

## SELF REGULATION SELECT COMMISSION

**Venue:** Town Hall, Moorgate  
Street, Rotherham.

**Date:** Thursday, 22nd November, 2012

**Time:** 3.00 p.m.

### A G E N D A

1. Apologies for Absence.
2. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
3. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
4. Communications.
5. Declarations of Interest.
6. Questions from Members of the Public and the Press.

#### **For Decision:-**

7. Minutes of the previous meeting held on 11th October, 2012 (herewith) (Pages 1 - 4)
8. Work Programme Update 2012/13 (report herewith) (Pages 5 - 8)
9. Scrutiny Review of RMBC's District Heating Scheme (report herewith) (Pages 9 - 23)
10. Support Costs Review (report herewith) (Pages 24 - 33)

#### **For Monitoring:-**

11. Revenue Budget Monitoring for the period ending 30th September 2012 (report herewith) (Pages 34 - 42)

12. Capital Programme Monitoring 2012/13 and Capital Programme Budget 2013/14 to 2014/15 (report herewith) (Pages 43 - 60)
13. Performance Updates - Corporate Plan Outcome - Child Poverty Performance Analysis (report herewith) (Pages 61 - 68)
14. Performance Updates - Corporate Plan Outcome - Childhood Obesity (report herewith) (Pages 69 - 73)
15. Date and Time of Next Meeting - Thursday, 10th January, 2013 at 3.30 p.m.

**Members of the Self-Regulation Select Commission:-**

**Councillor Currie (Chairman)**

**Councillor J. Hamilton (Vice-Chairman)**

**Councillors Atkin, Beck, Beaumont, Ellis, Godfrey, Mannion, Pickering, Sharman, Tweed and Watson.**

**SELF REGULATION SELECT COMMISSION  
11th October, 2012**

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

Apologies for absence:- Apologies were received from The Mayor (Councillor Pickering), Councillors Sharman and Watson.

**24. COMMUNICATIONS**

There were no communications to report.

**25. DECLARATIONS OF INTEREST**

There were no Declarations of Interest to report.

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

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

**27. MINUTES OF THE PREVIOUS MEETING HELD ON 20TH SEPTEMBER, 2012**

Resolved:- That the minutes of the meeting of the Self Regulation Select Commission held on 20<sup>th</sup> September, 2012 be approved as a correct record for signature by the Chairman.

The Select Commission had noted a number of items from the previous minutes which were suggested for inclusion on future agendas and received confirmation that these outstanding items would be scheduled into the work programme, which would be included within future agenda papers for information.

**28. COMPLAINTS - ANNUAL REPORT 2011 - 2012**

Consideration was given to a report presented by Stuart Purcell, Performance and Improvement Officer, which provided information about complaints made between 1<sup>st</sup> April, 2011 and 31<sup>st</sup> March, 2012 to the Local Authority, under the Corporate Complaint's Procedure, the Adult Social Services and Children's Social Services complaint regulations

The report set out in detail the number of complaints made by customers. The information was presented for the Council and by each Directorate and contained a summary of complaints received, main complaint issues and how services have been improved.

Also included were details on how complaint handling had been improved over the year and how this could be improved further.

Over the last twelve months the total number of complaints received by the Council had reduced from 1248 (2010/11) to 724, which was a 42%

reduction and overall 94% of all complaints were responded to within the statutory timescales, compared to 76% in 2010/11.

A distinction was sought between a "comment" and a "complaint" and how these were documented and recorded within the figures presented. It was suggested that the distinction between the two be more explicit in order to tease out the issues and deal with the correlation of matters objectively and collectively, especially in light of concerns being raised about the reduction in services arising from the funding cuts. It was also suggested that "compliments" amounting to some 598, be included in future reports.

Further discussion ensued and a number of questions were raised and subsequently clarified relating to:-

- The levels of satisfaction given the reduced spend available for services and ensuring all comments and complaints were recorded.
- The numbers of complaints upheld.
- The correlation of complaints in the areas of Neighbourhoods and Adult Services and Children and Young People's Services and whether any bespoke work was being done in these areas.
- Good practice identified in Neighbourhoods and Adult Services and whether this was being rolled out across other Directorates in order to move forward and improve performance.
- Take up of suggestions and learning from experience.
- Numbers of complaints being taken to Stage 3 of the process.
- Inclusion of concerns raised as part of Councillors' Surgery reports and how these were escalated.
- The need for all Directorates to be working corporately and consistently with complaints and Councillors' Surgery issues.

It was noted that the report related to the period ending March, 2012 and since then a number of significant changes have been made to the way Council handled complaints, leading to the consistency in approach requested by the Select Commission.

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

(2) That the issues raised be discussed further with the relevant Cabinet Members.

(3) That the Strategic Leadership Team ensures that consistent approach is taken across all Directorates when dealing with comments/complaints/concerns and disseminating good practice.

## **29. LOCALISATION OF SUPPORT FOR COUNCIL TAX (COUNCIL TAX BENEFIT) AND COUNCIL TAX TECHNICAL CHANGES**

Consideration was given to a report presented by Andrew Bedford, Strategic Director of Resources, detailing how from April, 2013, the Government was abolishing the current national Council Tax Benefit (CTB) scheme and asking local authorities to set up their own local schemes to meet the needs of their

local area. In making these changes the Coalition Government was cutting the amount that Rotherham had to provide Council Tax Support by £4.1 million.

The Government was also allowing Councils more discretion with regards to certain Council Tax discounts and exemptions which could be amended in order to raise additional Council Tax income which could be used to partially meet the funding cut.

Proposals for Rotherham's local Council Tax Support (CTS) scheme and changes to Council Tax discounts and exemptions have been developed in the form of a consultation leaflet. In order to meet legislative requirements these proposals must be put out to public consultation.

Following an eight week consultation period, which commenced on 24th September 2012, the responses would be considered before the final scheme was agreed and finally adopted by Council. The adoption of the scheme must happen by 31st January, 2013 in order to avoid the imposition of a Government default scheme which would have severe financial implications for the Council.

Clarification was sought on the mitigation measures being considered and the options to change Council Tax Discounts and Exemptions and assurances given that all permutations would be considered before any proposals were put forward for approval. Changes to the wider welfare reform would also have an adverse effect on the levels of Council Tax collection in the borough. Details as to the effect of any changes would need to be clear before any decision was taken and in conjunction with the budget setting process. The Council had not yet been provided with a final funding figure so this would need to be known before any final scheme was put forward for adoption.

Further information was also provided on the review of the Single Person's Discount and the need to tighten up on fraudulent claimants and the Second Adult Discount within the current scheme.

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

(2) That the proposed Local Council Tax Support Scheme and Council Tax changes for public consultation which commenced on 24th September 2012 for an 8 week period be noted.

(3) That a further update report be submitted to the Select Commission during December, 2012/January, 2013.

### **30. 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 item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act (as amended March, 2006 (information relating to finance and business affairs)).

**31. DIGITAL REGION**

Andrew Bedford, Strategic Director of Resources, gave an update on the current position with the Digital Region.

Further information was provided on the prospects of securing a private sector partner, timetable for taking matters forward and the costs and options of making the network available to 80% of households and business across South Yorkshire.

A number of issues were discussed.

Resolved:- (1) That Andrew Bedford be thanked for his update.

(2) That the information be noted.

**32. DATE AND TIME OF NEXT MEETING**

Resolved:- That the next scheduled meeting take place on Thursday, 22<sup>nd</sup> November, 2012 at 3.30 p.m.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Self-Regulation Select Commission</b>
<b>2.</b>	<b>Date:</b>	<b>22 November, 2012</b>
<b>3.</b>	<b>Title:</b>	<b>Work Programme Update 2012/13</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources All wards</b>

**5. Summary**

The paper updates the Scrutiny Work Programme for 2012/13. Members requested that a report be submitted to each meeting to reflect the current work programme and outline issues yet to be scheduled. This is attached as Appendix A

**6. Recommendations**

**That Members:**

- a. Discuss the work programme as attached and give consideration to priority areas for future scrutiny.**

**7. Proposals and details**

7.1 As outlined in the Council's Constitution, the remit of the Self-Regulation Select Commission is to carry out overview and scrutiny of issues as directed by the OSMB. These issues shall relate to

- scrutinise the Council's self assessment processes as part of the self-regulation framework
- scrutinise issues and actions emerging from external assessments (peer review, inspection etc)
- monitor and hold to account the performance of service delivery within RMBC and its partners etc with particular reference to the Corporate Plan and Sustainable Community Strategy
- scrutinise and monitor whether efficiency savings are achieved or exceeded
- co-ordinate the carrying out of value for money reviews
- scrutinise the annual budget setting process
- monitor the Council budget and MTFS

7.2 At its June meeting, the Select Commission agreed its priorities over the municipal year. A work programme has been drawn up on the basis of these priorities (attached as Appendix A). 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.

### **8. Finance**

There are no financial implications arising directly from this report. However, recommendations arising from the panel may have financial implications should they be implemented.

### **9. Risks and Uncertainties**

The work programme must be realistic in terms of the Commission's capacity to properly examine issues that come before it. If additional items are added, the panel may have to re-prioritise which issues it wishes to scrutinise.

### **10. Policy and Performance Agenda Implications**

The proposed work programme takes on board key policy agendas the Council is currently considering and performance information as and where necessary. The areas identified for future scrutiny should complement the priorities identified in the Corporate Plan.

It is also important to note the changes that have occurred during the last year and the reduction in staffing resources. Any work programme needs to take account of this and look realistically at what can be achieved and where it is best to focus resources and efforts.

### **11. Background Papers and Consultation**

This paper has been brought at the request of Members

### **12. Contact**

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**Work programme:**

**Appendix A**

	<b>Issue</b>	<b>Comment</b>
May 31, 2012	<ul style="list-style-type: none"> <li>• District Heating</li> <li>• Work programme</li> </ul>	
July 11, 2012	<ul style="list-style-type: none"> <li>• Public Sector Equality Duty</li> <li>• Capital Programme Outturn 2011/12 and updated estimates 2012/13 to 2014/15</li> <li>• Revenue Account Outturn 2011/12</li> <li>• CYPS Budget 2012/13</li> </ul>	
September 20, 2012	<ul style="list-style-type: none"> <li>• Corporate Plan Outcomes - September 2012</li> <li>• Work Programme Update</li> </ul>	
October 11, 2012	<ul style="list-style-type: none"> <li>• Annual Complaints Report - April 2011-March 2012</li> <li>• Localisation of Council Tax</li> <li>• Update Digital Region</li> </ul>	
November 22, 2012	<ul style="list-style-type: none"> <li>• District Heating Review – final report</li> <li>• 2012/13 Revenue Monitoring</li> <li>• 2012/13 Capital Programme Monitoring</li> <li>• Central Support Charges</li> <li>• Performance Updates – focusing on Child Poverty and Obesity</li> </ul>	<ul style="list-style-type: none"> <li>• final report (re-scheduled from September)</li> <li>• Request made at meeting of September 20</li> </ul>

January 10, 2013	<ul style="list-style-type: none"> <li>• Scrutiny of Budget Setting Process</li> <li>• Housing Rents (2013/14)</li> </ul>	
February 21, 2013	<ul style="list-style-type: none"> <li>• Corporate Plan Outcomes</li> <li>• Role of commissioning and whether efficiencies are being made (provisional)</li> <li>• Performance update - outcomes relating to worklessness and job creation (provisional)</li> </ul>	<ul style="list-style-type: none"> <li>• Requested at meeting of September 20, 2012.</li> <li>• Requested at meeting of September 20, 2012.</li> </ul>
March 28, 2013	agenda to be determined	

<b>requested items</b>	
<ul style="list-style-type: none"> <li>• Public Equality Duty</li> </ul>	<ul style="list-style-type: none"> <li>• May/June 2013</li> </ul>
<ul style="list-style-type: none"> <li>• 12 months implementation of the revised laundry charges with a view to ascertaining whether they provide value for money</li> </ul>	<ul style="list-style-type: none"> <li>• Requested at January 2012, scheduled for May 2013</li> </ul>
<ul style="list-style-type: none"> <li>• Private Finance Initiative - update;</li> </ul>	<ul style="list-style-type: none"> <li>• to be scheduled</li> </ul>
<ul style="list-style-type: none"> <li>• Update on Use of Consultants scrutiny review (provisional)</li> </ul>	<ul style="list-style-type: none"> <li>• to be scheduled</li> </ul>

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	Self-Regulation Select Commission
<b>2.</b>	<b>Date:</b>	22 November 2012
<b>3.</b>	<b>Title:</b>	Scrutiny Review of RMBC's District Heating Schemes
<b>4.</b>	<b>Directorate:</b>	Resources

**5. Summary**

The report sets out the findings and recommendations of the scrutiny review of District Heating, undertaken by the Self-Regulation Select Commission (attached).

**6. Recommendations**

- a. **That Self-Regulation Select Commission endorses the report's recommendations;**
- b. **That the completed report is forwarded to OSMB for its consideration and forwarded onto Cabinet;**
- c. **That the response of Cabinet to the recommendations be fed back to this Commission.**

## **7. Proposals and Details**

7.1 The Commission received a report to its January meeting outlining proposals for Housing Rent Increase 2012/13, which includes charges for heating in those areas covered by district heating. The report outlined that the scheme did not secure full recovery of its costs and despite action to address this, it had not proved possible due to significant increases in fuel charges and other factors.

7.2 In light of this, the Self-Regulation Select Commission agreed to undertake a review, chaired by Cllr Dominic Beck, to explore how cost effective and fuel efficient provision of District Heating (DH) can be achieved.

7.3 It is important that residents receive reliable, competitive and value for money heating. However, the current basis for charges does not reflect actual costs. The review sets out some practical steps to remedy this, ensuring that charges are fair and affordable to tenants. The review also explores how we communicate changes, service improvements or disruptions with our tenants.

In order for DH to be efficient and effective, the members concluded that management continuity and oversight needed to be improved and sets out how this can be achieved in relation to financial management, DH 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.

7.4 There are sixteen recommendations, detailed in Section 4 of the report. These address 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 DH 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 DH 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.

## **8. Finance**

The financial implications of any recommendations emerging from the review will require further exploration by Cabinet and the Strategic Leadership Team on the cost, risks and benefits of their implementation.

**9. Risks and Uncertainties**

Failure to ensure the full recovery of district heating costs in the long term may have an impact on the Housing Revenue Account.

**10. Policy and Performance Agenda Implication,**

The review links to the following Corporate Plan priorities:

- Making sure no community is left behind:
  - less people struggle to pay for heating and lighting costs
- Helping to create safe and healthy communities:
  - people are able to live in decent affordable homes of their choice
- Improving the environment:
  - reduced CO2 emissions and lower levels of air pollution

**11. Background Papers and Consultation**

See Section 5 of the review report

**Contact:**

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# **Scrutiny review: RMBC's District Heating Scheme**

Review of the Self-Regulation Select Commission

*November 2012*

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## **Executive Summary**

The Commission received a report to its January meeting outlining proposals for Housing Rent Increase 2012/13, which includes charges for heating in those areas covered by district heating. The report outlined that the scheme did not secure full recovery of its costs and despite action to address this, it had not proved possible due to significant increases in fuel charges and other factors.

### **The aim of the review:**

In light of this, the Self-Regulation Select Commission agreed to undertake a review to explore how cost effective and fuel efficient provision of District Heating (DH) can be achieved.

The review group was made up of the following members:

- Cllr Alan Atkin,
- Cllr Dominic Beck (Chair),
- Cllr Simon Currie
- Cllr Jane Hamilton
- Cllr Simon Tweed

In gathering its evidence the DH Review Group Members reviewed previous Cabinet reports; received a series of briefings from key officers; examined practice in other local authorities and available technologies; and spoke to the Cabinet Member for Safe and Attractive Neighbourhoods.

The help and co-operation of all who participated in this review is gratefully acknowledged.

### **Summary of findings and recommendations**

With pressure on all household budgets, it is important that residents receive reliable, competitive and value for money heating. However, the current basis for charges does not reflect actual costs. The review sets out some practical steps to remedy this, ensuring that charges are fair and affordable to tenants. The review also explores how we communicate changes, service improvements or disruptions with our tenants.

In order for DH to be efficient and effective, the members concluded that management continuity and oversight needed to be improved and sets out how this can be achieved in relation to financial management, DH 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 are sixteen recommendations, detailed in Section 4 of the report. These address 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 DH 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 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 DH 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.



## 1. Why members wanted to undertake this review?

The Commission received a report to its January meeting outlining proposals for Housing Rent Increase 2012/13, which includes charges for heating in those areas covered by a district heating scheme. The report outlined that the scheme did not secure full recovery of district heating costs. Despite a three year strategy to address this (agreed by the Cabinet Member for Neighbourhoods in 2007), due to ongoing and significant increases in the prices of gas and utility charges in general, this has yet to be fully realised. Under its remit, the Self-Regulation Select Commission agreed to undertake a review to ascertain whether value for money is being secured.

It is important that residents receive reliable, competitive and value for money heating. The review group was mindful of the links between this review and the wider Affordable Warmth and Anti-Poverty Agendas; not least because of a parallel review conducted by the Overview and Scrutiny Management Board to examine how ECO/Greendeal could be used to minimise fuel poverty. In addition, to these agendas, there is also evidence to demonstrate that efficient communal heating systems can contribute to the limitation of emissions of harmful gases. This may have positive implications for the Council's environmental policies.

These priorities are articulated in the Council's corporate plan as the following:

- Making sure no community is left behind:
  - less people struggle to pay for heating and lighting costs
- Helping to create safe and healthy communities:
  - people are able to live in decent affordable homes of their choice
- Improving the environment:
  - reduced CO2 emissions and lower levels of air pollution

## 2. Terms of reference

At the meeting of the Self-Regulation Select Commission on 19<sup>th</sup> April (Minute No.76) and 31<sup>st</sup> May 2012 (Item 7), Members agreed to undertake a scrutiny review "to explore how cost effective and fuel efficient provision of District Heating (DH) can be achieved". The review group comprised of Councillors Atkin, Beck (Chair), Currie, J. Hamilton and Tweed

The Review Group refined the key questions to focus on:

- Is the current management of the scheme effective?
- Is the billing system transparent and fair and how can full recovery costs be secured?
- What are the cost and frequency of repairs?
- Can alternative technology be used to provide more efficient and effective provision, (including consideration of what other local authority and providers are doing)?
- How communications with district heating users can be improved?

The review was also asked to consider the review timescales to ensure that savings and efficiencies can be maximised.

The review has been provided with technical support by Tracie Seals, Programme Delivery Manager, Neighbourhood and Adult Services. Her help and expertise is gratefully acknowledged.

A number of other key officers provided information; namely Dan Colley (Contract and Development Services), Megan Booth (Housing Income) Kath Oakes (Finance) and David Rhodes (Energy).

DH Review Group Members also received a series of briefings, including an overview of practice in other local authorities, spoke to the Cabinet Member for Safe and Attractive Neighbourhoods and attended a training session from a DH specialist contractor in order to inform their understanding of DH system and available technologies.

### **3. Background**

The council currently operates 3 distinct schemes, each with a separate charging format:

- A pooled metered scheme; charging at 6.55p per kWh. Pre-payment charges range from £12.80 - £19.78 depending on the size of the property
- An unmetered scheme at Beeversleigh; with charges from £14.90 for a one-bedroom flat and £17.10 for a two-bedroom flat; and
- Switch 2 card meter scheme at Swinton; charging at 4.5p per kWh

In order to have a comprehensive overview of the current state of Rotherham's DH scheme, technical and financial information was consolidated into a 'matrix' (see Appendix A).

The matrix was considered and a broad red, amber and green status was applied to the following elements:

- Income per scheme compared to expenditure (cost per household)
- Scheme surplus or deficit per household
- Level of works required (considering potential to fail)
- Condition of the infrastructure (pipework, power supplies, boiler house)
- Remaining potential life of the boiler
- Presence of gas network (considering alternatives to DH) or if the scheme could be adapted to more carbon efficient alternatives

On the basis of this information, the review group could make informed recommendations of the viability of some of the schemes, the potential impact on the residents and if value for money could be secured.

#### 4. District Heating – Review Focus

##### 4.1 Is the current management of the scheme effective?

Management of DH has passed through a number of services, notably from the Council to Rotherham 2010 Ltd and then back again; coupled with restructures and staff losses over recent years it appears that continuity has been disrupted and no single officer has the oversight of DH in the round.

In Housing & Neighbourhood Services (HNS), repair and maintenance is managed by Contract & Development Services (C&DS); whilst billing and metering is managed by Housing Income Team; and asbestos management is undertaken by Programme Delivery Service. Boiler house management was historically undertaken by EDS.

During the review, boiler house management budget provision has been moved to C&DS bringing all budgets with Housing & Neighbourhood Services (HNS). This should lead to a more coherent approach and the review group was supportive of this early management action.

Officers reported that capital investment is largely reactive as a consequence of system failure rather than investment being part of a wider planned programme of improvement. With a better understanding of stock, expenditure and DH systems, coupled with more robust monitoring of budgets, it is anticipated that a shift can be made from the reactive to more strategic investment decisions.

Members established that financial monitoring of budgets is a challenge and it is recommended that monthly monitoring of revenue and capital budgets is undertaken between the key budget holders from the relevant sections, along with the NAS Finance Manager. It is important to ensure that this monitoring includes billing and metering matters (when necessary) as it appears difficult to reconcile.

A recent Internal Audit report “District Heating Schemes Audit 2012/2013” highlighted that there were no fundamental concerns but made recommendations to enhance the control environment and provide an increased level of assurance to management. These recommendations focused on the effective administration of the scheme and the need to update procedures. The findings of the Internal Audit reinforced the conclusions drawn by the review group, that greater oversight of the scheme should be addressed.

**Recommendation 1.**

Lead revenue and capital expenditure officers are identified from within Contract and Development Services (C&DS) and Strategic Housing Investment Team (SHIS) and monthly monitoring is undertaken with a representative from Neighbourhood and Adult Service’s (NAS) Finance support to ensure prudent budget control.

##### 4.2 Is the billing system transparent and how can full recovery costs be secured?

There are three rates charged to DH scheme users which are dependent on a

number of factors. The basis for increasing charges is historic and in order to ensure that heating is affordable for Rotherham tenants, charges were increased by an agreed percentage point plus the rate of inflation (RPI) rather than reflecting actual costs. The charges are reviewed annually as part of the rent and service charges setting process as these are used to feed into annual budget setting.

It is important to charge fairly, but accurately, on the basis of predicted total operating costs of the heating system. This should take into account many factors, including the types of technologies deployed to generate heat.

The review group were mindful that there is a risk in drawing comparisons with 'competitor' heat and water providers. This is unhelpful because whilst unit cost for DH fuel may seem disproportionately high, domestic unit costs do not include standing charges, boiler servicing or other maintenance costs. Furthermore, within a DH context, fuel cost may not bear any resemblance to the actual cost of producing and delivering the heat to the point of use, as it does not take into consideration critical factors such as operational inefficiencies such as heat loss through pipes or boiler plant.

An accurate review of charging based on the actual cost of fuel and other direct costs of heat production and service provision should be undertaken. However, the charges should take account of efficiency of the boiler plant and heating operating system and cost of distributing the energy to dwellings. As strategic decisions are made about investment and repair; infrastructure inefficiencies will be minimised in the future.

Due to the way in which gas use is forecast, some DH users choose either to overpay or to under-use gas which can result in an overpayment at year end. This over payment must then be administered i.e. paid back (after checking whether the rent account is in balance). Conversely, if the forecast is underestimated, then accounts can be in arrears and debt recovery has to be arranged. The final issue in relation to billing is that for the Swinton schemes, the tariff for gas through the Switch 2 payment scheme has been under-estimated and so the cost of gas consumed is not fully recovered.

From visits to some complexes and feedback from officers, it is clear that energy consumption in communal areas and community centres must be monitored and controlled to ensure that residents do not elect to bypass their own consumption of fuel by opening doors to communal areas. By doing this, residents will only pay for the heating and energy they use.

The Internal Audit Report of DH schemes 2012/13 made a number of recommendations in relation to financial management arrangements and these are re-confirmed by this review.

**Recommendation 2.**

Metering and tamper-proof temperature control of common areas and community centres will ensure fairer arrangements are made for individual energy use.

**Recommendation 3.**

A review of charges and creation of a mechanism for annual review will ensure that the fuel cost in providing DH can be fully recovered from residents and those

responsible for communal areas

**Recommendation 4.**

That the review of charges accurately reflects the actual cost of fuel and other direct costs of heat production and service provision

**Recommendation 5.**

Complete the initial and subsequent annual review of DH separately from the annual rent review. Convergence of DH costs for the 1,400 DH users should not be associated with rent review for 21,000 users but overall consideration of financial impact should still be made to ensure that charges are affordable and accommodate provision for bad debt.

**Recommendation 6.**

That the recommendations in the Internal Audit Report of DH Schemes 2012/13 be implemented.

### 4.3 What are the cost and frequency of repairs?

Assimilating information about the number of schemes, location, service users and presence of leaseholders, extent of repairs, condition of boiler houses, plant, infrastructure and cost of provision proved challenging. It emerged during member's investigation that similar to the financial management concerns, no single officer or even service has a clear understanding of current condition and future investment plans into existing schemes or in new technologies.

Broadly speaking, revenue and capital investment is reactive, in response to system failure or just in time management where infrastructure is deteriorating. An absence of a planned approach to capital investment in overall maintenance means that it is difficult to consider the efficacy of any scheme as most major components were installed or replaced at different points in time with some major elements now nearing the end of useful life and some elements in good condition but for which obtaining parts is a challenge.

In communal areas and 17 community centres, lack of control over heating and hot water provision means that energy is often wasted. Some service users maximise the use of heat from communal areas which leads to repair call-outs due to air-locks.

**Recommendation 7.**

That a full Stock Condition Survey of all schemes is carried out forthwith, taking into account the boiler house, plant, infrastructure (distribution system), presence of controls both in communal areas and dwellings and the configuration of meters.

**Recommendation 8.**

That a database is created that captures the Stock Condition Survey outcomes as well as asbestos, health and safety data and servicing schedules.

**Recommendation 9.**

That revenue spend profile and capital investment plan is created for each scheme and resourcing of that plan is supported by the Housing Revenue Account 30 Year Business Plan.

#### 4.4 Can alternative technology be used to provide more efficient and effective provision?

Extensive consideration has been given to new technologies, including receiving advice on best practice from other local authorities and DH Service providers; attendance at a training session from a commercial DH manufacturer as well as instructing a tailored in-house focus group led by officers. The Review Group Chair and Lead Officers have also attended the recent Scrutiny Spotlight Meeting on Fuel Poverty and ECO/Greendeal opportunities.

The review group attended a presentation that outlined that the benefits of district heating are increased dramatically by using a combined heat & power plant (CHP), which produces not only heat, but also electricity. CHP plants can be powered by fossil fuels but are increasingly being fuelled by biomass or anaerobic digestion systems. There are a number of advantages to CHP plants. These include:

- reduce carbon usage
- more efficient to produce energy locally can use renewable energy sources – (eg biomass, ground source) rather than reliant on fossil fuels
- community based heat source
- future proof - minimise maintenance costs if fewer plants are used
- some scope to develop schemes across Local Authority boundaries
- sell excess power to grid

The review group are very keen to pursue new and more efficient technologies, which minimise reliance on fossil fuels. However, nationally, energy funding opportunities are in transition and it will be early in 2013 before there is certainty about how local authorities will access funding to reduce carbon.

This transition, coupled with lack of comprehensive stock condition information in relation to DH means that rather than direct recommendations as to which schemes should be invested in, there are some broad suggestions for consideration.

For example:

- Beeverleigh (48 dwellings) whilst in reasonable working order is not metered and residents pay a set fee. Satisfaction with the scheme is low as there is no control over how much is paid and the building is uncomfortably warm, in all weather. The building can not be converted to traditional gas boilers. In order to harness innovation and the opportunities ECO funding may bring, heating system providers could be invited to enter a competition to provide creative and sustainable solutions, to the challenges our current infrastructure faces. Consideration should be given to the competition outcomes and whether the work can be accommodated by the HRA 30 Year Business Plan.
- Fitzwilliam at Swinton is comprised of 20 mini-DH schemes, each servicing 12 dwellings. The boilers are nearing the end of their useful life (estimated two/three years remaining) and it is recommended that an appraisal is carried

out to convert one scheme to individual boilers. This exercise is enable comparison between schemes in terms of costs and user satisfaction

In all other instances that once the stock condition surveys are complete that a hierarchical approach is given to investment such that, if a scheme is not viable then the Council should seek a more energy efficient solution and where schemes are viable then consideration be given to enhancing the technology to improve energy efficiency and use.

**Recommendation 10.**

All future investment in DH should incorporate where possible funding opportunities presented through ECO-obligations and Greendeal.

**Recommendation 11.**

On the outcome of the Stock Condition Survey implement a hierarchical approach to investment in DH schemes to:

- Improve existing viable schemes
- Remove non-viable schemes and replace with the most effective alternative

**Recommendation 12.**

Enable a mini-competition for heating and hot water providers to explore solutions for Beeverleigh and which maximizes potential to draw in ECO funding.

**Recommendation 13.**

Support a pilot to replace one scheme at Fitzwilliam, Swinton with individual boilers (subject to gas network) to enable cost in use comparison between schemes and take into account service user satisfaction

**4.5 How communications with district heating users can be improved?**

DH remains popular with most scheme users however dissatisfaction can occur when the system fails due to breakdown or interruption in power or fuel supply. DH schemes are complex and it is important that scheme residents, which include leaseholders, are kept informed of changes to charges or service provision.

The review identifies that on larger schemes that it is unreasonable to expect that the contractor door-knock each property; instead DH scheme users will be written to, to obtain current communication preferences of telephone, e.mail or text alert and that these methods be used to inform of problems or service changes.

Where a resident identifies themselves as 'vulnerable', it is suggested that the details could be added to the council's database so that provision can be made for face to face communication or contact via the Warden Control system (Rothercare). In addition, a suitable common information point be identified at each scheme, in order to position 'alert' notices.

It is clear from the evidence gathered that a minority of tenants are not using the heat in communal areas efficiently. Alongside, information sharing about the changes to metering or temperature control in communal areas, there needs to be awareness raising about energy efficiency and usage. This should complement projects such as "Keeping Warm in Later Life" which seeks to find out what helps

and prevents older people in Rotherham from keeping warm in winter and other initiatives about minimising the impact of fuel poverty.

**Recommendation 14.**

That service users are contacted to seek their contact details and preference for failure notifications and that this information is securely communicated to contractors associated with DH repair and maintenance.

**Recommendation 15.**

Enable a series of information sharing sessions for DH Scheme users to raise awareness about energy usage and efficiency.

**4.6 Future monitoring**

It is apparent that the DH scheme has not delivered the efficiencies to make full cost recovery outlined in the 2007 three year strategy and subsequent action plans have not been fully implemented. Should the recommendations outlined in the report be approved, it is suggested that members of Self-Regulation Select Commission (or any successor body) assumes a monitoring role to ensure that the progress is maintained.

**Recommendation 16.**

That Members of Self-Regulation Select Commission (or any successor body) assumes a monitoring role to ensure that the progress on the implementation of agreed recommendations is maintained.

**5. Background Papers**

- Housing Rent Increase 2012/13 – Report to Cabinet, 18 January 2012
- Self-Regulation Select Commission – Minute 43 - 12.01.12 and Minute 76 - 19.04.12
- Appendix A – overview of the current state of Rotherham’s DH scheme, technical and financial information

**6. Thanks**

- Cllr Rose McNeely – Cabinet Member for Safe and Attractive Neighbourhoods
- Dave Richmond – Director for Housing and Neighbourhoods
- Tracie Seals - Programme Delivery Manager
- Kath Oakes - Principal Finance Officer (Neighbourhoods)
- David Rhodes – Corporate Environmental Officer
- Paul Maplethorpe - Affordable Warmth and Sustainable Energy Co-ordinator
- Dan Colley (Contract and Development Services)
- Megan Booth (Housing Income)

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Scheme Street	No. of Props (Finance)	Income per scheme 2011/12 £	Refunds per Scheme 2011/12 £	Net Income per Scheme 2011/12	Expenditure per Scheme 2011/12	Surplus / Deficit per Property 2011/12	Fuel Type	Works Required - Priority (High Med Low)	Number of repairs 2011/12	Cost of repairs 2011/12 (£)	Age of System / installation	Infrastructure condition	Potential life of boiler	Gas network on site? Or potential to install?
Beeversleigh	48	-33,440.70	0.00	-33,440.70	31,047.20	-49.86	GAS	Green	20	1510	2008	Amber - Average	Green - 7+ years	Red - No gas network
St. Anns, Shaftesbury Square	75	-42,463.56	7,888.72	-34,574.84	38,075.46	46.67	GAS + BIOMASS	Green	21	849	2008	Average but bad control's	Green - 7+ years	Red - No gas network
Mansfield Road, Swallownest	152	-124,245.51	36,797.86	-87,447.66	99,957.46	82.30	GAS	Green	33	2846	2005	Amber - Average	Amber - 5+ years	Red - No gas network
Vale Road, Warrners Dr, Thrybergh	129	-92,481.99	29,982.39	-62,499.60	80,075.93	136.25	GAS	Red - HIGH (Renew Boiler No.1. Renew doors & 1 set of pumps & fit Earth bar)	25	7047	2005	Amber - Average	Amber - 5+ years	Yes full network
Mason Avenue, Aston	114	-73,677.54	20,647.06	-53,030.48	68,089.82	156.87	GAS + BIOMASS	LOW (PIPE LAGGING)	39	2653	2008	Green - Good	Green - 7+ years	Yes full network
Hurley Croft, Brampton	59	-40,352.84	10,149.41	-30,203.42	39,738.52	161.61	GAS	Amber - MEDIUM (Old Boilers & Renew 1 Pump)	27	6981	2000	Amber - Average	Red - 2/3 + years	Yes full network
Hampstead Green, Kimberworth Park	58	-40,690.36	17,256.76	-23,433.61	33,749.64	177.86	GAS	Green	42	6150	2007	Amber - Average	Amber - 5+ years	Amber - Partial supply
Arbor Drive, Thurcroft	31	-20,768.75	5,452.00	-15,316.76	21,760.70	207.87	GAS	Green	18	1834	2002 - 2005	Green - Good	Amber - 5+ years	Yes full network
Longfield Drive, Ravenfield	32	-21,219.42	2,993.29	-18,226.13	25,253.05	219.59	GAS	Amber - MEDIUM (Renew 1 Pump)	17	407	2002 - 2005	Green - Good	Amber - 5+ years	Yes full network
Ascension Close, Model Village, Maltby	43	-30,779.95	6,535.34	-24,244.61	33,696.44	219.81	GAS	Green	22	976	2005	Green - Good	7+ years	Yes full network
Manor Lodge, Brinsworth	31	-21,333.51	5,695.30	-15,638.21	23,144.21	242.13	GAS	Amber - MEDIUM (Boilerhouse pipework requires replacement)	22	2519	2002 - 2005	Red - Poor	Red - 3+ years	Yes full network
Elizabeth Way, Masbrough	103	-74,076.39	34,214.15	-39,862.24	65,906.16	252.85	GAS + BIOMASS	Red - HIGH Pumps £7700 revised down to £5,500	62	9776	2012 + 2008	Amber - Average	Green - 10+ years	Yes full network
Woodland Drive, Dinnington	37	-23,640.10	6,762.15	-16,877.94	26,398.10	257.30	GAS	Green	17	806	2002 - 2005	Green - Good	Green - 7+ years	Yes full network
Tickhill Road, Glencairn Cl, Maltby	24	-16,182.68	2,823.59	-13,359.09	19,641.73	261.78	GAS	Green	13	2489	2005	Amber - Average	Green - 7+ years	Yes full network
The Grange, Rotherham Rd, Maltby	49	-31,307.15	17,570.18	-13,736.97	27,268.84	276.16	GAS	Red - HIGH (Underground mains)	13	2489	2005	Red - Very Poor	Green - 7+ years	Red - No gas network
Mark Grove, Flanderwell Bramley	31	-20,015.74	5,553.59	-14,462.14	23,509.89	291.86	GAS	Green	14	487	2002 - 2005	Green - Good	Green - 7+ years	Yes full network
Munsbrough Rise, Munsbrough	81	-54,597.36	21,915.86	-32,681.50	61,688.16	358.11	GAS	Green	23	1515		Amber - Average	Green - 7+ years	Yes full network
A - T Block Fitzwilliam, Swinton	20 blocks x 12 flats	-50,038.20	0.00	-50,038.20	146,214.72	404.10	GAS	Green	25	2152	2007	Amber - Average	Red - 2+ years	AmberTo boiler block end only
Blocks: A, B, C, E, F, G, H, J, K, L, M, N, P, Q, R, S & T Blocks at Fitzwilliam, Swinton are all in similar condition							GAS	Green				Amber - Average	Red - 2+ years	AmberTo boiler block end only
D Block Fitzwilliam, Swinton	12						GAS	Amber - MEDIUM (Install Condensate Drains)	15	284	2007	Amber - Average	Red - 2+ years	AmberTo boiler block end only
I Block Fitzwilliam, Swinton	12						GAS	Green	18	5858	2007	Amber - Average	Green - 7+ years	AmberTo boiler block end only
O Block Fitzwilliam, Swinton	12						GAS	Amber - MEDIUM (Install Condensate Drains)	15	511	2007	Amber - Average	Red - 2+ years	AmberTo boiler block end only
	1,317	-811,311.76	232,237.66	-579,074.10	865,216.03	286,141.93								

<b>1</b>	<b>Meeting:</b>	<b>Self Regulation Select Commission</b>
<b>2</b>	<b>Date:</b>	<b>22nd November 2012</b>
<b>3</b>	<b>Title:</b>	<b>Support Costs Review</b>
<b>4</b>	<b>Directorate:</b>	<b>Resources</b>

**5 Summary**

Following 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 has been reviewed. This report sets out the approach taken, the resultant Directorate support charges and the basis of allocation or apportionment used.

**6 Recommendations**

**Select Commission is asked to note and endorse the:**

**Charge out methodologies for Support Services**

## 7.1 Background

The Council's Central Establishment Charges (CEC's) have not been reviewed for a number of years. Following a request by Scrutiny (now Self Regulation Select Commission) to review these charges, and recognising the significant organisational changes across the Council which impact on these charges, a thorough and detailed review has now been undertaken.

The review was not limited to the review of what has historically been charged out to operational Directorates as CEC's. It was broadened out to include all 'support services', which with the exception of Customer Services, reside in the Council's Resources Directorate.

Support Costs are those incurred through the operation of 'support services' supporting delivery of front line services to the public. Charges for these services are allocated or apportioned to the services they support, on an appropriate basis, so that the true cost of each service is demonstrated (including both direct costs incurred in service delivery and a fair share of the support costs incurred).

Over recent years there has been significant restructuring and downsizing of the Council's 'Support Services' to rightly ensure delivery of the Council's commitment to focus on and protect provision of value for money, front line services to the public. This restructuring and downsizing has taken place through a number of reviews:

- Management Review
- Business Support Review
- Localities and Premises Review
- Financial Services Review
- Performance and Quality Review
- 2010 Rotherham Ltd reintegration
- RBT reintegration

There has also been a significant reduction in the number of buildings from which the Council operates so the historic basis for charging out office accommodation is no longer relevant. All of these factors and the new requirements stipulated in the new Service Reporting Code of Practice 2011/12 (SeRCOP) necessitated this review.

## 7.2 Approach

What is charged out as a 'support cost' will vary between Local Authorities depending on how the services are organised (eg centralised or decentralised service provision) and on how the services are commissioned (eg Provided in-house or through external providers or shared services). For this reason it is important to ensure that there is a clear understanding of the make-up of support costs when comparisons with other Councils or organisations are being made.

Service costs are typically made up of the following components:

Direct Costs	For example: Salaries/Wages incurred which are specific to that service provision
+ Indirect Costs	For example: Training & development costs
+ Departmental Overheads	Directorate/departmental overheads which must be allocated or apportioned to reflect true cost of service provision. These are distinct from support costs (CEC's) - see below

+ Support Costs (CEC's)	'Corporate Overheads' which must be allocated or apportioned to services to reflect the true cost of service provision.
= <b>Total Cost of Service</b>	

Where support services are centralised within a Resources Directorate (as is the case in Rotherham) they would be classed as 'Support Costs' in the table above. Where support services are integrated within Directorates or departments (as many of ours used to be) they would appear as Departmental Overheads in the table above.

Council Services typically treated as 'support services' are Asset Management, Health and Safety, Human Resources, Finance, Legal, ICT, Office Accommodation costs, Procurement and some Corporate Services.

Finance Officers have worked closely with Managers who provide and deliver support services to identify the key cost drivers, and the most appropriate methodology for charging out their services to the operational services within Directorates. Appendix 1 to this report shows the proposed charging methodologies and details of the amounts chargeable to operational Directorates. The 2 appendices to this report show:

- The charging methodology (allocation, or apportionment and the basis of apportionment);
- The financial value to be charged to each Directorate as a result of the above, and what that cost represents as a percentage of the Directorates Gross budget;
- Details of services (and values) which are not charged out to front line services in operational Directorates (including Corporate and Democratic Core costs, Corporate Management costs and Non-distributed costs, etc ) – see Appendix 2;
- Costs for support services which are borne by the Housing Revenue Account (HRA).

### 7.3 Impact of the Support Costs Review

Implementing the outcomes of this review will:

- Ensure that we are complying with the Service Reporting Code of Practice 2011/12 (SeRCOP), which replaces the former Best Value Accounting Code of Practice (BVACOP);
- Provide services with increased transparency over the support costs which are included in their overall service and Unit Costs;
- Provide greater scope to focus on ensuring delivery of Value for Money services

## 8. Finance

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

The table below shows a summary of Directorate support costs and what that cost represents as a percentage of the Directorate's current 2012/13 gross budget. Detailed information is included in Appendix 1. These budgets exclude c£2.5m Resources Directorate savings which elected Members will consider as part of the 2013/14 Budget Setting Process.

Support Service	Children & Young People Services		Neighbourhoods & Adult Services		Environment & Development Services	
	£'000	%	£'000	%	£'000	%
Internal Audit & Asset Management	1,401	1.6	1,033	0.9	813	1.2
Office Accommodation	1,020	1.2	638	0.5	876	1.3
Commissioning, Procurement, Policy & Performance	1,739	1.9	1,632	1.4	1,191	1.6
HR & Payroll	647	0.7	761	0.6	548	0.8
Financial Services	752	0.9	610	0.5	490	0.7
Legal & Democratic Services	784	0.9	278	0.2	194	0.3
Cultural & Customer Services	85	0.1	26	0.1	16	0.1
<b>TOTAL</b>	<b>6,428</b>	<b>7.3</b>	<b>4,978</b>	<b>4.2</b>	<b>4,128</b>	<b>6.0</b>

## 9 Risks and Uncertainties

The review was necessary to ensure compliance with SeRCOP. Failure to comply may result in adverse Audit opinion.

Failure to implement a revised charge out basis may mean that some services receive a disproportionate share of 'support costs'. Should this be the case, this would affect Unit Costs and Benchmarking comparisons.

## 10. Policy and Performance Agenda Implications

Will result in increased transparency of costs and provide greater scope to focus on ensuring delivery of value for money services.

## 11. Background Papers and Consultation

- Support Costs Review update to Self Regulation Select Commission 19<sup>th</sup> April 2012
- Briefing to Self Regulation Select Commission 8<sup>th</sup> December 2011
- Presentation and Briefing Note to Self Regulation Select Commission 15<sup>th</sup> September 2011
- Managers providing and delivering Support Services

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## Support Costs Analysis - Budget 2012/13

## Appendix 1

Service	Cost Centre	Charging Methodology	CYPS	NAS	EDS
Financial Services	Business Partnering	Staff time	634,477	548,775	352,668
	Accountancy Services	Staff time	52,412	26,905	28,003
	Transactions Team	Number of transactions	65,527	34,204	108,988
<b>Financial Services Total</b>			<b>752,416</b>	<b>609,883</b>	<b>489,660</b>
HR & Payroll	Ind Relations	Based on FTE	36,873	43,332	31,218
	Strategic Unit	Based on FTE	36,399	42,776	30,817
	Special Projects	Based on FTE	2,823	3,297	2,450
	Management Development	Based on FTE	10,131	11,833	8,791
	Business Values	Based on FTE	690	806	598
	Exchange	Based on FTE	874	1,020	758
	HR Consultancy	Based on FTE	166,354	195,496	140,842
	HR Central Team	Based on FTE	52,949	62,224	44,828
HR Service Centre	Based on FTE	340,381	400,009	288,179	
<b>HR &amp; Payroll Total</b>			<b>647,473</b>	<b>760,794</b>	<b>548,480</b>
Legal & Democratic Services	Legal Services B.S.U.	Staff time	135,361	30,960	20,597
	ID Badges	Based on FTE	1,572	1,848	1,331
	Legal Services	Staff time	514,297	117,632	78,258
	Corporate Mail Room	Headcount*	46,460	54,265	40,313
	Data Protection	Headcount	56,913	66,473	49,382
	Statutory Cost	As per Legal Services	28,916	6,613	4,400
<b>Legal &amp; Democratic Services Total</b>			<b>783,519</b>	<b>277,792</b>	<b>194,282</b>
Internal Audit & Asset Management	Cent at Magna	Rev. Outturn 2011/12	64,419	19,821	11,893
	Asset Mgt	Staff time	0	0	10,817
	Health and Safety	Based on FTE	65,147	76,560	55,156
	CYPS Asset Mgt	Staff time	97,160	0	0
	Internal Audit	Planned audit time 2012/13	153,340	70,829	98,576
	ICT Ops. & Dev't	PC information from ICT	379,318	321,552	236,494

	Business ICT	PC information from ICT	370,550	314,120	231,027
	ICT Governance & Change	PC information from ICT	271,015	229,743	168,971
<b>Int. Audit &amp; Asset Man't Total</b>			<b>1,400,949</b>	<b>1,032,624</b>	<b>812,933</b>
Office Accommodation	Bailey House	Use of building	0	0	130,631
	Swinton District Office	Use of building	47,459	0	0
	Wath District Office	Use of building	0	54,966	0
	45 Moorgate Street	Use of building	0	0	36,683
	Enterprise House	Use of building	55,000	0	0
	Canklow Depot	Use of building	0	0	13,850
	Maltby JSC	Use of building	29,986	29,104	0
	Aston CSC	Use of building	26,188	26,188	26,188
	Riverside House	Use of building	739,426	527,380	668,339
	Place/Welcome Centre	Use of building	121,528	0	0
<b>Office Accommodation Total</b>			<b>1,019,588</b>	<b>637,638</b>	<b>875,691</b>
Commissioning, Policy & Performance	Communications Team	Staff time - estimate	201,923	210,000	395,769
	Commissioning Team	Staff time	442,498	472,668	90,511
	Perform & Quality Team	Staff time	680,205	523,758	415,573
	Corporate Improvement	Staff time	8,900	6,853	5,437
	Best Practice Procurement	Based on transactions	116,091	119,903	81,092
	Purchase To Pay	Based on transactions	243,796	251,802	170,297
	Procurement Management	Based on transactions	45,844	47,350	32,023
<b>Comm'ng, Policy &amp; Perf Total</b>			<b>1,739,255</b>	<b>1,632,333</b>	<b>1,190,702</b>
Cultural & Customer Services	Management	Per Roth. Connect budgets	14,465	4,451	2,670
	Switchboard	Based on FTE	70,974	21,838	13,103
<b>Cultural &amp; Customer Services Total</b>			<b>85,439</b>	<b>26,289</b>	<b>15,773</b>
<b>Grand Total</b>	<b>Total Support Costs</b>		<b>6,428,640</b>	<b>4,977,354</b>	<b>4,127,521</b>
<b>Percentage of Gross Budget</b>			<b>7.3%</b>	<b>4.2%</b>	<b>6.0%</b>

**Costs NOT CHARGED to Directorates**Corporate Management Costs

<b>Service</b>	<b>£'000</b>
Management & Support	1,372
Completing, Submitting and/or Publishing Corporate Information	1,105
Partnerships	229
External Audit	405
<b>Total</b>	<b>3,111</b>

Corporate and Democratic Core Costs

<b>Service</b>	<b>£'000</b>
Town Hall	205
Members, Scrutiny & Support	2,174
Committee Services	126
Twinning & Visits	22
<b>Total</b>	<b>2,527</b>

Non Distributed Costs

<b>Service</b>	<b>£'000</b>
Decommissioned Buildings	406
Past Service Costs (Pensions)	231
<b>Total</b>	<b>637</b>

Central Services to the Public

<b>Service</b>	<b>£'000</b>
Council Tax, Benefits & Customer Service Centre	5,146
Registrars	442
Emergency Planning	209
Elections	660
<b>Total</b>	<b>6,457</b>



<b>Service</b>	<b>£'000</b>
<b><u>CYPS</u></b>	
Premises Fund Contributions	202
Schools PFI	78
<b><u>NAS</u></b>	
Housing Benefit related expenditure	3,463
Financial Assessments	714
Premises Fund Contributions	308
LINKs	101
<b><u>EDS</u></b>	
Transport Levy (ITA)	16,869
School Crossing Patrols	197
Premises Fund Contributions	353
Environmental Management (Sustainable Development)	156
Community Buildings	87
Carbon Reduction Scheme	114
Tourism (Cultural Services)	108
Community Cohesion & Diversity Forum	444
Fair Trade	2
Infrastructure & Corporate Initiatives	457
<b>Total</b>	<b>23,653</b>

### HRA Support Costs - 2012/13 Budget

Service	Cost Centre	Charging Methodology	HRA
Financial Services	Bus Partnering	Staff time	157,000
	Transactions Team	Number of transactions	63,936
<b>Financial Services Total</b>			<b>220,936</b>
HR & Payroll	Ind Relations	Based on FTE	6,872
	Strategic Unit	Based on FTE	6,783
	Special Projects	Based on FTE	626
	Management Development	Based on FTE	2,248
	Business Values	Based on FTE	153
	Exchange	Based on FTE	194
	HR Consultancy	Based on FTE	31,002
	HR Central Team	Based on FTE	9,868
	HR Service Centre	Based on FTE	63,435
<b>HR &amp; Payroll Total</b>			<b>121,181</b>
Legal & Democratic Services	Legal Services B.S.U.	Staff time	34,175
	ID Badges	Based on FTE	293
	Legal Services	Staff time	129,844
	Corporate Mail Room	Headcount*	10,307
	Data Protection	Headcount	12,625
	Statutory Cost	As per Legal Services	7,300
<b>Legal &amp; Democratic Services Total</b>			<b>194,544</b>
Internal Audit & Asset Management	Health and Safety	Based on FTE	12,141
	Internal Audit	Planned audit time 2012/13	64,074
<b>Internal Audit &amp; Asset Management Total</b>			<b>76,215</b>

<b>Office Accommodation Total</b>	Riverside House	Use of building	388,852 <b>388,852</b>
Commissioning, Policy & Performance	Best Practice Procurement	Based on transactions	30,201
	Purchase To Pay	Based on transactions	63,423
	Procurement Management	Based on transactions	11,926
<b>Commissioning, Policy &amp; Performance Total</b>			<b>105,550</b>
Cultural & Customer Services	Management	Per Roth. Connect budgets	22,253
	Housing Repairs	Direct to Directorate	746,880
<b>Cultural &amp; Customer Services Total</b>			<b>769,133</b>
<b>Grand Total</b>	<b>Total Support Costs</b>		<b>1,876,411</b>

<b>1</b>	<b>Meeting:</b>	<b>Self Regulation Select Commission</b>
<b>2</b>	<b>Date:</b>	<b>22<sup>nd</sup> November, 2012</b>
<b>3</b>	<b>Title:</b>	<b>Revenue Budget Monitoring for the period ending 30th September 2012</b>
<b>4</b>	<b>Directorate:</b>	<b>Resources</b>

## 5 Summary

From the outset of the 2011/12 Budget process (and into 2012/13) the Council has said that its focus must be on the customers it serves, the communities and businesses of Rotherham – and not our organisational structure. To achieve this end, the Council identified a clear set of principles for considering Budget proposals. This has, as a **first course of action**, been to streamline our management and administration and to reduce as far as possible our back office costs. In addition, we have continued to identify areas where better ways of working could result in even greater efficiency and effectiveness.

As a result of Coalition Government funding cuts the Council has had to deliver savings in excess of £40m up to March 2012 and is in 2012/13 having to manage further savings proposals of £20.4m which were put forward and approved in setting this year's Revenue Budget in February 2012.

This report provides details of progress on the delivery of the Revenue Budget for 2012/13 based on performance for the first 6 months of the 2012/13 financial year. It is currently forecast that the Council will overspend against its Budget by £4.715m (+2.2%). The main reasons for the forecast overspend are:

- The continuing service demand and cost pressures in looking after vulnerable children across the Borough;
- 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
- 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.

Continued, concerted management action will be required over the remaining periods of this financial year to ensure that the Council is 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.

**6 Recommendations**

**Self Regulation are asked to note:-**

- **the progress made to date in delivering the significant financial challenges presented in the Council's Revenue Budget**
- **the action to bring projected spend into line with Budget limits, including a freeze on all but essential spend**
- **further progress reports during the remainder of the financial year.**

## 7.1 Proposals and Details

This report presents details of spending against budget by Directorate covering the first 6 months of the 2012/13 financial year – April to September – and forecast costs and income to 31<sup>st</sup> March 2013.

## 7.2 The Overall Position

Directorate/Service	Annual Budget 2012/13	Projected Outturn 2012/13	Variance after Actions (over(+)/under(-) spend)	
	£'000	£'000	£'000	%
Children & Young People Services	36,372	37,792	+1,420	+3.9
Environment and Development Services	37,599	38,234	+635	+1.7
Neighbourhoods & Adult Services	76,934	76,896	-38	-
Resources	37,441	37,694	+253	+0.7
Central Services	24,944	27,389	+2,445	+9.8
<b>TOTAL</b>	<b>213,290</b>	<b>218,005</b>	<b>+4,715</b>	<b>+2.2</b>
Housing Revenue Account (HRA)	73,352	73,175	-177	-0.2

Appendix 1 to this report provides a detailed explanation of the key areas of forecast over / underspend by Directorate. The summarised position for each Directorate is described below.

### **Children & Young People's Directorate (£1.420m forecast overspend)**

The £1.420m forecast overspend position is largely due to pressures within Safeguarding and Corporate Parenting Service. The number of looked after children requiring placements reduced by 8 from 391 at the end of March 2011 to 383 at the end of March 2012. Currently this number has risen to 387. Within this the number of children in residential out of authority placements is 23 (an increase of 6 since 31 March 2012).

Pressures on budgets for provision of Out of Authority Residential care (£931k) and the provision of independent Foster Care placements (£327k) are the main service pressures.

Children's Social Care services remain under pressure despite the services' proactive approach to drive down costs including:

- The Multi-Agency Support Panel introduced by the Director of Safeguarding & Corporate Parenting in April 2011 has in the current year (2012/13) delivered **cost avoidance in the region of £467k - this represents costs avoided through effective multi agency management actions and decision making.**
- Successful work undertaken in commissioning and re-commissioning service provider contracts has led to significant cost reductions/cost avoidance (£290k)

Children's Services continue to look for ways to reduce spend.

**Environment & Development Services (£635k forecast overspend)**

The Directorate is currently forecasting an overspend of £635k largely due to pressures in Streetpride (£522k) and Planning and Development ((£115k). The forecast overspend in Streetpride includes a potential pressure of £206k for Winter Maintenance based on spend for an 'average' winter. Details of the forecast overspend are included in Appendix 1.

**Neighbourhoods and Adult Services (£38k forecast underspend)**

Overall the Directorate is forecasting a £38k underspend. Within this, Adult Services are forecasting a balanced outturn and Neighbourhood services a £38k underspend. The forecast position for Neighbourhoods and Adult Services is made up of a number of under and overspends, detailed in Appendix 1.

**Resources Directorate - (£253k forecast overspend)**

Overall the Directorate is forecasting a £253k overspend. The main pressure (£200k) is within the Commissioning, Policy and Performance service where staff have left the service during the year and consequently full-year savings have not been delivered. This is a non-recurrent pressure for 2012/13 only. Further details of pressures are included in Appendix 1.

**Central Services – (£2.445m forecast overspend)**

In setting the 2012/13 Budget, the Council put forward council-wide savings targets in respect of Commissioning and Staff savings. Delivery of the recurrent £2.2m staff savings target is ongoing. A 'window of opportunity' (to 30<sup>th</sup> September 2012) existed for staff to apply for Voluntary Severance. Once the outcome of this has been determined forecasts against targets will be revised and included in future budget monitoring reports to Cabinet. This report includes a forecast shortfall against target of £2m.

Work to deliver commissioning savings is progressing well and is ongoing. An update will be included in the next Budget Monitoring Report to Cabinet.

Forecast Land Bank pressures of £445k exist due to the need to keep secure properties which have been vacated until they are sold or demolished.

**7.3 Housing Revenue Account (HRA) (£177k forecast underspend)**

At this stage of the financial year the Housing Revenue Account is forecasting a £177k underspend. Any underspend at the end of the year will transfer to HRA reserves (ringfenced funding).

**8. Finance**

The financial issues are discussed in section 7 above.

Management actions to bring projected spend in line with Budget limits have already been put in place, including a freeze on all but essential spend. Work is being

undertaken to identify further actions, and these will be put to elected Members for consideration as and when appropriate. As these take effect they will be monitored to enable the impact of the actions to be assessed.

## 9 Risks and Uncertainties

At a time of economic difficulty and tight financial constraints, managing spend in line with the Council's Budget is essential. Careful scrutiny of expenditure and income across all services and close budget monitoring therefore remain a top priority.

## 10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the parameters agreed at the start of the current financial year is essential if the objectives of the Council's Policy agenda are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.

## 11. Background Papers and Consultation

- Revenue Budget and Council Tax for 2012/13 Report to Council 7th March 2012.
- Strategic Directors and Service Directors of the Council

**Contact Name:** Andrew Bedford, Strategic Director of Finance, ext. 22004  
[Andrew.Bedford@rotherham.gov.uk](mailto:Andrew.Bedford@rotherham.gov.uk)



**Key reasons for forecast over / underspends****Children & Young People's Services (£1.420m forecast overspend)**

The key factors contributing to the forecast overspend are:

**Social Work Teams** – Forecast overspend of £22K. This consists mainly of agency costs (£216K) being predominantly offset by staffing savings from vacant posts (-£194K).

**Children Looked After** – Forecast overspend of £1.129m. The forecast overspend on Residential out of authority placements is £931k. The number of children in residential out of authority placements is 23 (an increase of 6 since 31 March 2012).

The forecast overspend on Independent Fostering placements is £327K. The number of children in Independent foster care is 121 (a reduction of 12 since the end of March 2012).

The number of looked after children requiring placements reduced by 8 from 391 at the end of March 2011 to 383 at the end of March 2012. Currently this number is 387.

These forecast overspends are partially offset by forecast underspends on in house Fostering services (-£63K) & in house Residential (-£66K).

**Other Children & Families Services** – Forecast overspend of £115k as a result of Special Guardianship allowances (£64K) & Inter Agency Adoption Fees (£57K), Adoption Allowances (£9K) offset by staffing savings from vacant posts (-£15K).

**School Effectiveness Service** – Forecast over spend of £2k mainly due to unachievable vacancy factors.

**Special Education Provision** – Forecast overspend of £147k due to an increase in Complex Needs placements (£175K) partially offset by additional income in the Education Psychology Service (-£28K).

**Youth & Community** – Forecast Overspend of £78k due to a projected under recovery of income within the outdoor education service (£60K) & unachievable vacancy factors within the Youth Service (£18k).

**Pension/Miscellaneous** – Forecast Overspend of £10k due to additional pension costs.

**Delegated Services** – Forecast Overspend of £26k due to a projected under recovery of income at Rockingham Professional Development Centre.

The above forecast overspends are being partially offset by forecast under spends of £109k; from staffing savings from vacant posts (-£49k), additional income generation (-£20K) & reduced spend on supplies & services (-£40K).

The Directorate has developed and is maintaining a Budget Savings Action Plan to track progress on delivery of the savings. Progress against the Action Plan is considered at fortnightly Directorate Leadership Team (DLT) meetings. The Chief Executive and Strategic Director of Resources also attend these meetings on a monthly basis

Delivery of the savings will require changes in the way services are configured, and work is already well in hand to effect that change, led by staff in CYPS Directorate. Furthermore, significant Council-wide resource is being marshalled to support CYPS staff in the implementation of change.

### **Environment & Development Services (£635k forecast overspend)**

#### **Streetpride (+£522k)**

**Community and Leisure Services** are forecasting overall pressures of **£156k** within Green Spaces largely due to:- Country Park income shortfalls through adverse weather in the summer months and vacancy targets not being achieved due to low staff turnover.(£82k) Grounds Maintenance services are forecasting a pressure (£31k) for maintaining grass cutting frequencies, Landscape Design are forecasting income shortfalls (£20k). Forecast savings within Sports Development (-£26k) from vacancy management and Pest Control (-£36k) following a review of service provision, are helping to mitigate the service pressures.

**Network Management Services** are forecasting an overspend of **£277k** due to:- forecast income shortfalls within Adoptions and Searches (£20k) and Parking (£75k). Forecast savings within Streetlighting and Streetworks (-£23k) are helping to mitigate the forecast overspend. The Winter Maintenance budget is forecasting a potential pressure (£206k) assuming spend for an 'average' winter.

**Waste Services** are forecasting an overall pressure of **£99k** due to:- income loss due to the decline for commercial waste services, often as a result of failing businesses (£248k) partially offset by waste contract savings (-£89k) and savings within Waste Collection services (-£60k).

**Service-wide savings** of **-£10k** are also helping to mitigate the overall Streetpride services pressures.

#### **Regeneration and Planning (+£115k)**

**Markets** budgets are forecasting a pressure (+£37k) due to:- fewer traders renting stalls, +£12k and +£25k pressure estimated on repairs.

**The Local Development Framework** is also forecasting a pressure in respect of consultancy spend (+£62k).

**Service-wide pressures** of £16k across Planning and Regeneration services also exist.

#### **Business Unit (-£2k)**

**The Business Unit** is forecasting a small saving of -£2k

### **Neighbourhoods & Adult Services (£0.038m forecast underspend)**

Adult Services are forecasting a balanced outturn, however, a number of pressures are being offset by a number of areas of forecast underspend.

The key underlying budget pressures include:

**Learning Disabilities Independent Residential Care** – loss of continuing health income

plus transfer of former health funded clients (+£238k).

**Older People in-house residential care** - additional agency costs to cover vacancies and long term sickness (+£106k) plus income shortfall in respect of client charges (+£109k).

**Direct Payments** – forecast overspend of (+£1.559m) across all client groups due to increase in demand, a net increase of 144 clients since April.

**Transport** - recurrent budget pressure on transport (+£285k) including income from charges.

These pressures are being offset by the following forecast underspends:-

**Older People's service** – forecasting a net underspend on independent sector residential and nursing care due to 36 clients less than forecast, an increase in the average client contribution and income from property charges (-£643k).

**Older Peoples Domiciliary Care** – overall forecast underspend (-£440k) due to an increase in client take up of Direct Payments.

**Older People Assessment & Care Management** – slippage on recruitment to vacant posts plus additional income from health (-£288k).

**Learning Disabilities** – forecasting an underspend within supported living due to additional income from health plus one-off grant funding (-£224k).

**Physical and Sensory Disabilities** – planned slippage on developing alternatives to residential provision (-£394k) to offset pressures on Direct Payments budgets.

**Mental Health Community Support** – delayed start up of supported living scheme to offset pressures in Direct Payments (-£158k).

**Safeguarding** – underspend (-£44k) due to slippage on recruitment to vacant post plus additional income from court of protection fees.

**Other forecast underspends** include general premises costs (-£50k), voluntary sector provider contracts (-£16k) and savings in respect of Occupational Therapy (-£40k).

**Neighbourhood Services** - £38k forecast underspend comprises:

**Public Health** – restructure of service resulted in delays to filling vacant posts earlier in the year (-£39k).

**Housing Options** - slight overspend due to unmet vacancy factor on medical mobility and community care (+£1k).

### **Resources Directorate (£253k forecast overspend)**

**Asset Management** – Overall forecast is a £71k overspend largely due to Office accommodation costs and the cost of selling properties.

**Human Resources** - Forecast is a net £18k underspend from additional one-off income generated through shared services in 2012/13.

**Commissioning, Policy and Performance Services** – £200k forecast overspend due to staff leaving the service through severance or early retirement during the course of the year, consequently delivering only part year savings in 2012/13. This is a non-recurrent pressure.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1</b>	<b>Meeting:</b>	<b>Self Regulation Select Commission</b>
<b>2</b>	<b>Date:</b>	<b>22<sup>nd</sup> November, 2012</b>
<b>3</b>	<b>Title:</b>	<b>Capital Programme Monitoring 2012/13 and Capital Programme Budget 2013/14 to 2014/15</b>
<b>4</b>	<b>Directorate:</b>	<b>Resources</b>

## **5 Summary**

The purpose of this report is to provide details of the current forecast outturn for the 2012/13 programme and enable the Council to review the capital programme for the financial years 2013/14 and 2014/15.

## **6 Recommendations**

**Self Regulation Select Commissions is asked to note:-**

**THE CONTENTS OF THIS REPORT; AND**

**THE APPROVAL OF THE UPDATED 2012/13 TO 2014/15 CAPITAL PROGRAMME BY FULL COUNCIL.**

## 7 Proposals and Details

### 7.1 Background - The Capital Programme 2012/13 to 2014/15

The budget process that led 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 is important that the programme is kept under regular review and where necessary revisions are made. This programme was initially reviewed in July 2012, following the finalisation of the 2011/12 outturn capital expenditure and financing and has now been the subject of a further review, the results of which are reflected in the Directorate summary table presented below. A detailed analysis of the programme for each Directorate is attached at appendices 1 to 4.

	<b>2012/13 Revised Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>
<b>Directorate</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Children & Young People's Service	21.186	10.119	3.725
Environment & Development Services	18.624	15.898	7.170
Neighbourhoods & Adult Services	25.426	32.063	28.984
Resources	10.779	1.275	1.275
<b>TOTAL</b>	<b>76.015</b>	<b>59.355</b>	<b>41.154</b>

### 7.2 Children and Young People's Services Capital Programme 2012/13 to 2014/15

The revised proposed spend for 2012/13 is £21.186m, with a further £13.844m of investment in the following years of the current programme. The Council has recently been notified of a further £0.208m of unringfenced capital grant funding being allocated to it by the DfE. This funding is intended to help local authorities and their health partners to create better access to short break provision by providing new equipment, adaptations and facilities for disabled children and young people. Proposals on how the funding will be used are currently being worked up.

A copy of the current full programme is attached to this report at Appendix 1. Commentary on the main aspects of the programme and the nature of the spend is given below.

## Primary Schools

Spend on Primary Schools is expected to be £5.858m in 2012/13, with a further £1.322m of planned spend in 2013/14 to 2014/15. The major investments to note in this area are:

- Work is underway on the **Maltby Lilly Hall** new school project (£4.000m) which will create six new classrooms together with associated facilities and external play areas. In addition re-roofing work is being carried which also requires the removal of asbestos.
- The Council is providing **Wentworth C of E School** (£0.228m) with a two storey extension, including disabled toilets, an additional class room, store rooms and other resource facilities.
- Work is continuing on the **Thornhill Primary School** (£0.831m) extension designed to create Special Educational Needs facilities and a dining room extension to accommodate increased pupil numbers.
- The provision of additional classroom facilities and improved dining room facilities is underway at **Flanderwell Primary School** (£0.100m) in order to facilitate increased pupil numbers.
- Three new projects have been introduced which will see the installation of modular classrooms at **Catcliffe Primary** (£0.100m), **Treeton C of E** (£0.200m) and **Aston Hall Junior and Infants** (£0.047m) schools to address rising pupil numbers in their respective catchment areas.

## Secondary Schools

Spend on Secondary Schools is expected to be £8.363m in 2012/13 with a further £5.061m in the subsequent two years. The major investments to note in this area are:

- **Maltby Academy** (£6.500m) – a development contractor has been appointed to the project and commenced on site in September 2012 with the aim of delivering extensive refurbishment of existing buildings plus a new sports hall and teaching block. The Council continues to have an interest in the buildings until finalisation of the proposed long term lease of the assets to the Academy and is providing professional and technical support for the project.
- Essential remedial works are still planned to renovate and improve facilities at **Swinton Community School** (£1.550m), including re-roofing and re-wiring. Following the rejection of a bid for funding under the Priority Schools Building Programme a thorough review of the works to be carried out is underway and a further report will be brought to Members in due course.

## Other Projects

The other major investments to note are:

- Using Government funding minor enhancement works are carried out at schools. The **Capitalised Minor Enhancements** programme in 2012/13 is forecast to be £3.231m with a further £5.500m in the subsequent two years.
- **Devolved Formula Capital Grant** is paid annually to schools for them to use on small capital projects. In 2012/13 £1.822m is available for them to spend with a further £1.706m to be allocated in the subsequent two years.
- **Orchard Centre Conversion** (£1.176m) – the major refurbishment of the Orchard Children’s Centre has been completed allowing the provision of long term therapeutic residential care and overnight respite care. This will reduce the need for “Out of Authority” provision and create revenue savings in future years.
- The programme for **Property Adaptations** has been increased to £0.659m in 2012/13 with a further £0.255m to be spent in the subsequent two years. This programme will be used to improve the homes of foster carers, allowing greater capacity for fostering placement and improving their quality of life. It will reduce the need for Independent Fostering, delivering substantial future revenue savings.

## Environment and Development Services (EDS) Capital Programme 2012/13 to 2014/15

The revised proposed spend for 2012/13 is £18.624m with a further £23.068m of investment in subsequent years. A copy of the full programme is attached to this report at Appendix 2. Commentary on the main aspects of the EDS programme and the changes to planned spend are shown below:

### Culture and Leisure

The overall programme spend in 2012/13 is expected to be £2.130m including on-going work on the **Civic Theatre** (£0.536m), which will renovate the building fabric and mechanical and electrical services, allowing continued use for up to the next ten years. Current expectations are that the scheme will be completed in March 2013. In addition:

- Renovation of **Boston Castle** (£0.139m) is almost complete. The building has been restored from a derelict shell into a fully functional building. The work also includes the remodelling of the external



courtyard into an amphitheatre which can be used for a variety of events.

- A delay to the completion of the **Clifton Park** restoration project (£0.214m) was caused by the insolvency of the contractor. The funding body has agreed to a one year extension of the project which will now be completed in 2013/14.
- Planned works to develop **Library facilities** (£0.658m) have been deferred pending the outcome of the Libraries Customer Services Review, due to be concluded in November 2012.
- The scheme to refurbish **Wath library** (£0.163m), allowing relocation of services currently delivered from Wath Neighbourhood Office at Wath Town Hall, will commence in December 2012, with a target date for completion of March 2013.
- **Thrybergh Country Park Refurbishment** (£0.133m) has been completed with the toilet and shower facilities being completely remodelled, making them more attractive to users and increasing capacity.

## Highways

The Council's highways continue to be a priority for investment with £14.112m expected to be spent in 2012/13 and a further £22.818m invested over the next two years. The main areas of investment to be made in 2012/13 are:

- the **A57 Improvement Scheme** has commenced at a total anticipated cost of £14.700m. Delays to DfT approval for the scheme has resulted in £1.840m of spend slipping into 2013/14. The scheme will improve the A57 between Junction 31 of the M1 and Todwick crossroads, replacing the single carriageway with a re-aligned dual carriageway.
- Higher than anticipated funding has led to an increase in the **LTP Integrated Transport Block** (£1.856m). This will help to deliver projects including Howard Street traffic management scheme, Oldgate Lane junction bus access improvements and Main Street/Don Street junction footbridge and signalisation improvements.
- The **Highways Maintenance** programme (£3.448m) has been reduced in 2012/13 due to slippage of some schemes. The programme will deliver schemes such as carriageway works to Dale Road Rawmarsh and Salisbury Road, Maltby, also resurfacing work to Mansfield Road, Aston and East Bawtry Road, Broom.
- Anticipated spend on **Other Highways Projects** has increased (£2.808m) mainly due to an increase in the grant funded contribution to the SYPTE.

### **Other investments**

The Council has in 2012/13 continued to invest in the Borough's infrastructure, in particular:

- **Rotherham Townscapes Heritage Initiative** (£0.902m) continues to deliver improvements to the town centre, investing in the renovation of shop frontages, structural works and roof replacements.
- The re-development of **Rotherham Central Railway Station** (£0.108m) is nearing completion. Landscaping is due to be completed in November 2012 which will provide a quality public realm area to the new Central Station.
- Work on the culvert collapse at the **Pithouse West** site (£0.290m) is almost complete. The culvert has been repaired with only landscaping work to be completed.
- The demolition of **Crinoline House** (£0.135m) and subsequent site clearance has been completed due to health and safety issues.

### **Neighbourhoods and Adults Services Capital Programme 2012/13 to 2014/15**

The forecast spend for 2012/13 is £25.426m, with a further £61.047m planned in the remainder of the programme. A copy of the full revised programme is attached to this report at Appendix 3.

### **Adult Services**

The Service is now expecting to spend £0.144m in 2012/13, the main projects being:

- The completion of the **Transformation Project** (£0.064m) which will help the Council share relevant social care data across other Yorkshire and Humber Councils.
- Relocation of the Council's mental health day service from **Clifton Court to 68 Wellgate**, (£0.034m) allowing the drop-in service to be delivered in a central location.
- Conversion of therapy rooms into offices at the **Lord Hardy Court** and **Davies Court Pavillions** (£0.015m), enabling improved service delivery, in terms of the health and welfare of residents in the units, and more effective management of staff.
- The introduction of new projects which will see minor renovations/equipment installation at **Lord Hardy Court, Davies Court, Quarry Hill and Netherfield Court** (£0.021m).

## Neighbourhoods Services

For 2012/13 the Service is expected to spend £25.282m with a further £61.047m to be invested during the remaining period of the programme. A copy of the full programme is attached to this report at Appendix 3 and the most notable items are detailed below.

**Improving Council Housing & Housing Services** - The programme for 2012/13 has increased by £1.000m to £20.003m due to the introduction of the Strategic Acquisitions scheme. This project will increase the Council's housing stock by purchasing rather than building properties. The Council would look to acquire properties where it considers it would re-invigorate stalled projects; provide a specialist housing need; or where there is a clear housing need in the local area.

Other notable investments in this area are:

- **Refurbishment Works** (£10.914m) will be carried out to improve the quality of the housing stock both internally and externally across the borough.
- **Environmental Works** (£0.500m) - schemes are being drawn up to undertake various environmental works, most notably on Pike Road, Brinsworth where there are plans to erect fencing, build bin stores, create private space for tenants and provide off road parking areas.
- The **Decent Homes Void Programme** (£1.588m) is on-going with 51 major voids completed and re-let so far in 2012/13.
- **New Housing Management IT System** (£0.550m). Work is underway on the purchase and installation of the new IT system which will replace a variety of legacy housing systems, consolidating all housing related information and allowing for on-line citizen self-service.
- **Non-traditional Investment** (£1.289m). The programme has already delivered the renovation of properties in the Whiston area and further projects are due to start in Swallownest, Rawmarsh and East Dene in 2012/13.

**Fair Access To All: Disabled Adaptations** (£3.270m) – The private sector programme was increased in 2012/13 to reflect additional demand. Work is on-going to ensure these demand led works are completed within the statutory timescales. To date 218 major and over 1,500 minor adaptations have been completed.

**Neighbourhood Regeneration & Renewal** (£1.747m) – most notably work is continuing on the **Canklow Phase 1 & 2** projects (£0.560m) designed to acquire properties designated for clearance. Three further properties have been acquired and a further four are awaiting completion. The **Bellows Road Redevelopment** project (£0.307m) is

progressing with notice of the intention to demolish being issued and negotiations ongoing with occupiers.

**Neighbourhoods Improvements Non-HIP Programme** (£0.262m) – the majority of the spend in this area will be on the **Landfill Sites** (£0.224m) where issues with legal negotiations, contractual obligations and surveys led to the project slipping into 2012/13 and 2013/14. Work is continuing to resolve these issues which will then allow the Council to improve the gas/leachate systems and restore the land.

### **Resources Capital Programme 2012/13 to 2014/15**

Overall the 2012/13 programme is expected to spend £10.779m with a further £2.550m to be invested in the ensuing years. A copy of the full programme is attached to this report at Appendix 4, the main aspects being:

#### **Asset Management (£2.842m)**

- Work on **Rawmarsh Customer Service Centre** (£0.648m) slipped into 2012/13 but has now been completed (April) delivering a customer service centre, GPs surgery, library, sports changing facilities and a community room.
- Residual works, including final fit-out, and improvements to the exterior of **Riverside House** (£1.157m) are on-going and are expected to be completed this financial year
- Work is also continuing on the **Ancillary Services Building** (£0.830m) with alteration and renovation of the buildings on target to be completed in 2012/13. The aim of the scheme is to provide storage for the museum, corporate records and historical archives, the York and Lancaster Regimental Museum, a corporate print room, offices for Electoral Services and general storage areas.
- A new project, **Demolition of Rotherham International Centre** (£0.088m) has been added to the programme. This project will see the removal of asbestos and demolition of the building, prompted by health and safety issues.

#### **Other Investment Projects (£7.937m)**

- The Council continues to invest in its **ICT infrastructure** (£2.837m) as part of its ICT Strategy. The Strategy is focussed on ensuring the Council is able to support effectively the services it delivers and promote new, innovative, ways of working that will result in greater efficiencies and effectiveness.

- The majority of the **Community Stadium Development Facility** (£5.000m) has now been advanced allowing the Stadium to be operational.
- The final advance of the **High Street Re-development Facility** (£0.100m) was made in April 2012 allowing the continued renovation of properties on the High Street.

### 7.3 Funding of the Programme

The table shown below outlines the funding strategy associated with the schemes profiled above and detailed in the Appendices 1 to 4.

<b>Funding</b>	<b>2012/13 Revised Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Grants & Contributions	35.742	22.753	10.943
Supported Borrowing	0.210	0.188	0.000
Unsupported Borrowing	16.976	7.218	1.843
Usable Capital Receipts	1.890	1.049	0.741
Major Repairs Allowance (HRA)	20.003	19.480	20.142
Revenue Contributions	1.194	8.667	7.485
<b>Total</b>	<b>76.015</b>	<b>59.355</b>	<b>41.154</b>

### 8. Financial Implications

These are contained within the body of this report. Any revenue implications from the revised programme have been fully reflected in the Council's latest 2012/13 outturn revenue forecast and its updated Medium Term Financial Strategy.

### 9. Risks & Uncertainties

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

**10. Policy and Performance Agenda Implications**

The preparation of the Medium Term Financial Strategy incorporating a profiled capital programme and the associated revenue consequences, together with regular monitoring, highlights the Council's commitment to sound financial management.

**11. Background Papers and Consultation**

- Capital Programme Outturn 2011/12 and Updated Estimates 2012/13 to 2014/15 Report.
- Project / Scheme monitoring reports
- Monitoring returns and budget setting details from Directorates.

**Contact Name: Andrew Bedford, Strategic Director of Resources, ext. 22002, [andrew.bedford@rotherham.gov.uk](mailto:andrew.bedford@rotherham.gov.uk)**

**CHILDREN AND YOUNG PEOPLE'S CAPITAL PROGRAMME 2012/13 - 2014/15**  
**FINANCIAL SUMMARY STATEMENT**

CAPITAL INVESTMENT	ESTIMATED SPEND AND FUNDING STATEMENT		
	2012/13 £'000s	2013/14 £'000s	2014/15 £'000s
<b>PRIMARY</b>			
HERRINGTHORPE PRIMARY	1		
MALBY LILLEY HALL	4,000	410	62
WENTWORTH C OF E EXTENSION	228		
BLACKBURN KITCHEN - FLOORING	1		
THORNHILL PRIMARY EXTENSION	831	50	
KILNHURST ST THOMAS EXTRA CLASSROOM	120		
FLANDERWELL PRIMARY EXTENSION	100	790	10
SITWELL INFANTS NEW CLASSROOM	150		
KILNHURST PRIMARY KITCHEN	80		
CATCLIFFE PRIMARY - MODULAR UNITS	100		
TREETON C of E - MODULAR UNITS	200		
ASTON HALL TEMPORARY CLASSROOM	47		
<b>SECONDARY</b>			
SUPPORT TO SCHOOLS	100	100	100
ACCESS INITIATIVE	185	188	
MALBY ACADEMY	6,500	4,523	
REDBARN HOUSE ADAPTATIONS	28		
SWINTON COMMUNITY SCHOOL IMPROVEMENTS	1,550	150	
<b>CITY LEARNING CENTRES</b>			
CLC RAWMARSH	67		
<b>CAPITALISED MINOR ENHANCEMENTS</b>	3,231	2,850	2,650
<b>MAINTENANCE SCHEMES</b>			
RAWMARSH ASHWOOD KITCHEN	4		
SITWELL EXTRACTION	6		
<b>OTHER SCHEMES</b>			
DFCG	1,822	853	853
ORCHARD CENTRE CONVERSION	1,176		
PROPERTY ADAPTATIONS	659	205	50
<b>CYPS CAPITAL PROGRAMME</b>	<b>21,186</b>	<b>10,119</b>	<b>3,725</b>

SOURCES OF FUNDING	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)	185	188	
GRANTS AND CONTRIBUTIONS	20,332	9,726	3,675
REVENUE CONTRIBUTION			
USABLE CAPITAL RECEIPTS			
PRUDENTIAL BORROWING	669	205	50
EARMARKED RESERVES			
MAJOR REPAIRS ALLOWANCE			
<b>CYPS CAPITAL PROGRAMME</b>	<b>21,186</b>	<b>10,119</b>	<b>3,725</b>

**EDS CULTURE AND LEISURE CAPITAL PROGRAMME 2012/13 - 2014/15**  
**FINANCIAL SUMMARY STATEMENT**

CAPITAL INVESTMENT	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
MALTBY JOINT SERVICE CENTRE CAR PARK	20		
WHITE CITY LAUGHTON COMMON	2		
CLIFTON PARK-URBAN RESTORATION	214	226	
BOSTON PARK	139		
WHARF ROAD, KILNHURST	4		
ULLEY RESERVOIR REHABILITATION	91		
DUN STREET PLAY AREA	47		
WATH LIBRARY REFURBISHMENT	163		
THRYBERGH RESERVOIR STRATEGIC MAINTENANCE	76		
CATCLIFFE GLASS CONE	47		
THRYBERGH COUNTRY PARK - SHOWERS REFURBISHMENT	133		
BRINSWORTH LIBRARY	499		
STRATEGIC REVIEW OF LIBRARIES	159		
CIVIC THEATRE RENOVATION	536		
<b>CULTURE AND LEISURE CAPITAL PROGRAMME</b>	<b>2,130</b>	<b>226</b>	<b>0</b>

SOURCES OF FUNDING	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)			
GRANTS AND CONTRIBUTIONS	118	226	
REVENUE CONTRIBUTION	14		
USABLE CAPITAL RECEIPTS	170		
PRUDENTIAL BORROWING	1,828		
EARMARKED RESERVES			
MAJOR REPAIRS ALLOWANCE			
OVERPROGRAMMING C/FWD			
<b>CULTURE AND LEISURE CAPITAL PROGRAMME</b>	<b>2,130</b>	<b>226</b>	<b>0</b>



**EDS HIGHWAYS CAPITAL PROGRAMME 2012/13 to 2014/15**  
**FINANCIAL SUMMARY STATEMENT**

CAPITAL INVESTMENT			
	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
A57 IMPROVEMENTS	5,350	9,350	
LTP INTEGRATED TRANSPORT BLOCK	1,856	1,460	1,460
LTP HIGHWAY MAINTENANCE	3,448	2,978	2,000
REPLACEMENT/UPGRADE STREET LIGHT	650	650	650
OTHER HIGHWAYS PROJECTS	2,808	1,210	3,060
<b>EDS HIGHWAYS CAPITAL PROGRAMME</b>	<b>14,112</b>	<b>15,648</b>	<b>7,170</b>

SOURCES OF FUNDING			
	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)			
GRANTS AND CONTRIBUTIONS	12,062	12,020	6,520
REVENUE CONTRIBUTION			
USABLE CAPITAL RECEIPTS			
PRUDENTIAL BORROWING	2,050	3,628	650
EARMARKED RESERVES			
MAJOR REPAIRS ALLOWANCE			
OVERPROGRAMMING C/FWD			
<b>EDS HIGHWAYS CAPITAL PROGRAMME</b>	<b>14,112</b>	<b>15,648</b>	<b>7,170</b>

**EDS ECONOMIC REGENERATION CAPITAL PROGRAMME 2012/13 - 2014/15**  
**FINANCIAL SUMMARY STATEMENT**

CAPITAL INVESTMENT	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
<b>MASTERPLAN</b>			
BROOKFIELD PARK LANDSCAPING - MANVERS	28	24	
ROTHERHAM TOWNSCAPE HERITAGE INITIATIVES	902		
ROTHERHAM CENTRAL STATION ENVIRONMENT	108		
<b>FLOOD ALLEVIATION</b>			
CHANNY BRIDGE FLOOD DEFENCE	61		
WHISTON BROOK	6		
PITHOUSE WEST CULVERT WORKS	290		
DRAINAGE WORKS DON STREET	627		
<b>MAGNA &amp; DINNINGTON BUSINESS INCUBATION CENTRES</b>			
MAGNA BUSINESS INCUBATION	77		
<b>ECONOMIC REGENERATION</b>			
CRINOLINE HOUSE DEMOLITION	135		
<b>EDS ECONOMIC REGENERATION CAPITAL PROGRAMME</b>	<b>2,234</b>	<b>24</b>	<b>0</b>

SOURCES OF FUNDING	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)			
GRANTS AND CONTRIBUTIONS			
REVENUE CONTRIBUTION	834	24	
USABLE CAPITAL RECEIPTS			
PRUDENTIAL BORROWING	1,400		
EARMARKED RESERVES			
MAJOR REPAIRS ALLOWANCE			
OVERPROGRAMMING C/FWD			
<b>EDS ECONOMIC REGENERATION CAPITAL PROGRAMME</b>	<b>2,234</b>	<b>24</b>	<b>0</b>

**EDS - OTHER CAPITAL PROGRAMMES 2012/13 - 2014/15**  
**FINANCIAL SUMMARY STATEMENT**

CAPITAL INVESTMENT	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
<b>MINOR STRATEGIC</b>			
ASSET INFORMATION DEVELOPMENT	11		
MASON AVENUE, ASTON	3		
MONKSBRIDGE ROAD CULVERT RENEWAL	5		
<b>ROTHERHAM ECONOMIC REGENERATION FUND</b>			
TOWN CENTRE BUSINESS VITALITY SCHEME-PRIVATE PROPERTIES	76		
TOWN CENTRE BUSINESS VITALITY SCHEME-RMBC PROPERTIES	53		
<b>EDS - OTHER CAPITAL PROGRAMMES</b>	<b>148</b>		

SOURCES OF FUNDING	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)			
GRANTS AND CONTRIBUTIONS			
REVENUE CONTRIBUTION			
USABLE CAPITAL RECEIPTS	5		
PRUDENTIAL BORROWING	143		
EARMARKED RESERVES			
MAJOR REPAIRS ALLOWANCE			
OVERPROGRAMMING C/FWD			
<b>EDS - OTHER CAPITAL PROGRAMMES</b>	<b>148</b>		

**SUMMARY EDS CAPITAL PROGRAMME 2012/13 - 2014/15**

	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
TOTAL EDS EXPENDITURE	<b>18,624</b>	<b>15,898</b>	<b>7,170</b>

SOURCES OF FUNDING	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)			
GRANTS AND CONTRIBUTIONS	13,014	12,270	6,520
REVENUE CONTRIBUTION	14		
USABLE CAPITAL RECEIPTS	175		
PRUDENTIAL BORROWING	5,421	3,628	650
EARMARKED RESERVES			
MAJOR REPAIRS ALLOWANCE			
<b>EDS CAPITAL PROGRAMME</b>	<b>18,624</b>	<b>15,898</b>	<b>7,170</b>

**NEIGHBOURHOODS & ADULT SERVICES CAPITAL PROGRAMME 2012/13 - 2014/15**  
**FINANCIAL SUMMARY STATEMENT**

CAPITAL INVESTMENT	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
<b>ADULT SERVICES</b>			
TRANSFORMATION IN ADULT SOCIAL CARE CAPITAL GRANT	64		
68 WELLGATE - MENTAL HEALTH PREMISES	34		
WEBROSTER LICENCES	10		
LORD HARDY COURT REHABILITATION EQUIPMENT AND CAPITAL WORKS	8		
CARE HOME THERAPY ROOM RENOVATIONS	15		
DAVIES COURT RENOVATIONS	2		
QUARRY HILL RENOVATIONS	6		
NETHERFIELD COURT CCTV	5		
<b>IMPROVING COUNCIL HOUSING &amp; HOUSING SERVICES</b>			
REFURBISHMENT	10,914	16,969	16,506
REPLACEMENT WINDOWS	290	440	440
ENVIRONMENTAL WORKS	500	1,500	1,500
DECENT HOMES VOID PROGRAMME	1,588	1,675	1,767
REPLACEMENT OF CENTRAL HEATING	500	500	500
ELECTRICAL BOARD & BOND	140	148	148
REPLACEMENT OF BOILERS	420	420	420
REPLACEMENT OF COMMUNAL DOORS (HIGH SECURITY)	300	300	303
COMMUNITY CENTRE IMPROVEMENTS (5 YR PROGRAMME)	250	150	150
COMMUNAL AERIAL REPLACEMENT (DIGITAL UPGRADE)	10	10	10
ASBESTOS TESTING	270	100	100
ASBESTOS REMOVAL	100	100	100
LIFT REPLACEMENTS	100		
FLAT DOOR REPLACEMENT	522	500	500
DISTRICT HEATING CONVERSIONS	300	200	200
COMMUNAL HALLWAYS INVESTMENT	100	100	100
ONE-OFF PROPERTIES	300	350	350
BOUNDARY WALL TREATMENTS		200	200
GENERAL STRUCTURES	150	150	150
EPC IMPROVEMENTS	410	475	475
NEW IT SYSTEMS	550	250	
NON-TRADITIONAL INVESTMENT	1,289	1,400	1,400
STARTEGIC ACQUISITIONS	1,000	2,000	
<b>FAIR ACCESS TO ALL</b>			
DISABLED FACILITIES GRANT (PRIVATE SECTOR)	1,620	1,039	1,039
DISABLED ADAPTATIONS (PUBLIC SECTOR)	1,650	1,780	1,878
<b>NEIGHBOURHOOD REGENERATION &amp; RENEWAL</b>			
MALTBY TRANSFORMATIONAL CHANGE	50		
DINNINGTON TRANSFORMATIONAL CHANGE	240		
CANKLOW PHASE 1 & 2	560	450	450
BELLOWS ROAD SERVICE CENTRE CLEARANCE	307	308	
OCCUPATION ROAD CLEARANCE PROJECT	45		
GARAGE SITE INVESTMENT	300	200	200
SELF BUILD PLOTS - TREETON	80		
CUSTOM BUILD - PILOT PROJECT	65		
SITE DEVELOPMENT	100		
<b>NEIGHBOURHOODS IMPROVEMENTS NON-HIP PROGRAMME</b>			
AIR QUALITY GRANT	8	9	
AIR QUALITY EQUIPMENT/SOFTWARE	30		
LANDFILL SITES	224	340	98
<b>NEIGHBOURHOODS &amp; ADULT SERVICES CAPITAL PROGRAMME</b>	<b>25,426</b>	<b>32,063</b>	<b>28,984</b>

SOURCES OF FUNDING	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)	25		
GRANTS AND CONTRIBUTIONS	1,456	757	748
REVENUE CONTRIBUTION	950	8,437	7,255
USABLE CAPITAL RECEIPTS	1,715	1,049	741
PRUDENTIAL BORROWING	1,277	2,340	98
EARMARKED RESERVES			
MAJOR REPAIRS ALLOWANCE	20,003	19,480	20,142
<b>NEIGHBOURHOODS &amp; ADULT SERVICES CAPITAL PROGRAMME</b>	<b>25,426</b>	<b>32,063</b>	<b>28,984</b>

**RESOURCES CAPITAL PROGRAMME 2012/13 - 2014/15**  
**FINANCIAL SUMMARY STATEMENT**

CAPITAL INVESTMENT	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
<b>ASSET MANAGEMENT</b>			
RAWMARSH CSC	648		
TOWN CENTRE DESIGN WORK	110		
RIVERSIDE HOUSE	1,157		
ACCESS IMPROVEMENT PROGRAMME	2		
DONCASTER GATE	7		
ANCILLARY SERVICES BUILDING	830		
DEMOLITION OF ROTHERHAM INTERNATIONAL CENTRE	88		
<b>ICT</b>			
ICT STRATEGY	309		
ICT STRATEGY (2)	1,826	575	575
ICT REFRESH	700	700	700
DEFINE WEB STRATEGY	2		
<b>OTHER PROJECTS</b>			
COMMUNITY STADIUM LOAN FACILITY	5,000		
HIGH STREET REDEVELOPMENT FACILITY	100		
<b>RESOURCES CAPITAL PROGRAMME</b>	<b>10,779</b>	<b>1,275</b>	<b>1,275</b>

SOURCES OF FUNDING	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)			
GRANTS AND CONTRIBUTIONS	940		
REVENUE CONTRIBUTION	230	230	230
USABLE CAPITAL RECEIPTS			
PRUDENTIAL BORROWING	9,609	1,045	1,045
EARMARKED RESERVES			
MAJOR REPAIRS ALLOWANCE			
<b>RESOURCES CAPITAL PROGRAMME</b>	<b>10,779</b>	<b>1,275</b>	<b>1,275</b>

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Self Regulation Select Commission</b>
<b>2.</b>	<b>Date:</b>	<b>22nd November 2012</b>
<b>3.</b>	<b>Title:</b>	<b>Child Poverty Performance Analysis</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources</b>

**5. Summary:**

The report provides an update on action taken to reduce and mitigate the impact of child poverty in Rotherham.

**6. Recommendations:**

That members note the report and consider, in particular, the following recommendations:

- Performance measures to be augmented to capture a wider range of indicators relating to the drivers of child poverty, as well as a comparison with child poverty levels in other areas
- An annual position statement to be produced, summarising performance and providing an update on key initiatives that aim to reduce or mitigate the impact of child and family poverty

## 7. Proposals and Details:

### *Performance*

The corporate outcome relating to child poverty - *fewer children are living in poverty* – has consistently been rated red (not meeting targets).

This is 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 is 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 remain above the national and regional averages of 21.3% and 21.9% respectively.

This measure does not seem wholly appropriate because:

- It doesn't 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 can be seen to decrease due to proportionately higher income reductions for middle earners, which would be misleading
- Our ability to increase the income of struggling families is very limited, particularly when the economy is weak

This being the case we would recommend that performance measures are broadened to include a range of "life chances" indicators and that the headline income measure is used primarily to compare our progress with poverty levels nationally and in other areas (e.g. South Yorkshire, comparator authorities).

### *Key initiatives and programmes*

The council and our local partners have a strong strategic focus on tackling poverty.

A key priority of the new health and wellbeing strategy is to reduce poverty in disadvantaged areas.

Our early help strategy, with its focus on preventative work with children and families, aims to mitigate the effects of child poverty and support families to fulfil their potential.

These strategies are being implemented via a range of initiatives and projects, many of which will have an impact on child poverty. It should be emphasised though, that much activity is primarily concerned with mitigating the effects of poverty and intervening early to help children and families. Achieving significant reductions in poverty levels is, 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 is recommended that a more comprehensive position statement on child poverty is produced on an annual basis. In particular, this would assess progress on the following broad areas of work, which could be seen – collectively – as forming the bulk of our response to the issue of child and family poverty:

- **Welfare reform** – this is likely to have a major impact on the poverty agenda in terms of putting additional pressure on families through cuts to benefits, including the overall benefit cap, which will be introduced from April 2013. A member led strategic group is overseeing the partnership response to welfare reform, with activity including: awareness raising through production and dissemination of information leaflets, money management advice and training, and direct support to families affected by the cap (linking with *families for change*).
- **Health & wellbeing strategy poverty priority** – this is primarily being delivered through the focused work in our eleven most disadvantaged areas. Although currently in the early stages of implementation, coordinators are now making links with various agencies, including Jobcentre Plus and local community groups, to identify activities that can engage, support and provide opportunities for local people, with a particular focus on skills and employment issues.
- **Early Help** – the strategy was launched in April 2012. There are five strategic objectives, including: “to mitigate the effects of child poverty (including health inequalities) by supporting families to fulfil their potential”. Operational plans are being put in place to ensure that families who are vulnerable are identified and supported across a continuum of needs that exceed universal provision, but avoid crisis intervention. Local implementation of the government’s troubled families agenda (*families for change*) will provide challenge and support to a targeted cohort of families to help them achieve sustainable outcomes. This work will help to forge multi-agency pathways that will inform wider Early Help delivery.

## 8. Finance:

Our approach to child and family poverty should be based on the principles of prevention and early intervention, as set out in the early help strategy. This will require initial investment, as with the *families for change* programme, for example, but should realise savings in the longer term as the need for resource intensive “crisis” support is reduced.

## 9. Risks and Uncertainties:

The struggling economy and some aspects of the government’s reform agenda (i.e. welfare reform) are putting increasing pressure on – particularly – low income families. There is a concern that even by taking effective, coordinated action, local partners can only have a marginal impact on poverty in the short term.

The council, working in partnership, needs to be able to demonstrate it has a plan to reduce child poverty in order to meet its statutory duty (2010 Child Poverty Act). The action being taken, as described in this report, and the recommendations set out above should help us to meet this requirement.

**10. Policy and Performance Agenda Implications:**

Alleviating poverty and reducing inequalities are principle aims of the council and Rotherham Partnership, as emphasised in both the corporate plan (priority: *making sure no community is left behind*; outcome: *fewer children are living in poverty*) and community strategy (priority: *ensuring the best start in life for children and families*).

These issues are also central to our health and wellbeing and early help strategies, as described in section 7 of this report.

**11. Background Papers and Consultation:**

Relevant officers across the council have been consulted in the preparation of this report and, in particular, in gathering updates for the action plan.

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## ACTIONS PROPOSED TO IMPROVE PERFORMANCE

	<b>ACTION</b>	<b>DATE</b>	<b>RESP. OFFICER</b>	<b>EXPECTED OUTCOME &amp; IMPACT</b>	<b>6 MONTH UPDATE/STATUS</b>
IN THE NEXT THREE MONTHS	Member seminar to take place on child poverty	April 2012	Joyce Thacker	Raise member awareness of the child poverty agenda and its impacts.	<b>Completed</b> - Member seminar took place in April 2012
	Re-launch the Early Help Strategy - one of the strategic objectives identified in the strategy is 'to mitigate the effects of child poverty (including health inequalities) by supporting families to fulfil their potential.'	Spring 2012	Joyce Thacker	Mitigate the effects of child poverty (including health inequalities) by supporting families to fulfil their potential.' If the strategy is successful it will have long term impacts on rates of poverty in the borough.	<b>Completed</b> - Early Help strategy launched 27th April 2012. The redesigned Contact, Advice and Referral Team (CART), launched on 2nd April 2012, is ensuring children and families get quick and appropriate access to support.
	Provide targeted support for our most vulnerable groups, including EU migrants and new arrivals, through the development and implementation of the child poverty measures detailed in the EU migration action plan.	May 2012	Jo Lees	<p>Improved language skills to provide increased employment opportunities through ESOL classes</p> <p>Erskine Road project to be replicated at Ferham Children's Centre</p> <p>Increased number of EU Migrants receiving free school meals.</p> <p>Number of EU Migrants on programmes through delivery of education programmes with Job Centre Plus to enhance employment prospects.</p>	<p><b>Completed</b> - Weekly "pre-ESOL" classes have been delivered at Ferham Children's Centre and the Unity Centre since October 2011. These programmes are tailored to those unable to cope with the structured learning programmes delivered by RCAT and Dearne Valley.</p> <p><b>Completed</b> - Erskine Road project for early learning has been taking place one day a week for over 12 months and has now been expanded to include benefits advice and recycling of household goods and clothing. The project is now being replicated at Ferham Children's Centre.</p> <p>A parent group is also in place at Ferham Children's Centre, targeting vulnerable groups, including new arrivals and EU migrant families.</p> <p>Our data currently shows that 49% of new arrival / EU migrant children are receiving free school meals.</p> <p>Jobcentre Plus - Negotiations are currently ongoing to deliver CV development completions with EU migrants to enable them</p>

ACTION	DATE	RESP. OFFICER	EXPECTED OUTCOME & IMPACT	6 MONTH UPDATE/STATUS
				to meet job seekers' allowance eligibility. Performance data is currently being collated to evidence take up of provision.
Continue working with other Directorates, partners and sub regionally to better measure child poverty in Rotherham through the development of local data.	Summer 2012	Ann Hawke	Common practice across the region on how to assess Child Poverty	Work is ongoing, in conjunction with regional partners and the government's child poverty unit, to develop appropriate measures, including a wider range of relevant indicators.
Support pathway is being developed for Children's Centres. Early Years and Children's Centres co-ordinating Adult and Family Learning package for children's centre delivery with both RMBC colleagues and external PVI training providers.	April 2012	Aileen Chambers	To support parents achieve economic wellbeing.	This action is being incorporated into Rotherham's successful bid to be a Children's Improvement Board Early Years Demonstrator site to share good practice and learning at a local, regional and national level. This will enable us to learn from other local authorities whilst developing the Rotherham pathway.
Produce a briefing on the impact the changes in benefits will have on levels of deprivation in Rotherham.	Spring	Rotherham LSP		<b>Completed</b> - Paper produced and submitted to the LSP Board on 29th March 2012. Estimated that £28m will be lost to the Rotherham Economy by 2015. Disproportionate impact in most deprived areas, which have a higher concentration of benefit claimants and low income families. Significant work continues on welfare reform, analysing the impact, raising awareness and supporting those affected.
We will process housing and council tax benefits/free school meals claims and Rothercard applications in an efficient and timely manner.  1) Average number of days taken to process HB/CTB New Claims and Change events (Changes of Circumstances)	Ongoing	Benefits Service	Number of families claiming the correct benefits is increased	1) Target not met - at qtr 4 (year end) the average number of days taken to process HB/CTB new claims and change events was 12.62 days, slightly worse than the 12 day target.  2&3) On Target - 100% of Rothercard applications (both postal and on the spot) were dealt with within time.

	<b>ACTION</b>	<b>DATE</b>	<b>RESP. OFFICER</b>	<b>EXPECTED OUTCOME &amp; IMPACT</b>	<b>6 MONTH UPDATE/STATUS</b>
	<p>2) % of Rothercard applications (on the spot) issued the same day (on provision of the correct documentation from the customer).</p> <p>3) % of Rothercard applications (mail) dealt within 14 days</p> <p>4) % of New Benefit Claims decided within 14 days of receipt of all necessary information</p>				<p>4) On target - in relation to new benefit claims decided within 14 days of receipt of all necessary information being provided, performance has increased on last year's performance to 93.74%.</p>
IN THE NEXT TWELVE MONTHS	<p>Rotherham will implement a Government initiated programme to turnaround 700+ of its most troubled families. This work will commence in Rotherham's eleven most deprived neighbourhoods.</p>	Ongoing	Jenny Lingrell	<p>Work to be initiated with 244 families in 2012/13, 366 in 2013/14 and 120 in 2014/15 - expected outcomes and impact to be determined when cohort agreed</p>	<ul style="list-style-type: none"> <li>- Troubled Families Coordinator is in post;</li> <li>- Cohort of families for Year 1 has been identified (244)</li> <li>- Cohort of families for Year 2 (365) to be identified by April '13</li> <li>- <i>Families for change</i> coordinators will begin to manage engagement with families from Dec '12</li> <li>- Delivery plan agreed by partners</li> </ul>
	<p>Provide income maximization, housing/tenancy advice and money advice services to ensure people can budget and manage their priority needs.</p>	Ongoing	VAR		<p>Financial capability training / advice provided by VCS organisations as part of broader advice provision relating to debt, benefits and financial inclusion</p>
	<p>Early Years Pupil Premium – Free Nursery Provision</p>	Ongoing	Aileen Chambers		<p>Take-up of early education for 3 and 4 year olds has increased by 3.6% on the summer 2011 position.</p> <p>In addition, a total of 404 two year olds are currently taking up an early education place.</p>
	<p>"Work Programme" initiative with Serco and A4E and EOS Works Limited contractor for the DWP ESF funded Support for Families with Multiple Problems project</p>	Ongoing	Simeon Leach / Warren Carratt		<p>Local provision of employment support advice to families with multiple problems delivered by Wiseability. Referrals are being made from children's centres; housing and benefits teams to begin making referrals in Dec '12.</p> <p>Additional referrals will be made in response to the benefits cap, implementation of family common assessment framework and families</p>

	<b>ACTION</b>	<b>DATE</b>	<b>RESP. OFFICER</b>	<b>EXPECTED OUTCOME &amp; IMPACT</b>	<b>6 MONTH UPDATE/STATUS</b>
					for change provision.
	Adult Learning – LEP working with businesses to identify training needs				A skills hub is being developed for Sheffield city region as part of the <i>city deal</i> with government. This will involve brokers working with businesses to understand their skills needs and connect them with appropriate training providers.
	Workforce Development – Encourage use of the Children’s Workforce Development Council Training in Rotherham		Warren Carratt		Child poverty and financial sustainability are being factored into the suite of learning and development interventions planned to support the delivery of the <i>early help</i> operational work.
	Improve access to affordable credit for facilities to reduce the use of costly and illegal lenders.	Ongoing	VAR	Provision low cost loans and savings facilities to 600 families  Provision of PAT Tested goods and furniture to 50 families	Work to promote credit unions as an alternative to high cost “doorstep” lenders is ongoing as part of the welfare response work.
LONGER TERM	Provide support and advice on fuel poverty and provision of advice to all children’s centres.	Ongoing	Citizen's Advice Bureau	Increased income for all households including one or more children	Leaflets explaining the changes to benefits and providing contact details for advice and support have been provided to all children’s centres.  A bid to the DECC’s new fuel poverty fund is in the early stages of development and Rotherham has a new warmer homes strategy, which will build on work carried out through the affordable warmth strategy and the joint RMBC/NHSR Warm Homes project.
	More co-ordinated targeted approach to addressing hotspots and clear consistent messages around child poverty.	Ongoing	All partners		Work being developed in the borough’s 11 most deprived areas will use relevant data to identify child poverty “hotspots” and take appropriate action, making links with <i>families for change</i> and other programmes as required.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Self Regulation Select Commission</b>
<b>2.</b>	<b>Date:</b>	<b>22nd November 2012</b>
<b>3.</b>	<b>Title:</b>	<b>Childhood Obesity</b>
<b>4.</b>	<b>Directorate:</b>	<b>Public Health</b>

**5. Summary:**

The report provides an update on action taken to reduce and mitigate the impact of childhood obesity in Rotherham.

**6. Recommendations:**

- That members note the report and consider, in particular, the following recommendations:
- That the performance and achievement of the Healthy Weight Framework (HWF) received and noted
- That the Commission endorses the proposal to review the service specifications and recommission the services for a further 3-5 year period
- That the Commission receives an annual update on the Borough's performance in tackling childhood obesity as part of the monitoring of the Corporate Plan Outcomes..

## 7. Proposals and Details:

### Background

The performance clinic was called as a result of the obesity rate for children in Y6 (aged 10 and 11 years) rising more steeply in Rotherham than elsewhere and above the national average. The full data is shown in the table below:

Table 1  
National Child Measurement Programme (NCMP) Data for Rotherham & England, YR & Y6.

#### **NCMP Data**

Year	2006/7	2007/8	2008/9	2009/10	2010/11
Reception % measured – Rotherham	91%	90%	94.1%	94.4%	98.2%
Reception % measured – England	83%	89%	91.2%	92.9%	93.4%
% Reception obese - Rotherham	10.3	12	10	10.5	8.3
% Reception obese - England	9.9	9.6	9.6	9.8	9.4
% YR ovwt & obese – Rotherham	23.8	25.2	24.4	23.5	19.6
% YR ovwt & obese - England	22.9	22.6	22.8	23.1	22.6
Yr6 % measured – Rotherham	79%	88%	90.8%	95%	96.8%
Yr6 % measured – England	80%	87%	89.1%	89.9%	91.8%
% Year 6 obese - Rotherham	18.4	20.8	19	20.2	21.6
% Year 6 obese - England	17.5	18.3	18.3	18.7	19.0
% Yr 6 ovwt & obese – Rotherham	33.4	37	33.3	34.9	35.2
% Yr 6 ovwt and obese -England	31.6	32.6	32.6	33.3	33.4

The obesity programme is managed by the Head of Health Improvement in the PH team and an Obesity Strategy Group, chaired by Councillor Ken Wyatt, meets quarterly. The full time Obesity Lead left her post in April 2012 and has not been replaced.

### Current position

The NCMP data for 2011/12 has not yet been published (due December 2012), but there has been an issue nationally with the recording of the measurements as a result of faulty equipment. It is likely that the Rotherham measurements have been



over estimated, and that there are fewer overweight or obese children than the data suggests. However, the relative position is not changed.

The Rotherham Healthy Weight Framework (HWF) was initially commissioned by NHS Rotherham for 3 years from 2009 to 2012 and won the national Health & Social Care Award for Excellence in Commissioning in 2009. The services have been extended into 2012/13 and agreement has been made for the current contracts to be rolled forward for a further 6 months into the 2013/14 financial year, to enable further review of the performance of the services, and any potential review of the pathway and balance of services to ensure compliance with NICE guidance as any longer term commissioning is undertaken.

The commissioning of the HWF transfers from the NHS to the Local Authority from 1 April 2013, with the transition of the Public Health Service. The decision was made to roll the contracts forward to secure the delivery of services for children and adults during the transition period.

The services for both children and adults continue to be performance managed by the Head of Health Improvement, with regular meetings with individual providers and joint meetings to facilitate improvements to the individual services and the overall pathway. The services for children comprise the following:

More Life Clubs (delivered by DC Leisure) – latest data shows that 450 children have achieved success in programmes delivered to date (97% success rate). The current programmes run until December. During the past 2 summer holidays, DCL have also delivered an intensive day camp programme, using a model based on the More Life Residential Camp.

Rotherham Institute for Obesity (the multidisciplinary team delivered by Clifton Lane Medical Centre) – to date 497 children have been referred to this service. RIO provides support directly to children and also assesses them for referral to the Residential Camp. Over 60% of children joining this service achieve weight loss.

More Life Residential Camp – to date 155 children have attended the residential camp achieving 100% success. Follow up data shows that at 6 months, 60% of the young people who continue into the Club programme continue weight loss and report significant improvements in self-esteem, confidence and engagement in school and social activities.

The Obesity Strategy Group has reviewed its Terms of Reference and widened participation from within the Local Authority. Obesity features clearly within the Joint Strategic Needs Assessment and the Clinical Commissioning Group's Annual Commissioning Plan. This is further supported by the Health and Wellbeing Strategy Healthy Lifestyles theme (led by the Head of Health Improvement).

Obesity is one of the key outcomes in the Public Health Outcomes Framework and is being reviewed by OFSTED in the current inspection regime for Children's Centres and schools. A presentation about the HWF service offer was made to Health Visitor and School Nurse teams in April 2012. Work is currently under way to produce a resource for schools to raise awareness of the services and promote

referral. Weight Management is also a key offer within the “Making Every Contact Count” programme.

### **Future commissioning arrangements**

There has been concern that the short-term commitment to the services will lead to loss of trained and experienced staff and that any future services need to reflect the revisions to NICE guidance (this is due to be published any time). There is still no national benchmarking of weight management services (this continues to be raised nationally) and Rotherham still receives considerable interest in the HWF and service outcomes achieved to date.

The Obesity Strategy Group are currently organising a one day conference event to raise the profile of the framework (and the Borough’s success in the commissioning and delivery of weight management services) in January 2013.

### **8. Finance:**

The funding for these services is currently with NHS Rotherham. It will transfer to RMBC as part of the ring-fenced Public Health Grant.

### **9. Risks and Uncertainties:**

The HWF was commissioned to reflect the best evidence and guidance available at the time and assuming the framework were to be recommissioned, the new specifications would reflect the forthcoming NICE guidance.

If the decision were made not to commission these services, there would inevitably be rises in the Y6 levels of overweight and obesity and adult obesity and increased morbidity and mortality as a result of increasing levels of cardiovascular disease and cancer. Obesity is widely seen as one of the major public health challenges. The Rotherham framework has attracted considerable national interest and is considered as best practice.

### **10. Policy and Performance Agenda Implications:**

The most prominent policy and performance links include the RMBC corporate plan outcome: More people are physically active and have a healthy way of life, the Rotherham Community Strategy priority: ensuring the best start in life for children and families and will also form part of the Joint Health and Wellbeing Strategy priority which will be reported on through a Public Health Outcomes Framework.

**11. Background Papers and Consultation:**

None.

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