

THE CABINET
Wednesday, 26th February, 2014

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

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

C188 QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

C189 DECLARATIONS OF INTEREST

Councillor Akhtar declared a disclosable pecuniary interest in Minute No. 201 relating to application DRRTU/14/32 and a personal interest in Minute No. 201 relating to applications DRRTU/14/57 and DRRTU/14/65 and left the room whilst these applications were discussed.

Councillor Lakin declared a personal interest in Minute No. 201 relating to application DRRTU/14/21 on the grounds that Dalton Parish Council were a trustee of the facility and he was a member of Dalton Parish Council.

Councillor Wyatt declared a personal interest in Minute No. 201 relating to application DRRTU/14/44 on the grounds that a relative accessed this service.

Councillor Hussain declared a personal interest in Minute No. 201 on the grounds that he had supported or had been involved with some of the organisations in his role as Cabinet Member.

Councillor McNeely declared a personal interest in Minute No. 201 relating to application DRRTU/14/63 on the grounds that she had acted as a volunteer.

Councillor Smith declared a personal interest in Minute No. 201 relating to application DRRTU/14/18 on the grounds that he was a member of Aston Parish Council, which included Aston Parish Hall Management Committee.

C190 SCRUTINY RESPONSE TO HOSPITAL DISCHARGES

Further to Minute No. 110 of the meeting of the Cabinet held on 6th November, 2014, the Leader introduced a report by the Director of Public Health, which provided a response to the spotlight review of hospital discharges which took place between May and August, 2013 and an action plan in response to the recommendations following concerns

based on anecdotal evidence that there was a problem with out of hours discharges (late at night or weekend) and patients being discharged without adequate support arrangements in place.

It was noted that Rotherham had a health and social care community admitted more patients into hospital with long-term conditions at any one time, above the national average. Patients were admitted into acute hospital beds that do not necessarily require that acute level of care.

The number of emergency admissions continued to rise year on year and this year there was to date a 7.6% increase in emergency admissions compared to last year. There was a significant increase in the number of frail elderly people being admitted to hospital.

All the recommendations from the review have been accepted and the potential for unsafe discharges would continue to be monitored by the recently reactivated multi-agency Operational Discharges Group, which a progress report being presented to the Health Select Commission in six months time.

Resolved:- (1) That the response to the Scrutiny Review of Hospital Discharges be approved.

(2) That the response to the Scrutiny Review be submitted to the next available meeting of the Overview and Scrutiny Management Board.

(3) That this response be taken, with the outcome of the Business Process re-engineering review, to the Urgent Care Management Committee of the Clinical Commissioning Group for endorsement of those actions relating to NHS Services.

C191 PROPOSED REVENUE BUDGET AND COUNCIL TAX FOR 2014/15

Councillor Akhtar, Deputy Leader, introduced a report by the Director of Finance, which proposed a Revenue Budget for 2014/15 based on the outcome of the Council's Financial Settlement and provided details of:-

- The Local Government Financial Settlement.
- The new Corporate Priorities and new Budget Principles reflected in the Budget and spending plans.
- The Council's recommended Revenue Budget for 2014/15.
- Savings proposals from Directorates and Central Services.
- Precepts and levies made on the Council by other authorities.
- Proposed Council Tax levels for the coming financial year.
- Proposed future developments in the 3 year Medium Term Financial Strategy (MTFS) 2014/15 to 2016/17.

As required by legislation, the report also contained the Director of Finance's (the Council's Responsible Financial Officer) assessment of the robustness of the estimates included within the Budget and the adequacy

of the reserves for which the Budget provided.

The implications of the Government's austerity programme, which was seeing unprecedented reductions to local government funding, were now starting to be clear. In Autumn 2010 the Council identified the need for just over £62m of savings from the Council's budget up until 2014/15. Since then, additional Government funding reductions have mostly increased that to over £93m (a 50% additional increase). So far the Council had had to address funding gaps of £30.3m in 2011/12, £20.4m in 2012/13, £20.2m in 2013/14 and £23.0m in 2014/15.

Moving forward, the Council's expectation was that it would have an additional estimated resources funding gap of £23m in 2015/16 and that its funding was likely to continue to reduce at a similar rate to that experienced over the last four years, until possibly 2020.

In meeting the year on year significant financial challenges presented, the Council had demonstrated a successful track record in delivering its financial plans. To this end the Council was, in the current year (2013/14), moving towards a balanced budget. However, it was recognised that into the future this would only be sustainable if the Council redefined and refocused its corporate plan priorities (and budget principles that have served it well) and had a new, different relationship with its citizens, residents and other stakeholders.

The Council's new Corporate Priorities have been developed to provide a focus on essential services and were underpinned by the Council's new Budget Principles adopted for setting the 2014/15 Budget.

The previous Budget Principles were well served and enabled the Council to protect (to a large extent) front line services to the public which were:-

- Significantly reconfigured and reduced headcount (a 1,024 reduction in posts). Within this support (back-office) services have seen a 28% reduction over four years and front-line services a 12% reduction.
- Reduced management costs by over 20%.
- Re-positioned and reintegrated significant Council Partnerships back into the Council (Rotherham Brought Together (RBT) and 2010 Rotherham Ltd).
- Strengthened the commissioning and procurement arrangements and renegotiated a significant number of contracts to increase value for money to the Council.
- Invested in new technologies to facilitate new ways of working leading to greater efficiencies, improved performance and improved customer engagement.
- Looked for opportunities to develop and offer the services to other public sector bodies through shared services. e.g. the Council provided Human Resources and Payroll services to Doncaster Council and School Academies.
- Reduced or stopped funding to partners for services that were no

longer considered to be a priority.

- Significantly rationalised operational buildings to both reduce running costs and the cost of servicing the outstanding debt on capital investment schemes.

The new Budget Principles adopted by Cabinet on 3rd July, 2013 underpinned the new Corporate Priorities to ensure the limited resources were even more effectively targeted. These were to:-

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

To enable this, the Council would:-

- Focus on the things most important to all local people.
- 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 were not important to all local people.
- Promote local – aim to maximise spending power within the Borough across the supply chain.

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

- Ensure that safeguarding of children was a top priority through the provision of improved services for children in care and with Special Educational Needs.
- Support vulnerable families and individuals.
- Continue the investment in preventative services and early intervention.
- Reduce the time taken to provide new packages of care and supply equipment, assistive technologies and adaptations to safeguard adults when their life circumstances changed.
- Continue to promote new business start-ups and stimulate the local economy.
- Help Rotherham Credit Unions continue to provide financial support to residents who were in danger of being made homeless because of the economic downturn.

- Continue to invest in infrastructure across the Borough – houses, schools, roads, customer services and town centre regeneration.

Cabinet Members welcomed this budget and in doing so received an update on progress of the consultation process of the Children's Centres and the potential for the other providers to take these services on going forward.

Cabinet Members also wished to offer their thanks to the Chief Executive and the Director of Finance and their respective teams for their efforts in achieving a balanced budget.

Recommended:- (1) That the General Fund Revenue Budget for 2014/15 of £208.885m to be allocated to services, as set out in this report, be approved.

(2) That an increase (for a first time in four years) in the Council Tax of 1.9% in respect of this Council's own Budget giving an annual Band D Equivalent Council Tax of £1,253.34 be approved.

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

(4) That precept figures from South Yorkshire Police Authority, South Yorkshire Fire and Rescue Authority and the various Parish Councils and Parish Meetings within the Borough be incorporated, when known, into the recommendations to the Council on 5th March, 2014.

(Councillors Akhtar, Doyle, Hussain, Lakin, McNeely, Rushforth, R. Russell, Smith, Stone and Wyatt voted in favour of the budget decision).

C192 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2014/15 TO 2016/17

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

- The Prudential Indicators and Limits for 2014/15 to 2016/17.
- A Minimum Revenue Provision (MRP) Statement which sets out the Council's policy on Minimum Revenue Provision.

- An Annual Treasury Management Strategy in accordance with the CIPFA Code of Practice on Treasury Management including the Authorised Limit.
- An Investment Strategy in accordance with the Department for Communities and Local Government (CLG) investment guidance.

Following the events of October 2008 and in light of the current and on-going economic and financial climate, the Director of Finance took a series of actions to evaluate the Council's Investment Strategy and manage the treasury management function.

The Council's investment policy's continuing primary governing principle was the security of its investments, although yield or return on investments was also a consideration.

The revised operational guidelines enhanced the weighting towards 'security' even further at the expense of yield or return. Although seeking to minimise investment default risk, it did not eliminate it. Eliminating risk altogether was only possible if the Council only invested any surplus funds with the Bank of England's Debt Management Office (DMO).

The Council continued to operate the treasury management guidelines well within the boundaries set by the approved selection criteria so as to minimise the risks inherent in operating a treasury management function during volatile and adverse economic and financial conditions. To this end, the Council has continued to invest any surplus funds primarily with the Bank of England's Debt Management Office.

In addition, investment levels over the last twelve months remained low as market conditions still dictated that it continued to be prudent to defer borrowing plans and to fund on-going capital commitments through the use of the Council's internal cash-backed resources.

Actual returns on investment opportunities remain subdued when compared to previous years, but have been effectively and prudently managed by significantly reducing expected capital financing costs by delaying borrowing plans. This enabled the Council to stay within its capital financing budget cash limit and for budget savings to be put forward in support of both the Council's 2013/14 and 2014/15 revenue budget. This was a significant achievement given the difficult economic and financial conditions prevailing throughout the current financial year.

The Council's counterparty list for investments, with whom the Council did business, used the criteria as set out in the report and provided the Council with the opportunity to maximise security of any invested funds by allowing all funds to be placed with the DMO and UK Single Tier and County Councils and reducing the maximum level and time of investments that could be placed with financial institutions that do not meet all the upper limit credit rating criteria.

In terms of the Prudential Indicators it was noted that only schemes in the Council's approved capital programme were included in the indicators as listed and that there may be further schemes pending approval. Any additional approvals would normally have to be funded from unsupported borrowing as all identified available resources have been allocated. This would impact on the prudential indicators as set out in the report.

There were four treasury prudential indicators, the purpose of which was to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. The indicators submitted for approval were shown in detail as part of the report.

The limits for interest rate exposures were consistent with those approved within the Mid-Year report on the 2013/14 Strategy; in line with the requirements of the new Code the maturity structure detail had been updated and extended; and the investment limits beyond 364 days have been maintained to reflect the continued investment strategy.

Recommended:- (1) That the prudential indicators and limits for 2014/15 to 2016/17 contained in Appendix A to the report be approved.

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

(3) That the Treasury Management Strategy for 2014/15 to 2016/17 and the Authorised Limit Prudential Indicator (Appendix B) be approved.

(4) That the Investment Strategy for 2014/15 to 2016/17 (Appendix B – Section (e) and Annex B1) be approved.

C193 CORPORATE PRIORITIES

The Leader introduced a report by the Strategic Director of Environment and Development Services which provided a summary of responses to the corporate priorities consultation process and included the draft corporate plan for comment and approval.

The draft priorities agreed by the Strategic Leadership Team and Members prior to consultation were:-

- Stimulating the local economy and helping local people into work.
- Protecting our most vulnerable people and families, enabling them to maximise their independence.
- Ensuring all areas of Rotherham are safe, clean and well maintained.
- Helping people to improve their health and wellbeing and reducing

inequalities within the borough.

On the whole, feedback from the online forum and the consultation event seemed to support the draft priorities and commitments and the comments made by the Overview and Scrutiny Management Board were also incorporated. Some of the more specific points would be picked up in service plans.

Resolved:- (1) That, in light of the broadly supportive consultation responses, the draft corporate priorities be approved

(2) That the overall plan be approved subject to any required amendments.

C194 LOCAL GOVERNMENT DECLARATION ON TOBACCO CONTROL

The Leader introduced a report by the Director of Public Health, which detailed how the Local Government Declaration on Tobacco was a response to the enormous and ongoing damage smoking did to communities and which was based on the Nottingham Declaration on Climate Change, signed by up to by over two hundred Councils.

The Declaration was a commitment to take action, a statement about a Local Authority's dedication to protecting their local community from the harm caused by smoking, a demonstration of local leadership and an acknowledgement of best practice.

The Council already met six of the seven commitments within the Declaration, and by joining the Smokefree Action Coalition it would meet all seven.

The Declaration had been formally launched at the Public Health England Conference in September, 2013 and currently had seven signatories.

Resolved:- (1) That Rotherham Borough Council becomes a member of the Smokefree Action Coalition (SFAC).

(2) That Rotherham Borough Council signs the Local Government Declaration on Tobacco Control.

C195 RECORDED VOTES AT BUDGET MEETINGS

The Leader introduced a report by the Director of Legal and Democratic Services which confirmed that the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 were approved by Parliament on 31st January, 2014 and came into force on 25th February, 2014. These Regulations required Local Authorities to amend their Standing Orders to provide for a record of the voting upon any budget proposal to be made and for that to be reflected in the minutes. This covered not only the substantive motion setting the budget, council tax or issuing precepts,

but also any amendments on those budgets. The amendment to the Council's Standing Orders would achieve this.

Recommended:- That Standing Orders be amended to add Standing Order 19C, to provide that:-

“Immediately after any vote is taken at a budget decision meeting there must be recorded in the minutes the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

For these purposes a budget decision means a meeting of the authority at which it:-

- (i) makes a calculation (whether originally or by way of substitute) in accordance with any of Sections 31A, 31B, 34 to 36A, 42A, 42B, 45 to 49, 52ZF, 52ZJ of the Local Government Finance Act 1992(6); or**
- (ii) issues a precept under Chapter 4 of Part 1 of that Act.”**

C196 SHEFFIELD CITY REGION COMBINED AUTHORITY - APPOINTMENT OF REPRESENTATIVES

The Leader introduced a report by the Director of Legal and Democratic Services which provided an update with regard to the establishment of the Sheffield City Region Combined Authority to take a strategic view of transport and economic re-generation matters.

The Authority was comprised of the four South Yorkshire authorities as constituent members and five East Midlands authorities (Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire) as non-constituent members.

This report asks Council to make the following nominations to the Combined Authority:-

- The Leader.
- A substitute member to attend in the Leader's absence.
- A rotational member. This nomination was necessary to ensure that the four constituent authorities retained the majority of voting rights upon the Combined Authority.
- Two members of the Council to sit on the Transport Committee.

The Council's Standing Orders also provided for an opportunity to ask formal questions of designated members of Joint Authorities. It would be appropriate to amend Standing Orders to allow for a similar facility to ask questions at the Council in respect of the business of the Combined Authority.

The Scheme submission proposed that Scrutiny of the business of the

Combined Authority be left to be addressed through the Scrutiny arrangements of the participating authorities. The Order was more prescriptive and required the Combined Authority to establish its own Scrutiny Committee. The Combined Authority would need to determine the precise composition of its Scrutiny Committee and the number of members which each participating authority would be required to nominate.

Recommended:- (1) That the Leader of the Council be appointed to represent Rotherham Borough Council on the Sheffield City Region Combined Authority.

(2) That the Deputy Leader of the Council be appointed as the Council's substitute member of the Combined Authority in the absence of the Leader of the Council;

(3) That Councillor Hussain as a member of the Council be appointed as a second rotational member of the Combined Authority to discharge the role set out in Paragraphs 7.7 and 7.8 of the report;

(4) That Councillors R. S. Russell and G. Smith be the two nominated members of the Council to be appointed by the Combined Authority to its proposed Transport Committee.

(5) That Standing Order 7 be amended to provide for questions in relation to the business of the Combined Authority to be asked of the Council's representative on the Authority.

(6) That further consideration be given to the representation of the Council on the Scrutiny Committee of the Combined Authority following the determination by the Authority of its detailed Scrutiny arrangements.

C197 EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended March 2006) (information relating to the financial or business affairs).

C198 DISPOSAL OF LAND AT SANCTUARY FIELDS, NORTH ANSTON

Councillor Smith, Cabinet Member for Regeneration and Development Services, introduced a report by the Strategic Director of Environment and Development Services, which outlined the circumstances surrounding an encroachment onto Council land held by Leisure and Green Spaces by an adjoining owner, and the subsequent disposal of the said land.

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

Resolved:- (1) That the Director of Audit and Asset Management be approved to dispose of the asset on the basis recommended in the report.

(2) That the Director of Audit and Asset Management negotiates the terms of the disposal of the assets as described in the report.

(3) That the Director of Legal and Democratic Services completes the necessary documentation.

C199 CAPITAL PROGRAMME - CAPITAL RECEIPTS UPDATE

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

Receipts of £3.094m have been achieved to date this year and a further £0.7m was anticipated to be completed by the financial year end. This was good performance achieved by the Asset Management Service (Estates Team) in times where local demand remained relatively slow. The generation of capital receipts and savings in (revenue) property costs assisted the Council to address its financial challenges.

A summary of both the current year's actual and anticipated capital receipts, together with a forecast of estimated capital receives over the next five years was provided.

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

C200 DISCRETIONARY RATE RELIEF REVIEW

The Leader introduced a report by the Director of Finance which set out details of thirty-one organisations who were currently in receipt of Section 47 Discretionary Rate Relief.

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

Resolved:- That the continuation of rate relief totalling £550,480.53 to the organisations set out in the report, in line with the policy agreed at Cabinet on 24th April, 2013, for a period of one year only for the period 1st April, 2014 – 31st March, 2015 be approved.

C201 DISCRETIONARY RATE RELIEF TOP UP REVIEW

The Leader introduced a report by the Director of Finance which set out details of eighty-one organisations who were currently in receipt of Section 43 Mandatory Relief and who were receiving a 20% Discretionary Relief top up.

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

Resolved:- That the continuation of 20% top up relief, a total of £128,560.43 to the organisations set out in the report, in line with the policy agreed at Cabinet on 24th April, 2013, for a period of one year only for the period 1st April, 2014 – 31st March, 2015 be approved.

(Councillor Akhtar declared a disclosable pecuniary interest in application DRRTU/14/32 and a personal interest in applications DRRTU/14/57 and DRRTU/14/65 and left the room whilst these applications were discussed)

(Councillor Lakin declared a personal interest in Minute No. 201 relating to application DRRTU/14/21 on the grounds that Dalton Parish Council were a trustee of the facility and he was a member of Dalton Parish Council)

(Councillor Wyatt declared a personal interest in application DRRTU/14/44 on the grounds that a relative accessed this service)

(Councillor Hussain declared a personal interest on the grounds that he had supported or had been involved with some of the organisations in his role as Cabinet Member)

(Councillor McNeely declared a personal interest in application DRRTU/14/63 on the grounds that she had acted as a volunteer)

(Councillor Smith declared a personal interest in Minute No. 201 relating to application DRRTU/14/18 on the grounds that he was a member of Aston Parish Council, which included Aston Parish Hall Management Committee)

C202 COMMUNITY AMATEUR SPORTS CLUBS REVIEW

The Leader introduced a report by the Director of Finance which set out details of how from 1st April, 2004 the Government introduced mandatory rate relief of 80% for Community Amateur Sports Club (CASC) who registered with the Inland Revenue and the requests contained in this report.

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

Resolved:- That the continuation of 20% top up relief to all Community Amateur Sports Clubs, a total of £3,528.24 as set out in the report, in line

with the policy agreed at Cabinet on 24th April, 2013, for a period of one year only for the period 1st April, 2014 – 31st March, 2015 be approved.

C203 UPDATE REGARDING LBI HF LIABILITIES

Councillor Akhtar, Deputy Leader, introduced a report by the Director of Finance, which provided an update with regards to an urgent decision taken by the Chief Executive, in accordance with his delegated powers, regarding the sale of the Council's claim against LBI hf.

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

Resolved:- That the decision taken by the Chief Executive, in accordance with his delegated powers, be noted.