on 19th April, 2012, consideration was given to a report presented by Pete Hudson, Chief Finance Manager, stating that, after significant restructuring and downsizing of the Council over recent years and at the request of the Self Regulation Select Commission, the basis of charging out the Council's support costs to front line services had been reviewed. The submitted report set out the approach taken, the resultant Directorate support charges and the basis of allocation or apportionment used.

It was proposed that wherever possible, support costs be charged out to Directorates on a monthly basis. In circumstances where this was not possible a maximum of quarterly charging would be implemented. This would ensure that Budget Holders have more timely financial information and greater visibility of costs charged to their services.

The Select Commission welcomed the outcome of this review and the increased transparency of charges for support costs to Directorates.

Further information was sought as to the transparency of these charges in budget monitoring papers.

Discussion ensued on the financial values associated with HR and Payroll and Legal Services, which were providing greater scope to focus on ensuring the delivery of value for money.

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

(2) That the methodologies for charging for Support Services be noted.

#### 40. REVENUE BUDGET MONITORING FOR THE PERIOD ENDING 30TH SEPTEMBER 2012

Consideration was given to a report presented by Councillor Akhtar, Deputy Leader, which detailed the forecast outturn for the Council based on expenditure and income to 30<sup>th</sup> September 2012.

It was currently forecast that the Council would overspend against its Budget by £4.715 million (+2.2%). The main reasons for the forecast overspend related to:-

(i) the continuing service demand and cost pressures in looking after vulnerable children across the Borough;

(ii) additional, one-off property costs relating to the continued rationalisation of the Council's asset portfolio as part of the efficiency drive to reduce operational costs; and

(iii) full year effect staff savings not being delivered in 2012/13, where staff have left the Council on voluntary severance or early retirement during the course of the year.

The Select Commission noted that continued, concerted management action would be required over the remaining period of this financial year to ensure that the Council was able to preserve its successful track record in managing both its in-year financial performance and its overall financial resilience in the face of such significant and swift Government funding cuts.

Further information was provided on the spending against budget by each of the Directorates in turn.

The Select Commission particularly noted the progress made on reducing the overspend, assisted by an Invest to Save Bid, in Children and Young People's Services, despite the continued pressures related to looking after children.

Discussion ensued on the management of spend in line with the Council's budget position and the following issues were raised and clarified:-

- The increase in numbers for out of authority residential care.
- Historical data on children coming into care and whether the numbers have increased due to the economic position and the demand on reduced resources.
- The need for the budget pressures in Children and Young People's Services to be monitored on a very frequent basis.
- Cost avoidance through effective multi-agency management actions and decision-making through enhanced support packages.
- Potential pressures on winter maintenance if the region should face a period of "bad" weather.
- Clarification on underspends and overspends.
- Pressures within Waste Services and the impact of budget reductions in services.

- Forecasted underspend in Neighbourhoods and Adult Services and whether it was thought this would continue up to the end of the municipal year.
- Service demands and management actions to deliver the approved budget.
- Revenue budget monitoring reports should be submitted to each of the delegated powers meetings for Cabinet Members on a formal and frequent basis and this should be minuted accordingly.
- The need for clear definitions of what was and was not “essential” spend.
- Further reports to Cabinet on what the projected position would be as of December.

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

(2) That the Self Regulation Select Commission notes:-

(a) the progress made to date in delivering the significant financial challenges presented in the Council’s revenue budget; and

(b) the action to bring projected spending into line with Budget limits, including a freeze on all but essential spending.

(3) That further revenue budget monitoring progress reports be submitted to meetings of the Cabinet Members with delegated powers on a monthly basis to address any overspends and also to this Select Commission during the remainder of this financial year.

#### **41. CAPITAL PROGRAMME MONITORING 2012/13 AND CAPITAL PROGRAMME BUDGET 2013/14 TO 2014/15**

Further to Minute No. 13 of the meeting of the Self Regulation Select Commission held on 12<sup>th</sup> July, 2012, consideration was given to a report presented by Pete Hudson, Chief Finance Manager, which provided details of the current forecast outturn for the 2012/13 capital programme and facilitating a review of the capital programme for the financial years 2013/14 and 2014/15.

It was noted that the budget process leading to the original Capital Programme for 2012/13 to 2014/15 ensured that the Council’s capital investment plans were aligned with its strategic priorities and vision for Rotherham. In order to maintain that strategic link, and make best use of the capital resources available to the Council, it was important that the programme be kept under regular review and where necessary revisions made. This capital programme was initially reviewed in July 2012 (Minute No. 31 of the Cabinet meeting held on 4<sup>th</sup> July, 2012 referred), after the finalisation of the 2011/12 outturn capital expenditure and financing and had now been the subject of a further review (Minute No. 77 of the Cabinet meeting held on 17<sup>th</sup> October, 2012).

The results of the review were reflected in the Directorate summary table which formed part of the report along with detailed analysis of the capital programme for each Directorate.

Reference was made to the additional facilities at Wentworth C. of E. School and further information would be provided on the sources of funding.

The Select Commission noted that there would be some variances and slippage, which would be managed by continually keeping the programme under review.

Further information was also provided on capital receipts, which were sums of money arising from the disposal of any Council owned assets. However, it was noted that significant costs were also being incurred for the security of vacant Council owned premises.

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

(2) That the approval of the updated 2012/13 to 2014/15 Capital Programme by full Council be noted.

#### **42. PERFORMANCE UPDATES - CORPORATE PLAN OUTCOME - CHILD POVERTY PERFORMANCE ANALYSIS**

Further to Minute No. 21 of the meeting of the Self Regulation Select Commission held on 20th September, 2012, consideration was given to a report presented by Joyce Thacker, Strategic Director of Children and Young People's Services, which provided an update on action being taken to reduce and mitigate the impact of child poverty in Rotherham.

The Selection Commission had expressed some concern that the corporate outcome relating to child poverty - fewer children are living in poverty - had consistently been rated red (not meeting targets) and were informed that this was measured by relative low income, specifically: the proportion of children living in families in receipt of out of work benefits or tax credits where income was less than 60% of median income.

Using this measure, child poverty levels have increased locally showing an increase in 2009 to 23.3% (13,665 children) up from 22% in 2008. Child poverty levels remained above the national and regional averages of 21.3% and 21.9% respectively.

This measure did not seem wholly appropriate as it did not measure poverty in the wider sense (i.e. assessing factors such as worklessness, parents' qualifications, children's attainment, teen pregnancy etc) to give a better indication of children's prospects for escaping poverty in the longer term; their "life chances". Using this measure, poverty could be seen to decrease due to proportionately higher income reductions for middle earners, which would be misleading and the Council's ability to increase the income of struggling families was very limited, particularly when the economy was weak

This being the case it was now recommended that performance measures were broadened to include a range of "life chances" indicators and that the headline income measure was used primarily to compare progress with poverty levels nationally and in other areas (e.g. South Yorkshire, comparator authorities).

The Council and its local partners have a strong strategic focus on tackling poverty and a key priority of the new Health and Wellbeing Strategy was to reduce poverty in disadvantaged areas. The early Help Strategy, with its focus on preventative work with children and families, aimed to mitigate the effects of child poverty and supported families to fulfil their potential.

These strategies were being implemented via a range of initiatives and projects, many of which would have an impact on child poverty. It should be emphasised though, that much activity was primarily concerned with mitigating the effects of poverty and intervening early to help children and families. Achieving significant reductions in poverty levels was, realistically, a longer term aim, particularly during an economic downturn.

The appended action plan was put in place after a child poverty performance clinic in February, 2012. The latest updates give an indication of progress on some of the key initiatives that will impact on poverty levels.

It was recommended that a more comprehensive position statement on child poverty be produced on an annual basis. In particular, this would assess progress on the broader areas of work like the Welfare Reform, Health and Wellbeing Strategy poverty priority and Early Help, which could be seen, collectively, as forming the bulk of our response to the issue of child and family poverty.

A discussion and answer session ensued and the following issues were raised and subsequently clarified:-

- The impact on child poverty with children living within poorer households who were claiming benefits, which the Council had no control over.
- The actual figures of children suffering from child poverty in Rotherham rather than reliance on national and regional figures.
- Whether or not inclusion of a range of “life chances” indicators and variable approaches took place in other Local Authorities.
- Linking the work on deprived communities to the initiatives that aimed to reduce or mitigate the impact of child and family poverty.
- Wider measures to mitigate child poverty and discussions taking place regionally to produce relevant indicators.
- The need for comparisons to be drawn from relevant and up-to-date data.
- Outside influences on the economy, which may mean the performance measure may remain ‘red’
- More detail within the action plan, which will identify what initiatives have been/not been successful to reduce or mitigate the impact of child and family poverty, along with the work within deprived communities.
- Reporting lines and where quarterly updates were provided to ensure action being taken was taking effect, co-ordinated and having some kind of impact.
- The indicator does not measure poverty in the wider sense.
- The need for further monitoring and detail to identify the numbers of children involved and outcomes.

The Select Commission was mindful of the duty to alleviate the pressure of this indicator being in red, but accepted that some areas were out of the Council's control. There was more interest in what action was being taken locally to address some of the concerns and whether these had had impact.

The Select Commission requested that the future action plans (following performance clinics) explicitly detail measures to be taken to improve performance and these be reflected in further reports to this Commission.

#### **43. PERFORMANCE UPDATES - CORPORATE PLAN OUTCOME - CHILDHOOD OBESITY**

Further to Minute No. 21 of the meeting of the Self Regulation Select Commission held on 20<sup>th</sup> September, 2012, consideration was given to a report presented by Joanna Saunders, Head of Health Improvement, Rotherham Public Health, which provided an update on action taken to reduce and mitigate the impact of childhood obesity in Rotherham.

A performance clinic also took place as a result of the obesity rate for children in Year 6 rising more steeply in Rotherham than elsewhere and above the national average.

Details of the National Child Measurement Programme were set out in detail as part of the report, but it was noted that Rotherham's measurements may have been over estimated, which may mean there were fewer overweight or obese children than the data suggested.

Discussion ensued on the content of the report and the following issues were raised and clarified:-

- Delivery of the obesity programme and various initiatives throughout Rotherham.
- The link between obesity and gut bacteria.
- The format of the performance clinic and the need for proper evaluation of how performance clinics should be conducted.
- Recording of the measurements as a result of faulty equipment.
- Future plans for service re-commissioning.

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

(2) That the performance and achievement of the Healthy Weight Framework be received and noted.

(3) That the Self Regulation Select Commission receive updates on the Borough's performance in tackling childhood obesity as part of the monitoring of the Corporate Plan Outcomes.

(4) That details of service re-commissioning be considered by the Health Select Commission and the relevant Cabinet Member at a future point.

(5) That a further report be submitted on the proposed format for all performance clinics to ensure consistency.



**44. DATE AND TIME OF NEXT MEETING: -**

Resolved:- That the next scheduled meeting take place on Thursday, 10<sup>th</sup> January, 2013 at 3.30 p.m.