

## **Select Commission Briefing - 3.00 p.m.**

### **SELF REGULATION SELECT COMMISSION**

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

**Date: Thursday, 25th July, 2013**

**Time: 3.30 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 27th June, 2013 (herewith) (Pages 1 - 6)

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

8. General Fund - Budget Principles 2014/15 and Onwards 2014/15, Proposed Budget Setting Timetable and 2013/14 Reporting In Year Financial Budget Performance (report herewith) (Pages 7 - 16)
9. Corporate Risk Register (report herewith) (Pages 17 - 26)
10. Six Month Progress Update to Scrutiny Recommendations of RMBC's District Heating Service (February 2013) (report herewith) (Pages 27 - 33)

11. Date and Time of Next Meeting - Thursday, 5th September, 2013 at 3.30 p.m.

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

**Councillor Currie (Chairman)**

**Councillor Beck (Vice-Chairman)**

**Councillors Ahmed, Atkin, Beaumont, Ellis, Godfrey, J. Hamilton, Mannion, Pickering,  
Sharman, Tweed, Vines and Watson.**

**SELF REGULATION SELECT COMMISSION**  
**27th June, 2013**

Present:- Councillor Currie (in the Chair); Councillors Atkin, Beaumont, Beck, J. Hamilton, Sharman, Tweed, Vines and Watson; the Deputy Leader (Councillor Akhtar) also attended for item 8.

Apologies for absence were received from Councillors Ellis and Godfrey.

**1. COMMUNICATIONS**

The Chairman welcomed the new Members of the Self Regulation Select Commission to their first meeting.

**2. DECLARATIONS OF INTEREST**

Councillor D. Beck declared a prejudicial interest in item 8 (Revenue Account Outturn 2012/13) as an employee of the Barnsley and Rotherham Chamber of Commerce and left the meeting whilst that item was being considered.

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

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

**4. MINUTES OF THE PREVIOUS MEETING HELD ON 2ND MAY, 2013**

Resolved:- That the minutes of the previous meeting of the Self Regulation Select Commission held on 2<sup>nd</sup> May, 2013 be approved as a correct record for signature by the Chairman.

**5. REPRESENTATIONS ON PANELS/WORKING GROUPS**

Resolved:- That the following Members of the Self Regulation Select Commission be appointed to the Panel and Group shown for the 2013/2014 Municipal Year:-

(1) Health, Welfare and Safety Panel: - Councillor T. R. Sharman (substitute : Councillor J. Hamilton).

(2) Recycling Group: - Councillor S. Ellis.

**6. PERFORMANCE CLINICS FRAMEWORK AND GUIDANCE FOR THE SELF REGULATION SELECT COMMISSION**

Further to Minute No. 69 of the meeting of the Self Regulation Select Commission held on 28th March, 2013, consideration was given to a report presented by the Performance and Quality Manager concerning the Council's achievements in delivering its commitments to citizens. Against

a backdrop of diminishing resources, this task is very challenging and requires a review of the way the Council monitors and manages performance when expectations are not being met.

The report stated that this Council has successfully used performance clinics in the past, but the way these clinics have been used and the frequency with which they are held has changed, reflecting the reduced resources available.

In order to reflect both this direction of travel and the need to refresh the Council's approach, the report included suggestions of three types of clinic which could be used in different circumstances: (i) Managerial, (ii) ad hoc challenge events; and (iii) planned challenge. These three types of performance clinic were described in the submitted report and would be capable of being triggered in a variety of circumstances in response to a specific issue, theme or cause for concern. Members were informed that:-

(a) a Managerial performance clinic is internal and managed entirely by the Service accountable Director and by Performance and Quality staff;

(b) ad hoc challenge events - recommended by the Council's Senior Leadership Team, by Cabinet Members or by a Select Commission, usually after managerial action has failed to achieve an improvement in outcomes; and

(c) Planned Challenge Events as part of the annual work programme of the Council's Scrutiny function.

The Select Commission also noted that the Council's former Resources Directorate staff would set up and run performance clinics and divert resources away from front-line problem solving and delivery. Consequently, it is important that the performance clinics are used appropriately and sparingly. The performance clinics should not be seen as the default response to poor performance.

The view of the Select Commission was that ad hoc challenge events should be chaired by an 'independent' Cabinet Member, who does not have portfolio responsibility for the service in question. The Select Commission referred this view to the Deputy Leader for his consideration.

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

(2) That the Deputy Leader be asked to approve the arrangements for future Elected Member-led performance clinics.

## **7. INVEST TO SAVE UPDATE**

Further to Minute No. 75(3) of the meeting of the Self Regulation Select Commission held on 2nd May, 2013, consideration was given to a report presented by the Workforce Strategy Planning and Development Manager

describing the progress and impact of the Invest to Save Bid to reduce the Council's use of independent foster agency placements. The submitted report detailed the actions taken, number of foster carers recruited and savings.

The Select Commission noted that the Invest to Save Proposal had been agreed in August 2011 and is a three year investment. This invest to save proposal is focused on increasing the number of fostering and adoptive placements. The first year target of a net increase of 12 fostering households was achieved and the second year target of 18 was exceeded by 2. The final year target is a net increase of 23 fostering households. These are minimum targets. In terms of adoption, the first year target of approving 17 was exceeded by one, whilst in the second year the target of 21 approvals was missed by 2, due to checks and references being delayed. It was noted that these two cases have now been approved. During the third year, the adoption service is required to approve 21 adopters.

The report stated that the approval activity needs to be balanced against the focus on ensuring retention of foster carers. Year two has seen consistent recruitment activity with foster carers and a significant improvement in activity from the previous year. Details of the retention of foster carers were included in the submitted report.

Members asked questions about:-

- the financial arrangements in respect of support for foster carers;
- the experience of other local authorities.

Resolved:- (1) That the report be received and the actions taken through the invest to save bid to recruit foster carers and prospective adopters be noted.

(2) That the Select Commission notes that this invest to save programme will continue to be monitored by officers on a monthly basis and also by the Corporate Parenting Panel to ensure that targets are achieved and more fostering and adoptive placements are available locally.

## **8. REVENUE ACCOUNT OUTTURN 2012/13**

Consideration was given to a report presented by the Director of Finance concerning the Council's revenue budget out-turn for the 2012/2013 financial year. The report included the following summary details:-

(i) In 2012/13 the Council budgeted to spend £213.290 millions on its General Fund Revenue Account. Actual spending for the year was £212.402 millions, a saving against budget of £0.888 million (or -0.42%). Of this amount, £0.705 million is accounted for by surpluses on trading accounts, leaving a net underspend of £0.183 million.

(ii) Requests to carry-forward £159,000 of unspent 2012/13 budgets for specific projects/purposes were also included in the submitted report. If approved, the remaining balance available to support the budget is £24,000.

(iii) In addition, the Delegated Schools' Budget was £183.574 millions. Actual spend against this was £182.958 millions, an underspend of £0.616 million for the year. This has been added to Schools' Reserves which at 31st March 2013 stood at £8.227 millions.

(iv) The Housing Revenue Account (HRA) in 2012/13 was budgeted to make a contribution to the HRA General Reserve of £1.838 millions. Actual contribution to this Reserve was £6.801 millions, an additional contribution of £4.963 millions.

(v) This is a very positive outturn, especially given the challenges faced in-year which necessitated the implementation of a moratorium on all but essential spending from October 2012. It is the result of the hard work of both Elected Members and staff in managing reducing levels of funding at a time of increasing service need, and also the generally good and responsible financial management on the part of budget holders.

(vi) Reflecting the above out-turn position, and subject to the recommendations in the report being approved, the Council's Revenue Reserves as at 31st March, 2013 were: General Fund Reserves available and uncommitted to support the Budget £9.316 millions and Earmarked Reserves £51.345 millions of which £41.663 millions is ring-fenced for HRA, Schools and to meet future PFI contractual obligations. Reserves at the end of 2012/13 are in line with planned levels.

Members of the Select Commission discussed the following issues:-

- the Select Commission thanked the Council's staff, especially those in the Finance Service and in Children and Young People's Services, for the achievement of a balanced budget;
- the Housing Revenue Account budget allocation for improvements to Council-owned garage sites (Members suggested that this matter required further consideration at a future meeting);
- under-utilisation of bad weather contingency and contractual risks budgets (Housing Revenue Account);
- schools budgets, the composite schools' budget reserves and the incidence of budgets being under-spent.

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

(2) That the Self Regulation Select Commission notes the following recommendations which are being made to Cabinet:-

(a) to note the Council's General Fund, Schools' and the Housing Revenue Account (HRA) Revenue Outturn Position Statements for 2012/13;

(b) to note the level of the Council's Revenue Reserves as at 31st March, 2013; and

(c) asked to approve the carrying forward of underspends on Trading Services (£704,895) and requests for carrying forward of specific items (£158,709) in accordance with the Council's approved policy.

(Councillor Beck declared a prejudicial interest in this item and left the meeting whilst the matter was being considered)

## **9. WORK PROGRAMME**

Consideration was given to a report, presented by the Senior Scrutiny Officer, which updated Members of both the Overview and Scrutiny Management Board and all of the Select Commissions on the outcomes from the "development session" on the scrutiny work programme, held during the Overview and Scrutiny Management Board meeting on 24<sup>th</sup> May, 2013, and on the proposals for allocation of that work programme to each of the Select Commissions in 2013/14.

Members discussed the various subjects listed in this Select Commission's work programme, noting that other issues may be brought forward for scrutiny review during the forthcoming year.

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

(2) That revised work programme, as now discussed, be approved.

(3) That Councillor Beck be nominated to represent the Self Regulation Select Commission on the scrutiny review group for the scrutiny of local procurement policies and support to businesses, being established by the Improving Places Select Commission.

## **10. 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 1972 as amended (information relating to the financial/business affairs of any person (including the Council)).

## **11. SUPPORT FOR THE LOCAL ECONOMY**

Consideration was given to a report presented by the Senior Category

Manager (Procurement) outlining the work currently being undertaken by this Council in support of the local economy, activity which continues to be a priority. The scope of the report and Members' subsequent discussion included:-

- tendering for Council services;
- use of local suppliers;
- local employment issues (including the YORbuild contractors' framework);
- traded services;
- e procurement and e invoicing;
- fair trade products;
- 'meet the buyer' events;
- consortium agreements for the procurement of goods and services;
- the use of key performance indicators in respect of the monitoring and review of the Council's suppliers;
- comparisons with other local authorities in the Yorkshire and Humber region.

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

(2) That the various issues, now discussed, which are factors in the growth of the local economy, be considered as part of the scrutiny review of the Sheffield City Region economy to be undertaken by the Overview and Scrutiny Management Board.

## **12. DATE AND TIME OF NEXT MEETING**

Resolved:- That the next meeting of the Self Regulation Select Commission be held at the Town Hall, Rotherham on Thursday, 25<sup>th</sup> July, 2013, commencing at 3.30 p.m.

<b>1</b>	<b>Meeting:</b>	<b>SELF REGULATION SELECT COMMISSION</b>
<b>2</b>	<b>Date:</b>	<b>25<sup>th</sup> July, 2013</b>
<b>3</b>	<b>Title:</b>	<b>General Fund:</b> <ul style="list-style-type: none"> <li>• <b>Budget Principles: 2014/15 and onwards;</b></li> <li>• <b>2014/15: Proposed Budget Setting Timetable; and</b></li> <li>• <b>2013/14: Reporting in year financial budget performance</b></li> </ul>
<b>4</b>	<b>Directorate:</b>	<b>Resources</b>

## **5 Summary**

In setting the 2013/14 Revenue Budget, it was recognised that the current budget principles, that had served the Council well since the Coalition Government's programme of austerity started, would need to be refreshed in light of recent announcements that further significant funding reductions for local government were likely to continue until at least 2018. This report proposes a refreshed set of budget principles on which the 2014/15 General Fund (GF) Revenue Budget and Medium Term Financial Strategy should be based.

The report also recommends for Cabinet approval the proposed Budget Setting Timetable for setting the 2014/15 Revenue Budget and Medium Term Financial Strategy (MTFS), and the proposed approach to reporting the Council's in year financial performance to Cabinet for the financial year 2013/14.

## **Recommendations**

**That the Self Regulation Select Commission note:-**

- **The refreshed Principles on which the 2014/15 General Fund Revenue Budget and Medium Term Financial Strategy.**
- **The proposed budget setting timetable for the Revenue Budget 2014/15 and MTFS.**
- **The proposed approach to reporting to Cabinet the Revenue Budget Monitoring position for 2013/14 financial year onwards.**

## 7.1 Background

Local Government has seen significant funding cuts since the Coalition Government was elected. Rotherham Council has had to find cumulative savings of over £50m in 2011/12 and 2012/13 respectively and is required to deliver a further £20.2m savings during the course of 2013/14. The provisional settlement for 2014/15 and the Chancellors most recent budget statement indicates that Rotherham will see funding reduction of more than 10%, with further year on year reductions expected until at least 2018.

The date for the next Spending Review (SR) has been announced as 26th June 2013 when details of funding settlements for the next few years will become apparent – professional commentators expect local government funding to reduce by over 50% over the two SR periods. This will aid our medium term financial planning in further developing our understanding as to the potential scale of the financial challenges to be faced.

In addition to significant funding cuts, Local Government is starting to see the impact of the significant Welfare Reform changes on its residents and in particular on those on low income levels. Equally, these will have significant implications for the Council in terms of likely demand for services and for its financial performance and overall long term financial position. Further, the increasing localisation of funding for Business Rates and the newly implemented Council Tax Reduction Scheme, will mean the Council having to bear an increasing financial risk, especially in these difficult financial and economic conditions for a large number of businesses and residents in the borough. Given the recency of these changes and the Government's transition timetable for welfare reform, the full extent of the impact on the borough's economy, its people and the Council is still to be fully understood.

## 7.2 Proposed Budget Principles

### 7.2.1 Background

The Council needs to refresh its Medium Term Financial Strategy (MTFS). The following paragraphs propose the new budget principles on which the 2014/15 Budget and MTFS should be based and the proposed approach to updating the MTFS.

The Budget Principles we have adhered to over the last few years have ensured we have rationalised and aligned services wherever possible to deliver effective and efficient services within the funding available. However, some of our Budget Principles are no longer fit-for-purpose if the Council is to meet these expected challenging, sustained reductions in funding. We have strategically reintegrated and repositioned major partnerships to drive out further efficiency savings; our Support Services have been pared to a minimum and our staff head count has been reduced by over 1,000 with management posts reduced by 19%. We can no longer 'salami-slice' services to ensure spend is within budget - we are a very lean Council. We cannot sustain the next generation of savings without a **radically different direction**.

The context within which the Council provides services to its citizens is very challenging:-

Nationally it is recognised that global Eurozone and UK economies are unlikely to pick-up in the short term and there is no political disagreement on both the scale of spending reductions needed and the need to adhere to current or expected spending plans.

At a local level:-

Citizens in Rotherham generally have poorer health outcomes than average (11.3% of our population have long term conditions which limit their activities a lot this is 36% higher than the national average (8.3%)).

There are fewer jobs available locally - Rotherham lost 11,000 jobs between 2007 and 2010, a reduction of 9.5% compared with a national reduction of just 1.2% and Rotherham's unemployment level in 2011/12 was 11.1% compared with 8.2% in England.

The need for Housing is great and is growing, EU migration from Bulgaria and Romania is likely to both increase demand on services and the number of children requiring care and see an increase in the number of older people needing care and for longer.

Rotherham has slipped a further 15 places to the 53<sup>rd</sup> most deprived Community in the country. Government Welfare Reform changes will have a further significant adverse impact on the poorest and most vulnerable in the Borough and this is expected to place even greater demand on Council services into the future – recent academic research suggests that by 2017/18 welfare reform changes will lead to £91m being lost from the Rotherham economy.

### 7.2.2 Council Priorities

In the face of this background, it is essential that the Council reconsiders its core offering to its citizens to ensure clarity of its future position in the Community.

The Council's prime future role is to act as advocate for Rotherham and influence and implement government policy locally to ensure the best outcome for Rotherham Citizens. In doing this we need to direct available resources to maximise the social, economic, environmental and cultural benefit to citizens now and into the future.

The Community Strategy and Corporate Plan objectives can be summarised as:

- **CP1- Stimulating the local economy and helping local people into work;**
- **CP2- Protecting our most vulnerable people and families, enabling them to maximise their independence;**
- **CP3- All areas of Rotherham are safe, clean and well maintained; and**
- **CP4- Helping people from all communities to have opportunities to improve their health and wellbeing.**

### 7.2.3 Proposed Budget Principles

Having regard for both the Council's Priorities, the significant ongoing funding reductions and welfare reform changes that the Council will face until at least 2018, the following **new Budget Principles are proposed** to ensure the Council operates effectively within the funding available:

- Focus and deliver on business and jobs growth;
- Help people to help themselves wherever possible;
- Provide early support to prevent needs becoming more serious and;
- Continue to adopt strong financial management and governance and tight control on spending

#### **To enable this we need to:**

- Focus on the things most important to all local people ('Crime & Grime');
- Shift scarce resources to areas of greatest need, including targeting and rationing services to a greater extent than at present;
- Limit spending to clearly essential items when tested against the new Budget Principles;
- Stop doing things that are not important to all local people; and
- Promote Local – where possible, maximise spending power within the Borough across the supply chain.

#### **What this means for Rotherham:**

- Need to create a Business/Jobs Growth Fund to focus on delivering new employment opportunities
- Not doing everything; provide fewer direct services and reshape many Council services to support people to do more for themselves where they are able to.
- Evidence tells us that 'Crime & Grime' are the most important services to all local people – without increasing costs, we must do things differently and get these services right.
- Using our dramatically reduced resources to tackle the biggest problems focussing on deprivation.
- Achieving the best quality, safest, most reliable outcome via the most affordable service delivery method.
- Direct provision of service only where we are the cheapest/best quality solution to meet the critical needs of our citizens.

#### **7.2.4 The Council's Challenge**

In order to work within the above Budget Principles the Council will need to consider and respond to a number of questions:

- What will future Council service delivery look like and to what level should we provide services in future?
- What does 'working differently' and 'doing different things' look like?
- What should be 'universal' services to all and which should be targeted, rationed or cease?
- How can we take a better lead in the community?
- How do we effectively communicate these new circumstances to our citizens?
- How do we involve our partners to work towards a common goal?

#### **7.3 Medium Term Financial Strategy (MTFS) 2014/15 – 2016/17**

The proposed approach for updating the Council's MTFS is:

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A) Update our financial model – expected Central Government funding announcements – provisional 2014/15 figures were released with the 2013/14 final settlement. The next Spending Review (SR) announcement is due on the 26th June 2013. For 2015/2016 estimated Resources have been calculated based on previously published National level DCLG data. This will be superceded by the Spending Review Announcement on 26 June 2013.

B) Include inflationary increases and grant funding assumptions as follows:

- Pay – 1% per annum for next 3 years
- Non-Pay (excluding Utilities and Contracts) – 0%
- Fees and Charges Income – 0% (See below)
- Benefits Income – 1% under 65 residential care, 2% other
- Gas/Electricity/Fuel – 10%
- Water / Business Rates – 5%
- Contracts – at negotiated contract inflation rates
- Superannuation – 1.6% (From 17.9% to 19.5% - see below)
- Recurrent Council Tax Freeze Grant (equivalent to 1% for 2 years) and Council Tax Support Transitional Grant (not confirmed)
- Recurrent use of additional New Homes Bonus payments

*Fees and Charges Income* - From 2014/15 it is proposed that Directorates review all income generating services and submit details of expected income growth as part of the savings identification process. This differs to the approach in previous years where the same percentage increase was applied to income generating services, regardless of the services capacity to generate that income. Historically this approach has in some services created significant budget challenges. This new approach addresses this issue. (It should be noted that Benefits income has already been inflated per the rates above).

*Superannuation* – The 1.6% increase is an estimate which takes account of some significant changes which will be effective from April 2014 including:

- Ending of a 3 year freeze on ‘backfunding’ contributions (shortfall of £800k)
- Implementation of a new pension scheme from April 2014 based on ‘Career Average’
- Non-contractual overtime will become superannuable from April 2014
- The impact of more schools converting to academies
- Implementation of Auto-enrolment from April 2017

At this stage it is not possible to forecast the likely outcomes from the actuarial triennial revaluation that is underway. Provisional outcomes are expected early autumn.

C) Investment proposals covering the next 3 years of the MTFs should be prepared (including demographic pressures) reflecting the new Budget Principles. These must be underpinned by a clear business case and robust assumptions. The proposals should be worked up by Service and supported by the relevant Finance Business Partner. Quality assurance of proposals will be undertaken by Finance Managers supporting a different Directorate. These investment proposals should be prepared, quality assured, collated and submitted initially **for SLT consideration by no later than 26<sup>th</sup> July 2013.**

- D) Proposals should be prepared setting out proposed levels of inflationary increases on Fees and Charges and the additional income this will generate. The review of these charges should be undertaken using the Council's Overarching Charging Policy. These should be prepared, quality assured, collated and submitted initially **to SLT for consideration by no later than 26th July 2013.**
- E) Savings proposals covering the next 3 years of the MTFs should be prepared. These proposals should reflect the new Budget Principles. The savings proposals should be prepared, quality assured including, where appropriate, a draft 'Impact Statement' and submitted initially **for SLT consideration by no later than 23<sup>rd</sup> August 2013.**

#### **7.4 Indicative Funding Gap 2014/15 & 2015/16**

On 4<sup>th</sup> June 2013 a Joint Cabinet/SLT meeting considered a presentation which set out an indicative funding gap of £19.12m for 2014/15 and £29.275m for 2015/16 (i.e. an increase of £10.155m from 2014/15 to 2015/16.)

This indicative funding gap was based on the information included in section 7.3 above (A and B). **Therefore this indicative funding gap excludes:**

- The impact of the SR announcement on the 26<sup>th</sup> June; and
- Any new investment proposals/requirements.

#### **7.5 Proposed Budget Setting Timetable - 2014/15 Budget & MTFs**

Attached at Appendix 1 is the proposed timetable for the Council to set its 2014/15 Revenue Budget and MTFs. **Cabinet is asked to approve this timetable.**

#### **7.6 Proposed Approach to Budget Monitoring and Reporting from 2013/14 financial year**

This report also proposes changes to the in-year financial budget monitoring and reporting procedure and puts forward a proposed reporting timetable.

##### **7.6.1 Proposed Report Changes**

Due to greater income collection and recovery risk faced by Councils as a result of Welfare Reform and localisation of business rates it is proposed that a section is included in future Cabinet Budget Monitoring reports on a quarterly basis which shows the performance of the Council's Collection Fund - the future performance of the Fund will have direct revenue resource implications for setting future years' budget and council tax and will inform future policy decisions.

It is also proposed that Cabinet Budget Monitoring reports should include:

- Specific reference to any savings proposed for 2013/14 until such time as they have been confirmed as delivered. The extent to which any planned savings will not be delivered in year should include reference to how the Directorate intends to mitigate the in-year pressure.

- In the event that any new significant corporate pressures are identified during the year, these too will be included in the Cabinet Budget Monitoring report with reference to how the Council intends to manage them.

## 7.7 Proposed 2013/14 Revenue Budget Monitoring Reporting Timetable to Cabinet

For 2013/14 it is proposed that Cabinet receive Budget Monitoring reports as follows:

Budget Monitoring Report to:	Cabinet Meeting Date:
30 <sup>th</sup> June 2013	17 <sup>th</sup> July 2013
31 <sup>st</sup> August 2013	16 <sup>th</sup> October 2013
31 <sup>st</sup> October 2013	18 <sup>th</sup> December 2013
31 <sup>st</sup> December 2013	5 <sup>th</sup> February 2014
31 <sup>st</sup> January 2014	19 <sup>th</sup> March 2014
28 <sup>th</sup> February 2014	9 <sup>th</sup> April 2014
Outturn 2013/14	18 <sup>th</sup> June 2014

If monthly monitoring during July, August, October or November highlight any new or emerging pressures, additional reports will be submitted to Cabinet covering this period (taking into account the Summer Recess).

**Cabinet is asked to approve this timetable.**

## 8. Finance

There are no direct financial implications.

## 9. Risks and Uncertainties

Failure of the Council to have in place an effective Financial Planning and Monitoring Process increases the Council's financial risk.

## 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

- Strategic Directors and Service Directors of the Council

**Contact Name:** Stuart Booth, Director of Finance, ext. 22034 ,  
[stuart.booth@rotherham.gov.uk](mailto:stuart.booth@rotherham.gov.uk)

## Appendix 1

**MEDIUM TERM FINANCIAL STRATEGY AND BUDGET TIMETABLE**  
**JUNE 2013 – MARCH 2014**

	<b><u>June 2013</u></b>
<p><b>Cabinet/SLT</b> To consider initial Funding Gap and assumptions (Excluding any Investment proposals or new savings Proposals)</p>	<b>4<sup>th</sup> June</b>
<p><b>Cabinet/SLT/Scrutiny</b> To determine the Budget Process for 2014/15</p>	<b>13<sup>th</sup> June</b>
<p><b>Cabinet</b> To consider the 2012/13 Revenue Outturn</p>	<b>19<sup>th</sup> June</b>
<p><b>Self Regulation Select Commission</b> To consider the implications of the 2012/13 Outturn</p>	<b>27<sup>th</sup> June</b>
	<b><u>July 2013</u></b>
<p><b>Cabinet</b> To set out and agree 2013/14 budget strategy for delivering the initial (pre SR) projected resources gap</p>	<b>3<sup>rd</sup> July</b>
<p><b>Overview &amp; Scrutiny Management Board</b> To consider the agreed 2013/14 budget strategy for delivering the initial (pre SR) projected resources gap</p>	<b>12<sup>th</sup> July</b>
<p><b>Council</b> To consider the 2012/13 Revenue and Capital Outturn</p>	<b>24<sup>th</sup> July</b>
	<b><u>September 2013</u></b>
<p><b>Cabinet/SLT</b> To consider the Council funding gap taking into account Spending Review announcement, Investment Proposals and Initial Savings Proposals</p>	<b>10<sup>th</sup> September</b>
<p><b>Budget Seminar</b></p>	<b>10<sup>th</sup> September</b>
<p><b>Cabinet</b> To consider the Council funding gap taking into account Spending Review announcement, Investment Proposals and Initial Savings Proposals including those proposals requiring 12 weeks Consultation with Stakeholders and other Communities of Interest</p>	<b>25<sup>th</sup> September</b>

**October 2013**

**Budget consultation process starts:**

Online consultation built including e survey, paper questionnaires used in workshops with communities of interest. Press release to advertise consultation on budget proposals that require consultation with stakeholders and other interested parties

**1<sup>st</sup> October**

**Self Regulation Select Commission**

To consider the Council funding gap taking into account Spending Review announcement, Investment Proposals and Initial Savings Proposals

**10<sup>th</sup> October**

**November 2013**

**Cabinet/SLT**

To receive an update on the budget process and consider any further potential savings proposals

**19<sup>th</sup> November**

**December 2013**

**Provisional Settlement Figures Received**

**Cabinet/SLT**

Finalise budget proposals (with Impact Assessments) in light of the provisional local government finance settlement

**Mid Dec**

**17th December  
(Subject to date of  
settlement announcement)**

**January 2014**

**Cabinet/SLT**

To consider and assess the final outcomes of the consultation process and their implications for the Council's Budget and consider the implications of any delayed settlement announcement

**14th January**

<b>Cabinet</b> To propose Council Tax Base, the Council Tax Reduction Scheme and to receive a report proposing 2014/15 Council House rents	<b>15<sup>th</sup> January</b>
<b>Budget Seminar</b> to consider the proposed Budget for 2014/15	<b>28<sup>th</sup> January</b>
<b>Full Council</b> To agree the Council Tax Base, Council Tax Reduction Scheme and set 2014/15 Council House rents	<b>29<sup>th</sup> January</b>
<b>Final Settlement Figures Received</b>	<b>(around) end January</b>
	<b><u>February 2014</u></b>
<b>Cabinet</b> To report the outcomes of the Consultation	<b>5<sup>th</sup> February</b>
<b>Self Regulation Select Commission</b> To consider the outcomes from the Consultation	<b>6<sup>th</sup> February</b>
<b>Cabinet/SLT</b> To consider the draft Revenue Budget, Council Tax and Capital Programme	<b>11th February</b>
<b>Cabinet</b> To finalise Recommendation to Council on Annual Revenue Budget and Capital Programme for 2014/15 to 2016/17 and to seek approval for the Council's Treasury Management Strategy and Prudential Indicators for the period 2014/15 to 2016/17	<b>26<sup>th</sup> February</b>
	<b><u>March 2014</u></b>
<b>FULL COUNCIL Meeting</b> To set Council Annual Revenue Budget and Council Tax Level and Capital Programme for 2014/15 to 2016/17	<b>5<sup>th</sup> March</b>

1.	<b>Meeting:</b>	Self Regulation Select Commission
2.	<b>Date:</b>	25th July 2013
3.	<b>Title:</b>	Corporate Risk Register
4.	<b>Directorate:</b>	Environment & Development Services

## 5. Summary

Attached to this report is the current Corporate Risk Register summary. The summary shows the risks associated with the Council's most significant priorities and projects, and actions being taken to mitigate these risks.

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

The risk score on the priority relating to achieving economic growth has increased in recognition of the on-going weak economic conditions. The financial risk associated with the administration of Municipal Mutual Insurance has been downgraded following more certainty over the Council's financial liability and the availability of funding to meet the liability.

A new risk relating to Family Poverty (0044) has been added to the register in recognition of it being a key priority for the Health and Wellbeing Board.

## 6. Recommendations

The Self Regulation Select Commission is asked to:

- **note the Corporate Risk Register summary attached at Appendix A**
- **confirm the current assessment of the Council's top corporate risks**
- **indicate any further risks or opportunities that it feels should be added to the risk register.**

## 7 Proposals and Details

### 7.1 Format

This report contains the latest position on the Corporate Risk Register. The Corporate Risk Register summary is attached at **Appendix A**. This reflects the current risk assessments for each corporate priority or project in the Corporate Risk Register.

This covering report highlights the top inherent risks.

There are 3 overall categories of risk (RED, AMBER, GREEN) representing varying degrees of exposure. Each category contains a range of risk scores, so there are varying degrees of risk within each category. Appendix A shows the risk category and score for each priority or project included in the register before and after risk mitigation actions.

### 7.2 Highest inherent risks

The risk register summary shows risks in descending inherent risk order, to emphasize the most significant risks faced by the Authority. The top risks requiring close monitoring are:

- Managing Government budget reductions - unable to maintain key services due to budgetary limits.

*Despite very challenging circumstances, the Council has maintained its successful track record of containing spending within available budget. This performance is to the Council's credit. However, there will be further substantial reductions enforced by the Government, making it even harder to manage within available resources.*

*SLT and Cabinet have radically refreshed its budget principles which will lead to significant changes in how the Council works with communities and its citizens to meet their needs. This is in response to the significance of the financial challenges facing the Council that lie ahead. SLT and Cabinet will continue to monitor very closely the overall financial performance and position of the Council and put in place a strategy to take proportionate and appropriate actions to ensure the Council budget and financial position is sustainable.*

- Welfare Reforms

*Government welfare reforms implemented from April 2013 are beginning to have substantial implications for residents affected by benefits reductions and there is a knock-on impact on Council services.*

*Services are tracking implications and informing Members as appropriate, so that appropriate decisions can be made where necessary.*

- Delivering effective Children's Services within budget

*On-going action is being taken by management to provide services within the budget available. Cabinet is being kept informed of the relevant financial challenges as part of the budget monitoring and budget setting processes and is making decisions accordingly.*

- Digital Region

*The position on the Digital Region project remains at a crucial point, with the re-procurement for a new operator to manage the future operation of the network nearing a conclusion. The Council is working closely with Central Government (BIS), as the majority shareholder, to determine the most cost effective outcome.*

- Economic Growth

*The risk associated with achieving Economic Growth has been increased from Amber to Red in recognition of the on-going weak economic conditions.*

### **7.3 Other key developments / changes during the period**

An initial assessment of councils' liabilities relating to aged insurance claims has now been made by the Municipal Mutual Insurance Company administrators. This indicates a potential liability for the Council of up to £1.32m and provision has been made to cover this liability in the 2012/13 accounts.

A risk relating to Family Poverty has been added to the register in recognition of it being a key priority for the Health and Wellbeing Board and the 11 most deprived neighbourhoods agenda. A range of support programmes has been established to target areas of need whilst raising awareness of assistance available.

### **8. Finance**

The risks contained in the register require ongoing management action. In some cases additional resources may be necessary to implement the relevant actions or mitigate risks. Any additional costs associated with the risks should be reported to the SLT and Members for consideration on a case by case basis.

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

It is important to review corporate risks on an ongoing basis, to ensure risks relating to the Council's key projects and priorities are effectively monitored and managed by the Strategic Leadership Team and Members.

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

Risk Management is part of good corporate governance and is wholly related to the achievement of the objectives in the Council's Corporate Plan.

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

This report reflects the latest updates provided by the respective 'lead officers'.

#### **Contact Names:**

*Colin Earl, Director of Audit and Asset Management, x22033*

*Andrew Shaw, Insurance and Risk Manager, x22088*

#### **Appendices**

##### **Appendix A Corporate Risk Register Summary**

## APPENDIX A: SUMMARY CORPORATE RISK REGISTER

No	Risk	Pre Controls 1- 25	<u>Lead officer</u>  Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0027	Managing Government budget reductions - unable to maintain key services due to budgetary limits	<b>25</b>	<u>Martin Kimber</u> <ul style="list-style-type: none"> <li>• High priority, driven through Strategic Leadership Team and Cabinet</li> <li>• Actions to mitigate budget reductions are continually being identified</li> <li>• Budget principles have been revised which will see a radically different approach to the way services are delivered.</li> </ul>	<b>20</b>	All Priorities
0037	Welfare Reform: <ul style="list-style-type: none"> <li>• Significant pressures arising from the localisation of various resources and a reduction in overall funding available, limited administration capacity and reduced collection of Council Tax.</li> <li>• Potential major impact of reduced housing benefits, leading to higher debts, increasing demand for shrinking services, and increasing poverty and vulnerability. Potential to increase gap in communities' needs.</li> <li>• Negative overall impact on the local economy, with spiralling consequences.</li> <li>• Potential increase in crime.</li> </ul>	<b>25</b>	<u>Karl Battersby</u> <ul style="list-style-type: none"> <li>• Effective communications especially in relation to discretionary benefits administered by the Council and arrangements for assisting those in need to access benefits</li> <li>• Corporate Policy on the top 11 deprived areas.</li> <li>• Corporate and partnership working groups preparing for impact of introduction of Universal Credit including a local support services framework, in collaboration with DWP.</li> <li>• Governance group in place to monitor local welfare provision and impact</li> <li>• Additional HRA resources are being deployed to support tenants through the change.</li> </ul>	<b>16</b>	All Priorities

No	Risk	Pre Controls 1- 25	<u>Lead officer</u>  Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0022	Unable to deliver effective Children's Services within budget	<b>25</b>	<u>Joyce Thacker</u> <ul style="list-style-type: none"> <li>• Continuous monitoring of budget and reporting to SLT / Cabinet</li> <li>• Work continues in relation to reviews of service provision and structures in line with more restrictive financial parameters.</li> <li>• Significant improvement in budget outturn and sustained Ofsted inspection profile.</li> </ul>	<b>16</b>	<b>Priority 2</b> - Providing quality education <b>Priority 3</b> - Care and protection for those people who need it most
0033	Funding of the Digital Region Project to provide comprehensive broadband facilities across South Yorkshire	<b>20</b>	<u>Martin Kimber</u> <ul style="list-style-type: none"> <li>• South Yorkshire Councils, working closely with Central Government as the majority shareholder, are adopting a proactive approach to the project, including RMBC providing project support resources to DRL</li> <li>• A re-procurement exercise to determine the future management and operation of the network is nearing completion.</li> </ul>	<b>16</b>	<b>Priority 1:</b> No community left behind
0040	Developing economic growth, increase business rates income and increase opportunities for residents	<b>20</b>	<u>Karl Battersby</u> <ul style="list-style-type: none"> <li>• Significant and previously successful inward investment activity</li> <li>• Detailed support programme for local businesses</li> <li>• High quality start up facilities</li> <li>• Maximising location and transport advantages.</li> </ul>	<b>16</b>	<b>All Priorities</b>

No	Risk	Pre Controls 1- 25	Lead officer <u>Key Actions/Updates</u>	Post Controls 1 - 25	Links to Corporate Priorities
0021	Failure to sustain improvement in Children's Services	<b>20</b>	<u>Joyce Thacker</u> <ul style="list-style-type: none"> <li>• Ofsted profile improved from 69.9% in April 2012. (Inspected services good or better) to 72.1% in April 2013.</li> <li>• Positive GCSE attainment results achieved for the 11/12 Academic year.</li> <li>• Key Stage 2 –Pupils on Free School Meals are performing well below the national average. Overall attainment in English and Maths continues to improve, but lag behind average.</li> <li>• Key Stage 4 - In 2012, attainment at 5+A*-C increased by 3.6% to 32.9% but remains 3.4% below average. Action is being led by the School Effectiveness Service. Attainment for non-Free School Meals pupils increased by 3.2% and is 2% above the national average. Child Sexual Exploitation (CSE) – significant improvement in practice since 2010. Continued work to identify and tackle CSE.</li> <li>• Foster Care – review completed following recent case. Recruitment of in house Foster Carers continues to meet stretching targets.</li> </ul>	<b>12</b>	<b>Priority 2</b> - Providing quality education <b>Priority 3</b> - Care and protection for those people who need it most

No	Risk	Pre Controls 1- 25	<u>Lead officer</u>  Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0041	Improving health and well-being	<b>20</b>	<u>Tom Cray</u> <ul style="list-style-type: none"> <li>• Health and Well-being strategy in place</li> <li>• Six locally determined priorities</li> <li>• Strong focus on prevention, advice and support</li> <li>• Good partnership working</li> <li>• Formal transfer of responsibilities from the NHS to RMBC took place at the beginning of April 2013.</li> </ul>	<b>12</b>	<b>Priority 1:</b> No community left behind
0044	Family Poverty <ul style="list-style-type: none"> <li>• Tackling poverty is a key priority for the Health and Wellbeing Board and the 11 most deprived neighbourhoods agenda</li> </ul>	<b>20</b>	<u>Joyce Thacker</u> <ul style="list-style-type: none"> <li>• Families for change programme established - targeted support for Families around money management</li> <li>• Early help family support programme in place</li> <li>• Families for change contract established</li> <li>• Ofsted evidence shows that schools are making effective use of the additional pupil premium funding designed to help disadvantaged families.</li> <li>• Level and eligibility for free school meals is increasing from 7,997 in 2012 to 8,246 in May 2013. Take up increased from 74.28% in 11/12 to 76.4% in 12/13.</li> </ul>	<b>12</b>	

No	Risk	Pre Controls 1- 25	<u>Lead officer</u>  Key Actions/Updates	Post Controls 1- 25	Links to Corporate Priorities
0030	Schools Collaboration- impact of schools commissioning on LA services	<b>16</b>	<u>Joyce Thacker</u> <ul style="list-style-type: none"> <li>• Monitoring of schools' appetite for change is on-going. Positive discussions have been held with the Rotherham School Improvement Partnership and Teaching School Alliance re schools' appetite</li> <li>• Arrangements are being improved in relation to income generation</li> <li>• Portfolio of services review completed.</li> <li>• Work continues in relation to the new schools funding arrangements effective from 2013 onwards.</li> </ul>	<b>12</b>	<b>Priority 2</b> - Providing quality education
0031	Academies, Free Schools and other school settings - Potential impact on LA schools and the Council e.g. loss of revenue, falling pupil numbers, reduced attainment, breakdown in relationships etc	<b>16</b>	<u>Joyce Thacker</u> <ul style="list-style-type: none"> <li>• There are currently no free school applications active within the Borough.</li> <li>• Maximise potential for income generation with Academies through the provision of quality services via competitive SLA agreements.</li> <li>• Continue to enhance current strong working relationships with converted and proposed future Academy Trusts.</li> <li>• Continue to work with Academies to gain commitment to the Rotherham School Improvement Partnership. School Governing Bodies continue to meet in whole Learning Community meetings, exploring the implications of Academy conversion, collaborative / partnership working and other models.</li> </ul>	<b>12</b>	<b>Priority 2</b> - Providing quality education

No	Risk	Pre Controls 1 - 25	Lead officer  Key Actions/Updates	Post Controls 1 - 25	Links to Corporate Priorities
0042	Maximising reputation opportunities; enhancing reputation as a leading authority, delivering services to others, attracting businesses, positive Public recognition.	12	<b><u>Martin Kimber</u></b> <ul style="list-style-type: none"> <li>• Highlighting good performing service delivery</li> <li>• Emphasizing major achievements including successful business development</li> <li>• Successful delivery of services to others</li> <li>• Regional and national awards</li> <li>• Responding to Public consultation</li> <li>• Strong communications.</li> </ul>	9	All priorities
0036	Localism Act 2011 (Part 2): <ul style="list-style-type: none"> <li>• All major provisions of the Act have commenced. Uncertainties remain in relation to European funding; planning; right to challenge; and assets of community value arising from provisions in the Act</li> <li>• Further legislation is amending provisions for Council Tax referenda</li> </ul>	12	<b><u>Martin Kimber</u></b> <ul style="list-style-type: none"> <li>• Corporate working group meets periodically to review developments and propose any actions required.</li> </ul>	9	All Priorities
0035	Failure to minimise property ownership and maximise the use of retained properties.  Failure to maximise savings and benefits from the roll out of WorkSmart arrangements to all relevant staff.	12	<b><u>Karl Battersby</u></b> <ul style="list-style-type: none"> <li>• Asset management strategy being finalised</li> <li>• Future options for extending Worksmart to staff in non-central buildings, to facilitate further property rationalisation</li> </ul>	6	Priority 5 Improving the Environment

No	Risk	Pre Controls 1 - 25	Lead officer <u>Key Actions/Updates</u>	Post Controls 1 - 25	Links to Corporate Priorities
0039	<p>Municipal Mutual Insurance (MMI): Insurance Liabilities</p> <p>MMI has gone into administration following a landmark ruling by the Supreme Court ruling on Employer's Liability relating to asbestos claims.</p> <p>As a stakeholder, the Council will have to contribute to any company deficits resulting from the ruling.</p>	<b>9</b>	<p><b><u>Martin Kimber</u></b></p> <ul style="list-style-type: none"> <li>• Administrators have been appointed.</li> <li>• Initial levy of up to £1.32m advised.</li> <li>• A provision in the 2012/13 accounts has been created to meet this liability.</li> <li>• Further updates will be provided as received from the administrators.</li> </ul>	<b>6</b>	<b>All Priorities</b>

<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>	25th July 2013
<b>3.</b>	<b>Title:</b>	Six Month Progress Update to Scrutiny Recommendations of RMBC's District Heating Service (February 2013)
<b>4.</b>	<b>Directorate:</b>	Neighbourhood & Adult Services and Resources

## 5. Summary

5<sup>th</sup> December 2012 (Minute Number 105 refers) Cabinet received the report which set out the findings and recommendations of the scrutiny review of District Heating, undertaken by the Self-Regulation Select Commission (attached). The review was endorsed by the Commission and OSMB at their respective meetings of 22 November 2012 and 30 November 2012.

Recommendation 16 of the review advised 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.

This report is the first six month update following implementation in January 2013.

## 6. Recommendations

That the Self Regulation Select Committee

- Notes the positive progress made against the 16 Recommendations as set out in Appendix A.
- Requests an annual update report in February 2014.

## **7. Background Information**

- 7.1 5<sup>th</sup> December 2012 (Minute Number 105 refers) Cabinet received the report which set out the findings and recommendations of the scrutiny review of District Heating, undertaken by the Self-Regulation Select Commission. The review was endorsed by the Commission and OSMB at their respective meetings of 22 November 2012 and 30 November 2012.
- 7.2 Recommendation 16 of the review advised 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.
- 7.3 This report is the first six month update following implementation in January 2013.

## **8.0 Recommendation Outcomes – Six Month Review**

- 8.1 As a result of the scrutiny review, officers have moved away from the previous 'silo' approach to managing the service and now have a much closer working relationship across the Directorates. This has meant that a number of review recommendations have been resolved ahead of plan and has led also to significant improvements in income recovery.
- 8.2 Separately, the new approach has enabled acceleration of Renewable Heat Incentive (RHI) claims, working alongside the bio-mass fuel providers. Officers are hopeful of a successful outcome before the end of 2013.
- 8.3 A major recommendation was to undertake a stock condition survey of all 18 schemes. This began in earnest in June 2013, using an in-house team with specialist contractors brought in as necessary. This arrangement has the added benefit of an immediate start, whilst further improving retained knowledge in relation to district heating schemes.

## **9. Finance**

- 9.1 Recommendations 3 to 6 inclusive may impact on the charges levied to service users; any change will be subject to Cabinet support in the annual review of charges process.
- 9.2 Recommendation 1, 7 to 11 and 14-16 inclusive, have been accommodated for, either within existing resources or in the 2013/14 (and subsequent years) Planned and Capital Investment Programme which is funded by the Housing Revenue Account.
- 9.3 The outcome of Recommendation 12 and implementation of Recommendation 13 may require additional capital investment and this will be subject to either an in-year or subsequent year application for investment through the HRA 30 year Business Planning process.

## **10. 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.

**11. 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

**12. Background Papers and Consultation**

Self Regulation Select Commission DH Report 30<sup>th</sup> November 2012

Cabinet DH Recommendations Report 5<sup>th</sup> December 2012

**Contact:** Dave Richmond, Director of Housing & Neighbourhood Services  
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## Appendix A: Six Month Progress Update to Scrutiny Recommendations (February 2013)

<b>Recommendation</b>  <b>Endorsed by Cabinet 6<sup>th</sup> February 2013</b>	<b>Cabinet Decision</b> <i>(Accepted/ Rejected/ Deferred)</i>	<b>Cabinet Response</b> <i>(detailing proposed action if accepted, rationale for rejection, and why and when issue will be reconsidered if deferred)</i>	<b>Officer Responsible</b>	<b>Action by (Date)</b>	<b>June 2013 - Activity Update</b>
<u><b>Recommendation 1</b></u> Lead revenue and capital expenditure officers are identified from within Contract and Development Services (C&SD) 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.	Accepted	Cabinet welcomes the recommendation of monthly monitoring.	Contract & Service Development Manager,  Strategic Housing Investment Service Manager,  NAS Principle Finance Mngr	Commence monthly from January 2013	Steering Group Meetings take place the first Thursday monthly and are attended by officers from all of the services identified. Individual revenue lead officers meet with Finance to track forecast spend monthly.  <b>Progress: Green</b>
<u><b>Recommendation 2</b></u> Metering and tamper-proof temperature control of common areas and community centres will ensure fairer arrangements are made for individual energy use.	Accepted	Cabinet recommends that investment in communal areas and community centres is ordered in such a way as to ensure that it is consistent with the priority identified in the recent strategic review of community centre use.	Strategic Housing Investment Service Manager	Planned capital investment programme to commence over 5 years to start 2013/14.	Intelligent heating and lighting controls have been installed at Hampstead Green and the DH Stock Condition Survey findings (See Recommendation 7) will determine the investment order.  <b>Progress: Green</b>
<u><b>Recommendation 3</b></u> 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	Accepted	Cabinet accepts that the principle of full cost recovery should be adopted. However this may require a phased approach to limit unforeseen and unaffordable increases impacting on tenants.	NAS Principle Finance Manager	This principle is adopted in the most recent charging review report of district heating.	A timely review of the charging mechanism was undertaken by NAS Finance Team in Winter 2012 which informed the charge setting process for 13/14. Review will be undertaken annually.  <b>Progress: Green</b>

<p><b><u>Recommendation 4</u></b> That the review of charges accurately reflects the actual cost of fuel and other direct costs of heat production and service provision</p>	Accepted	Cabinet welcomes this recommendation	NAS Principle Finance Manager	This principle is adopted in the most recent charging review report of district heating.	Further to the implementation of Recommendation 3, a phased approach has been adopted and convergence over time has been commenced in 13/14 to account for the full cost of the DH service. <b>Progress: Amber</b>
<p><b><u>Recommendation 5</u></b> 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.</p>	Accepted	To fit in with Council budget setting processes, it will be necessary to complete both rent and district heating reviews within the same reporting period. However they will be considered independently of each other and subject to separate reports.	NAS Principle Finance Manager	This has been adopted for the 2013/14 budget.	Implemented. <b>Progress: Green</b>
<p><b><u>Recommendation 6</u></b> That the recommendations in the Internal Audit Report of DH Schemes 2012/13 be implemented.</p>	Accepted	Cabinet recommends that the Internal Audit Report recommendations are monitored via the Housing Excellence Plan and through financial service monitoring processes.	NAS Principle Finance Manager	In line with the timeframes set by Internal Audit.	The recommendations are being incorporated into the refreshed 13/14 Housing Excellence Plan. <b>Progress: Green</b>
<p><b><u>Recommendation 7</u></b> 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.</p>	Accepted	Cabinet welcomes the recommendation	Strategic Housing Investment Service Manager	Design Brief by April 2013.  Surveys Complete by July 2013.	Revenue Budget identified and work commissioned. Commenced Monday 17 <sup>th</sup> June and anticipated to take 16 weeks to reach Outcome Report in October. This is slightly later than the estimated August 2013. <b>Progress: Amber</b>
<p><b><u>Recommendation 8</u></b> That a database is created that captures the Stock Condition Survey outcomes as well as asbestos, health and safety data and servicing schedules.</p>	Accepted	Cabinet further recommends that provision should be made to ensure that the data is transferred to the new integrated Housing Management System (IHMS).	Strategic Housing Investment Service Manager,  C&SD Mngr	Commence August 2013 & transfers to new IHMS in accordance with the Phasing Plan	An external hard-drive has been arranged to store the files and plans related to the DH Stock Condition Survey. In addition to this the data will also be held on the CIPFA and Civica/Keystone asset databases. <b>Progress: Amber</b>

<p><b><u>Recommendation 9</u></b> That a 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.</p>	Accepted	Cabinet recommends that this plan is then monitored at the monthly triangulation meeting established under Recommendation 1. Also that delivery of Recommendation 13 (pilot scheme at Fitzwilliam Estate, Swinton) is included in the profile and monitoring process.	Contract & Service Development Manager,  Strategic Housing Investment Service Manager	Draft plan commences August 2013 for implementation from 2014/15 onwards.	As per Recommendation 7, the DH Stock Condition Survey Outcome Report is anticipated in October. <b>Progress: Amber</b>
<p><b><u>Recommendation 10</u></b> All future investment in DH should incorporate where possible funding opportunities presented through ECO-obligations and Greendeal.</p>	Accepted	Cabinet welcomes the recommendation and considers that consideration should be given to leveraging inward investment into all schemes as part of the Planned and Capital programming of works.	Strategic Housing Investment Service Manager,  C&SD Mngr	As opportunities present.	Following the DH Stock Condition Survey this will be implemented for future capital investment. <b>Progress: Green</b>
<p><b><u>Recommendation 11</u></b> On the outcome of the Stock Condition Survey implement a hierarchical approach to investment in DH schemes to:</p> <ul style="list-style-type: none"> <li>- Improve existing viable schemes</li> <li>- Remove non-viable schemes and replace with the most effective alternative</li> </ul>	Accepted	Cabinet recommends that this approach is then recorded at the monthly triangulation meeting established under Recommendation 1	Contract & Service Development Manager,  Strategic Housing Investment Service Manager	Draft plan commences August 2013 for implementation from 2014/15 onwards.	Recommendation action follows the DH Stock Condition Survey from October 2013. <b>Progress: Green</b>
<p><b><u>Recommendation 12</u></b> Enable a mini-competition for heating and hot water providers to explore solutions for Beeversleigh and which maximizes potential to draw in ECO funding.</p>	Accepted	Cabinet welcomes the recommendation	Strategic Housing Investment Service Manager	Brief preparation November 2013, Competition February 2014, Implementation 2014/15	Recommendation due in November 2013 although some tentative exploration of options has been commenced. <b>Progress: Green</b>
<p><b><u>Recommendation 13</u></b> Support a pilot to replace one scheme at Fitzwilliam, Swinton with individual boilers (subject to gas network) to</p>	Accepted	Cabinet recommends that the Chair of Fitzwilliam Estate Sub Group is involved with consultation in the selection of the block to pilot. Careful consideration will be	Contract & Service Development Manager,	Scope & Design March 2013, Implementation First quarter	Work commenced with Willmott Dixon Partnership to develop scope and design proposals however, as a result of the recommendations and closer

enable cost in use comparison between schemes and take into account service user satisfaction		required prior to initiation, to ensure that any potential pilot is likely to offer an effective, cost efficient service to residents.	Strategic Housing Investment Service Mngr	2013  Monitoring for 12 months & Review 2 <sup>nd</sup> quarter 2014	scrutiny of DH schemes, significant issue has been uncovered in relation to DH meters at Fitzwilliam. This has delayed progress whilst the meter issues are being addressed. <b>Progress: Red/Amber</b>
<b><u>Recommendation 14</u></b> 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.	Accepted	Cabinet recommends that this approach should be applied to other areas of the housing information systems	Strategic Housing Investment Service Manager	January to March 2013	Willmott Dixon Partnership, the Council's repair and maintenance partner that deal with responsive calls and maintenance of the DH schemes have been engaged with identifying improvements to resident communication. Progress will be accelerated this month. <b>Progress: Red/Amber</b>
<b><u>Recommendation 15</u></b> Enable a series of information sharing sessions for DH Scheme users to raise awareness about energy usage and efficiency.	Accepted	Cabinet welcomes the recommendation and recommends that Ward Members and TARAs are informed and included in the sessions where appropriate.	Strategic Housing Investment Service Manager	April to August 2013	This activity is being carried out in conjunction with Recommendation 14. <b>Progress: Amber</b>
<b><u>Recommendation 16</u></b> 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.	Accepted	Cabinet recommends annual monitoring, set to accommodate the annual review of charges process and which avoids year end accounting procedures.	Contract & Service Development Manager,  Strategic Housing Investment Service Manager,  NAS Principle Finance Mngr	To coincide with a suitable meeting, preferably in July.	This update is the first of a series provided to Scrutiny for consideration and action if deemed necessary. <b>Progress: Green</b>