

## COUNCIL MEETING

**Venue:** Town Hall, Moorgate  
Street, Rotherham. S60  
2TH

**Date:** Wednesday, 4th March, 2015

**Time:** 2.00 p.m.

### A G E N D A

1. To submit for approval the minutes of the Council Meeting held on 28th January, 2015 - Pages 96A to 119A (Section A) (Pages 1 - 33)
2. To consider any communication received by the Mayor or the Chief Executive and to pass a resolution or resolutions thereon.
3. To determine any item which the Mayor is of the opinion should be considered as a matter of urgency. (Pages 34 - 43)
4. Leadership Arrangements.
5. To consider any questions from the Public.
6. Proposed Revenue Budget and Council Tax for 2015/16 (Pages 44 - 67)  
As recommended by the Commissioners on 27<sup>th</sup> February, 2015.  
Recorded Vote.
7. Setting the Council Tax for 2015/16 (Pages 68 - 80)  
Following on from the Commissioner's consideration of Agenda Item 6.  
Recorded Vote.
8. Prudential Indicators and Treasury Management and Investment Strategy 2015/16 to 2017/18 (Pages 81 - 109)  
As recommended by the Commissioners on 27<sup>th</sup> February, 2015.
9. Capital Monitoring and Capital Programme 2015/16 - 2017/18 (Pages 110 - 134)  
As recommended by the Commissioners on 27<sup>th</sup> February, 2015.
10. Extension of Business Rates Transitional Relief for 2015/16 (Pages 135 - 138)  
As recommended by the Commissioners on 27<sup>th</sup> February, 2015.

11. To receive a report from the Leader and to consider reports, minutes and recommendations of the Cabinet - Pages 145C to 157C (Section C) (Pages 139 - 151)
12. To consider the following reports of meetings of Cabinet Members:- (Pages 152 - 195)
  - Deputy Leader – Pages 27D to 35D (Section D)
  - Children and Education Services – Pages 40F to 53F (Section F)
  - Environment – Pages 31G to 34G (Section G)
  - Adult Social Care and Health – Pages 41H to 49H (Section H)
  - Business Growth and Regeneration – Pages 26I to 32I (Section I)
  - Safe and Attractive Neighbourhoods – Pages 60J to 67J (Section J)
13. To receive and consider reports, minutes and recommendations of the Audit Committee - Pages 22N to 28N (Section N) (Pages 196 - 202)
14. To receive and consider reports, minutes and recommendations of the Licensing Board Sub-Committee - Page 23Q (Section Q) (Page 203)
15. To receive and consider reports, minutes and recommendations of the Health and Wellbeing Board - Pages 64S to 77S (Section S) (Pages 204 - 217)
16. To receive and consider reports, minutes and recommendations of the Planning Board - Pages 40T to 47T (Section T) (Pages 218 - 225)
17. Scrutiny Update (Chairman of the Overview and Scrutiny Management Board to report)
18. To put questions, if any, to former Cabinet Members and Chairmen (or their representatives) under Standing Order No. 7(1) and 7(3).
19. To put questions, if any, to the designated Members on the discharge of functions of the South Yorkshire Police and Crime Panel, South Yorkshire Fire and Rescue Authority, Barnsley, Doncaster, Rotherham and Sheffield Combined Authority and South Yorkshire Pensions Authority, in accordance with Standing Order No. 7(5).

**J. COLLINS,**  
Director of Legal and Democratic Services.

**COUNCIL MEETING  
28th January, 2015**

Present:- The Mayor (Councillor John Foden) (in the Chair); Councillors Ahmed, Ali, Andrews, Astbury, Atkin, Beck, Buckley, Burton, Clark, Cowles, Cutts, Dalton, Doyle, Ellis, Godfrey, Gosling, Havenhand, Hoddinott, Hunter, Hussain, Jepson, Kaye, Lakin, Lelliott, McNeely, Middleton, Parker, Pitchley, Read, Reeder, Reynolds, Roche, Roddison, Rushforth, G. A. Russell, Sangster, Sansome, Sharman, Sims, Smith, Steele, Swift, Tweed, C. Vines, M. Vines, Wallis, Watson, Whelbourn, Whysall, Wootton and Wyatt.

**A91 MINUTE'S SILENCE**

The Mayor referred to the recent death of former Councillor Audrey Gilbert, the atrocities in Paris and the links Rotherham had with St. Quentin, to which the Leader and Mayor had tendered their support to the people of St. Quentin and France, and the media coverage regarding the atrocities around the Holocaust. A minute's silence was held as a mark of respect.

**A92 COUNCIL MINUTES**

Resolved:- That the minutes of the meetings of the Council held on 10<sup>th</sup> December, 2014, be approved for signature by the Mayor.

Councillor Parker referred to Minute No. A77 (Cabinet Minutes) where he had asked a question and clarified that this related to if there were any Roma families in this community in Rotherham married to underage children.

The Leader confirmed a full response would be provided.

Mover:- Councillor Lakin

Seconder:- Councillor Hoddinott

**A93 COMMUNICATIONS**

(1) The Interim Chief Executive submitted apologies for absence from Councillors Beaumont, Finnie, Gilding, J. Hamilton, N. Hamilton and Turner.

(2) The Director of Legal and Democratic Services reported on revisions to future meetings of Council, namely the 22<sup>nd</sup> April, 2015 meeting which fell within the Purdah Period and which would be cancelled following consultation with the Leaders of the relevant political parties, and the 1<sup>st</sup> July, 2015 Council meeting clashed with other arrangements and, therefore, would move onto the 8<sup>th</sup> July, 2015.

(3) The Director of Legal and Democratic Services also referred to a letter which had previously been circulated in which she exercised her function as the Monitoring Officer to grant dispensations to Elected Members who may have a Disclosable Pecuniary Interest in Minute No. C122 (Housing Rent Increase) and Minute No. C123 (District Heating Scheme Charges) and asked that they disclose the interest at the relevant point on the agenda.

#### **A94 QUESTIONS FROM THE PUBLIC**

(1) Mrs. C. Sadler referred to plans for a travellers' site at Dog Kennel Hill, Anston and asked could the Council assure her that the Cabinet Member for Business Growth and Regeneration would vote in the interests of the people of Anston and not with the Labour Council in order to protect his job?

The Cabinet Member for Business Growth and Regeneration was clear about his personal thoughts on the proposed site for gypsy and traveller allocation and would not advocate that responsibility, but explained that all Elected Members were aware of the obligation to act reasonably when taking decisions on sites which were not always in their own areas and to only take into account relevant considerations and to disregard those which were irrelevant in order to adopt a robust Local Plan at the relevant stage.

In a supplementary question Mrs. Sadler explained that she was not aware of anyone who lived in Anston who had an idea why this particular site been considered due to its total unsuitability. There were a number of points that had been raised and asked why the site has been considered in the first instance?

The Cabinet Member for Business Growth and Regeneration confirmed that he had been part of the Local Plan process for nearly four years and indicated that by law the Council had to allocate a site for gypsy and traveller use. In the absence of any other site this was probably not the best site, but the Council would have to adopt a robust and rigorous local plan for the next twenty years or so and if that was not the case the Independent Planning Inspector would make the final decision.

(2) Mr. R. Bartle referred to headlines in The Star on 7<sup>th</sup> January, 2015 which suggested that compensation claims from victims of child sexual exploitation may have to be met by the local taxpayer, currently there were thirty-four claimants each estimated to receive £100,000. Could the Leader confirm that the taxpayer would have to foot the bill?

The Deputy Leader explained the cost of meeting any compensation claim as a result of child sexual exploitation was divided between the Council and its insurers in accordance with the terms of its insurance policies. Each claim would be carefully considered on its merits, although a decision had not yet been made. Any amount not covered by insurance

could be met from Council reserves. The £100,000 figure quoted was derived from the experiences of another Local Authority. Currently no claims have been settled and, therefore, it was not known how much the figure may be. However, it was clear the Council must meet its legal responsibility to victims where compensation was deemed to be due and the Council, as a public service, was funded by the taxpayers.

In a supplementary question Mr. Bartle referred to the Leader when asked that the insurance would cover the bill even though it was pointed out it was likely that Councillors knew this was happening, could the Leader tell us why the taxpayers should pay for the incompetence of the Councillors and why were they not required to pay the bill?

The Deputy Leader was clear that the Council would not shy away from the responsibilities and where it was proven would meet its legal responsibilities and obligations to what had happened in the past.

(3) Mr. C. Tawn asked given the verdict in *Heesom v Public Services Ombudsman for Wales* why was the Monitoring Officer pursuing an Anston Parish Independent Councillor? The summary related to Article 10 of the European Convention on Human Rights.

The Leader explained that in considering its approach to the issue of standards of ethical behaviour at Anston Parish Council, the Standards Committee (which oversees the approach to ensuring high standards of behaviour of all Elected Members) was well aware of the decision in the case of *Heesom v The Public Services Ombudsman for Wales (2014)*. The case confirmed the limits that may legitimately be placed upon a Councillor's freedom of expression.

In a supplementary question Mr. Tawn asked why the Monitoring Officer was enquiring into an Independent Councillor for allegedly breaching the Code of Conduct when the Code of Conduct no longer applied to Councillors. The allegations were politically motivated and the Council cannot disqualify or suspend a Councillor.

The Leader confirmed the Monitoring Officer would provide a written response.

(4) Mr. D. Smith asked why does Rotherham Borough Council insist on robbing Dinnington and Anston of large swathes of its Green Belt?"

The Cabinet Member for Safe and Attractive Neighbourhoods explained the Council was obliged to prepare a Local Plan, which set out development requirements for housing and employment over a fifteen year period. The Council was obliged to allocate sufficient land to serve that need. Ideally the Council would like to have enough brownfield land in the Borough to provide for that requirement. Unfortunately, this was not the case and there were some areas of Green Belt throughout the whole Borough which were having to be allocated for employment development.

Within the Dinnington, Anston and Laughton Common area the Core Strategy identified a broad location for growth to the east of Dinnington with the overall need to provide for around 1,300 homes in these settlements and specifically for around 700 homes to the east of Dinnington, recognising that parts of the town have the highest levels of deprivation in the Borough and there was a need to encourage investment and development, which had been agreed by the Inspector.

The sites required to accommodate this approved level of growth were being proposed in the Sites and Policies Document which had just been out to public consultation.

The majority of Green Belt release would be in and around the main urban area of Rotherham. There was also Green Belt release in Dinnington, Anston and Laughton Common as one of the main settlement areas, along with some release in other smaller settlements.

For the Borough as a whole only 1.8% of the current Green Belt would be built on during the plan period.

In a supplementary question Mr. Smith referred to the Core Strategy and the reference to the area of Todwick North along the A57 which featured in the Rotherham Business Plan for 2015-2025. The information was misleading as it referred to Dinnington being home to 650 businesses employing 6,800 people. It indicated that development of the colliery site had proved very successful with Phase 1 being fully occupied and Phase 2 starting to fill up. This was incorrect. Phase 1 had twenty-two units empty, Phase 2 was two-thirds empty. There was 52 acres of site for development already with road infrastructure yet, because it was cheap and easy to develop, prefer to take a whole swath of agricultural land along the A57 because this was part of the Sheffield City Region. Reference to the employment of Dinnington people was incorrect as it was only a small number of Dinnington people that were employed in the area. Why take agricultural land along the A57 when well equipped brownfield sites were available.

The Cabinet Member for Safe and Attractive Neighbourhoods explained the reason this site had been allocated or proposed for allocation in the Local Plan was because it provided a need for high quality employment along similar ilk to that being provided on sites such as the Advanced Manufacturing Park. The assessment formed part of the Economic Growth Plan because a site such as the Advanced Manufacturing Park was nearing completion. This was considered to be an appropriate site given its location, relationship and proximity to the motorway and the improved highway infrastructure provision. This had been subject to a public consultation process and all the responses were in the process of being analysed. In addition it would also go through examination in public and be subject to scrutiny by the Independent Inspector before any site was allocated for that purpose.

(5) Ms. K. Johnson referred to 33.3% of non SLT staff at Abbey School being off work with medically diagnosed stress/depression or anxiety issues. Why have H.R. or Health and Safety not investigated the reasons behind these extraordinary high figures?

The Leader explained that there was an ongoing review taking place into matters related to Abbey School and the School was subject to pre-consultation. The sickness absence of staff was a confidential matter between employee and employer. There were robust policies and processes in place in relation to staff wellbeing, safety and welfare. Sickness absence was monitored by individual schools' policies and processes as sanctioned by the Governing Body or Interim Executive Board. The Council's Human Rescource procedures for managing sickness and absence inform strategies for staff absence, support and reintegration with support back to work. It would be inappropriate for Local Authority officers to comment further.

In a supplementary question Ms. Johnson asked where the Council's duty of care was to its workforce? This was obviously an unusual situation and it was felt not being investigated adequately.

The Mayor confirmed this would be responded to in writing.

(6) Ms. A. McGuinness asked in the rush to move students from Abbey School to other placements proper transition procedures could not have been carried out. What had been put in place to reduce stress and upset to the children and their parents/carers?

The Leader explained that children have been moved to other schools where parents/carers have asked for this to happen or where parents have expressed concerns about current inadequate provision and an alternative placement had been agreed with all concerned.

In a supplementary question Ms. McGuinness explained she had spoken to some of the parents of the children from the school who had an interest in this current investigation and they had assured her that there had been no contact made with them during the process and to help with their current situation. One parent had had to resign from her employment to care for her child. At what point would it become clear and the truth told about what had happened at this school?

The Mayor confirmed this would be responded to in writing.

(7) Mr. P. McLaughlin asked why were support staff being blamed for the failures at Abbey School by Local Education Authority Officials, Jan Ormondroyd in her response to the local Member of Parliament, the Chief Executive, Management Teams and the then Director of Schools and Lifelong Learning, Dorothy Smith, when highly paid managers were not who were still in place?

The Leader explained that the Ofsted inspection report highlighted wide ranging concerns. At no point had the Local Authority blamed any individual person or group of people.

The Interim Chief Executive reaffirmed that no blame was being apportioned to staff and the outcome of the independent investigation was awaited.

In a supplementary comment Mr. McLaughlin pointed out that if support staff were spoken to they would reiterate their feeling that they were being blamed for the matters at the school. These were excellent staff and the care they showed to some vulnerable students was fantastic. Their attitude was loving and caring and for them to be treated in this was disgraceful and appalling.

The Mayor confirmed the point would be taken on board.

(8) Mr. I. Cammock asked would the Local Authority officials and management team stop using the term historic failure or problems when referring to Abbey School? They seem to think that the term historic referred to a brief period of eighteen months that the Winterhill Management Team were in charge before the Ofsted report. Historically Abbey School was an extremely successful, happy, family educational institution well respected by all.

The Leader confirmed the comments had been duly noted.

In a supplementary question Mr. Cammock asked why in a Cabinet meeting held on the 26th November, 2014 where it was stated "The Director for Schools and Lifelong Learning pointed out that the Local Authority had put in arrangements to support Abbey School. The school had given the Local Authority concern for the past eighteen months, long before the Ofsted inspection." when for the eighteen months before Ofsted Mr. Burman, Executive Head Teacher from Winterhill had been in charge and his Executive Deputy Head had been Deputy Head Teacher in charge she also said "Significant support was provided to the Executive Head Teacher and the Head Teacher of the school to secure the improvements that the Local Authority deemed necessary. The recent Ofsted inspection deemed the school to be "Inadequate". So Mr. Burman and Mrs. Holford were given significant support yet they failed, why have they not been replaced?

The Mayor confirmed this would be responded to in writing.

(9) Ms. D. Savage recognised that the Local Authority was facing severe budget cuts as a result of the Government's austerity programme and asked was the closure of the Abbey and other places just a cost cutting exercise in response to this?



The Leader pointed out that the Cabinet Member report seeking approval to commence consultation on the proposed closure of Abbey School clearly stated that budget issues have no bearing on the decision by officers to recommend consultation on closure.

In a supplementary question Ms. Savage asked if the school were to remain open how would the Council justify keeping the school open now all the children or the majority of children had been moved out?

The Mayor confirmed this would be responded to in writing.

(10) Ms. J. Tang asked would there be provision for the children that were left in Abbey School if, tragically, it closed after the consultation period and would they be guaranteed a place at another special school?

The Leader confirmed that all children were statutorily entitled to an education. Should Elected Members approve closure following statutory consultation then the SEN Service would work with parents and professional colleagues to secure an appropriate educational placement for every child.

In a supplementary point Ms. Tang explained the Ofsted report indicated that the school would close, not that it was proposed for closure. All this time she felt left in the dark, not had any support and every question asked remained unanswered and she still did not know what was happening. It was worrying for the children and was affecting everyone in the school.

The Leader was concerned that Ms. Tang felt unsupported and asked that the Interim Strategic Director of Children and Young People's Services make contact immediately following this meeting to advise on what was happening at the school and that the help and support for Ms. Tang's child was provided.

(11) Mr. F. Sprague referred to Vanessa Vaughn being on the I.E.B. for Abbey School. She was the Head of Dinnington Primary School that was joining Winterhill Academy chain in March and asked if there was a conflict of interest might potential exist in the I.E.B. and the executive headship?

The Leader explained that Secretary of State for Education determined the appropriateness of membership of the I.E.B. taking due consideration of skills and experience of prospective I.E.B. members ensuring that they could effectively contribute to the governance of the school. The Secretary of State for Education approved the I.E.B. and its membership in November, 2014.

The Local Authority did not have any concerns about the ability of Ms. Vaughn to act only in the best interests of the children who attend Abbey School.

In a supplementary question Mr. Sprague asked what input the Local Authority had in the selection of the members of the I.E.B. at Abbey School?

The Mayor confirmed this would be responded to in writing.

(12) Ms. C. Carroll was unable to attend the meeting to ask her question - could children who have been moved to other schools be kept on the Abbey's roll until after the consultation period to protect its viability?

A response in writing would be provided.

(13) Ms. M. Browne was unable to attend the meeting to ask her question - Karen Halford, the Associate Head, was still in place. Why was she not fighting to keep Abbey open? Had she been offered a position elsewhere if the school closed?

A response in writing would be provided.

(14) From Mr. S. Johnson asked why was Abbey School closing when Clifton and other Rotherham schools in special measures were being kept open and given support?

The Leader confirmed the Local Authority was currently consulting on the proposal to close Abbey School and no decision as yet had been made.

In a supplementary question Mr. Johnson confirmed the consultation process was taking place, but Clifton School was apparently £1 million in the red and given support to stay open and asked how much had been spent on Abbey School since the Ofsted report had been announced?

The Mayor confirmed this would be responded to in writing.

(15) Ms. S. Turner was unable to attend the meeting to ask her question - do you agree that closing the Abbey School would cause trauma and upset to some very vulnerable students and their families?

A response in writing would be provided.

(16) Ms. T. Wright was unable to attend the meeting to ask her question - it was evident from the previous questions that the Winterhill Management Team and the Management Team at the Abbey were not fit for purpose. Why have they not been removed?

A response in writing would be provided.

(17) Mr. Cutts referred to the “stage managed” Professor Jay’s Report at the recent Scrutiny enquiry where he was unable to ask Professor Jay a question due to her absence and asked why the Cabinet Member for “Cohesion”, Councillor Mahroof Hussain, was not asked or volunteer to provide a statement and assist on the child sexual abuse situation?

The Chairman of the Overview and Scrutiny Management Board explained he would be answering the question as Councillor Hussain was not involved in the scrutiny review process. Cabinet referred its response to the Overview and Scrutiny Management Board for its consideration who agreed that a more in-depth review was required to scrutinise Rotherham’s plans to address child sexual exploitation. This would examine how effectively agencies across Rotherham were working together to make sure that children and young people were kept safe and victims provided with appropriate support.

As part of its review, the Board looked at the Safeguarding Board’s detailed action plan which incorporated Professor Jay’s recommendations and the other improvements identified in previous reviews and inspections. The review also received expert testimony and challenge from a range of witnesses. The draft minutes of the meeting were available on-line and were a full reflection of the level of discussion and questioning.

The scrutiny session took place in public over two full days on Friday, 12<sup>th</sup> and Thursday 18<sup>th</sup> December, 2014. As with all scrutiny meetings, there was a dedicated slot at the beginning of the agenda for members of the press and public to ask questions. Mr Cutts declined to ask his question even though the offer to send the question to Professor Jay was provided.

No previous portfolio holders were invited to give evidence as the focus of the review was to challenge the current plans to tackle child sexual exploitation. The issue of community engagement featured a number of times over the two days and there is a specific recommendation for the Local Safeguarding Children’s Board in respect of this. In addition, the Deputy Leader and Cabinet Member for Education and Children’s Services were invited to attend. There were recommendations to strengthen victim support and the Cabinet’s oversight of the action plan. The review had made a number of recommendations which would be fed into the Cabinet and Improvement Boards in due course.

The draft plan went to the Overview and Scrutiny Management Board on Friday, 23<sup>rd</sup> January, 2015 and only one further recommendation was indicated from the Opposition, which the Board agreed to look into.

In a supplementary question Mr. Cutts asked why was Professor Jay not in attendance at the meeting?

The Chairman of the Overview and Scrutiny Management Board explained Professor Jay was unable to make the time suggested and only required a slot of one hour. It was, therefore, believed that the questions that could be asked within the hour could easily have been asked via email and this was agreed.

#### **A95 STANDARDS COMMITTEE**

Resolved:- That the reports and minutes of the meetings of the Standards Committee (Section B) (pages 10B to 13B) be adopted.

Mover:- Councillor Gosling

Seconder:- Councillor Tweed

#### **A96 CABINET MINUTES**

A number of questions were raised in relation to the minutes of the meetings of Cabinet as follows:-

Minute C103(1) (Question from Elected Members) – Councillor Cowles confirmed he had not yet received the response in writing as indicated by the Director of Housing and Neighbourhood Services at the meeting and asked that the costs be clearly indicated as to whether the costs included post and officer time or whether they had been excluded.

The Mayor confirmed this matter would be followed up.

Minute No. C110 (RLSCB Child Sexual Exploitation Action Plan) – Councillor Parker asked if it could be explained what the concerns were about in relation to the appointment of a person to oversee the work of the multi-agency safeguarding hub to ensure the right sort of person to deliver on this was appointed, given that this was a very important role and the people of Rotherham had a right to know.

The Leader confirmed that the concerns were about getting the right person to oversee this very important work. A person had now been appointed and a response in writing as to who this person was would be provided.

Minute No. C112 (Private Rented Sector – Selective Licensing) – Councillor Parker referred to this scheme and asked if the proposed charge of £687 related to individual properties or was it a total amount for the properties owned by a landlord as it was not stated.

The Cabinet Member for Safe and Attractive Neighbourhoods confirmed the suggested fee of £687 had since been reduced to £625, but this was being looked into to see if this could be reduced further. A final fee figure would be submitted to Cabinet for approval before the scheme became operational. That fee was per property and reflected the cost of administering the scheme, but consideration was being given as to how this could be further reduced and a £100 discount would be applied for

landlords who were part of a recognised accreditation scheme. Paying by instalments and reductions for landlords with multiple properties were also being considered.

In a supplementary question Councillor Parker believed if this fee was payable for every individual property landlords would simply pass the cost on to the tenant and the rent would increase accordingly hitting the tenants the hardest. He did not object to it being used against the properties of landlords that required some maintenance, but he did object to the fee being payable for each property as ultimately this would end up being paid by the tenant not the landlord.

The Cabinet Member for Safe and Attractive Neighbourhoods clarified the Minute did refer to the original suggested fee as being £687, but this had since been reduced to £625. It was recognised that this was a cost and there may be landlords that would pass on the sums via their tenants. This was a one-off fee for a five year period and so had to be looked at in this context. The benefits had to be weighed up against the production of a selective licensing scheme in certain areas where a great deal of work had already been carried out. This scheme primarily attempted to deal with issues of poor quality housing following the measures already carried out over a number of years which have proved to be unsuccessful. Compared to the fees charged nationally the fee payable in Rotherham was within the middle range and reflected the administration and inspection regime for the properties within the scheme. Every effort was being made to keep this cost to a minimum.

Minute No. C114 (Sale of Unit at the Advanced Manufacturing Park) – Councillor Parker referred to the information shared previously where it was indicated the Council would receive a net profit of £40,000 and asked had the unit actually been sold, what was the actual profit made and what was the alternative option referred to?

The Cabinet Member for Business Growth and Regeneration confirmed this was the second of the two units that the Council financed. The first unit was sold and the Council received in the region of £40,000. This second slightly smaller unit netted the Council approximately £20,000 profit after fees. The exact details would be provided in writing.

This use of capital expenditure by the Council was not to make a profit, but purely to stimulate business growth and employment on the Advanced Manufacturing Park. With the cuts to Government funding the Council was becoming ever more reliant on business rates.

The alternative options in the report related to a possible short term lease arrangement to a fairly new established company, which increased the security risk for the Council.

The Advanced Manufacturing Park was successful and the Cabinet Member was very proud that business wished to operate from Rotherham.

In a supplementary question Councillor Parker referred to the profits of the first unit being in the region of £40,000 and the second unit being in the region of £20,000 and asked if there was a further unit was the Council just going to give it away and make no profit?

The Cabinet Member for Business Growth and Regeneration confirmed there were no further units for sale. He emphasised the Council had taken these decisions not based on profit margins, but simply by supporting the business community in Rotherham and was in a position to support business growth and employment. It was the Council's responsibility to support regeneration and the Growth Plan was currently out for consultation.

Minute No. C124 (Education Lifestyle Survey) – Councillor Parker referred to the survey of young people and safety in the town centre and confirmed that he had spoken to a number of middle aged or older people about their concerns. It appears that 60% of young people within the Rotherham Borough did not visit Rotherham because of concerns about their safety and asked what was the Council doing about this?

The Cabinet Member for Adult Social Care and Health confirmed 60% of young people did not come into the town centre, but there were a raft of reasons why this was the case. Some young people lived on the outer fringes of the Borough and, therefore, did not identify as much with the town centre. However, where those concerns particularly related to the Interchange these concerns have been raised with the Passenger Transport Executive for action to be taken to ensure young people and even older people feel safe.

In a supplementary question Councillor Parker referred to the Minute as written and the words "unsafe" which the Opposition Members had been telling the Council about for some time and brought the subject up previously. People regardless of age did not feel safe coming into Rotherham town centre for shopping etc. and it was not just the Interchange, but Rotherham in general. What were the Council doing, in co-ordination with other agencies, to make people feel safe?

The Cabinet Member for Adult Social Care and Health explained this was about partnership working and no single agency could tackle this issue alone. It was also about perception and actuality and there was a need for a co-ordinated approach to ensure these perceptions were changed.

Councillor Burton confirmed this issue was an area for some discussion at the Improving Lives Select Commission that morning following the publication of the Lifestyle Survey and when the issues around safety were looked into further it was about the perception and not evidenced by the results. There was a need for ongoing work with partners and schools to look at perception to see how this could be improved.

Councillor Reynolds confirmed he too was at the Improving Lives Select Commission meeting and referred to the results of the survey where many young people felt worse about themselves than they did last year. Surely it was the duty of this Council to give young people hope and encourage ambition and asked what action was being taken given than the results that 60% of young people did not come into the town centre?

The Cabinet Member for Business Growth and Regeneration pointed out the need to breed ambition in young people, but there were mechanisms currently in place like the Town Centre Partnership which had been in existence for a number of years. The Partnership was made up of relevant partners and a piece of work could be undertaken to look at these issues and was willing to take this forward.

The Mayor commented on the discussion that had taken place and that in his Civic capacity had attended many functions and initiatives in the town centre. He acknowledged the survey results, especially around perception, and as a Rotherham citizen often travelled on public transport and visited the town centre. He offered any Elected Member the opportunity to accompany him into the town centre to show him the fear that existed within the public of Rotherham. There was a great deal of good work taking place in the town centre and this should not be ignored.

Minute No. C109 (Rotherham Local Safeguarding Children's Board Annual Report) – Councillor Middleton referred to the section in the Minute which referred to the early help dashboard and further on about front door referrals and asked that this could be more explicitly explained.

The Mayor confirmed an explanation on this was to be provided in writing.

Councillor Whelbourn referred to the former Plain English Report Writing Guide, which had been designed for report writing and which should be available on the intranet. This Guide was designed to assist report authors on their formation of their reports.

The Leader acknowledged the need for professional officers to ensure that reports submitted for consideration were in plain English and in a format that was easy to understand.

Councillor Middleton also referred to the same Minute and the later reference to the first meeting between the Chairmen of the Health and Wellbeing Board and the Local Safeguarding Children's Board having taken place and asked why the respective Chairmen were not meeting anyway as a matter of course?

The Cabinet Member for Adult Social Care and Health advised that arrangements were being made for the three Chairmen of Health and Wellbeing Board, Adult Safeguarding Board and the Local Safeguarding Children's Board to meet on a more formal basis.

Councillor Wyatt, the former Chairman of the Health and Wellbeing Board, also referred to the local protocol that had been established which sought to develop constructive and productive working relationships with other bodies.

Minute No. C122 (Housing Rent Increase 2015/16) – Councillor Reynolds asked about the proposed housing rent increase for the coming year and asked what the level of non-payment rent arrears was in total?

The Cabinet Member for Neighbourhoods and Adult Services confirmed the answer for this would be provided in writing.

However, it was pointed out that 2.2% rent increase was much lower than it had been in previous years and hopefully would not generate any significant increase in rent arrears.

In a supplementary comment Councillor Reynolds referred to those families who were already in arrears and the impact of any kind of increase.

Resolved:- That the reports and minutes of the meetings of the Cabinet (Section C) (pages 115C to 144C) be adopted.

Mover:- Councillor Lakin

Seconder:- Councillor Hoddinott

(Councillors Andrews, Astbury, Dalton, Dodson, Ellis, Lakin, Whelbourn and Wyatt declared disclosable pecuniary interests in Minute No. C122 (Housing Rent Increase) and Minute No. C123 (District Heating Scheme Charges))

## **A97**

### **DELEGATED POWERS**

A number of questions were raised in relation to the minutes of the meetings of Cabinet Members as follows:-

Minute No. D31 (Individual Electoral Registration) – Councillor Middleton considered this a very good idea and referred to the Minute text indicating verification of a person's identity was undertaken with records held by the Department for Work and Pensions. The Minute also indicated that those



people who could not provide this information may prove their identity using an alternative form of evidence and asked what other forms could be used?

The Deputy Leader confirmed identity information was required in the form of a date of birth and national insurance number. Specific details on what was required in terms of alternative forms of evidence would be supplied in writing. A briefing note was to be circulated to all Elected Members on Individual Electoral Registration to coincide with National Registration Day.

In a supplementary question Councillor Middleton referred to the telephone registration service which had been in operation since the 1<sup>st</sup> July, 2014 and asked how many people had taken advantage of this service?

The Deputy Leader would provide a response to this question in writing, but drew Members' attention to Resolution No. 2 and the briefing note with all the details which was to be circulated shortly.

Councillor Parker also pointed out the implications to Individual Electoral Registration and the 20,000 people who may have dropped from the Electoral Register. There was evidence of electoral fraud in some areas and hopefully Rotherham would not be one of them.

The Deputy Leader confirmed there were concerns that some people may disappear from the Electoral Register. However, Individual Electoral Registration provided the necessary safeguards, but required people to register themselves, including young people whose parents could no longer register on their behalf.

Minute No. D23 (Webcasting) – Councillor Parker welcomed webcasting in the Council Chamber for members of the public, but expressed his concern about the apparent “editing” when the webcast was posted to the webcast library and asked how was the Council going to ensure independence of the system?

The Deputy Leader confirmed webcasts were not edited in any way. However, there had been occasions where the sound had been quieter on occasions and this had been traced to the microphones. It was suggested that Elected Members receive some training moving forward to ensure clarity to the webcasts in the future.

Councillor Parker believed editing did take place. Members of the public had voiced concerns at editing differences and would be watching the permanently installed system closely.

Minute No. D28 (Revenue Budget Monitoring) – Councillor Parker referred to the pressures relating to printing in Legal and Democratic Services and the high income target set against the budget which had not materialised and asked why this target had not been met?

The Deputy Leader did not have the actual figures to hand and would supply the detail in writing, but this did relate to the Central Print Unit and utilising more the provision available and making better use of the resources.

In a supplementary question Councillor Parker asked who met the cost for the purchase of the equipment as it may be more cost effective to have the printing provision outsourced.

The Deputy Leader did not have these figures to hand, but confirmed the detail of the question asked would be provided in writing.

Minute No. F29 (Questions from Members of the Public) – Councillor Parker referred to the Council's website believing it to be unfit for purpose and the statement in the minutes on Page 25F in the second paragraph where matters were included on the website, but members of the public were unable to access or use it. He suggested that certain details be provided on the website for members of the public to be able to access relevant information and referred specifically to licensed taxi matters.

The Deputy Leader reported on the accessibility of the website, particularly to pay bills. Any feedback received about the website would be taken on board and listened to.

In a supplementary question Councillor Parker pointed out that basic questionnaires requiring online completion always met with problems and it would appear obstacles were deliberately put in the way.

The Deputy Leader agreed that the points raised would be taken on board.

Minute No. I23 (Petition – Badger Culling) – Councillor Parker referred to the Council's opposition to cull badgers on Council-owned land and asked if the Council would be liable if a farmer claimed his farming stock had contracted tuberculosis from a badger if it could be proven they were previously on Council-owned land.

The Cabinet Member for Business Growth and Regeneration referred to the petition which sought support for the prohibition of badger culling on Council-owned land, to which he and the Council were in support of. As a Local Authority it had no control over land which it did not own.

In a supplementary question Councillor Parker asked if the Council were opposed to badger culling on their land and a badger known to have been living on Council-owned land was responsible for infecting livestock was the Council culpable and had the matter been looked into further from a legal perspective?

The Cabinet Member for Business Growth and Regeneration pointed out there had been no cases of bovine tuberculosis above the West Country reported. A report had been submitted which supported this Minute and a map could be shared which illustrated this. Legally it was not believed that the Council would be responsible as these were wild animals who were free to roam. The Cabinet Member shared the petition's view about the duty to protect badgers and reaffirmed there would be no badger culling on Council-owned land.

Councillor Watson in his professional capacity reported that there was no proof that an outbreak of bovine tuberculosis was from a badger in general and it was believed this would ever come up in a court of law.

Minute No. 136 (Rotherham Town Centre – Expansion of Street Market) – Councillor Middleton asked how the benefit was calculated and if there had been any research undertaken on the influence for surrounding retailers if the street market was expanded? Was this expansion taking trade away from the current retailers or was it improving trade?

The Cabinet Member for Business Growth and Regeneration confirmed consultation had taken place with retailers, independent and national shops and the plan was for the current sixty-two street market stalls to increase in number to ninety. All the stalls would be replaced as they were in a state of disrepair and would cost in the region of £46,000. This increase would provide additional income and greater revenue which would be reinvested. This expansion was timely and result in increased footfall and trade in that area of the town centre following the relocation of Tesco.

In a supplementary question Councillor Parker asked if an impact assessment had been undertaken on the general market area and what effect this could have?

The Cabinet Member for Business Growth and Regeneration explained all the existing stallholders in the general market had been consulted. The two markets were not exclusive and shoppers may choose to visit all areas of the town centre. It was not felt there would be a negative impact with this expansion as the street stalls needed to be replaced and the relocation of Tesco could lead to greater footfall into the market area given its proximity. There were plans to include the indoor market area for investment, which would improve the whole area and make it more inviting to shoppers.

Resolved:- That the reports and minutes of the meetings of Cabinet Members as listed below be adopted:-

- Deputy Leader – Pages 14D to 26D (Section D)
- Children and Education Services – Pages 21F to 39F (Section F)
- Environment – Pages 24G to 30G (Section G)
- Adult Social Care and Health – Pages 32H to 40H (Section H)
- Business Growth and Regeneration – Pages 13I to 25I (Section I)
- Safe and Attractive Neighbourhoods – Pages 41J to 59J (Section J)

Mover:- Councillor Lakin

Seconder:- Councillor Hoddinott

#### **A98 LICENSING BOARD SUB-COMMITTEE**

Resolved:- That the reports and minutes of the meeting of the Licensing Board Sub-Committee (Section Q) (Pages 16Q to 22Q) be adopted.

Mover:- Councillor Dalton

Seconder:- The Mayor  
(Councillor John Foden)

#### **A99 HEALTH AND WELLBEING BOARD**

Resolved:- That the reports and minutes of the meeting of the Health and Wellbeing Board (Section S) (Pages 48S to 63S) be adopted.

Mover:- Councillor Doyle

Seconder:- Councillor Hoddinott

#### **A100 PLANNING BOARD**

Resolved:- That the reports and minutes of the meetings of the Planning Board (Section T) (Pages 33T to 39T) be adopted.

Mover:- Councillor Atkin

Seconder:- Councillor Tweed

#### **A101 REVISED MEMBERSHIP ARRANGEMENTS 2014/15**

The Director of Legal and Administrative Services submitted details of the revised membership arrangements for the current municipal year to include Councillor Wyatt on the membership of the Licensing Board to fill the vacancy left by Councillor Doyle.

Resolved:- That the inclusion of Councillor Wyatt on the Licensing Board be approved.

**A102 QUESTIONS TO CABINET MEMBERS AND CHAIRMEN**

(1) Councillor C. Vines asked why was the Rotherham Advertiser informed of the new director and manager appointments before Elected Members?

The Leader confirmed as a matter of general principle, officers worked on the basis that any information to be shared more widely with a range of stakeholders would be shared beforehand or simultaneously with Elected Members.

On the assumption that Councillor Vines' question related to the proposed restructure within Children and Young People's Services, and a number of interim appointments pending consultation, it was confirmed that information was sent to Elected Members in an email from Ian Thomas, Strategic Director of Children and Young People's Services, on 12th January, 2015.

Gareth Dennison, a reporter from the Rotherham Advertiser, interviewed Ian Thomas on Thursday, 8th January, 2015 when initial information about the new appointments was shared, on the basis that this would not be appearing in the newspaper until Friday, 16th January, 2015 (given that the interview was too late to appear in the Advertiser's edition of Friday, 9th January, 2015) – after information had been shared with Elected Members and staff.

In a supplementary comment Councillor C. Vines pointed out the information had been shared with Elected Members late on the Thursday afternoon, following which the information appeared in the press.

The Leader agreed with Councillor C. Vines and it should not have happened in this way. The information was shared at the interview on the basis that it would not appear until the following week's edition, but unfortunately it appeared in the edition of the same week.

(2) Councillor Cowles asked according to the press RMBC refused to name care homes found to be failing vulnerable adults by putting them at the risk of harm. The reason given in the article was that by doing so would harm their future business prospects, was this correct?

The Cabinet for Adult Social Care and Health found the question useful. To be helpful he explained that when the Care Quality Commission undertook an inspection of a care home that information was placed on the website and was available for public view. On occasions this was picked up by the local press. Following a Council inspection which resulted in an action plan with a care homes as a result of a problem that occurred, this was passed to the Cabinet Member who would disseminate to the Ward Members. This could possibly be more transparent and officers were being asked to look at ways to see how that information could be disseminated wider to the full Cabinet.

In relation to the question this related to a report from the Adult Safeguarding Board relating to the previous year where care homes referred to had issues that have now been resolved. Once the issues had been resolved the care home had 12-18 months to continue successful trading without any concerns. If a former care home that had had concerns previously had to be named in that report it would engender concern amongst residents and families which was unnecessary as the home was operating well.

The Council had to take account of influence to a business that had had a previous problem as this could put people off. The Council had received a challenge some years ago, but this was withdrawn before the case went to Court.

The Cabinet Member supported a more open and transparent process, but pointed out that former problems could do harm to a business that may now be performing well.

In a supplementary question Councillor Cowles pointed out if these businesses were producing a product or a service then it was right that they were highlighted. In this case the businesses were providing care and, therefore, the public had a right to know. It had been highlighted that the Council had been found in the past not to be good at looking after children, other people's money and now vulnerable old age people. Perception was everything and the way the article read it appeared the R.M.B.C. was putting profits before people and this was a concern and these people should be named.

The Cabinet Member for Adult Social Care and Health pointed out when there was an issue with a particular care home all the residents and their families were informed. The concerns may not necessarily be about care, it could be about the fabric of the building. This was about people's homes where they lived and it was the Council's responsibility to work with these care homes, if they had an issue or a problem, to work together to resolve the concerns to ensure they were continuing to provide excellent care.

The Council had a number of different ways to do this. The Council's Home from Home Inspection Scheme was now similar to the recently adopted Care Quality Commission's system of operation where homes were encouraged to raise their standards by obtaining a rating from the Local Authority, which would assist with raising standards. This positive proactive way of working and the stick approach were measures that could be put in place to try influence those changes. The Local Authority, however, did not have the power to close any of these homes, but could take action to remove residents who were paid for by the Local Authority or raise concerns about problems if they were related to a particular home.

(3) Councillor Jepson asked did the Cabinet Member for Business Growth and Regeneration believe his Cabinet role and Chamber of Commerce employment adhered to the Public Life Principle that stated holders of public office should not place themselves under any financial or other obligation to outside organisations that might seek to influence them in their performance of their official duties?

The Cabinet Member for Business Growth and Regeneration was very aware of his obligations and that placed upon all Members to ensure that he and they have no real or perceived conflict of interest when undertaking Council duties. To this end the Cabinet Member regularly took advice from the Monitoring Officer with regard to any potential conflict of interest and would ensure that he did not participate in any decision-making where this could be an issue.

(4) Councillor Cowles referred to late last year RMBC signing off £1.6 million in order to extend the broadband network to cover 97% of homes and businesses. This sum was to be covered by a grant from SCRIF and to be confirmed by December. Have the Council received confirmation that this funding would be received?

The Deputy Leader confirmed the broadband bid for SCRIF funding to meet the local authority contributions towards extending the superfast broadband network in South Yorkshire was still going through the approval process. It had successfully got through the Outline Business Case stage last year. Further work was being undertaken for the second stage for the approval process and a decision on this was due in April, 2015.

In a supplementary question Councillor Cowles confirmed the funding had not yet been received, but asked where the extensions to broadband was going to take place as this appeared to be unknown?

The Deputy Leader explained the surveys were being carried out currently and there was now a Programme Manager in place working out of Barnsley Council leading on the project for the four South Yorkshire Authorities. The Project Manager was happy to come and brief Members on the progress of the project and the relevant phases and milestones over the next few years.

(5) Councillor Jepson confirmed it was announced last week that that £65 million was to be invested to create Sheffield's own version of China Town. Did the Cabinet Member for Business Growth and Regeneration think that this would have a negative effect on the Council's own Visions of China Project and could he give an update on its current position?

The Cabinet Member for Business Growth and Regeneration explained that the proposal was not seen as negative, but potentially complimentary. Consideration was being given how to develop this area across the other Local Authority boundaries and a piece of work was looked at last week

on the Advanced Manufacturing Park by an academic how Rotherham and Sheffield could work together to promote employment and jobs. The Sheffield development was different to that proposed by the Visions of China Project in that it included more offices, restaurants and also residential accommodation.

The Visions of China Project was private sector led and not a Council project as such. The current position on Visions of China was that the developer was exploring a number of funding options. An update report was to be submitted to the Cabinet in within the next two months.

In a supplementary question Councillor Jepson asked if the Visions of China Project failed to materialise what did the Cabinet Member think the impact would be on the Rotherham Growth Plan in terms of the loss of employment and inward investment?

The Cabinet Member for Business Growth and Regeneration confirmed this would have to be considered as the Rotherham Growth Plan included six key themes around housing, town centre and how to give people the skills to seek employment and be aspirational. The Council had a 10,000 job target to achieve in Rotherham which was not easy. There were still huge obstacles and constraints to overcome, but every effort would be made to achieve this target which was ambitious. The Visions of China Project or any project on this large development site would deliver significant benefits for the wider region, including employment.

The Council had a responsibility to ensure the Growth Plan was a success and this was supported.

Councillor Parker sought clarification on the future of the Visions of China Project and its viability as he had asked a question at a previous Council Meeting and been told it had no future. He had also asked about this development site and the potential for this to be allocated for residential purposes rather than the Green Belt area in Greasbrough arising from its brownfield status.

The Cabinet Member for Business Growth and Regeneration explained this was a private sector led development and until such time that the Visions of China Project and its developers presented a fully costed out business proposal and business plan to deliver a leisure project on this site, the Council could not confirm its viability and were open to other suggested offers from other developers. This site was recognised in the Growth Plan as a key development site opportunity.

Councillor C. Vines commented on the use of false statements in the Council Chamber. The Cabinet Member for Business Growth and Regeneration had clearly stated previously that the Visions of China Project was dead and now it was being reported that the Council were unable to confirm the viability. It was suggested that false statements and lies should not be given in the Council Chamber.



Councillor Reynolds sought clarification on the ownership of the development site and on receipt of confirmation that the Council did own this site, asked a supplementary question relating to the brownfield status and that residential accommodation could be built upon it?

The Cabinet Member for Business Growth and Regeneration confirmed the plan for this site was to deliver a leisure/commercial project to deliver employment and its historical mining history made this a suitable place to develop such a project. This site had never been part of the Local Plan considerations to deliver residential development in that area.

Councillor Middleton asked about the legal status of this Council-owned land and whether a lease arrangement existed setting out a clear timetable of expectation with a break clause if the scheme was not delivered. Simply to say the Council was unclear as to what was happening on this site was inappropriate as the Council would be the landlord to any lease arrangement that existed and would know exactly what was happening.

The Cabinet Member for Business Growth and Regeneration reiterated his point that this was not the Council's project, although the land was owned by the Council. A previous report to Cabinet last year formerly ended the agreement with the Visions of China developers as the funding proposals were never submitted and at that stage no information had been provided. An update report to be submitted to the Cabinet in two months would provide more information on the status of any projects for that area. The Council did know what was happening in that the agreement with the Visions of China Project had ended until such time as firm proposals were submitted.

In a supplementary question Councillor Middleton asked if the agreement with the Visions of China Project had ended, why were the matters being discussed when the land was now available for other uses?

The Cabinet Member for Business Growth and Regeneration confirmed this to be correct and that an update report was to be submitted in due course as this action was agreed at Cabinet in August, 2014.

Councillor Reynolds expressed his concern that this information should have been provided initially, but asked why houses could not be built on this brownfield site as this created jobs and houses were required.

Councillor Parker had observed a number of commercial units and office blocks stood empty in Rotherham and believed no more were required for many years. He asked why the Green Belt area at Greasbrough was to be built over when there were brownfield sites such as this that could be developed for residential purposes, which also already had excellent infrastructure links to the surrounding area. This was a perfect site for residential development and the dogmatic approach to using this area for

commercial development should be ignored and the voices listened to. This site was ideal for those properties.

The Cabinet Member for Business Growth and Regeneration for clarity confirmed the site was in fact designated Green Belt land and not brownfield.

Councillor Parker pointed out that this site was former brownfield land and had been redesignated as Green Belt land.

Councillor Reeder expressed her concerns about being misled about the Visions of China Project and referred to the numerous questions that had been asked why this site was not being allocated for residential development. It was appalling how the residents of Rotherham were being treated and the Council needed to listen to the people of Rotherham and where they wanted their houses building.

### **A103      QUESTIONS TO SPOKESPERSONS**

There were none.

## **WRITTEN ANSWERS FOR COUNCIL**

**28<sup>TH</sup> JANUARY, 2015**

### **Questions from Members of the Public**

- **Supplementary Question to No. 3 from Mr. Tawn** –“Why the Monitoring Officer was enquiring into an Independent Councillor for allegedly breaching the Code of Conduct when the Code of Conduct no longer applied to Councillors. The allegations were politically motivated and the Council cannot disqualify or suspend a Councillor.”

**Answer** - The current Rotherham Metropolitan Borough Council Code of Conduct applies to all Borough Councillors and to Councillors of Parish and Town Councils that have adopted the Borough’s code. Whilst the facility to suspend or remove Councillors from office is no longer available, the obligation to behave in accordance with the requirements of the Code of Conduct remains.

The Council, through the Standards Committee applies the Code to all Members in an impartial manner.

- **Supplementary Question to No. 5 from Ms. K. Johnson** – “Where the Council’s duty of care was to its workforce? This was obviously an unusual situation at Abbey and it was felt not being investigated adequately.”

**Answer** - The Council is fully aware of the duty of care towards its Employees and following Council policy and procedure guidelines is working with the Schools Leadership Team and individual staff members to address individual concerns raised by employees.

- **Supplementary Question to No. 6 from Ms. A. McGuinness** – “Had spoken to some of the parents of the children from the school who had an interest in this current investigation and they had assured her that there had been no contact made with them during the process and to help with their current situation. One parent had had to resign from her employment to care for her child. At what point would it become clear and the truth told about what had happened at this school?”

**Answer** - Children and Young People’s Services Officers will liaise with the Interim Executive Board in relation to communication strategies with Parents and Carers. The proposal to close the school is currently being consulted upon, no decision has been made on the schools future and would in due course be determined by the ‘decision maker’. The Strategic Director for CYPS has also commissioned an independent review of events leading up to the proposal to

close the school and the outcome of the review will be provided to decision makers for consideration as part of the statutory process.

- **Supplementary Question to No. 8 from Mr. I. Cammock** – “Why in a Cabinet meeting held on the 26th November, 2014 where it was stated “The Director for Schools and Lifelong Learning pointed out that the Local Authority had put in arrangements to support Abbey School. The school had given the Local Authority concern for the past eighteen months, long before the Ofsted inspection.” when for the eighteen months before Ofsted Mr. Burman, Executive Head Teacher from Winterhill had been in charge and his Executive Deputy Head had been Deputy Head Teacher in charge she also said “Significant support was provided to the Executive Head Teacher and the Head Teacher of the school to secure the improvements that the Local Authority deemed necessary. The recent Ofsted inspection deemed the school to be “Inadequate”. So Mr. Burman and Mrs. Holford were given significant support yet they failed, why have they not been replaced?”

**Answer** - The review commissioned by the Strategic Director for Children and Young People’s Services would give Elected Members an independent view of Leadership leading up to the Ofsted judgement and would be used to inform Members as part of the pre Statutory Consultation phase.

- **Supplementary Question to No. 9 from Ms. Savage** – “If the school were to remain open how would the Council justify keeping the school open now all the children or the majority of children had been moved out?”

**Answer** - Some pupils have been transferred to other schools where parents have requested this or where it was felt individual pupils needs could be met more effectively in alternative provision. This will have no bearing on the decision reached by Elected Members at the end of the consultation process.

There is a national framework for the funding of special schools. If a decision was taken to keep Abbey School open then the LA would fund the school for the number of places commissioned.

- **Supplementary Question to No. 10 from Ms. J. Tang** – “The Ofsted report indicated that the school would close, not that it was proposed for closure. All this time she felt left in the dark, not had any support and every question asked remained unanswered and she still did not know what was happening. It was worrying for the children and was affecting everyone in the school.”

**Answer** - Individual contact has been made with Mrs Tang and it is not appropriate to share this information at this meeting.

- **Supplementary Question to No. 11 from Mr. F. Sprague** – “What input the Local Authority had in the selection of the members of the I.E.B. at Abbey School?”

**Answer** - The IEB membership has been agreed by the Secretary of State from proposals made to her by the LA. Membership of the IEB has been extended to ensure skills, knowledge and expertise is available to support the work of the IEB.

- **Question No. 12 from Mrs. C. Carroll** – “Could children who have been moved to other schools be kept on the Abbey’s roll until after the consultation period to protect its viability?”

**Answer** - Education Health Care Plans stipulated the setting that a pupil would attend, no pupil has been transferred to another school or setting against the wishes of their parent/carer.

National funding framework requires funding to follow pupils. The vast majority of moves were in response to parents requests for a move. The SEN team have recorded parental views:-

	Have expressed wish for move	Have concerns, but have not expressed wish for move	Have expressed wish to stay	No comment made
Primary	15	1	0	5
Secondary	38	8	3	17
Totals	53	9	3	22

- **Question No. 13 from Ms. M. Browne** – “Was unable to attend the meeting to ask her question - Karen Halford, the Associate Head, was still in place. Why was she not fighting to keep Abbey open? Had she been offered a position elsewhere if the school closed?”

**Answer** - It would be inappropriate to answer any question on behalf of the Head Teacher at the school. Any personal views and actions by individual employees in relation to the consultation are the personal ones of individuals concerned and not those of the Council. No employee has been offered employment elsewhere by the Council as this would be wholly inappropriate during a period of pre statutory consultation.

- **Supplementary Question to No. 14 from Mr. S. Johnson** – “ The consultation process was taking place, but Clifton School was apparently £1 million in the red and given support to stay open and asked how much had been spent on Abbey School since the Ofsted report had been announced?”

**Answer** - In the time available a full response cannot be made available due to the complex nature of the funding streams which have and are being used to fund Abbey School.

- **Question No. 15 from Ms. S. Turner** – “Do you agree that closing the Abbey School would cause trauma and upset to some very vulnerable students and their families?”

**Answer** - The closure of any school, setting or other facility has a significant impact on individuals, hence why a full and robust period of consultation is undertaken prior to any decision being made by Elected Members. The role of Elected Members is to consider the views and opinions of all stakeholders before determining the outcome.

- **Question No. 16 from Ms. T. Wright** – “It was evident from the previous questions that the Winterhill Management Team and the Management Team at the Abbey were not fit for purpose. Why have they not been removed?”

**Answer** - Following the Ofsted Inspection an Interim Executive Board has been put in place to replace the Governing Body.

HMI have made a monitoring visit to the school and their current view is that the issue of the effectiveness of leadership and management will be under review by HMI.

## **Cabinet Meeting – 17<sup>th</sup> December, 2014**

- **Question – Minute No. C109 (Rotherham Local Safeguarding Children’s Board Annual Report)** – Councillor Middleton referred to the section in the minute which referred to the early help dashboard and further on about front door referrals and asked that this could be more explicitly explained.

**Answer** – The Early Help Dashboard was developed by the Local Authority and reported into the Local Safeguarding Children’s Board to provide a quantitative overview of activity within a number of Local Authority “early help” teams and Services, such as Integrated Youth Support Service; Children’s Centre Family Support; Targeted Family Support Team etc. In addition to this information, benchmarking against other Children’s Services was also reported on, following agreement by the regional Association of Directors of Children’s Services (ADCS) on a set of early help effectiveness indicators (which relate to the existing national data set published by DfE).

This latter data set included information relating to social care, though given the delay in benchmarking figures being published (primarily due to this being submitted and then published By DfE), there is a natural in-built delay to what is reported and measured. In the final quarter of 2013-14, the trend of Children in Need cases and assessments was decreasing. However, in the past eight months, this trend has reversed, and the service has seen an increase in Child Protection Plans and Looked After Children. Currently, the Early Help Dashboard is being reviewed by the newly created Director post for Early Help (interim appointment made, pending permanent appointment), with this and other interdependent work (such as the Multi-Agency Safeguarding Hub) being reported into the Children’s Improvement Board.

With regards to the term front door referrals this means the number of contacts people make to children’s social care to report concerns. So what the minute is essentially saying is that more social work investigations have been undertaken in response to concerns being raised by other professionals or the public, and that there has been an improvement in the time in which this investigations have been completed.

- **Question - Minute No. C110 (RLSCB Child Sexual Exploitation Action Plan)** – Councillor Parker asked if it could be explained what the concerns were about in relation to the appointment of a person to oversee the work of the multi-agency safeguarding hub to ensure the right sort of person to deliver on this was appointed, given that this was a very important role and the people of Rotherham had a right to know.

**Answer** - Stefan Chapleo had been appointed and he commenced in role on 12<sup>th</sup> January, 2015.

Stefan previously set up the Liverpool Multi-Agency Safeguarding Hub and for Rotherham this appointment was part of critical development for the Local Authority.

The Council were, of course, concerned to ensure someone with the right experience of delivering such a project previously was appointed.

- **Question - Minute No. C114 (Sale of Unit at the Advanced Manufacturing Park)** – Councillor Parker referred to the information shared previously where it was indicated the Council would receive a net profit of £40,000 and asked had the unit actually been sold, what was the actual profit made and what was the alternative option referred to?

**Answer** - The Council had sold Unit 3 at the AMP to X-Cel Superturn (GB) Limited for a sum of £2.75m. The Council made a profit on this sale of £59k

The Council has received an offer on Unit 4. This deal was still being finalised. The Council was estimated to make a profit on this sale of £22k.

- **Question - Minute No. C122 (Housing Rent Increase 2015/16)** – Councillor Reynolds asked about the proposed housing rent increase for the coming year and asked what the level of non-payment rent arrears was in total.

**Answer** - 2014-15 Rent arrears as at 9 Feb 2015 were £600k. This is based on a total rent debit in year to date of £66.7m and total rent collected of £66.1m. Giving a collection rate in year of 99.1%.

Cumulative rent arrears (incl. arrears not collected from previous years) for existing tenants is £2.45m.



## **Deputy Leader Meeting – 13<sup>th</sup> January, 2015**

- **Question - Minute No. D28 (Revenue Budget Monitoring)** – Councillor Parker referred to the pressures relating to printing in Legal and Democratic Services and the high income target set against the budget which had not materialised and asked why this target had not been met?

**Answer** - The Central Print Unit (CPU) has an annual income target of £330k. Currently there is a forecast in year shortfall of £58k against this target. The service is looking to reduce this shortfall by expanding its income generating activities with schools and academies and the Elections office, and by reducing its cost base.

- **Supplementary Question** - Councillor Parker asked who met the cost for the purchase of the equipment as it may be more cost effective to have the printing provision outsourced.

Most of the equipment in the CPU is leased and costs are met from within the CPU budget. The charge out rates for the CPU are benchmarked against other suppliers and are competitive - it would not be cheaper to have the provision outsourced. When the facility was run by RBT the charge out rates were comparatively high and a number of schools and academies withdrew from the service, some of these have since come back since we terminated the Joint Venture Agreement with BT and reduced the charge out rates and we continue to promote the CPU services to them. It should however be noted that where work cannot be undertaken by the CPU it is outsourced to other providers.

- **Question - Minute No. D31 (Individual Electoral Registration)** – Councillor Middleton considered this a very good idea and referred to the minute text indicating verification of a person's identity was undertaken with records held by the Department for Work and Pensions. The minute also indicated that those people who could not provide this information may prove their identity using an alternative form of evidence and asked what other forms could be used?

**Full details of the documents required to support registration applications were set out in the following table:-**

## Documents required to support registration applications

**Route 1:** Applicants may provide any **ONE** document from **table 1** to establish their identity

**Route 2:** Applicants who cannot provide any documents from table 1 can provide **ONE** document from **table 2** and **TWO** additional documents from either **table 2** or **table 3** to establish their identity

**Route 3:** Applicants who cannot provide any document from tables 1 or 2 can provide **FOUR** or more documents from **table 3** to establish their identity

<b>TABLE 1 Primary Identification Documents</b>	
<b>Document</b>	<b>Notes</b>
Passport	Any current passport
Biometric residence permit	UK issued only
EEA ID card	Must still be valid
Photo card part of a current driving licence	UK or Isle of Man or Channel Islands full or provisional
Northern Ireland Electoral ID card	

<b>TABLE 2 Trusted Government Documents</b>	
<b>Document</b>	<b>Notes</b>
Old-style paper version of a current driving licence	United Kingdom only
Current photo driving licence	Any other than UK and Crown Dependencies
Birth certificate	UK and Crown Dependencies only
Marriage or Civil Partnership certificate	UK and Crown Dependencies only
Adoption certificate	UK and Crown Dependencies only
Firearms licence	UK and Crown Dependencies only
Police bail sheet	UK and Crown Dependencies only

<b>TABLE 3 Financial and Social History Documents</b>		
<b>Document</b>	<b>Notes</b>	<b>Issue date and validity</b>
Mortgage statement	UK, Crown Dependencies or EEA	Issued in the last 12 months
Bank or Building Society statement	UK, Crown Dependencies or EEA	Issued in the last 3 months
Bank or Building Society account opening confirmation letter	UK and Crown Dependencies	Issued in the last 3 months
Credit card statement	UK, Crown Dependencies or EEA	Issued in the last 3 months
Financial statement e.g. pension or endowment	UK, Crown Dependencies or EEA	Issued in the last 12 months
Council Tax statement	UK and Crown Dependencies	Issued in the last 12 months
Utility bill	UK and Crown Dependencies - not mobile phone bill	Issued in the last 3 months
P45 or P60 statement	UK and Crown Dependencies or EEA	Issued in the last 12 months
Benefit statement e.g. Child Benefit, Pension	UK, Crown Dependencies or EEA	Issued in the last 3 months
Central or local government, government agency, or local government department giving entitlement e.g. from DWP, Job Centre Plus, HMRC	UK, Crown Dependencies or EEA	Issued in the last 3 months

- **Supplementary Question** - Councillor Middleton referred to the telephone registration service which had been in operation since the 1st July, 2014 and asked how many people had taken advantage of this service?

Whilst the telephone registration service was proving popular it was not possible to provide figures of how many people had taken advantage of this service.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Council</b>
<b>2.</b>	<b>Date:</b>	<b>4<sup>th</sup> March 2015</b>
<b>3.</b>	<b>Title:</b>	<b>The Effect of Directions made in relation to Rotherham Borough Council on 26<sup>th</sup> February 2015</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources</b>

### **5. Summary**

On the 26<sup>th</sup> February 2015 the Secretary of State for Communities and Local Government and the Secretary of State for Education (“the Secretaries of State”) issued Directions under the Local Government Act 1999 and the Education Act 1996 in relation to Rotherham Borough Council. This report explains the nature of the Directions, their effect and some practical implications for both the Authority and Elected Members.

### **6. Recommendations**

It is recommended that Council:

- i)** Notes the contents and effects of the Directions dated 26<sup>th</sup> February 2015
  - ii)** Resolves to fully support the appointed Commissioners in the exercise of their functions as described in the Directions dated 26<sup>th</sup> February 2015.
-

## **7. Proposals and Details**

Following the publication of the Jay report in August 2014, and the report following the inspection by Louise Casey CB (the “Inspector”), on the 4<sup>th</sup> February 2015, the Secretaries of State published a package of proposed intervention in relation to the Authority. Representations were requested from the Authority within 14 days, and were made. Subsequently the full package of intervention was confirmed by Directions made on 26 February 2015.

In the Directions the Secretaries of State have exercised their respective powers under section 15(5) and (6) of the Local Government Act 1999 and section 497A(4B) of the Education Act 1996 in relation to Rotherham Metropolitan Borough Council to secure its compliance with the best value duty and to secure that the Authority’s children’s social care functions are performed to the required standard.

This report explains the nature of the Directions, the functions of the Commissioners and the remaining functions of the Council. The representations made by the Council requested further information from the Department for Communities and Local Government (the Department) relating to the constitutional implications and practical operation of the proposed intervention. The responses to these representations are also set out below.

Further as part of that intervention package, the Secretary of State for Communities and Local Government state that he was minded to make an Order under section 86 of the Local Government Act 2000 Act providing for full council elections to be held in Rotherham in 2016 and every fourth year thereafter. The Secretary of State for Communities and Local Government considered this measure key to achieving the fresh start that the Authority was said to require. The Authority sought confirmation that the arrangements for the local elections in May 2015 should progress in the usual manner and this was confirmed by the Department.

The full Directions along with Explanatory Memorandum, and material taken into account for the purposes of making the Directions by the Secretary of State published on the government website [www.gov.uk](http://www.gov.uk). This report is taken largely from information provided within the Explanatory Memorandum.

### **Commissioners**

The measures that the Secretary of State for Communities and Local Government has decided to put in place is centred on a team of five Commissioners, including a Lead Commissioner, a Commissioner with a “managing director” role and the existing Children’s Social Care Commissioner.

The Secretary of State for Communities and Local Government has made a number of Directions in relation to the Commissioners, including providing for them to perform certain functions and having roles overseeing actions which the Authority is to perform. The Commissioners are accountable to the Secretary of State for Communities and Local Government in that they have been nominated by him and

can have their nomination withdrawn by him. The Commissioners will report to both Secretaries of State on the progress of the intervention.

The Secretary of State has nominated a Commissioner team with a proven record of providing leadership and securing transformational change together with a wide range of expertise in local government and children's social care service. The Commissioners nominated are:

**Sir Derek Myers** (Lead Commissioner)

**Stella Manzie CBE** (Managing Director Commissioner)

**Malcolm Newsam** (Children's Social Care Commissioner)

**Mary Ney** (Supporting Commissioner)

**Julie Kenny CBE** (Supporting Commissioner)

All Commissioners other than the Managing Director Commissioner are nominated for the period beginning on 26 February 2015 and ending on 31 March 2019 or such earlier time as the Secretary of State for Communities and Local Government determines. The Managing Director Commissioner is nominated for the period beginning on 26 February 2015 and ending on 25 February 2016 or such later time as the Secretary of State determines. The Secretary of State for Communities and Local Government may, if he considers it appropriate, nominate further Commissioners.

### **Commissioners' roles**

In its representations to the Secretary of State, the Authority sought clarification regarding the specific roles and responsibility of the current Commissioners.

The response from the Department stated that the breadth of skills and experience in the Commissioner team means that it is both possible and sensible to give the Commissioners considerable levels of discretion over how they implement their roles and responsibilities under the Directions, in order that they can find the solutions most likely to lead to rapid improvement in the authority. Further the Department stated that the Commissioners will act jointly or severally, and it will be for them to decide how best to exercise their functions. However, the Directions provide for the following designated roles:

- a Lead Commissioner, whose responsibilities include, but are not limited to, giving direction and leadership to the work of the Commissioners and to the delivery of the improvements which the Authority is required to make.
- a Managing Director Commissioner who has a full-time role and whose responsibilities include, but are not limited to, overseeing the improvements the Authority needs to deliver in relation to governance, leadership and culture, the exercise of its overview and scrutiny functions, and in its performance of services. It

is envisaged that this Commissioner will be in post for a period of one year or such longer period until a new permanent Chief Executive takes up his or her position.

□ the Children's Social Care Commissioner whose responsibilities include, but are not limited to, overseeing the improvements the Authority needs to deliver in relation to its exercise of children's social care functions.

### **Powers to be exercised by the Commissioners**

The Secretaries of State consider that given the conclusions that the Inspector reached on the basis of the evidence she obtained from her investigations, as revealed by the Report, a broad and wide ranging intervention is required to address the circumstances of the Authority.

Therefore the directions provided that the following functions are to be exercised by the Commissioners:

□ all executive functions of the Authority i.e. all functions of the Authority which are the responsibility of the executive, including the delegation of the exercise of such functions, for example to committees and sub-committees of the executive or officers of the Authority, under section 9E of the Local Government Act 2000;

□ all "local choice" functions of the Authority (i.e. functions that may be exercised by either an authority's executive or council) that were exercisable by the Executive as of 4 February 2015;

□ non-executive functions relating to the appointment and dismissal of persons to positions the holders of which are to be designated as the head of paid service, the monitoring officer and the chief financial officer (section 151 officer), and the designation (and removal) of those persons as statutory officers;

□ all non-executive functions relating to licensing, including all related enforcement and regulatory functions;

□ delegation functions under section 101 of the Local Government Act 1972 of arranging for the discharge of any of the Authority's functions, for example, by a committee or sub-committee of the Authority or an officer of the Authority in relation to functions which are to be exercised by the Commissioners; and,

□ all functions of the Authority relating to the nomination or appointment of persons to other bodies.

The Secretaries of State state that they expect that there will be a phased return of powers to the Authority as and when there can be confidence that the Authority could exercise a function in compliance with the best value duty and, in the case of children's social care functions, to the required standard. The expectation is that it may be appropriate to return certain functions in 2015, with some significant

functions being able to be returned after the proposed 2016 all out local elections. All functions are expected to be returned to the Authority within four years of the date of the Directions.

In relation to the powers to be exercised by the Commissioners, the Authority sought clarification regarding the Authority's Planning Board. The response from the Department stated that the Planning Board is a committee of the Authority rather than the Executive and the Directions do not provide that these functions are to be exercised by the Commissioners.

### **Decision-making and accountability of Commissioners**

In its representations the Authority asked "what procedures will the Commissioners follow to take decisions?" The Department responded by stating that the Commissioners will act jointly or severally, having regard to any views of the Authority's Members and officers communicated to them. The Directions require the Authority to provide the Commissioners with such assistance and information, including any views of the Authority's Elected Members on any matter, as the Commissioners may reasonably request.

Further the Authority sought clarification on how the Commissioners will be held to account and in particular the role of the Authority's Overview and Scrutiny Committee(s) and also whether there will be a public right to recall on Commissioner decisions.

The Department responded by stating that the Commissioners will exercise the Authority's executive functions i.e. the functions of the Leader and the Cabinet, and certain other functions as set out above for the duration of the Directions unless and until they are returned to the Authority. The exercise of these functions is stated to be wholly a matter for the Commissioners, and the Authority's Overview and Scrutiny Committee(s) have no statutory role in these matters. Nor in the Commissioners' exercise of functions are there any statutory processes of recall.

However, the Department further stated that the Commissioners may decide to involve the Authority's Overview and Scrutiny Committee(s) and may adopt such processes as they see fit to enhance the accountability of their exercise of the functions set out above. Such processes may include the Commissioners holding meetings in public, working with an improvement panel, and as they see fit involving existing or new Overview and Scrutiny arrangements.

The Authority's Elected Members asked how they will communicate with the Commissioners in their representations of 10 February. The Department responded by stating that it will be for the Commissioners to consider how best to engage with Elected Members and officers of the Authority and to agree appropriate arrangements. As noted above, the Secretaries of State envisage that in exercising any function the Commissioners will have regard to any views of the Authority's Elected Members and officers arrived at through their normal processes of consideration.



## **Role of Leader, Cabinet and Members**

The Authority sought clarification on the role of the Leader and Cabinet and on the role of Councillors more widely. In response the Department stated that in the immediate term, the Commissioners will exercise all the functions of the executive (and other functions of the Authority, as directed), and the Secretaries of State have made clear that they expect that there will be a phased return of functions to the Authority from after the proposed 2016 all-out elections, if not before.

However, the full council has a duty to elect a Leader and the Leader, once elected, has a duty to appoint at least two councillors to the Executive so that the duty under section 9C of the Local Government Act 2000 is fulfilled. The Authority is also under a duty to designate one of its Members as the lead member for children's services in accordance with section 19 of the Children Act 2004.

Until any executive functions are returned, this Executive can have no more than an advisory role of expressing views to the Commissioners, if it so chooses, particularly for example in response to any requests for views which the Commissioners make to the Authority under the Directions.

Once any executive function is returned to the Authority, the Executive will then again become responsible for exercising those functions. The Department states that the skills and expertise of such Cabinet Members would inform the Commissioners' agreement to any recommendations of the Authority to the Secretaries of State regarding whether or not functions can be returned.

As to the role of Elected Members who are not in the Cabinet, they would continue to exercise their existing functions (where these are not to be exercised by the Commissioners), for example where there are existing delegations to committees and sub-committees.

The Directions provide that the Commissioners have the powers under section 101 of the Local Government Act 1972 and section 9E of the Local Government Act 2000 to alter the Authority's scheme(s) of delegation in relation to the functions which they will exercise. This will allow the Commissioners to exercise functions of the Authority in the most efficient and effective manner. In the immediate term, the existing schemes of delegation remain in place until such time as they may be reviewed by the Commissioners

The Directions also provide that the Authority ceases to pay or, insofar as may be agreed with the Commissioners, reduces to a level that is commensurate with the extent of the functions that the Authority's executive exercises from time to time, any special responsibility allowances that Members of the Authority receive by virtue of them being Members of, or otherwise connected with, the Authority's Executive.

## **Appointment of statutory officers**

The Directions state that the Commissioners shall exercise all non-executive functions relating to the appointment and dismissal of persons to positions the holders of which are to be designated as statutory officers, and the designation of

those persons as statutory officers, to include designating a person as a statutory officer and removing a person from a statutory office.

The Authority's Elected Members sought clarification regarding whether the Commissioners will "just appoint *new* Chief Executive, Monitoring Officer and Finance Officer roles, or will they look at *existing* appointments". The Department responded by stating that under the Directions the Commissioners will as necessary exercise the Authority's powers to appoint persons to and dismiss persons from posts where those persons are to be designated as statutory officers, and also the Authority's powers to designate (and remove) those persons as statutory officers. The Commissioners will not dismiss persons unless there are good grounds for doing so under employment law.

### **Appointment to other bodies**

The Authority sought clarification on the process of appointment to outside bodies, in particular whether the Commissioners would look to replace existing appointments or only when a vacancy arose. The Department stated that it will be for the Commissioners to decide how to exercise these functions. The Authority also asked about its representation and role on partnership bodies such as the Combined Authority and the Health and Wellbeing Board the Department responded by stating that the Commissioners will exercise the functions of making appointments and nominations to these bodies and any committees and sub-committees of these bodies.

### **Directions to the Authority**

To achieve and facilitate the objectives of the intervention, the Secretaries of State have also directed the Authority to take the following actions:

- to prepare, under the direction of the Managing Director Commissioner and Children's Social Care Commissioner, improvement plans (which may include or draw upon improvement or action plans prepared before the date of these Directions), and within 3 months of the date of these Directions to agree these plans with the Lead and other Commissioners and submit them to the Secretaries of State; the plans are to set out measures to be undertaken, together with milestones and delivery targets against which to measure performance, in order to deliver rapid and sustainable improvements in governance, leadership and culture in the Authority, in the Authority's exercise of its overview and scrutiny functions and in its performance of services, thereby securing compliance with the best value duty and securing the performance of the Authority's children's social care functions to the required standard;
- to undertake the measures set out in the improvement plans and such other measures as the Lead and other Commissioners require to deliver the improvements referred to above, and to provide the Secretaries of State with progress reports, agreed with the Lead and other Commissioners, at six monthly intervals following the date of these Directions; and

□ to maintain such improvement panels as the Commissioners may agree to, for the purpose of enabling the Authority to be held to account for the progress it is making on securing future compliance with the best value duty and securing the performance of its children's social care functions to the required standard.

With reference to the currently constituted Improvement Board, the Department confirmed that the membership and terms of reference of any panel, within the scope set out in the Directions, will be for the Commissioners to agree and it will be for them to determine whether to continue the existing arrangements, to vary those arrangements, or to create entirely new arrangements.

The Authority sought clarification as to whether "the Children's Commissioner [will continue] overseeing the dedicated Children's Improvement Board and Action Plan". The Department responded by stating that the Children and Young People's Improvement Board is already established to oversee progress through monitoring, challenging and supporting the actions of the Children and Young People's Services Improvement Board Action Plan and the current arrangements appear to be effective. It will be for the Children's Social Care Commissioner, together with the other Commissioners, and the Authority to agree the future scope of the Children and Young People's Improvement Board and Action Plan and how its work will link with any improvement panel(s) which the Authority is required to maintain under the Directions.

In addition to the above Directions, the Secretaries of State have made the following Directions to the Authority in order to ensure that the intervention can be efficiently and effectively undertaken:

□ to provide the Commissioners with such assistance and information, including any views of the Authority on any matter, as the Commissioners may reasonably request;

□ to provide the Commissioners, at the expense of the Authority, with such reasonable amenities and services and administrative support as the Commissioners may reasonably require from time to time to carry out their functions and responsibilities under the directions; and

□ to allow the Commissioners at all reasonable times access as appears to the Commissioners to be necessary to any premises of the Authority, any document relating to the Authority, and any employee or member of the Authority.

### **Duration of the intervention**

The Secretaries of State consider that any aspect of the Directions should only be long enough to achieve the stated objectives of the intervention. The Directions will remain in force until 31 March 2019 unless the Secretaries of State or, as the case may be, either one of them considers it appropriate to amend or revoke them at an earlier date. As explained above, the Secretaries of State expect that it may be appropriate to return functions before 31 March 2019.

The Directions put in place a process for regular review by the Authority, under the direction of the Commissioners, of whether it would be appropriate for any function

exercisable by the Commissioners to be returned to the Authority. The first review will take place as soon as is practicable after the date of the intervention and subsequent reviews will take place every three months thereafter.

Where the Authority and Commissioners agree that it would be appropriate for the exercise of a function to be returned to the Authority, the Authority will report this to the Secretary of State for Communities and Local Government, or insofar as the functions are children's social care functions to the Secretaries of State, setting out reasons, including clear evidence as to why the public could be expected to have confidence in the Authority exercising this function in compliance with the best value duty and in the case of the Authority's children's social care functions, performing these functions to the required standard.

The Secretary of State for Communities and Local Government or the Secretaries of State, as appropriate, will carefully consider any such reports and if agreed to, further Directions will be issued to this effect amending the Directions made on 26 February 2015. The Secretaries of State's expectation is that following the 2016 elections it is likely that a phased return of functions to the Authority would be appropriate, and they recognise that some earlier return might be appropriate depending on the circumstances of the Authority.

### **Order moving Rotherham Council to all-out elections from 2016**

As stated above, the Secretary of State for Communities and Local Government is minded to make an Order under section 86 of the Local Government Act 2000 providing for full council elections to be held in Rotherham in 2016 and every fourth year thereafter. He considers this key to achieving the fresh start the Authority is said to require. The Order, which would be subject to the negative resolution procedure, would be made as soon as practicable and well in advance of the local government elections in 2016.

### **8. Finance**

The Directions provide that the Commissioners' reasonable expenses and such fees as the Secretary of State for Communities and Local Government determines, are to be paid to them by the Authority. The Secretary of State for Communities and Local Government is mindful of the need for Commissioner remuneration to represent value for money for local taxpayers. In recognition of the nature and scale of the intervention, he has determined fees of £800 a day for the Lead Commissioner and £700 a day for other Commissioners except the Managing Director Commissioner. He has determined for the Managing Director Commissioner a fee of £160,000 per annum to be paid.

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

N/A

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

The Directions set out how the whole Council operate, therefore all Policies and Performance Agendas relevant to the Council are affected.

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

Directions of the Secretary of State for Communities and Local Government and the Secretary of State for Education dated 26<sup>th</sup> February 2015

Explanatory Memorandum dated 26<sup>th</sup> February 2015

Letter from DCLG to Rotherham covering the Directions and explanatory memorandum – 26 February 2015

Commissioner Nominations Dated 26<sup>th</sup> February 2015

Representations from the Authority to the DCLG

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<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1)</b>	<b>Meeting:</b>	<b>Council</b>
<b>2)</b>	<b>Date:</b>	<b>4th March, 2015</b>
<b>3)</b>	<b>Title:</b>	<b>Proposed Revenue Budget and Council Tax for 2015/16</b>
<b>4)</b>	<b>Directorate:</b>	<b>Resources (for ALL)</b>

## 5. Summary

This report proposes a Revenue Budget for 2015/16 based on the outcome of the Council's Financial Settlement. It provides details of:

- The Local Government Financial Settlement
- The new Corporate Priorities reflected in the Budget and spending plans
- The Council's recommended Revenue Budget for 2015/16
- 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, and
- Proposed future developments in the 3 year Medium Term Financial Strategy (MTFS) 2015/16 to 2017/18.

The report includes the recommended re-designation of the Commutation Adjustment Earmarked Reserve to the Council's 'Transformation Reserve' (see paragraph 9.2) as a result of this Reserve no longer being required for its original intended purpose.

The 'Transformation Reserve' will initially (in 2015/16) be utilised to meet the likely significant additional costs and potential liabilities facing the Council to enable it to positively and effectively address the improvements required in the Professor Jay, Ofsted and Louise Casey Reports in order to bring about a 'fit for purpose' Council, at the earliest opportunity. At this stage, it is not possible to fully quantify the scale and / or timing of these likely costs and potential liabilities. When reasonably known, the intention is to build a prudent estimate of these ongoing additional costs and potential liabilities into the Council's next budget setting cycle, which will cover 2016/17 to 2018/19. The extent of these additional costs will be routinely reported to the Commissioners and Members as appropriate, as part of the in-year financial reporting framework.

As required by legislation, the report also contains the Interim Strategic Director of Resources and Transformation'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 provides.

## 6. Recommendations:-

### 1. That Council:

#### (a) Approves:-

- (i) a General Fund Revenue Budget for 2015/16 of £203.554m to be allocated to services as set out in this report.
    - (ii) the re-designation of the Commutation Adjustment Earmarked Reserve to the 'Transformation Reserve' earmarking these funds to meet the likely significant costs and potential liabilities facing the Council to enable it to positively respond and address the improvements required as stated in the Professor Jay, Ofsted and Louise Casey Reports in order to bring about a 'fit for purpose' Council, at the earliest opportunity.
    - (iii) An increase in the Council Tax of 1.95% in respect of this Council's own Budget giving an annual Band D Equivalent Council Tax of £1,277.73; and
    - (iv) the additional Council Tax generated from a proposed 1.95% increase (£590k) and the net additional funding announced in Rotherham's Final Local Government Settlement (£434k) be invested into support for Child Sexual Exploitation victims and survivors (£200k), additional social workers to make sure children at risk are seen by Children's Services as quickly as possible, (£390k), development of outreach youth based work provision to engage with young people at risk of Child Sexual Exploitation (£234k) and for improving grounds maintenance and the general cleanliness and attractiveness of the borough (£200k).
  - (b) Notes and accepts the comments and advice of the Strategic Director of Resources and Transformation, 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.
2. That the 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 recommendation to the Council on 4th March 2015.

## **7. Proposals and Details**

### **7.1 Background: The Ongoing Financial Challenge**

Over the last 4 years (2011/12 to 2014/15) the Council has successfully responded to the significant and unprecedented financial reductions imposed on local government as part of the Government's austerity programme. Over this 4 year period the Council has addressed a cumulative funding gap of £93.9m.

For 2015/16 the Council is required to address a further £23m funding gap and this report contains the budget proposals to meet that significant challenge. (Appendix 1).

In addition, since April 2013, local Councils are required to manage an unprecedented transfer of financial risk through the Government's significant and ongoing reforms of both local government finance and Welfare (Benefits) systems. For example – the localisation of business rates retention and the abolition of Council Tax Benefit being replaced by a local Council Tax Reduction Scheme.

Equally, the Government continues to place restrictions on how local authority finances can be used through the Council Tax Excessiveness principles, requiring a local referendum if the proposed council tax increase is 2% or greater.

In meeting the year on year significant financial challenges presented, the Council has demonstrated a successful track record in delivering its financial plans. To this end the Council is, in the current year (2014/15), moving towards a balanced revenue budget. However, it is recognised that into the future this will only be sustainable if the Council maintains a clear focus on its corporate plan priorities and key outcomes and puts in place a new, different relationship with its citizens, residents and other stakeholders.

### **7.2 Corporate Priorities**

On 20<sup>th</sup> October 2014 Cabinet discussed the corporate priorities for 2015/16. The 3 refreshed priorities that were agreed are:-

- Protecting most vulnerable adults and children
- Getting people into work and getting work to pay
- Cleaner, safer, greener Rotherham (Streetpride and roads)

These priorities will provide a focus on essential services:

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

### **7.3 Budget Principles**

The Corporate Priorities are underpinned by the Council's Budget Principles adopted by Cabinet (3<sup>rd</sup> July 2013) to ensure our limited resources are effectively targeted;



- 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, the Council will:**

- 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 are 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 measured approach and planning ahead it is possible for the Council to **protect services for those most in need**. Within the Budget, provision is made to:

- Ensure that safeguarding of children is a top priority through the provision of improved services for children in care and with Special Educational Needs,
- Support vulnerable families and individuals,
- Continue our 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 change,
- Continue to promote new business start-ups and stimulate the local economy,
- Continue to provide a local welfare provision, and
- Continue to invest in infrastructure across the Borough – houses, schools, roads, customer services and town centre regeneration.

#### 7.4 Proposed General Fund Revenue Budget for 2015/16

Set out below is the proposed Net Revenue Budget for 2015/16 resulting from the budget principles referred to above, which is recommended in this report.

<b>Directorate</b>	<b>Proposed Budget 2015/16</b>
	<b>£'000</b>
Neighbourhoods & Adult Services	72,014
Children & Young People's Service	42,223
Environment & Development Services	44,941
Resources	15,113
Central Services (including ITA and other levies)	29,263
<b>TOTAL NET REVENUE BUDGET</b>	<b>203,554</b>

The Budget outlined above will:

- provide additional funding to both protect vital services for those most in need in our community, but also recognises the overwhelming need to provide further support for victims and survivors of Child Sexual Exploitation and targeted early help and preventative work with vulnerable young people;
- enable the Council to positively take forward and address the findings in the Professor Jay, Ofsted and Louise Casey reports to help the Council become 'fit for purpose' at the earliest opportunity;
- focus on corporate and service transformation, ensuring services continue to be equipped to deliver a high standard for the citizens, businesses and stakeholders of the Borough that is fully aligned to the Borough's Community Strategy and Council's Corporate Plan priorities and objectives; and
- Continue to reduce management, administration and support costs as far as is sensible to do so.

In arriving at the proposed 2015/16 budget above, Directorate specific budget proposals have been considered and put forward, totalling £7.761m:

Children and Young People's Service	£0.430m
Neighbourhoods and Adult Services	£4.369m
Environment and Development Services	£2.053m
Resources (Support Services)	£0.909m

Detailed information relating to these proposals are presented in Appendix 1 to this report. In addition to the new Directorate savings above, Directorate savings of £1.898m for 2015/16 were also agreed when the 2014/15 budget was set in March 2014.

Other key savings proposals contributing to closing the Council's 2015/16 funding gap include:

- Reviewing MTFs planning assumptions (including proposed 1.95% increase in Council Tax) : £5.656m
- Realising benefits from improved treasury and cash flow management: £5.850m
- Working with partner organisations to improve efficiency: £1.500m
- Maximising income from other sources: £1.300m

The Council has wherever possible, tried to minimise the impact of its savings proposals on frontline services to the public - **of the new savings proposed for 2015/16, only £2.5m (under 11%) will represent a reduction to frontline services. No savings are proposed within Children's Safeguarding services.**

## 7.5 Resources

As well as spending and cost pressures, the level of resources available to the Council is a key factor to consider in the development of the Budget and these are set out below.

**The Council's Start Up Funding Allocation (SFA) for 2015/16 is set out in the table below:**

	<b>£'000</b>
Revenue Support Grant (RSG)	50,925
Baseline Funding Level (Including Top Up Grant)	58,269
<b>Total - Settlement Funding Assessment 2015/16</b>	<b>109,194</b>

## 7.6 The level of Council Tax

The Council, by prudently managing its finances and tackling the financial challenges early, managed to avoid increasing its Council Tax for four years during a time when residents were facing their own considerable financial strain in a difficult economic and financial climate. However, in 2014/15 the Council found it necessary to raise Council Tax by 1.90%.

**For 2015/16, a further 1.95% increase is proposed. This option is not recommended lightly; the alternative was to further reduce valued, front line services. The proposed increase will bring in an additional £0.590m income (after loss of Government Freeze Grant and losses on collection) to the Council which will allow investment in Children's Social Care and Streetpride services in the Borough in response to feedback from residents and in line with the Council's priorities.**

A 1.95% increase on the tax levied in 2014/15 would mean a **Band D Council Tax (for the Council only) of £1,277.73** and would mean a Band A Tax of £851.82, a Band B Tax of £993.79 and a Band C Tax of £1135.76 per year. **87% of properties in Rotherham are classed as Band A (55%), Band B (19%) or Band C (13%).**

The planned level of Council Tax also takes account of a net £2.000m surplus balance for Council Tax expected on the Collection Fund (Council Tax and Business Rates) as at 31 March 2015. This is expected to be generated by the Council continuing to achieve its excellent record in collecting Council Tax by achieving a higher rate of collection than the 97% expected when setting the previous years' tax levels and minimising its cumulative arrears, (which currently equate to £57 per property, which is one of the lowest levels for a Metropolitan Council).

As required by legislation (the Local Government Finance Act 1992), and as in previous years, a formal report will be brought to Council on March 4th setting out details of the proposed Council Tax calculations for the Council, parished areas and including the precepts from the South Yorkshire Police and South Yorkshire Fire and Rescue Authorities - it is currently expected that the Police Authority will increase their precept by 1.95% (for a Band D equivalent property) and the Fire and Rescue Authority by 1.97%.

A Cabinet meeting on 14th January 2015 approved Rotherham's Council Tax Base for 2014/15 of 65,477.52 Band D Equivalent properties after adjusting for expected losses on collection, the impact of the Council's Council Tax Reduction Scheme and discretionary discounts and exemptions for empty properties and second homes.

**Based on the number of properties in the Tax Base and the proposed increase in Council Tax by 1.95%, this will generate a total Council Tax of £83.663m available to support the Council to fund services in 2015/16.**

### **7.7 Proposed Service Investments**

The additional Council Tax generated from the proposed 1.95% increase would be £590k (see Section 7.6). It is proposed that this and the net additional funding announced in Rotherham's Final Local Government Settlement (£434k) be invested as follows:

- **Support for Child Sexual Exploitation victims and Survivors (£200k), additional social workers to make sure children at risk are seen by Children's Services as quickly as possible (£390k), development of outreach youth based work provision to engage with young people at risk of Child Sexual Exploitation (£234k); and**
- **Improving grounds maintenance and the general cleanliness and attractiveness of the borough (£200k).**

### **7.8 Funding the Budget**

It is proposed that the financing of the Council's proposed Net Budget of £203.554m for 2015/16 is as follows:-

	<b>£'000</b>
Settlement Funding Assessment (SFA from above)	109,194
New Homes Bonus	5,020
Section 31 Grants etc	3,677
Collection Fund Surplus	2,000
Which will leave to be raised from Council Tax – a 1.95% increase on the Council Tax levied in 2014/15	83,663
<b>Funding Total</b>	<b>203,554</b>

### 7.9 Medium Term Financial Strategy (MTFS)

The 2015/16 Revenue Budget will be used as the baseline for the update of the Medium Term Financial Strategy (MTFS) 2016-2019. As part of the process of developing the Budget, the MTFS is being refreshed to take account of ongoing Government announcements and the predicted demand for, and cost of services.

Current expectations are that funding to Local Government will continue to reduce at least at a similar rate seen in the previous 4 years, possibly until possibly 2020.

### 7.10 Specific Government Grants

The Council also receives a number of specific grants. The 2015/16 specific grants that have been confirmed and their value are set out below:

<b>Specific Grants</b>	<b>2015/16 £'000</b>
Public Health	14,176
Department of Health Revenue Grant: Local Reform and Community Voices	181
PFI Education (Revenue)	6,223
PFI Leisure (Revenue)	1,811
PFI Waste (Revenue)	1,781
Housing Benefit Administration Grant	1,763
Council Tax Support – New Burdens Grant	64
Adult Social Care New Burdens	1,297
Lead Local Flood Authorities	24

### 7.11 Schools Specific Grant Funding

**Dedicated Schools Grant (DSG)** – The DSG rates per pupil for the Schools Block and the Early Years Block for 2014/15 are £4,836.65 and £3,870.32 respectively. The Schools Block rate has reduced by £7.51 per pupil in 2015/16 in order to reflect the national formula adjustment in respect of the carbon reduction commitment whereas the Early Years Block remains the same as 2014/15. The funding for the High Needs Block continues to be the 2013/14 baseline plus additional funding supporting the additional responsibility for payments to Post 16 High Needs funding previously directed from the DfE to schools.

**The School's Pupil Premium** is additional funding provided to schools, the value of which is based on 3 elements:

- From April 2015 the 'Disadvantaged Premium' will be £1,320 per pupil for Primary School children compared to £1,300 for 2014/15 and £935 for Secondary School children, the same as in 2014/15. Pupils who have been eligible for Free Schools Meals in the last 6 months will attract this premium.
- The Looked After Children Premium for children who have been looked after for one day or more, and including children who have been adopted from care or who leave care under a special guardianship or residence order (now referred to as Pupil Premium Plus), will be £1,900 per eligible pupil, the same value as in 2014/15.
- The Service Child Premium which funds children of Armed Services personnel has remained at £300 per pupil.

**Year 7 Literacy and Numeracy Catch-up Premium** was an additional resource for schools directed at additional literacy and numeracy catch-up support during Year 7. Schools are allocated £500 for each pupil not achieving level 4 at Key Stage 2 in reading and/or maths. The rate per eligible pupil remains at £500 for 2015/16.

**Devolved Formula Capital funding** for Schools is estimated at £634k for 2015/16. The allocation for 2014/15 was £705k.

**Sixth form funding** from the Education Funding Agency (EFA) is yet to be confirmed. (2014/15 was £3.995m).

### **8. Finance**

The proposals for the 2015/16 Budget and Council Tax contained within this report are put forward having regard to several factors. These are:

- that the assumptions about the level of resources and reserves available to support the 2015/16 Revenue Budget are sound.
- that the budget proposals upon which the Budget is predicated will be actioned, as appropriate, and that this will be done having full and proper regard for the Council's financial position. The prospects of this are good.
- that the Council is committed to articulating a clear vision which clearly sets out its key priorities and expected outcomes for the next 3 to 5 years which will define the services it will provide and at what level, aligned to the resources it has available. In delivering the transformational change required, the Council will ensure the sustainability of its annual Budget and other financial plans as well as the resilience of its overall financial position. The prospects for achieving this will be challenging but are deliverable.

This report recommends:

- The Council Tax is increased by 1.95% **to £1,277.73 at Band D equivalent,**
- a General Fund Revenue Budget for Rotherham Council in 2015/16 of **£203.554m.**
- For information, the following general assumptions with respect to inflation have been provided for within the Budget:
  - An overall 2.2% increase (15 month pay award) in staff pay in line with the agreed Local Government Employers' Organisation rate.
  - A general price inflation rate of nil %, and where known in relation to specific items of expenditure, a specific provision for inflation if significantly different. **In line with Council policy, it is expected that all such inflationary pressures will be contained within Directorate Cash Limit budgets.**
  - Income inflation - agreed on a service by service basis.

## **9. Risks and Uncertainties**

### **9.1 Report of the Interim Strategic Director of Resources and Transformation (the Council's Responsible Financial Officer)**

The Responsible Financial Officer of an Authority (in Rotherham Council's case the Interim Strategic Director of Resources and Transformation) is required by Section 25 of the Local Government Act 2003 to report to the Authority when it is making the statutory calculations required to determine its Council Tax, and the Authority is required to take that report into account. The report should deal with:

- The robustness of the estimates included in the Budget; and
- The adequacy of reserves for which the Budget provides.

The report does not have to be a separate document and so I have included my comments in this report and Cabinet is asked to take account of them.

The budget setting process has been challenging given the unprecedented scale of the ongoing funding reductions required and the timescales in which to achieve them. Delivery of £23m savings following delivery of almost £94m savings in the previous four years presents a significant challenge (to all Councils) in formulating a robust and sustainable budget and preserving a financially resilient overall financial position.

By adhering to a clear set of budget principles and taking a measured approach and planning ahead, the Council has put itself in a strong position to ensure that the Budget proposals put forward are robust and deliverable, whilst seeking to ensure that vital public services continue to be available to those in our community that are most in need of them.

The Council continues to have a strong track record of delivering savings and making further efficiencies year on year. It also has a strong financial reporting framework to ensure that the Council continues to manage closely the delivery of the proposals in the Budget so as to preserve the resilience of the Council's overall financial position.

From April 2013 the Localisation of Business Rates and the introduction of the Council Tax Reduction Scheme both transferred significant financial risks from Central Government to a local authority which put pressure on the level of income collectable and overall collection rates which will have a direct impact on future resources available to the Council. In Rotherham we have a very strong track record of collecting both business rates and council tax income and therefore I believe the collection level assumptions included in setting this budget adequately reflect this risk.

As the Chief Financial Officer for the Council, I consider that the budget proposals and estimates included within the proposed Budget are robust. The MTFS will be kept under continuous review with particular reference to giving early consideration to developing the 2016/17 to 2018/19 budget.

### **9.2 Reserves**

The Council holds a level of uncommitted reserves that could be drawn on, if required, to support the 2015/16 Budget and to give time for serious action to be taken to bring the Budget back into balance, so as to ensure its sustainability for the future.

I have conducted a detailed review of the level and purpose of the Council's reserves, together with their operational arrangements (in line with recommended best practice). The review, incorporating a risk assessment of each reserve, has guided my decision regarding the prudence of the level of reserves available to draw upon, if necessary, during 2015/16.

The Council's reserves, based on the latest monitoring, are expected to be £61.1m by 31<sup>st</sup> March 2015 and this is broadly in line with the Council's current financial plan.

The majority of reserves (£49.9m) are mostly held as ring fenced to particular statutory services including Schools (£2.4m) and Housing Revenue Account (£20.7m) and to meet long term contractual PFI obligations (£13.6m). The balance (£13.2m) is earmarked for specific needs.

Within this ring-fenced total is a sum of £8.4m held within the Commutation Adjustment Reserve. The resources held here are no longer required for the purposes originally envisaged. Taking account of the significant challenges facing the Council in positively responding to and bringing about the improvement required in the Professor Jay, Ofsted and Louise Casey Reports, it is recommended that Members approve the re-designation of this reserve to an Earmarked Transformation Reserve. The resources held there are retained and utilised for meeting the likely significant, additional costs and potential liabilities facing the Council in order to help bring about a 'fit for purpose' Council, at the earliest opportunity.



This means that approximately £11.2m (5.5% of the proposed net revenue budget) would be generally available to safeguard the Council against the potential financial risks in the financial plan. Based on an assessment of those risks and the likelihood of them occurring I consider this to be a prudent level. However, given the speed of government funding and policy change over last 4 years and the very significant challenge facing the Council it will be imperative that the adequacy of the reserves position is monitored carefully as part of the ongoing assessment of the financial risks facing the Council.

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

A balanced and sustainable Budget and a financially resilient overall financial position is fundamental to the delivery of the Council's planned level and range of services during the coming financial year in support of its stated key priorities.

The Council has undertaken consultation upon the overall level of the proposed budget. This has included Area Assembly meetings, Area Housing Panel meetings, Online Budget Consultation, Online Budget Forum, Rotherfed Board meeting, Parish Council's Network meeting, staff consultation and a budget session with the Voluntary sector chaired by the Deputy Leader.

In addition individual departments have given consideration to the impact of the proposed budget savings and realignment of services on the community and individual groups. The assessment of the impact of any proposal will be iterative, with all proposals having an appropriate impact analysis undertaken prior to the implementation of the service changes.

### **11. Legal Considerations**

When setting the budget, the Council must be mindful of the potential impact on service users. In particular, Section 149 of the Equality Act 2010 imposes an obligation on Members to have due regard to protecting and promoting the welfare and interests of persons who share a relevant protected characteristic (age; disability; gender re-assignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation). The details of the analysis of the budget proposals undertaken so far, is described above. However, case law has clarified that there is no obligation on a local authority to carry out an equality impact analysis of the high level strategic budget setting process. Once the budget has been set and as spending decisions are made, service by service, and as policies are developed within the constraints of the budgetary framework, proposals will be further considered by Members and will be subject to an appropriate and proportionate assessment of any equality implications.

### **12. Background Papers and Consultation**

- Council Tax Reduction Scheme report – Cabinet 24<sup>th</sup> September 2014
- Council Tax Base Report 2015/16 – Council 14<sup>th</sup> January 2015
- Local Government Financial Settlement – 5th February 2015

Consultation with SLT, elected Members and Trade Unions.

#### **Contact Name:**

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## BUDGET 2015/16 - SAVINGS PROPOSALS

Directorate / Service	2015/16 £'000	2016/17 £'000	2017/18 £'000	2015/16 FTE	2016/17 FTE	2017/18 FTE
Children & Young People's Services	430	-131	0	0.0	0.0	0.0
Neighbourhoods & Adult Services	4,369	-779	67	10.0	3.0	2.0
Environment & Development Services	2,053	300	500	4.7	0.0	0.0
Resources	909	-90	7	5.0	0.0	0.0
Central Services	14,306	-5,280	500	0.0	0.0	0.0
<b>New Proposals TOTAL</b>	<b>22,067</b>	<b>-5,980</b>	<b>1,074</b>	<b>19.7</b>	<b>3.0</b>	<b>2.0</b>
<b>CUMULATIVE</b>		<b>16,087</b>	<b>17,161</b>			

Add:

Proposals Agreed in 2014/15 Budget Process	1,898
<b>TOTAL SAVINGS PROPOSALS 2015/16</b>	<b>23,965</b>

<b>REVISED FUNDING GAP (following Provisional &amp; Final Settlements)</b>	<b>22,941</b>
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<b>Funding Available for Investment</b>	<b>1,024</b>
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<b>Proposed Investments:</b>	
Support for Child Sexual Exploitation victims and survivors (£200k), additional social workers to make sure children at risk are seen by Children's Services as quickly as possible (£390k) and development of outreach youth work based provision to engage young people at risk of Child Sexual Exploitation (£234k)	824
Improving grounds maintenance and the general cleanliness and attractiveness of the borough	200
<b>Total</b>	<b>1,024</b>

## BUDGET 2015/16 - DIRECTORATE SAVINGS PROPOSALS

Directorate: Children & Young People's Services							
Proposal Ref:	Action	2015/16 £'000	2016/17 £'000	2017/18 £'000	2015/16 FTE	2016/17 FTE	2017/18 FTE
CYPS 8	<b>Rockingham Professional Development Centre:</b> capacity to increase traded service income target	30	0	0	0	0	0
CYPS 9	<b>Primary, secondary, special and nursery school pension costs:</b> Net reduction in pensioners paid	56	0	0	0	0	0
CYPS 10	<b>LAC Transport.</b> Reduction in taxi travel undertaken by Looked After Children. Improvement in internal controls in respect of requesting/cancelling taxis.	18	0	0	0	0	0
CYPS 7	<b>City Learning Centres:</b> close one centre and operate on a fully traded basis from 1st September 2015 (one off use of reserve)	200	-200	0	TBC	TBC	0
CYPS11	<b>School Meal Price Increase:</b> by an additional 5p per meal with effect from September 2015. (5p already approved, additional 5p proposed)	126	69	0	0	0	0
<b>TOTAL CUMULATIVE</b>		<b>430</b>	<b>-131 299</b>	<b>0 299</b>	<b>0</b>	<b>0</b>	<b>0</b>

## BUDGET 2015/16 - DIRECTORATE SAVINGS PROPOSALS

Directorate: Neighbourhoods & Adult Services							
Proposal Ref:	Action	2015/16 £'000	2016/17 £'000	2017/18 £'000	2015/16 FTE	2016/17 FTE	2017/18 FTE
NAS 1	<b>Independent Residential Care (Older People)</b> - Remove the premium payment to Providers for the Home from Home scheme (The scheme would continue without the payment)	118	0	0	0	0	0
NAS 7	<b>Children's Public Health</b> - cease provision of Imagination Library in 2015-16.	333	67	0	0	0	0
NAS 8	<b>Direct Residential Care</b> - Learning Disabilities - Implement review of management structure in respite services.	0	38	0	0	1	0
NAS 13	<b>Supporting People</b> - review of Floating Support and wardens contracts.	260	100	0	0	0	0
NAS 14	<b>Performance &amp; Quality</b> - Reduction of 1 temporary post (Band K)	50	0	0	1	0	0
NAS 15	<b>Procurement</b> - review of team structure leading to an overall reduction in staffing	20	30	35	1	1	2
NAS 17a	<b>Drug and Alcohol Services</b> - re-alignment around new Recovery Hub. Integration of Health and Social Care and rationalisation of number of clinics.	151	103	0	0	0	0
NAS 17b	<b>Internal reconfiguration of Drugs and Alcohol services</b> - to maximise efficiencies and provide a more targeted and tailored service.	348	0	0	0	0	0

NAS 24	<b>Direct Provision - Enabling Care -</b> Implement the review of the enablement offer to provide a reduced, more targeted service to users.	200	50	0	7	1	0
NAS 28	<b>Training</b> - reduction in the budget available to deliver training to social care providers including independent sector.	35	33	32	0	0	0
NAS 29	<b>Community Engagement</b> - Integrate community consultation, engagement and development activity under the management of one M3 manager.	50	0	0	1	0	0
NAS MTFS1	<b>Carers:</b> Specific grant funding now confirmed as part of Better Care Funding from April 2015.	500	0	0	0	0	0
NAS MTFS 2	<b>Capitalise REWS and Assistive Technology budgets</b>	590	0	0	0	0	0
NAS New a	<b>Supporting People</b> -Cease HIV contract with Shield	21	0	0	0	0	0
NAS New d	<b>Public Health:</b> Contribution to support the integrated Policy Team	98	0	0	0	0	0
NAS - Contracts	<b>Residential Care:</b> Review of independent sector contract inflation/fee uplifts	280	0	0	0	0	0
NAS - Rothercare	<b>2015/16 Increase income</b> through promotion and take-up	50	0	0	0	0	0
NAS - Fees and Charges	<b>Review of Non Residential care fees and Charges</b>	65	0	0	0	0	0
Neigh	<b>Rotherham Furnished Homes:</b> capitalisation of furniture costs / utilisation of forecast trading surplus	1,200	-1,200	0	0	0	0

TOTAL	4,369	-779	67	10	3	2
CUMULATIVE		3,590	3,657			

# BUDGET 2015/16 - DIRECTORATE SAVINGS PROPOSALS

Directorate: Environment & Development Services							
Proposal Ref:	Action	2015/16 £'000	2016/17 £'000	2017/18 £'000	2015/16 FTE	2016/17 FTE	2017/18 FTE
<b>Asset Management</b>							
EDS 1	<b>Property Rationalisation:</b> Savings from further rationalising the Council's estate. Involves releasing surplus assets to support development and economic growth, in accordance with Cabinet's resolution of 5th February 2014.	180	0	0	0	0	0
EDS 2	<b>Environmental Management</b> – energy efficiency savings & charges	40	0	0	0	0	0
EDS Supp	<b>Asset Management:</b> Review of non pay Budgets (non-priority training, equipment and materials)	20	0	0	0	0	0
<b>Corporate Communications &amp; Marketing:</b>							
EDS4 a	Reduce the hours of 1 Band K post	8	0	0	0.2	0	0
EDS4 b	Cease Annual Subscriptions 'Welcome to Yorkshire'	15	0	0	0	0	0
EDS4 c	Cease provision of LA Partnership 'One Town One Community' Marquee at Rotherham Show	8	0	0	0	0	0
EDS4 d	Cease payment of Newspaper Licence	2	0	0	0	0	0
EDS 20 c	<b>Comms &amp; Media:</b> Net staff savings through Voluntary Severance	7	0	0	0	0	0
EDS 20 d	<b>Comms &amp; Media:</b> Remove contingency budget for Events	5	0	0	0	0	0
<b>Planning, Regeneration and Culture:</b>							
EDS 5 Libraries &	Reduce Libraries Materials fund	70	0	0	0	0	0

Libraries & Customer Service Centres	Community model – revised Library staffing	42	0	0	1	0	0
	Rationalise operational and strategic management and support services & management	14	0	0	0	0	0
EDS 6	Streamline non-pay budgets and continue to build on economies of scale. Bring operation of Boston Castle into core budgets	2	10	0	0	0	0
EDS 7	Building Control income – increase in applications	20	0	0	0	0	0
EDS 8	Planning – Loss of 2 posts due to severance. (1 x Band I post & 1 x Band F post)	70	0	0	2	0	0
<b>Streetpride:</b>							
EDS 9	Network Maintenance Reduce Budget (One-off)	200	-200	0	0	0	0
EDS 11	Remodelling Waste PFI Costs	1,000	500	500	0	0	0
EDS 12	Waste Treatment - Sale of spare capacity (Manvers Waste PFI)	75	0	0	0	0	0
EDS 14	Reduce opening hours at Recycling Centres	20	10	0	0	0	0
EDS 15	Reduced number of 'Bring' Sites	5	0	0	0	0	0
EDS 16	<u>Corporate Transport Unit:</u>						
	Undertake Taxi driving Tests, Driving License checks on behalf of Licensing	8	0	0	0	0	0
	Bus Services Operators Grant (one off)	20	-20	0	0	0	0
	Home to School Transport – reduced service demand	50	0	0	0	0	0
EDS 17	Further reduce Business Support – staff savings	40	0	0	1.5	0	0
EDS 18	Vehicle fuel efficiencies – reduce consumption through fleet replacement programme	100	0	0	0	0	0
EDS 19	Non Staff savings: Off Road Motor Vehicles (£5k), Countryside Services (£12k), Environmental Development (£3k), Waste PFI (£12k)	32	0	0	0	0	0
<b>TOTAL CUMULATIVE</b>		<b>2,053</b>	<b>300</b>	<b>500</b>	<b>4.7</b>	<b>0</b>	<b>0</b>
			<b>2,353</b>	<b>2,853</b>			



<b>Directorate: Resources</b>							
<b>Proposal Ref:</b>	<b>Action</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
<b>Democratic Services</b>							
Res 1	Reduction of 3 x Cabinet Member posts	48	0	0	0	0	0
Res 2 - 5	Reductions to Member Allowances	143	0	0	0	0	0
Res 6 & 7	Reductions to Mayoral Budgets and reduce number of 'Official' cars from 3 to 2.	11	0	0	0	0	0
Res 9	International Visits - 50% reduction to budget for Members travelling abroad on official business	5	0	0	0	0	0
Res 10	Cease Nuclear Free Local Authorities annual affiliation subscription	2	0	0	0	0	0
Res 16	Electoral Services - Combined elections (Parliamentary/Borough/Parish) in 2015/16 - one off	30	-30	0	0	0	0
<b>Legal Services</b>							
Res 17	Legal Services - reduce subscriptions (£8k), on-line research and training budgets (£6k)	14	0	0	0	0	0
Res 18	PCP income to fund the maintenance of a police and crime panel (One-off)	11	-11	0	0	0	0

Res 19	Corporate Business Support: additional income generation through trading with external organisations	10	0	0	0	0	0
Legal 2B	Legal services: Further reduce non-staffing budgets	10	0	0	0	0	0
<b>Finance</b>							
Res 20	Staffing: Loss of grade protection and non-backfill of maternity leave, reduce training budget	46	-26	0	0	0	0
Res 21	Reduction in External Audit Fees	37	0	0	0	0	0
Res 22	Additional income generation: schools and academies	48	0	0	0	0	0
Res 23	Reduce subscriptions to CIPFA	5	0	0	0	0	0
Res 24	Introduce charges (to cover costs) for credit card payments	35	0	0	0	0	0
Fin 2a	Restructure of staff duties and release a member of staff through voluntary severance. Deletion of a part time vacant post	55	0	0	1	0	0
Fin 2b	Further reduction to CIPFA subscriptions budget	7	0	0	0	0	0
Fin 2c	Additional income generation - academies, schools etc.	0	7	7	0	0	0
<b>Revenues &amp; Benefits</b>							
Res 25	Release one-off grant funding for New Burdens	30	-30	0	0	0	0
Res 26	Reconfiguration of service (Digital by Default), functions and business processes (printing & postage)	50	0	0	0	0	0

Res 27	Court costs and fees - increase in reimbursements due to increased volumes and new enforcement procedure	45	0	0	0	0	0
Res 28	Staffing reductions - service restructure due to transfer of some responsibilities to DWP (Single Fraud Investigation Service) (SFIS)	30	0	0	1	0	0
<b>HR &amp; Payroll</b>							
Res 29	Work Package 4 transformation - staff savings through reconfiguration of duties	80	0	0	2	0	0
Res 30	Additional RMBC and DMBC Disclosure and Barring Service (DBS) income generation	28	0	0	0	0	0
Res 31	DMBC HR & Payroll contract inflation	51	0	0	0	0	0
Res 32	HR Advice & Guidance / Corporate HR service - efficiencies/income	50	0	0	1	0	0
Res 33	Trade Union Secondment Budget Reduction	28	0	0	0	0	0
<b>TOTAL CUMULATIVE</b>		<b>909</b>	<b>-90</b>	<b>7</b>	<b>5</b>	<b>0</b>	<b>0</b>
			<b>819</b>	<b>826</b>			

<b>CENTRAL SERVICES</b>							
<b>Proposal Ref:</b>	<b>Action</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
Cent 1	Increase in Council Tax Base and reduced cost of Council Tax Reduction Scheme (CTRS) and proposed increase in Council Tax by 1.95%	3,205	500	500	0	0	0
Cent 2	Surplus on Council Tax Collection Fund	2,000	-500	0	0	0	0
Cent 3	Additional New Homes Bonus - Increased share relative to other LA's and additional properties brought back into use	300	0	0	0	0	0
Cent 4	Business Rates refund (Appeals) - Council Properties (net of fees, one	400	-400	0	0	0	0
Cent 5	Reduced PFI contribution (one off, reflecting reassessment of residual contractual liabilities / assumption on long term interest rates over remaining contract period)	2,000	-2,000	0	0	0	0
Cent 6	Gas and Electricity price reductions	20	0	0	0	0	0
Cent 7	Combined Authority / Integrated Transport Authority Levy reductions	1,500	0	0	0	0	0
Cent 8	Capital Financing - additional use of Capital Receipts to reduce MRP cost and interest savings on refinancing loans	1,765	0	0	0	0	0

Cent 9	Release of Digital Region Limited Provision	1,300	-1,300	0	0	0	0
Cent 10	Procurement: Discounts Receivable / Supplier Volume Rebates	200	0	0	0	0	0
Cent 11	Revenue Grant Flexibilities (one off)	400	-400	0	0	0	0
Cent 12	Reduction in sundry accounts bad debt provision - improved debt	85	-85	0	0	0	0
Cent 13	Release of Voluntary Severance / Voluntary Early Retirement 'top up' provision	1,095	-1,095	0	0	0	0
Cent 14	Reduced Contribution requirement for the South Yorkshire Camera Partnership	36	0	0	0	0	0
<b>TOTAL CUMULATIVE</b>		<b>14,306</b>	<b>-5,280 9,026</b>	<b>500 9,526</b>	<b>0</b>	<b>0</b>	<b>0</b>

1)	Meeting:	Council
2)	Date:	4th March 2015
3)	Title:	Setting the Council Tax for 2015/16
4)	Directorate:	Resources

**5. Summary**

This report sets out details of the calculation of the Council Tax for Rotherham’s parished and unparished areas for the financial year 2015/16, and includes both the Police and Crime Commissioner and the Fire and Rescue Authority Precepts.

**6 Recommendations**

**Cabinet recommends that Council approves each recommendation in this report and the formal Council Tax Resolution in Appendix A and in doing so:**

- **Approves a Net Revenue Budget for the Council in 2015/16 of £203.554m, which after receipt of Central Government Grants and use of the Collection Fund leaves £83.663m to be funded;**
- **Calculates, in accordance with Section 34 of the Local Government Finance Act 1992 (as amended by the Localism Act 2011), £1,277.73 as its basic amount of Council Tax for the year (using the formula in section 34 of the Act) for an unparished area;**
- **Approves the calculation of the amounts set out in section 3 of Appendix A for the year 2015/16 in accordance with Sections 31B to 36 of the Act 1992 ;**
- **Notes that the major precepting Authorities (the South Yorkshire Police and Crime Commissioner and the Fire and Rescue Authority) have stated the following amounts respectively in Precepts issued to the Council, in accordance with Section 40 of the Act – South Yorkshire Police and Crime Commissioner a Band D Tax of £148.16 and South Yorkshire Fire and Rescue Authority a Band D Tax of £66.32;**
- **Notes that the Town and Parish Council Precepts for 2015/16 detailed in Section 1b of Appendix A total £2,228,191. The increase (+3.4%) in the Average Band D Council Tax for Town and Parish Councils results in an average Band D Council Tax figure of £1,311.76;**
- **Resolves that the Council sets the amounts presented in section 3 of Appendix B for both unparished and parished areas as its Aggregate Council Tax Requirement (including South Yorkshire Police and Crime Commissioner and Fire and Rescue Authority Precepts) for the year 2015/16; and**
- **Determines, that, in accordance with the principles determined by the Secretary of State and set out in the Referendums Relating to Council Tax Increases (Principles) (England) Report 2015/16, that Rotherham Metropolitan Borough Council’s relevant basic amount of Council Tax for the year 2015/16 as defined by Section 41 of the Local Audit and Accountability Act 2014 is not excessive.**

## 7 Proposals and Details

### Background

- 7.1 It is anticipated that Members will have considered the proposed 2015/16 Budget at a meeting of the Cabinet on 27<sup>th</sup> February 2015 and the Council Tax Base for parished and unparished areas was agreed at the Council meeting held on 28<sup>th</sup> January 2015. Since 2012/13 the Localism Act 2011 has required Billing Authorities like the Council to calculate a **“Council Tax Requirement”**- for the financial year 2015/16 this is Gross Expenditure less Gross Income – the excess of expenditure over income being the Council Tax Requirement. The deadline for the Council to determine its Council Tax remains 10<sup>th</sup> March 2015 and the Council must set Council Tax levels for both the parished and unparished areas of the Borough for each Council Tax Band A to H, taking into account the Precepts from both the South Yorkshire Police and Crime Commissioner and the Fire and Rescue Authority.
- 7.2 In addition to determining their Council Tax Requirement, authorities are required to seek the approval of their local electorate if they set Council Tax increases in excess of the principles set out by the Secretary of State and approved by Parliament. In the Council’s case this means a Council Tax increase for 2015/16 **of 2.0% or more** in the Council’s relevant basic amount of Council Tax, a figure, excluding Parish Precepts issued to the authority. The Council’s proposed Council Tax **does not exceed those principles** and paragraph 6 of the tax setting resolution attached at Appendix A addresses this issue.
- 7.3 The South Yorkshire Police and Crime Commissioner and Fire and Rescue Authority are also subject to the requirement to hold a referendum but, at present, local precepting authorities such as Town and Parish Councils are excluded, although their status may be subject to review in future years.
- 7.4 **Council Tax Base** – in 2013/14 there was a major change in the way the Council Tax Base was calculated due to changes in the treatment of Council Tax Benefits. With the introduction of the local Council Tax Reduction Scheme (CTRS) these benefits are now converted to Council Tax discounts (like that awarded to single persons) which have reduced the Council Tax Base. As in 2013/14 and 2014/15, the Council Tax Base determined in January reflects this change.
- 7.5 As in 2014/15, Government funding to mitigate the impact of this reduction in the Tax Base for 2015/16, (including support for parish and town Councils) has been subsumed within Revenue Support Grant (RSG) and cannot be separately identified although the consensus is that funding for this purpose has declined in line with central government grant reductions.
- 7.6 **Government Funding** - 2015/16 will be the third year of the Localisation of Business Rates. Under this regime, the Council retains just under half (49%) of the Business Rates it collects – 50% will be passed to Central Government and the remaining 1% is passed to the South Yorkshire Fire and Rescue Authority. The Council also receives Business Rates Top Up grant and Revenue Support Grant (RSG), as part of its Settlement Funding Assessment (SFA) which still takes account of relative needs in the same way as in previous years.
- 7.7 **Council Tax Freeze Grant** – as the Council will be increasing its Council Tax it will not be eligible for Council Tax Freeze Grant in 2015/16.

The Council's Settlement Funding Assessment is set out in the table below:

	<b>£'000</b>
Revenue Support Grant (RSG)	50,925
Retained Business Rates	35,641
Business Rates Top Up	22,628
<b>Total Settlement Funding Assessment for 2015/16</b>	<b>109,194</b>

- 7.8 It is now necessary to agree the Council's Net Revenue Budget of **£203,554,000** for 2015/16 after allowing for Specific Grants and other Income which will be financed as follows:-

	£
Settlement Funding Assessment	109,194,128
New Homes Bonus	5,020,241
Section 31 Grants etc.	3,677,039
Collection Fund Surplus	2,000,000
<b>Total</b>	<b>119,891,408</b>

£

**Which will leave ..... 83,662,592**

To be raised from Council Tax (which equates to an increase of 1.95% in the Council Tax levied as at 2014/15 and which - whilst not allowing the Council to qualify for the Government's Council Tax Freeze grant, is within the limits set out in the Government Referendum principles for 2015/16).

- 7.9 **Parishes** – the 30 Parish and Town Councils and Parish Meetings within Rotherham's boundaries have set precepts for 2015/16 totalling £2,228,191 which will be added to the Net Revenue Budget and Council Tax Requirement in the Council Tax Calculations. On average Parish Council Tax precepts have increased by 5.5% for 2015/16. The Parish Precepts add £34.03 to the Borough's Council tax to give the average Council Tax in Rotherham of £1,311.76.

- 7.10 **South Yorkshire Authorities** - the Council has also received details of the precepts for the Police and Crime Commissioner and Fire and Rescue Authority. Accordingly, Members are asked to approve the financing of the Council's Budget (as reported in section 7.8 of this report) and to pass a resolution as set out at Appendix A.

- 7.11 If this resolution is approved the total unparished Band D Council Tax will be as follows:



	2014/15 £	2015/16 £	% Change
<b>Rotherham MBC</b>	<b><u>1,253.34</u></b>	<b><u>1,277.73</u></b>	<b><u>1.95</u></b>
<b>South Yorkshire Police and Crime Commissioner</b>	<b>145.33</b>	<b>148.16</b>	<b>1.95</b>
<b>South Yorkshire Fire and Rescue Authority</b>	<b>65.04</b>	<b>66.32</b>	<b>1.97</b>
<b>TOTAL</b>	<b><u>1,463.71</u></b>	<b><u>1,492.21</u></b>	<b><u>1.95</u></b>

The above figures show that the increase in the total Council Tax payable in the unparished areas of the Borough even with increases in the Police and Fire and Rescue precepts of 1.95% and 1.97% respectively is 1.95% in 2015/16.

## 8 Finance

There are no direct costs arising from this report, however the Council Tax represents a significant element of the Council's resources for the coming financial year.

## 9 Risks and Uncertainties

Although all budgets involve risks, the Council's budget process has been reviewed and redesigned to minimise the incidence and impact of any budget risks. However, since April 2013 significant financial risks have been transferred from Central Government to local authorities by the Localisation of Business Rates and the introduction of the Council Tax Reduction Scheme. This transfer could put pressure on Council Tax collection rates which will have a direct impact on future resources available to the Council. In Rotherham we have a strong track record of collecting both business rates and council tax income and it is considered that the collection level assumptions included in setting this budget adequately reflect this increase in risk.

## 10. Policy and Performance Agenda Implications

The setting of the Council Tax as a significant part of the Council's resources is essential in underpinning all parts of the Council's activities.

## 11. Background Papers and Consultation

- Local Government Finance Act 1992 as amended by the Localism Act 2011
- Localism Act 2011
- Local Government Finance Act 2012
- Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012
- Section 84 of the Local Government Act 2003
- Council Tax Base Report - 28<sup>th</sup> January 2015.
- The Localism Act 2011 (Commencement No.1 and Transitional Provisions) Order 2011
- The Council Tax (Demand Notices) (England) Regulations 2011.

- The Council Tax (Demand Notices) (England) Amendment Regulations 2012
- The Local Audit and Accountability Act 2014
- DCLG Council Tax Referendums 2015/16 Information Note February 2015
- Proposed Revenue Budget and Council Tax - Report to Cabinet on 27<sup>th</sup> February 2015.
- South Yorkshire Fire and Rescue Authority Precept Notification letter 16th February 2015
- South Yorkshire Police and Crime Commissioner Precept Notification – verbal confirmation received 24<sup>th</sup> February 2015
- CIPFA – Draft Model Resolution for Council Tax Setting – January 2015

**Contact Name:**

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Appendix AThe Council is recommended to resolve as follows:

1. It be noted that at its meeting on 28<sup>th</sup> January 2015 (minute C120) the Council calculated the Council Tax Base 2015/16
  - a. For the whole Council area as **65,477.52** (Item T in the formula in Section 31B of the Local Government Finance Act 1992 as amended (the Act)).
  - b. For dwellings in those parts of its area to which a Parish Precept relates as set out in the table below:

<b>Parished Areas</b>	<b>Tax Base</b>	<b>Total Precept (£)</b>
Anston	2,793.64	260,000
Aston-cum-Aughton	4,104.77	247,657
Bramley	2,201.15	109,200
Brampton Bierlow	1,197.91	56,141
Brinsworth	2,268.11	212,474
Catcliffe	567.12	57,432
Dalton	2,353.55	125,000
Dinnington St. John's	2,208.32	135,764
Firbeck	132.99	7,850
Gildingwells	40.12	0
Harthill with Woodall	614.43	41,470
Hellaby	240.48	8,651
Hooton Levitt	52.76	0
Hooton Roberts	80.37	1,600
Laughton-en-le-Morthen	434.69	21,189
Letwell	64.94	1,750
Maltby	3,895.09	167,000
Orgreave	367.55	13,908
Ravenfield	999.32	34,538
Thorpe Salvin	196.30	8,026
Thrybergh	769.93	51,674
Thurcroft	1,848.29	137,790
Todwick	635.31	42,188
Treeton	825.41	51,000
Ulley	63.30	5,958
Wales	1,932.75	144,376
Wentworth	533.36	16,926
Whiston	1,429.94	67,834
Wickersley	2,528.18	143,490
Woodsetts	582.79	57,305
	<b>35,962.85</b>	<b>2,228,191</b>

2. Council Tax requirement for the Council's own purposes

Calculate that the Council Tax Requirement for the Council's own purposes for 2015/16 (excluding Parish Precepts) is as outlined in the Budget Report to Cabinet on February 27th to be **£83,662,592**

3. That the following amounts be calculated for the year 2015/16 in accordance with sections 31 to 36 of the Act.
- a. **£205,782,191** being the net aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) and 31A (3) of the Act taking into account all precepts issued to it by Parish Councils (Gross Council Expenditure (less income and Specific Grants other than the Business Rates Retention Scheme and other Settlement Funding Assessment grants (£203,554,000) plus Parish Precepts (£2,228,191).
  - b. **£119,891,408** being the aggregate of the amounts which the Council estimates will be payable for the year into its General Fund in respect of the Business Rates Retention Scheme and other Settlement Funding Assessment grants.
  - c. **£2,000,000** being the amount which the Council estimates will be payable in the year from its Collection Fund to its General Fund in accordance with section 97(3) of the Local Government Finance Act 1988 (Council Tax Balance).
  - d. **£85,890,783** being the amount by which the aggregate at 3a above exceeds the aggregate of 3b and 3c above , calculated by the Council in accordance with section 31A(4) of the Act as its Council Tax requirement for the year (Item R in the formula in section 31B of the Act).
  - e. **£1,311.7599** being the amount at 3d above (Item R divided by Item T 1a above) calculated by the Council in accordance with section 31B of the Act as the relevant basic amount of its Council Tax for the year (including Parish Precepts).
  - f. **£2,228,191** being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act as per section 1b above.
  - g. **£1,277.7300** being the amount at 3e above less the result given by dividing the amount at 3f above by the figure at 1a above (item T in the formula in Section 31B (1) of the Act calculated by the Council in accordance with Section 34(2) of the Act, as the relevant basic amount of its Council Tax for the year for dwellings in those parts of its area to which no parish precept relates. (Band D Council Tax for Rotherham MBC services).
  - h. The following amounts be calculated by the Council as the relevant basic amounts of Council Tax for the year for dwellings in those parts of its area to which one or more special items relate, being the amounts given by adding the amount at 3g above to the amount of the special items in appendix B section 1, in accordance with Section 34(3) of the Act:

<b>Parished Areas</b>	<b>£</b>
Anston	1,370.80
Aston-cum-Aughton	1,338.06
Bramley	1,327.34
Brampton Bierlow	1,324.60
Brinsworth	1,371.41
Catcliffe	1,379.00
Dalton	1,330.84
Dinnington St. John's	1,339.21
Firbeck	1,336.76
Gildingwells	1,277.73
Harthill with Woodall	1,345.22
Hellaby	1,313.70
Hooton Levitt	1,277.73
Hooton Roberts	1,297.64
Laughton-en-le-Morthen	1,326.47
Letwell	1,304.68
Maltby	1,320.60
Orgreave	1,315.57
Ravenfield	1,312.29
Thorpe Salvin	1,318.62
Thrybergh	1,344.85
Thurcroft	1,352.28
Todwick	1,344.14
Treeton	1,339.52
Ulley	1,371.85
Wales	1,352.43
Wentworth	1,309.46
Whiston	1,325.17
Wickersley	1,334.49
Woodsetts	1,376.06

4. To note that both the South Yorkshire Police and Crime Commissioner and the Fire and Rescue Authority have issued Precepts to the Council in accordance with Section 40 of the Local Government Finance Act for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council in accordance with Sections 30 to 36 of the Local Government Finance Act 1992, hereby sets the aggregate Council Tax Requirement for unparished areas (rounded to the nearest penny) shown in the table below and in Appendix B (for those parts of its area to which one or more special items relate) as the amounts of Council Tax for 2015/16 for each part of its area and for each of the categories of dwellings.

<b>Tax Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	£	£	£	£	£	£	£	£
Rotherham Metropolitan Borough Council Only	851.82	993.79	1,135.76	1,277.73	1,561.67	1,845.61	2,129.55	2,555.46
South Yorkshire Police & Crime Commissioner	98.77	115.24	131.70	148.16	181.08	214.01	246.93	296.32
South Yorkshire Fire & Rescue Authority	44.21	51.58	58.95	66.32	81.06	95.80	110.53	132.64
<b>Aggregate Council Tax Requirement (unparished areas)</b>	994.80	1,160.61	1,326.41	1,492.21	1,823.81	2,155.42	2,487.01	2,984.42

6. That, in accordance with the principles determined by the Secretary of State and set out in the Referendums Relating to Council Tax Increases (Principles) (England) Report 2015/16, it be determined that Rotherham Metropolitan Borough Council's relevant basic amount of Council Tax for the year 2015/16 (as defined by Section 52ZX of the 1992 Local Government Finance Act as amended by section 41 of the Local Audit and Accountability Act 2014) **is not excessive**.

**Appendix B – Council Tax Requirement for Parished Areas****1. Basic Amount of Council Tax by Band for Parished Areas**

<b>Tax Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	£	£	£	£	£	£	£	£
<b>Parished Areas</b>								
Anston	913.87	1,066.18	1,218.49	1,370.80	1,675.42	1,980.04	2,284.67	2,741.60
Aston-cum-Aughton	892.04	1,040.71	1,189.39	1,338.06	1,635.41	1,932.75	2,230.10	2,676.12
Bramley	884.89	1,032.38	1,179.86	1,327.34	1,622.30	1,917.27	2,212.23	2,654.68
Brampton Bierlow	883.07	1,030.24	1,177.42	1,324.60	1,618.96	1,913.31	2,207.67	2,649.20
Brinsworth	914.27	1,066.65	1,219.03	1,371.41	1,676.17	1,980.93	2,285.68	2,742.82
Catcliffe	919.33	1,072.56	1,225.78	1,379.00	1,685.44	1,991.89	2,298.33	2,758.00
Dalton	887.23	1,035.10	1,182.97	1,330.84	1,626.58	1,922.32	2,218.07	2,661.68
Dinnington St John's	892.81	1,041.61	1,190.41	1,339.21	1,636.81	1,934.41	2,232.02	2,678.42
Firbeck	891.17	1,039.70	1,188.23	1,336.76	1,633.82	1,930.88	2,227.93	2,673.52
Gildingwells	851.82	993.79	1,135.76	1,277.73	1,561.67	1,845.61	2,129.55	2,555.46
Harthill with Woodall	896.81	1,046.28	1,195.75	1,345.22	1,644.16	1,943.10	2,242.03	2,690.44
Hellaby	875.80	1,021.77	1,167.73	1,313.70	1,605.63	1,897.57	2,189.50	2,627.40
Hooton Levitt	851.82	993.79	1,135.76	1,277.73	1,561.67	1,845.61	2,129.55	2,555.46
Hooton Roberts	865.09	1,009.28	1,153.46	1,297.64	1,586.00	1,874.37	2,162.73	2,595.28
Laughton-en-le-Morthen	884.31	1,031.70	1,179.08	1,326.47	1,621.24	1,916.01	2,210.78	2,652.94
Letwell	869.79	1,014.75	1,159.72	1,304.68	1,594.61	1,884.54	2,174.47	2,609.36
Maltby	880.40	1,027.13	1,173.87	1,320.60	1,614.07	1,907.53	2,201.00	2,641.20
Orgreave	877.05	1,023.22	1,169.40	1,315.57	1,607.92	1,900.27	2,192.62	2,631.14
Ravenfield	874.86	1,020.67	1,166.48	1,312.29	1,603.91	1,895.53	2,187.15	2,624.58
Thorpe Salvin	879.08	1,025.59	1,172.11	1,318.62	1,611.65	1,904.67	2,197.70	2,637.24
Thrybergh	896.57	1,045.99	1,195.42	1,344.85	1,643.71	1,942.56	2,241.42	2,689.70
Thurcroft	901.52	1,051.77	1,202.03	1,352.28	1,652.79	1,953.29	2,253.80	2,704.56
Todwick	896.09	1,045.44	1,194.79	1,344.14	1,642.84	1,941.54	2,240.23	2,688.28
Treeton	893.01	1,041.85	1,190.68	1,339.52	1,637.19	1,934.86	2,232.53	2,679.04
Ulley	914.57	1,066.99	1,219.42	1,371.85	1,676.71	1,981.56	2,286.42	2,743.70
Wales	901.62	1,051.89	1,202.16	1,352.43	1,652.97	1,953.51	2,254.05	2,704.86
Wentworth	872.97	1,018.47	1,163.96	1,309.46	1,600.45	1,891.44	2,182.43	2,618.92
Whiston	883.45	1,030.69	1,177.93	1,325.17	1,619.65	1,914.13	2,208.62	2,650.34
Wickersley	889.66	1,037.94	1,186.21	1,334.49	1,631.04	1,927.60	2,224.15	2,668.98
Woodsetts	917.37	1,070.27	1,223.16	1,376.06	1,681.85	1,987.64	2,293.43	2,752.12

The amounts below being the amounts shown in Appendix A section 3(h) as the relevant basic amount of Council Tax for the year for dwellings in those parts of the Council's area to which Parish Precepts relate and the amount at Appendix A 3g (the relevant basic amount of Council Tax for those parts the Council's areas to which no parish precepts relate), then multiplied by the number which, in the proportion set out in Section 5(1) of the Act is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, (rounded to the nearest penny) calculated by the Council in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.



## 2. South Yorkshire Precepts

The South Yorkshire Police and Crime Commissioner and Fire and Rescue Authority have stated the following amounts in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act for each of the categories of dwelling.

<b>Tax Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	£	£	£	£	£	£	£	£
South Yorkshire Police & Crime Commissioner	98.77	115.24	131.70	148.16	181.08	214.01	246.93	296.32
South Yorkshire Fire & Rescue Authority	44.21	51.58	58.95	66.32	81.06	95.80	110.53	132.64

## 3. Aggregate Council Tax Requirements

The amounts shown in the table below are set by the Council in accordance Sections 30 to 36 of the Local Government Finance Act 1992, as the aggregate Council Tax Requirement (rounded to the nearest penny) for those parts of its area to which one or more special items relate as the amounts of Council Tax for 2015/16 for each of the categories of dwellings.

<b>Tax Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	£	£	£	£	£	£	£	£
<b>Aggregate Council Tax Requirement (Unparished Parts of the Council) (Appendix A5)</b>	994.80	1,160.61	1,326.41	1,492.21	1,823.81	2,155.42	2,487.01	2,984.42
Anston	1,056.85	1,233.00	1,409.14	1,585.28	1,937.56	2,289.85	2,642.13	3,170.56
Aston-cum-Aughton	1,035.02	1,207.53	1,380.04	1,552.54	1,897.55	2,242.56	2,587.56	3,105.08
Bramley	1,027.87	1,199.20	1,370.51	1,541.82	1,884.44	2,227.08	2,569.69	3,083.64
Brampton Bierlow	1,026.05	1,197.06	1,368.07	1,539.08	1,881.10	2,223.12	2,565.13	3,078.16
Brinsworth	1,057.25	1,233.47	1,409.68	1,585.89	1,938.31	2,290.74	2,643.14	3,171.78
Catcliffe	1,062.31	1,239.38	1,416.43	1,593.48	1,947.58	2,301.70	2,655.79	3,186.96
Dalton	1,030.21	1,201.92	1,373.62	1,545.32	1,888.72	2,232.13	2,575.53	3,090.64
Dinnington St John's	1,035.79	1,208.43	1,381.06	1,553.69	1,898.95	2,244.22	2,589.48	3,107.38
Firbeck	1,034.15	1,206.52	1,378.88	1,551.24	1,895.96	2,240.69	2,585.39	3,102.48
Gildingwells	994.80	1,160.61	1,326.41	1,492.21	1,823.81	2,155.42	2,487.01	2,984.42
Harthill with Woodall	1,039.79	1,213.10	1,386.40	1,559.70	1,906.30	2,252.91	2,599.49	3,119.40
Hellaby	1,018.78	1,188.59	1,358.38	1,528.18	1,867.77	2,207.38	2,546.96	3,056.36
Hooton Levitt	994.80	1,160.61	1,326.41	1,492.21	1,823.81	2,155.42	2,487.01	2,984.42
Hooton Roberts	1,008.07	1,176.10	1,344.11	1,512.12	1,848.14	2,184.18	2,520.19	3,024.24

Laughton-en-le-Morthen	1,027.29	1,198.52	1,369.73	1,540.95	1,883.38	2,225.82	2,568.24	3,081.90
Letwell	1,012.77	1,181.57	1,350.37	1,519.16	1,856.75	2,194.35	2,531.93	3,038.32
Maltby	1,023.38	1,193.95	1,364.52	1,535.08	1,876.21	2,217.34	2,558.46	3,070.16
Orgreave	1,020.03	1,190.04	1,360.05	1,530.05	1,870.06	2,210.08	2,550.08	3,060.10
Ravenfield	1,017.84	1,187.49	1,357.13	1,526.77	1,866.05	2,205.34	2,544.61	3,053.54
Thorpe Salvin	1,022.06	1,192.41	1,362.76	1,533.10	1,873.79	2,214.48	2,555.16	3,066.20
Thrybergh	1,039.55	1,212.81	1,386.07	1,559.33	1,905.85	2,252.37	2,598.88	3,118.66
Thurcroft	1,044.50	1,218.59	1,392.68	1,566.76	1,914.93	2,263.10	2,611.26	3,133.52
Todwick	1,039.07	1,212.26	1,385.44	1,558.62	1,904.98	2,251.35	2,597.69	3,117.24
Treeton	1,035.99	1,208.67	1,381.33	1,554.00	1,899.33	2,244.67	2,589.99	3,108.00
Ulley	1,057.55	1,233.81	1,410.07	1,586.33	1,938.85	2,291.37	2,643.88	3,172.66
Wales	1,044.60	1,218.71	1,392.81	1,566.91	1,915.11	2,263.32	2,611.51	3,133.82
Wentworth	1,015.95	1,185.29	1,354.61	1,523.94	1,862.59	2,201.25	2,539.89	3,047.88
Whiston	1,026.43	1,197.51	1,368.58	1,539.65	1,881.79	2,223.94	2,566.08	3,079.30
Wickersley	1,032.64	1,204.76	1,376.86	1,548.97	1,893.18	2,237.41	2,581.61	3,097.94
Woodsetts	1,060.35	1,237.09	1,413.81	1,590.54	1,943.99	2,297.45	2,650.89	3,181.08

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Council</b>
<b>2.</b>	<b>Date:</b>	<b>4<sup>th</sup> March, 2015</b>
<b>3.</b>	<b>Title:</b>	<b>Prudential Indicators and Treasury Management and Investment Strategy 2015/16 to 2017/18</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources</b>

### 5. Summary

In accordance with the Prudential Code for Capital Finance, the Secretary of State's Guidance on Local Government Investments, CIPFA's Code of Practice for Treasury Management in Local Authorities and with Council policy, the Director of Financial Services is required, prior to the commencement of each financial year to seek the approval of the Council to the following:

- i. The Prudential Indicators and Limits for 2015/16 to 2017/18 (Appendix A)
- ii. A Minimum Revenue Provision (MRP) Statement which sets out the Council's policy on MRP (Appendix A)
- iii. An Annual Treasury Management Strategy in accordance with the CIPFA Code of Practice on Treasury Management including the Authorised Limit (Appendix B)
- iv. An Investment Strategy in accordance with the Department for Communities and Local Government (CLG) investment guidance (Appendix B)

Albeit a technical and complex report the key messages for Audit Committee are:

- a. Investments – the primary governing principle will remain **security** over return and the criteria for selecting counterparties reflect this. Cash available for investment will remain low, resulting in low returns.
- b. Borrowing – overall, this will remain fairly constant over the period covered by this report and the Council will remain under-borrowed against its borrowing requirement due to the higher cost of carrying debt. New borrowing will only be taken up as debt matures.
- c. Governance – strategies are reviewed by the Audit Committee with continuous monitoring which includes Mid-Year and Year End reporting.

### 6. Recommendations

That Council:-

1. **Approve the prudential indicators and limits for 2015/16 to 2017/18 contained in Appendix A to the report**
2. **Approve the Minimum Revenue Provision Statement contained in Appendix A which sets out the Council's policy on MRP**
3. **Approve the Treasury Management Strategy for 2015/16 to 2017/18 and the Authorised Limit Prudential Indicator (Appendix B)**
4. **Approve the Investment Strategy for 2015/16 to 2017/18 (Appendix B – Section (e) and Annex B1)**

## 7. Proposals and Details

### 7.1 Background

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are prepared in order to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities, the CIPFA Code of Practice for Treasury Management in Local Authorities, and CLG Investment Guidance.

Prior to the commencement of each financial year the Director of Financial Services, who has delegated authority to carry out treasury management activities on behalf of the Council, is required to seek the approval of the Council to the **Prudential and treasury indicators and treasury strategy**. This report, the first, and most important report covers:

- the capital expenditure plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how capital expenditure funded by borrowing is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

The other reports submitted to Members are:

- **A mid year treasury management report** – This will update Members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- **An annual treasury report** – This will provide details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

### Scrutiny

Reports on Treasury matters are required to be adequately scrutinised before being recommended to the Council and this role is undertaken by Audit Committee.

The Council's 2014/15 Prudential Indicators & Treasury Management and Investment Strategy was approved by Council on 5 March 2014, whilst a Mid-Year report which updated the 2014/15 approved indicators was approved by Council on 28 January 2015. This report provides an update for the period 2014/15 to 2016/17 and introduces new indicators and forecasts for 2017/18.

Sections 7.2 to 7.4 of the report summarise the key elements of the Council's Capital Expenditure Plans & Prudential Indicators and the Treasury Strategy (including the Investment Strategy) which require Council approval. Supporting detail is provided in the Appendices.

Appendix A sets the background to the prudential indicators relating to the Council's capital expenditure plans, the capital financing requirement and affordability generally. In addition the proposed MRP Statement is also included in this Appendix.

Appendix B sets out the Treasury Management Strategy (including the Investment Strategy). Within the overall prudential framework there is a clear impact on the Council's treasury management activity, either through borrowing or investment activity. Some prudential indicators are therefore shown in the Treasury Management Strategy to aid understanding together with the limits on Treasury activity.

The Strategy has been drawn up in association with the Council's treasury management advisors, Capita Asset Services, part of The Capita Group plc.

This is a technical and complex report however the key messages are:

- a. Investments – the primary governing principle will remain **security** over return and the criteria for selecting counterparties reflect this. Cash available for investment will remain low, resulting in low returns.
- b. Borrowing – overall, this will remain fairly constant over the period covered by this report and the Council will remain under-borrowed against the borrowing requirement due to the higher cost of carrying debt. New borrowing will only be taken up as debt matures.
- c. Governance – strategies are reviewed by the Audit Committee with continuous monitoring which includes the Mid-Year and Year End reporting.

## 7.2 Prudential Indicators

### 7.2.1 Indicators for Capital Expenditure, the Capital Financing Requirement & Affordability

The Prudential Indicators included in the Prudential Code and submitted for approval are summarised as:

RMBC	2014/15 Revised	2015/16 Estimated	2016/17 Estimated	2017/18 Estimated
Capital Expenditure	£78.894m	£70.024m	£46.410m	£37.453m
Capital financing requirement	£747.671m	£769.543m	£762.782m	£752.041m
Authorised limit for external debt (RMBC)	£774.798m	£787.924m	£776.462m	£764.208m
Operational boundary for external debt (RMBC)	£601.489m	£620.923m	£619.258m	£629.892m
Ratio of financing costs to net revenue stream – Non HRA	8.67%	8.24%	8.54%	8.14%
Ratio of financing costs to net revenue stream – HRA	17.28%	16.07%	15.74%	15.51%
Incremental impact of capital expenditure plans on the Band D Council Tax	£7.10	£7.55	£12.54	£0.64
Incremental impact of capital expenditure plans on housing rents levels	£0.06	£0.04	£0.00	£0.00

It should be noted that only schemes in the Council's approved capital programme are included in the indicators as listed and that there may be further schemes pending approval. Any additional approvals will normally have to be funded from unsupported borrowing as all identified available resources have been allocated. This would impact on the prudential indicators above.

It should further be noted that the impact on Band D Council Tax, as shown in the table above, indicates the impact of the Council's capital expenditure plans as already budgeted for within the proposed Revenue Budget for 2015/16 and the Council's Medium Term Financial Strategy, **and does not indicate additional requirements of Rotherham council tax payers.**

For the Former South Yorkshire County Council the Prudential Indicators included in the Prudential Code and submitted for approval are summarised as:

<b>Former SYCC</b>	<b>2014/15 Revised</b>	<b>2015/16 Estimated</b>	<b>2016/17 Estimated</b>	<b>2017/18 Estimated</b>
Authorised limit for external debt (Former SYCC)	£96.121m	£96.121m	£86.709m	£76.709m
Operational boundary for external debt (Former SYCC)	£96.121m	£96.121m	£86.709m	£76.709m

## 7.2.2 Treasury Management Prudential Indicators and Limits on Activity

There are four treasury prudential indicators, the purpose of which is 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 are shown below.

The limits for interest rate exposures are consistent with those approved within the Mid-Year report on the 2014/15 Strategy; in line with the requirements of the new Code the maturity profile has been updated and extended; and the investment limits beyond 364 days have been maintained to reflect the continued investment strategy.

<b>RMBC</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Interest rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rate debt based on fixed net debt</b>	100%	100%	100%
<b>Limits on variable interest rate debt based on variable net debt</b>	30%	30%	30%

<b>RMBC Maturity Structure of fixed interest rate borrowing 2015/16</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	35%
12 months to 2 years	0%	35%
2 years to 5 years	0%	40%
5 years to 10 years	0%	40%
10 years to 20 years	0%	45%
20 years to 30 years	0%	50%
30 years to 40 years	0%	50%
40 years to 50 years	0%	55%
50 years and above	0%	60%

<b>RMBC Maximum Funds invested &gt; 364 days</b>			
	1 to 2 years	2 to 3 years	3 to 5 years
Funds invested > 364 days	£m 10	£m 8	£m 6

<b>Former SYCC</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Interest Rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt</b>	100%	100%	100%
<b>Limits on variable interest rates based on net debt</b>	30%	30%	30%

<b>Maturity Structure of fixed interest rate borrowing 2015/16</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	50%
12 months to 2 years	0%	70%
2 years to 5 years	0%	100%
5 years to 6 years	0%	100%

### **7.3 Minimum Revenue Provision Policy**

Communities & Local Government Regulations require Full Council to approve a Minimum Revenue Provision Statement in advance of each financial year. The policy put forward for approval is as follows:-

- (a) The MRP charge in relation to borrowing for capital expenditure incurred prior to 2007/08 will be unaffected by the regulations;
- (b) The MRP charge in relation to capital expenditure incurred since 2007/08 where the expenditure is funded by either supported or unsupported borrowing will be calculated using the expected useful life of the asset at the point the asset is brought into use. The calculation of the provision will be either the annuity method or the equal instalments method depending on which is most appropriate; and

- (c) The MRP charge in relation to capital expenditure incurred since 2007/08 where the expenditure is funded by a 'capitalisation directive' (e.g. equal pay) will be calculated on the basis of the specified period(s) set down within the regulations. The calculation of the provision will be either the annuity method or the equal instalments method depending on which is most appropriate.

#### **7.4 Review of the Currently Approved Investment Strategy**

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

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

The above was also reinforced within the currently approved strategy by tightening the criteria for choosing counterparties. We continue 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 challenging global 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 12 months have remained low as market conditions still dictate that it continues to be prudent to defer borrowing plans and to fund on-going capital expenditure commitments through the use of the Council's internal cash-backed resources.

Actual returns on investment opportunities remain subdued when compared to the years prior to 2008 but the revenue impact has been effectively and prudently managed by also significantly reducing expected capital financing costs by delaying borrowing plans. This has 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 2014/15 and 2015/16 revenue budget. This is a significant achievement given the prevailing economic and financial conditions.



**Counterparty List** – At the present time the Council's counterparty list for investments uses the following criteria:

	Fitch	Moody's	Standard & Poor's	Money Limit	Time Limit
Upper Limit Category	F1+/AA-	P-1/Aa3	A-1+/AA-	£20m	5 years
Middle Limit Category	F1/A-	P-1/A3	A-1/A-	£10m	364 days
Lower Limit Category *	All Building Soc's ranked 1 to 10 All Building Soc's ranked 11 to 20			£5m £1m	6 months 3 months
Debt Management Office	-	-	-	Unlimited **	6 months
Money Market Funds ***	-	-	-	£20m	n/a
UK Single Tier & County Councils	-	-	-	£20m	5 years
The Council's Bankers	-	-	-	£10m	364 days

The above money limits are exclusive of bank balances held by schools

\* Based on maximum of 20% of the investment portfolio

\*\* Provides maximum flexibility

\*\*\* Based on maximum of 20% of the investment portfolio

**Taking into account the current market conditions and future economic and financial outlook, whilst retaining sufficient flexibility to react to changing market conditions, it is proposed to retain the currently approved criteria.**

In essence, the counterparty list provides 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 can be placed with financial institutions that do not meet all the upper limit credit rating criteria.

## 8. Finance

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

The assumptions supporting the capital financing budget for 2015/16 and for the future years covered by the MTFS of the Council have been reviewed in light of the current economic and financial conditions and the revised future years' capital programme.

The proposed Treasury Management and Investment Strategy is not forecasted to have any further revenue consequences other than those identified and planned for in both the Council's 2015/16 Revenue Budget and approved MTFS.

## **9. Risks and Uncertainties**

The proposed Treasury Management and Investment Strategy seeks to minimise the risks inherent in operating a Treasury Management function during these difficult economic and financial conditions.

Operational Treasury Management guidelines will continue to be kept in place and reviewed to ensure they are appropriate given the circumstances faced, supported by regular monitoring to ensure that any risks and uncertainties are addressed at an early stage and hence kept to a minimum.

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

Effective Treasury Management will assist in delivering the Councils' policy and performance agenda.

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

Audit Committee – 5 February & 19 November 2014, 18 February 2015

Cabinet – 26 February & 17 December 2014

Council – 5 March 2013 & 28 January 2015

CIPFA – The Prudential Code for Capital Finance in Local Authorities

CIPFA – Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes

CIPFA – Treasury Management in the Public Services – Guidance Notes for Local Authorities including Police Authorities and Fire Authorities

CLG Investment Guidance – March 2010

The Local Government Act 2003

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## **CAPITAL EXPENDITURE PLANS & PRUDENTIAL INDICATORS 2015/16 TO 2017/18**

### **Introduction**

1. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and prepare and publish prudential indicators. Each indicator either summarises the expected activity or introduces limits upon the activity, and reflects the underlying capital programme. This report updates currently approved indicators and introduces new indicators for 2017/18.
2. Within this overall prudential framework there is a clear impact on the Council's treasury management activity, either through borrowing or investment activity. As a consequence the Treasury Management Strategy for 2015/16 to 2017/18 is included as Appendix B to complement these indicators. Some of the prudential indicators are shown in the Treasury Management Strategy to aid understanding.

### **The Capital Expenditure Plans**

3. The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government; any decisions by the Council to spend above this level will be considered unsupported capital expenditure. This unsupported capital expenditure needs to have regard to:
  - Service objectives (e.g. strategic planning);
  - Stewardship of assets (e.g. asset management planning);
  - Value for money (e.g. option appraisal)
  - Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
  - Affordability (e.g. implications for the council tax and rents)
  - Practicality (e.g. the achievability of the forward plan).
4. The revenue consequences of capital expenditure, particularly the unsupported expenditure, will need to be paid for from the Council's own revenue resources.
5. This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants etc., or revenue resources), but if these resources are insufficient any residual expenditure will add to the Council's borrowing need.

6. The key risks to the plans are that the level of Government support has been estimated and is therefore subject to change. Similarly some of estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale. For example, anticipated asset sales resulting from the Council's on-going asset rationalisation programme may be deferred due to the on-going impact of the current economic & financial conditions on the property market.
7. The Council is asked to approve the summary capital expenditure projections below. This forms the first prudential indicator:

	2014/15 Revised £m	2015/16 Estimated £m	2016/17 Estimated £m	2017/18 Estimated £m
Children & Young People's Services	11.419	9.736	2.694	0.000
Env & Dev Services	27.484	21.863	5.929	0.000
Neighbourhoods & Adult Services – Non HRA	5.230	4.908	3.650	2.820
Resources	2.753	0.671	1.283	0.706
<b>Total Non-HRA</b>	<b>46.886</b>	<b>37.178</b>	<b>13.556</b>	<b>3.526</b>
HRA	32.008	32.846	32.854	33.927
<b>Total HRA</b>	<b>32.008</b>	<b>32.846</b>	<b>32.854</b>	<b>33.927</b>
<b>Total expenditure</b>	<b>78.894</b>	<b>70.024</b>	<b>46.410</b>	<b>37.453</b>
Capital receipts	6.236	1.649	1.100	1.100
Capital grants, capital contributions & sources other capital funding	62.396	48.559	39.817	34.927
<b>Total financing</b>	<b>68.632</b>	<b>50.208</b>	<b>40.917</b>	<b>36.027</b>
<b>Net financing need for the year</b>	<b>10.262</b>	<b>19.816</b>	<b>5.493</b>	<b>1.426</b>

8. Other long term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

### **The Capital Financing Requirement (the Council's Borrowing Need)**

9. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR.

10. Following accounting changes the CFR includes any other long term liabilities (e.g. PFI schemes) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a "borrowing facility" and so the Council is not required to separately borrow for this scheme. It is estimated the Council will have £137.602m within the CFR at 1 April 2015 in respect of such schemes.

11. The Council is asked to approve the CFR projections below:

	<b>2014/15 Revised £m</b>	<b>2015/16 Estimated £m</b>	<b>2016/17 Estimated £m</b>	<b>2017/18 Estimated £m</b>
CFR – General Fund	442.088	463.098	456.337	445.596
CFR – HRA	305.583	306.445	306.445	306.445
<b>Total CFR</b>	<b>747.671</b>	<b>769.543</b>	<b>762.782</b>	<b>752.041</b>
<b>Movement in CFR</b>	<b>-1.779</b>	<b>21.872</b>	<b>-6.761</b>	<b>-10.741</b>
<b>Movement in CFR represented by:</b>				
Net financing need for the year (above)	10.262	19.816	5.493	1.426
Net financing need for the year (OLTL - Waste PFI)	0.000	13.518	0.000	0.000
<b>Less</b> General Fund MRP/VRP and other financing movements	-12.041	-11.462	-12.254	-12.167
<b>Movement in CFR</b>	<b>-1.779</b>	<b>21.872</b>	<b>-6.761</b>	<b>-10.741</b>

### **MRP Policy Statement**

12. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP). In addition, it is also allowed to make additional voluntary payments (VRP) where it is prudent to do so.

13. CLG Regulations require Full Council to approve an MRP Statement in advance of each year. Detailed rules have been replaced by a single duty to charge an amount of MRP which the Council considers 'prudent'. The Director of Financial Services will, where it is prudent to do so, use discretion to review the overall financing of the capital programme and the opportunities afforded by the regulations to maximise the benefit to the Council whilst ensuring it meets its duty to charge a 'prudent' provision. To provide maximum flexibility into the future the recommended MRP policy has been amended to include the use of the annuity method in addition to the equal instalments method.

The Council is recommended to approve the following MRP policy in relation to the charge for the 2015/16 financial year:

- (a) The MRP charge in relation to borrowing for capital expenditure incurred prior to 2007/08 will be unaffected by the regulations;
- (b) The MRP charge in relation to capital expenditure incurred since 2007/08 where the expenditure is funded by either supported or unsupported borrowing will be calculated using the expected useful life of the asset at the point the asset is brought into use. The calculation of the provision will be either the annuity method or the equal instalments method depending on which is most appropriate; and
- (c) The MRP charge in relation to capital expenditure incurred since 2007/08 where the expenditure is funded by a 'capitalisation directive' (e.g. equal pay) will be calculated on the basis of the specified period(s) set down within the regulations. The calculation of the provision will be either the annuity method or the equal instalments method depending on which is most appropriate.

14. No MRP charge is currently required for the HRA. The HRA charges depreciation on its assets, which is a revenue charge. To alleviate the impact of this charge falling on the tenants, HRA regulations allow the Major Repairs Allowance to be used as a proxy for depreciation for the first five years under self-financing (up until 2017/18).

15. Repayments included in annual PFI or finance leases are applied as MRP.

### **Affordability Prudential Indicators**

16. The previous sections cover those prudential indicators that are used to monitor the impact the capital expenditure plans has on the Council's borrowing position.

17. Within this framework prudential indicators are used to assess the affordability of the capital expenditure plans. Further indicators are used to provide an indication of the impact the capital expenditure plans has on the overall Council's finances. The Council is asked to approve the following indicators.

18. **Actual and Estimates of the ratio of financing costs to net revenue stream** – This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream of the Council.

19. The estimates of financing costs include all current commitments, the proposals contained in the proposed 2015/16 Revenue Budget and updated future years' capital expenditure plans.

<b>Ratio of financing costs to Net Revenue Stream</b>				
	<b>2014/15 Revised %</b>	<b>2015/16 Estimated %</b>	<b>2016/17 Estimated %</b>	<b>2017/18 Estimated %</b>
Non-HRA	8.67	8.24	8.54	8.14
HRA	17.28	16.07	15.74	15.51

20. **Estimates of the incremental impact of capital expenditure plans on the Council Tax** – This indicator identifies the revenue costs associated with proposed changes to the capital programme compared to the Council's existing commitments and current plans.

Only schemes in the Council's approved capital programme are included in the indicators and there may be further schemes pending approval. Any additional approvals will normally have to be funded from unsupported borrowing as all identified available resources have been allocated. This would impact on the prudential indicators above.

The impact on Band D Council Tax, as shown in the table below, indicates the impact of the Council's capital expenditure plans as already budgeted for within the proposed Revenue Budget for 2015/16 and the Council's Medium Term Financial Strategy, **and does not indicate additional requirements of Rotherham council tax payers.**

<b>Incremental impact of capital expenditure plans on the Band D Council Tax</b>				
	<b>Revised 2014/15 £</b>	<b>Proposed Budget 2015/16 £</b>	<b>Projection 2016/17 £</b>	<b>Projection 2017/18 £</b>
<b>Council Tax – Band D</b>	7.10	7.55	12.54	0.64

21. **Estimates of the incremental impact of capital expenditure plans on Housing Rent levels** – Similar to the Council tax calculation, this indicator identifies the revenue cost of proposed changes in the housing capital programme compared to the Council's existing approved commitments and current plans expressed in terms of the impact on weekly rent levels.

<b>Incremental impact of capital expenditure plans on the Housing Rent levels</b>				
	<b>Revised 2014/15 £</b>	<b>Proposed Budget 2015/16 £</b>	<b>Projection 2016/17 £</b>	<b>Projection 2017/18 £</b>
<b>Weekly Housing Rent levels</b>	£0.06	£0.04	£0.00	£0.00

**TREASURY MANAGEMENT STRATEGY 2015/16 – 2017/18**

1. Treasury Management is an important part of the overall financial management of the Council's affairs. The prudential indicators in Appendix A consider the affordability and impact of capital expenditure plans, and set out the Council's overall capital framework. The Treasury Management Strategy considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets balanced budget requirement under the Local Government Finance Act 1992. There are specific treasury prudential indicators included in this Strategy which require Member approval.
2. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management – revised November 2009). The Council adopted the Code of Practice on Treasury Management (Cabinet, March 2004) and adopted the revisions to the Code in March 2010.
3. The Council's constitution (via Financial Regulations) requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. As a minimum a mid-year monitoring report is produced with a further report produced after the year-end to report on actual activity for the year.
4. This Strategy covers:
  - (a) The Council's debt and investment projections;
  - (b) The Council's estimates and limits to borrowing activity;
  - (c) The expected movement in interest rates;
  - (d) The Council's borrowing and debt strategy;
  - (e) The Council's investment strategy;
  - (f) Treasury Management prudential indicators and limits on activity;
  - (g) Treasury performance indicators; and
  - (h) Policy on the use of external service advisers.

**(a) Debt and Investment Projections 2015/16 – 2017/18**

5. The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. The table below shows this effect on the treasury position over the next three years for both the Council and the ex-SYCC debt that the Council administers on behalf of the other South Yorkshire local authorities. The table also highlights the expected level of investment balances.



<b>RMBC</b>	<b>2014/15 Revised £m</b>	<b>2015/16 Estimated £m</b>	<b>2016/17 Estimated £m</b>	<b>2017/18 Estimated £m</b>
<b>External Debt</b>				
Borrowing at 1 April	476.164	473.922	481.656	474.761
Expected change in debt	-2.242	7.734	-6.895	19.688
Borrowing at 31 March	473.922	481.656	474.761	494.449
Other long-term liabilities (OLTL) at 1 April	127.567	125.749	137.602	135.443
Expected change in OLTL	-1.818	11.853	-2.159	-2.727
Other long-term liabilities (OLTL) at 31 March	125.749	137.602	135.443	132.716
Total Borrowing & OLTL at 31 March	599.671	619.258	610.204	627.165
CFR – the borrowing need	747.671	769.543	762.782	752.041
Under/(over) borrowing	148.000	150.285	152.578	124.876
<b>Investments</b>				
Total Investments at 1 April	19.749	25.000	25.000	25.000
Investment change	5.251	0.000	0.000	0.000
Total Investments at 31 March	25.000	25.000	25.000	25.000
Net borrowing at 31 March	123.000	125.285	127.578	99.876

<b>Ex SYCC</b>	<b>2014/15 Revised £m</b>	<b>2015/16 Estimated £m</b>	<b>2016/17 Estimated £m</b>	<b>2017/18 Estimated £m</b>
<b>External Debt</b>				
Borrowing at 1 April	96.121	96.121	86.709	76.709
Expected change in debt	0.000	9.412	-10.000	-39,709
Borrowing at 31 March	96.121	86.709	76.709	37.000
<b>Investments</b>				
Total Investments at 1 April	0.000	0.000	0.000	0.000
Investment change	0.000	0.000	0.000	0.000
Total Investments 31 March	0.000	0.000	0.000	0.000
Net borrowing at 31 March	96.121	86.709	76.709	37.000

**(b) Limits to Borrowing Activity**

6. Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well-defined limits.
7. For the first of these, the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and the following two financial years. This allows some flexibility for limited early borrowing for future years.

<b>RMBC</b>	<b>2014/15 Revised £m</b>	<b>2015/16 Estimated £m</b>	<b>2016/17 Estimated £m</b>	<b>2017/18 Estimated £m</b>
Borrowing	599.671	619.258	610.204	627.165
Investments	25.000	25.000	25.000	25.000
Net Borrowing	574.671	594.258	585.204	602.165
CFR	747.671	769.543	762.782	752.041
<b>CFR less Net Borrowing</b>	<b>173.000</b>	<b>175.285</b>	<b>177.578</b>	<b>149.876</b>

8. The Director of Financial Services reports that the Council has complied with this indicator in the current year and does not envisage difficulties for the future. This view takes into account approved commitments and existing plans.
9. A further two prudential indicators control or anticipate the overall level of borrowing. These are:
10. **The Authorised Limit for External Debt** – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all council's plans, or those of a specific council, although no control has yet been exercised.

The Council is asked to approve the following Authorised Limit for RMBC:

<b>Authorised Limit for External Debt (RMBC)</b>	<b>2014/15 Revised £m</b>	<b>2015/16 Estimated £m</b>	<b>2016/17 Estimated £m</b>	<b>2017/18 Estimated £m</b>
Borrowing	647.231	648.657	638.860	628.765
Other long term liabilities	127.567	139.267	137.602	135.443
Total	774.798	787.924	776.462	764.208

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit remains unchanged until there is any change in Government legislation. Interest calculated with reference to the HRA CFR is charged on a fair & equitable basis.

HRA Debt Limit	2014/15 Revised £m	2015/16 Estimated £m	2016/17 Estimated £m	2017/18 Estimated £m
HRA Debt Cap	336.623	336.623	336.623	336.623
HRA CFR	305.583	306.445	306.445	306.445
HRA Headroom	31.040	30.178	30.178	30.178

The Council is also asked to approve the following Authorised Limit for the former SYCC:

Authorised Limit for External Debt (Former SYCC)	2014/15 Revised £m	2015/16 Estimated £m	2016/17 Estimated £m	2017/18 Estimated £m
Borrowing	96.121	96.121	86.709	76.709
Other long term liabilities	0.000	0.000	0.000	0.000
Total	96.121	96.121	86.709	76.709

11. **The Operational Boundary for External Debt** – This is the limit beyond which external borrowing is not normally expected to exceed. In most cases this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing.

The Council is asked to approve the following Operational Boundary for RMBC:

Operational Boundary for External Debt (RMBC)	2014/15 Revised £m	2015/16 Estimated £m	2016/17 Estimated £m	2017/18 Estimated £m
Borrowing	473.922	481.656	481.656	494.449
Other long term liabilities	127.567	139.267	137.602	135.443
Total	601.489	620.923	619.258	629.892

The Council is also asked to approve the following Operational Boundary for the former SYCC:

Operational Boundary for External Debt (Former SYCC)	2014/15 Revised £m	2015/16 Estimated £m	2016/17 Estimated £m	2017/18 Estimated £m
Borrowing	96.121	96.121	86.709	76.709
Other long term liabilities	0.000	0.000	0.000	0.000
Total	96.121	96.121	86.709	76.709

12. **Policy on Borrowing in Advance of Need** – The Council has some flexibility to borrow funds in advance for use in future years. The Director of Financial Services may do this under delegated powers where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or help meet budgetary constraints. Whilst the Director of Financial Services will adopt a prudent approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund debt maturities.

13. Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year and annual reporting mechanism.
14. **Debt Rescheduling** - As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. These savings will need to be considered in the light of the current treasury position and the value of the cost of debt repayment (premiums incurred).
15. The reasons for any rescheduling to take place will include:
  - The generation of cash savings and/or discounted cash flow savings;
  - Helping to fulfill the treasury strategy; and,
  - Enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility).

(c) **Expected Movement in Interest Rates**

16. The Bank Rate, currently 0.50%, underpins investment returns and is not expected to start increasing until the fourth quarter of 2015. This is despite inflation being below the Monetary Policy Committee inflation target of 2% and unemployment falling below the 7% at which point the Bank of England had indicated it may consider increasing the rate. Due to on-going issues in areas of the world economy, most notably the Eurozone, there is continuing uncertainty in the financial markets. As a result, the outlook for borrowing rates also continues to be uncertain and difficult to predict. Short-term rates to one-year are expected to remain at current levels. The outlook for long-term interest rates continues to be favourable in the near future, but is expected to become less so towards the end of the next financial year.
17. This challenging outlook has several key treasury management implications:
  - Investment returns are likely to remain relatively low during 2015/16;
  - Borrowing interest rates are currently attractive but are less likely to remain so going forward. The Council has adopted a policy of delaying new borrowing by utilising spare cash balances over the last few years. This approach needs to be carefully reviewed to avoid incurring higher borrowing costs in future, when the Council will not be able to delay new borrowing to finance new capital expenditure and/or to refinance maturing debt. The timing of any borrowing will therefore be monitored carefully; and
  - There will remain a cost of carrying capital – any borrowing undertaken that results in an increase in investments will incur an incremental cost as the cost of borrowing is greater than the likely investment return.

**(d) Borrowing and Debt Strategy 2015/16 – 2017/18**

18. The Council is currently maintaining an under-borrowed position. This means that the CFR has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk remains relatively high.
19. The uncertainty over future interest rates increases the inherent risks associated with treasury activity. As a result the Council will continue to take a prudent approach to its treasury strategy.
20. The Director of Financial Services, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely shorter term fixed rates may provide lower cost opportunities in the short to medium term.

**(e) Investment Strategy 2015/16 – 2017/18**

21. The primary objectives of the Council's investment strategy are:
  - Firstly to safeguard the timely repayment of principal and interest (security);
  - Secondly to ensure adequate liquidity; and
  - Thirdly to produce an investment return (yield).
22. As part of this Strategy, Members need to consider and approve security and liquidity benchmarks in addition to yield benchmarks which are currently widely used to assess investment performance and have previously been reported to Members. The proposed benchmarks are set down in Annex B2.
23. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:
  - It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections of Annex B1.
  - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested as set out in Annex B1.

24. The Director of Financial Services will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are different to those which are used to select Specified and Non-Specified investments.
25. The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.
26. Credit rating information is supplied by our treasury advisors on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty list. Any rating changes, rating watches (notification of a likely change) and rating outlooks (notification of a possible long term change) are provided to officers almost immediately after they occur and this information is considered before any investment decision is taken.

**27. Changes to Credit Rating Methodology**

The main rating agencies have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. More recently, in response to the evolving regulatory regime, the agencies have indicated they may remove these "uplifts" but the actual timing of the changes is still subject to discussion.

Immediate changes to the credit methodology are being introduced by our advisors and as a result, the credit element of their future methodology will focus solely on the Short and Long Term ratings of an institution.

28. The criteria for providing a portfolio of high quality investment counterparties (both Specified and Non-Specified investments) is:

- **Banks** – The Council will use banks which are rated by at least two rating agencies and have at least the following Fitch, Moody's and Standard and Poors' ratings (where rated):

	Fitch	Moody's	Standards & Poor's
Short-term	F1	P-1	A-1
Long-term	A-	A3	A-

To allow for the day to day management of the Council's cash flow the Council's bankers will also be retained on the list of counterparties if ratings fall below the above minimum criteria.

- **Building Societies** – the Council will use the top 20 Building Societies ranked by asset size but restricted to a maximum of 20% of the investment portfolio
- **Money Market Funds** – AAA – restricted to a maximum of 20% of the investment portfolio
- **UK Government** – Debt Management Office
- **UK Single Tier & County Councils** – (i.e. Metropolitan Districts, London Boroughs, County Councils, Unitary Authorities)

A limit of 35% will be applied to the use of Non-Specified investments within the investment portfolio, excluding day to day cash management through the Council's own bank.

29. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market and sovereign information will continue to be applied before making any specific investment decision from the agreed portfolio of counterparties.

30. The time and monetary limits for institutions on the Council's Counterparty List are as follows and represent no change from those currently approved (these will cover both Specified and Non-Specified Investments):

	Fitch	Moody's	Standard & Poor's	Money Limit	Time Limit
Upper Limit Category	F1+/AA-	P-1/Aa3	A-1+/AA-	£20m	5 years
Middle Limit Category	F1/A-	P-1/A3	A-1/A-	£10m	364 days
Lower Limit Category *	All Building Soc's ranked 1 to 10 All Building Soc's ranked 11 to 20			£5m £1m	6 mths 3 mths
Debt Management Office	-	-	-	Unlimited **	6 months
Money Market Funds ***	-	-	-	£20m	n/a
UK Single Tier & County Councils	-	-	-	£20m	5 years
Council's Bankers	-	-	-	£10m	364 days

The above money limits are exclusive of bank balances held by schools

\* Based on maximum of 20% of the investment portfolio

\*\* Provides maximum flexibility

\*\*\* Based on maximum of 20% of the investment portfolio

31. The proposed criteria for Specified and Non-Specified investments and monitoring of counterparties are shown in Annex B1 for Member approval.

32. In the normal course of the Council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

33. The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. This will also be limited by the long term investment limits.

**(f) Treasury Management Prudential Indicators and Limits on Activity**

34. There are four further treasury activity limits the purpose of which are 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. However if these are set to be too restrictive they will impair the opportunities to reduce costs. The limits are:

- Upper limits on fixed interest rate exposure – This identifies a maximum limit for fixed interest rates based upon the fixed debt position net of fixed interest rate investments.
- Upper limits on variable interest rate exposure – as above this limit covers a maximum limit on variable interest rates based upon the variable debt position net of variable interest rate investments.
- Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- Total funds invested for greater than 364 days – These limits are set to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

For the purposes of these indicators the Council's market debt is treated as fixed. Whilst a percentage of the debt may be subject to variation on specific call dates each year, over this Strategy period any such variations are thought unlikely and the debt can be regarded as fixed.

35. The activity limits (prudential indicators) for Member approval are as follows:

<b>RMBC</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Interest rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rate debt based on fixed net debt</b>	100%	100%	100%
<b>Limits on variable interest rate debt based on variable net debt</b>	30%	30%	30%



<b>RMBC Maturity Structure of fixed interest rate borrowing 2015/16</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	35%
12 months to 2 years	0%	35%
2 years to 5 years	0%	40%
5 years to 10 years	0%	40%
10 years to 20 years	0%	45%
20 years to 30 years	0%	50%
30 years to 40 years	0%	50%
40 years to 50 years	0%	55%
50 years and above	0%	60%

<b>RMBC Maximum Funds invested &gt; 364 days</b>			
	1 to 2 years	2 to 3 years	3 to 5 years
Funds invested > 364 days	£m 10	£m 8	£m 6

<b>Former SYCC</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Interest Rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on total debt</b>	100%	100%	100%
<b>Limits on variable interest rates based on total debt</b>	30%	30%	30%

<b>Former SYCC Maturity Structure of fixed interest rate borrowing 2015/16</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	50%
12 months to 2 years	0%	70%
2 years to 5 years	0%	100%
5 years to 6 years	0%	100%

**(g) Treasury Performance Indicators**

36. The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. The results of the following two indicators will be reported in the Treasury Annual Report for 2015/16:

- Debt – Borrowing - Average rate of borrowing for the year compared to average available
- Investments – Internal returns above the 7 day London Interbank Bid rate (LIBID) which is the rate at which a bank is willing to borrow from other banks

**(h) Training**

37. The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training has recently been undertaken by Members of the Audit Committee and further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

**(i) Policy on the use of external service advisors**

38. The Council uses Capita Asset Services a subsidiary of The Capita Group plc as its treasury management advisors.

39. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;
- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;
- Generic investment advice on interest rates, timing and investment instruments; and,
- Credit rating/market information service comprising the three main credit rating agencies.

40. Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the Council recognises that responsibility for treasury management decisions remains with the Council at all times. The service is provided to the Council under a contractual agreement which is subject to regular review.

## **Treasury Management Practice (TMP) 1 (5) – Credit and Counterparty Risk Management**

### **1. Overview**

The Office of the Deputy Prime Minister (now CLG) issued Revised Investment Guidance in March 2010, and this forms the structure of the Council's policy below.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield.

In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council has adopted the Code will apply its principles to all investment activity.

In accordance with the Code, the Director of Financial Services has reviewed and prepared its treasury management practices. This part, TMP 1(5), covering investment counterparty policy requires approval each year.

### **2. Annual Investment Strategy**

The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The guidelines for investment decision making, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which investments can be made.
- The specified investments the Council may use.
- The non-specified investments the Council may use.

This strategy is to be approved by full Council.

The investment policy proposed for the Council is detailed in the paragraphs below.

#### **2.1 Strategy Guidelines**

The main strategy guidelines are contained in the body of the treasury strategy statement.

## 2.2 Specified Investments

These investments are sterling investments of not more than one-year maturity. If they are for a longer period then the Council must have the right to be repaid within 12 months if it wishes.

These are low risk assets where the possibility of loss of principal or investment income is small.

These would include the following investment categories:

1. The UK Government Debt Management Office.
2. UK Single Tier & County Councils – (i.e. Metropolitans District, London Boroughs, County Councils, Unitary Authorities)
3. Money Market Funds that have been awarded AAA credit ratings by Standard and Poor's, Moody's or Fitch rating agencies and restricted to 20% of the overall investment portfolio
4. A bank or a building society that has been awarded a minimum short-term rating of F1 by Fitch, P-1 by Moody's and A-1 by Standard and Poor's rating agencies. For Building Societies investments will be restricted to 20% of the overall investment portfolio and:
  - a maximum of £5m for a period not exceeding 6 months if the society is ranked in the top 10 by asset size; or
  - a maximum of £1m and a period not exceeding 3 months if the society is ranked 11 to 20 by asset size.

## 2.3 Non-Specified Investments

Non-specified investments are any other type of investment not defined as specified above.

The criteria supporting the selection of these investments and the maximum limits to be applied are set out below.

Non specified investments would include any sterling investments with:

1. A bank that has been awarded a minimum long term credit rating of AA- by Fitch, Aa3 by Moody's and AA- by Standard & Poor's for deposits with a maturity of greater than 1 year.
2. The Council's own bank if ratings fall below the above minimum criteria.

3. A Building Society which is ranked in the top 20 by asset size. Investments will be restricted to 20% of the overall investment portfolio and:
  - a maximum of £5m for a period not exceeding 6 months if the Society is ranked in the top 10 by asset size; or
  - a maximum of £1m and a period not exceeding 3 months if the Society is ranked 11 to 20 by asset size.

### **3 The Monitoring of Investment Counterparties**

The credit rating of counterparties will be monitored regularly. The Council receives credit rating information from the Council Treasury Management advisors on a daily basis, as and when ratings change, and counterparties are checked promptly.

On occasions ratings may be downgraded after the date on which an investment has been made. It would be expected that a minor downgrading would not affect the full receipt of the principal and interest.

Any counterparty failing to meet the minimum criteria will be removed from the list immediately by the Director of Financial Services, and new counterparties will be added to the list if and when they meet the minimum criteria.

### **Security, Liquidity and Yield Benchmarking**

These benchmarks are targets and so may be exceeded from time to time with any variation reported, with supporting reasons in Mid-Year & Annual Treasury Reports.

1. **Security and liquidity** – these benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators, e.g. the maximum funds which may be invested for more than 364 days, the limit on the use of Non-specified investments, etc.
  - 1.1 Security – Security is currently evidenced by the application of minimum criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies. Whilst this approach embodies security considerations, benchmarking the levels of risk is more subjective and therefore problematic.

One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy.

<b>Credit Rating</b>	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>4 years</b>	<b>5 years</b>
<b>AAA</b>	0.00%	0.02%	0.06%	0.09%	0.13%
<b>AA</b>	0.02%	0.04%	0.14%	0.27%	0.38%
<b>A</b>	0.09%	0.24%	0.43%	0.61%	0.86%
<b>BBB</b>	0.20%	0.59%	1.02%	1.52%	2.00%

The Council's minimum long term rating criteria (over one year) is "AAA" meaning the average expectation of default for a three year investment in a counterparty with a "AAA" long term rating would be 0.06% of the total investment (e.g. for a £1m investment the average potential loss would be £600).

The Council's minimum long term rating criteria (up to one year) is "BBB" and the average expectation of default for such an investment would be 0.20% (e.g. for a £1m investment the average loss would be £2,000).

These are only averages but do act as a benchmark for risk across the investment portfolio.

**The Council's maximum security risk benchmark for the estimated maximum portfolio during 2015/16 is 0.09% which means that for every £1m invested the average potential loss would be £900. This position remains unchanged from 2014/15.**

The Council's Treasury advisers maintain a continuous review of the risk position by the inclusion the Council's daily investment position within their online model.

1.2 Liquidity – This is defined as “having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable the Council at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (CIPFA Treasury Management Code of Practice). The Council seeks to maintain:

- Bank overdraft – on a day-to-day basis the Council works to an agreed overdraft limit of £100,000 with the Council's bankers. Whilst a short-term increase could be negotiated less expensive short-term borrowing is accessed through the financial markets to remain within the agreed overdraft.
- Liquid, short term deposits of at least £3m available with a week's notice.

The availability of liquidity and the inherent risks arising from the investment periods within the portfolio is monitored using the Weighted Average Life (WAL) of the portfolio. This measures the time period over which half the investment portfolio would have matured and become liquid

A shorter WAL generally represents less risk and in this respect the benchmark to be used for 2015/16 is:

- 0.08 years which means that at any point in time half the investment portfolio would be available within 28 days.

2. **Yield** – These benchmarks are currently widely used to assess investment performance and the Council's local measure of yield is:

- Internal returns above the 7 day London Interbank Bid rate (LIBID) which is the rate at which a bank is willing to borrow from other banks

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1</b>	<b>Meeting:</b>	<b>Council</b>
<b>2</b>	<b>Date:</b>	<b>4<sup>th</sup> March, 2015</b>
<b>3</b>	<b>Title:</b>	<b>Capital Programme Monitoring 2014/15 and Capital Programme Budget 2015/16 to 2017/18</b>
<b>4</b>	<b>Directorate:</b>	<b>Resources</b>

## **5 Summary**

The purpose of this report is to provide details of the current forecast outturn for the 2014/15 programme and enable the Council to review the capital programme for the financial years 2015/16 and 2017/18.

The proposed Capital Programme for 2015/16 to 2017/18 ensures that the Council's capital expenditure plans are aligned with its strategic priorities and vision for Rotherham.

Specifically the three year Capital Programme will deliver on the following key Council priorities:

- **£15.9m investment in highway infrastructure projects and maintenance to improve the Borough's roads.**
- **£12.4m investment in school buildings to provide additional pupil places and improve existing building conditions.**
- **£4.2m investment in street lighting to enable revenue savings by investing in new lighting technology.**
- **£92.1m investment in new housing and improvements to existing stock and the estate infrastructure.**

## **6 Recommendations**

**COUNCIL IS ASKED TO:-**

**APPROVE THE UPDATED 2014/15 TO 2017/18 CAPITAL PROGRAMME. THIS PROGRAMME INCORPORATES EXPENDITURE FUNDED THROUGH GRANT ALLOCATIONS ANNOUNCED SINCE THE LAST REPORT WAS PRODUCED, AND INCLUDES THE 2017/18 HOUSING INVESTMENT PROGRAMME FUNDED THROUGH THE HRA.**

**IN PARTICULAR, MEMBERS SHOULD NOTE THE FOLLOWING MAJOR ADDITIONS TO THE CAPITAL PROGRAMME AND SUPPLEMENTARY APPROVALS TO EXISTING SCHEMES.**



- **Additional expenditure on Highway Maintenance and Improvements to Non-Principal Roads funded by Prudential Borrowing (£3m in 2015/16, £2m in 2016/17). Recommended for approval.**
- **Waste Management – Capitalisation of Wheelie Bins (£0.181m in 2014/15 and £0.181m in 2015/16). Proposed as part of the 2015/16 Revenue Budget.**
- **Expansion of the Town Centre Street Market (£0.048m in 2014/15). Approved by the Cabinet Member for Business Growth and Regeneration, 12<sup>th</sup> January 2015.**
- **Reroofing works to Moorgate Crofts (£0.051m in 2014/15). Approved by the Director of Planning and Regeneration under delegated powers, 5<sup>th</sup> November 2014.**
- **Assistive Technology (£0.510m in 2015/16 and £0.400m in 2016/17). Proposed for approval as part of the 2015/16 Revenue Budget.**
- **Rotherham Equipment and Wheelchair Service (REWS) Equipment (£0.190m in 2015/16 and £0.190m in 2016/17). Proposed for approval as part of the 2015/16 Revenue Budget.**
- **Furnished Homes – Capitalisation of Furniture and White Goods – (£1.2m in 2014/15; £2.88m in future years). Proposed for approval as part of the 2015/16 Revenue Budget.**

**Where not funded by grant or by the service from its own resources, the revenue implications from these schemes have been built into the Council's 2015/16 Revenue Budget and Medium Term Financial Planning assumptions.**

## 7 Proposals and Details

### 7.1 Background - The Capital Programme 2014/15 to 2017/18

In order to maintain that strategic link, and make best use of the capital resources available to the Council, it is important that this programme is kept under regular review and where necessary revisions are made. This programme was last reviewed in December 2014, and has now been the subject of a further review, the results of which are reflected in the Directorate summary table presented below. A detailed analysis of the programme for each Directorate is attached at Appendices 1 to 4.

The financial implications of the Programme are reflected in the Council's Medium Term Financial Strategy (MTFS) and Treasury Management and Investment Strategy.

	2014/15 Revised Estimate	2014/15 Variance from Last Report	2015/16 Estimate	2015/16 Variance from Last Report	2016/17 Estimate	2016/17 Variance from Last Report	2017/18 Estimate
Directorate	£m	£m	£m	£m	£m	£m	£m
Children & Young People's Service	11.419	-0.477	9.736	+0.473	2.694	0	0
Environment & Development Services	27.484	-1.337	21.863	+5.774	5.929	+2.000	0
Neighbourhoods & Adult Services	37.238	+0.789	37.754	+7.148	36.504	+8.873	36.747
Resources	2.753	+0.004	0.671	0	1.283	0	0.706
<b>TOTAL</b>	<b>78.894</b>	<b>-1.021</b>	<b>70.024</b>	<b>+13.395</b>	<b>46.410</b>	<b>+10.873</b>	<b>37.453</b>

This updated programme has been prepared in light of the capital resources known to be available to the Council over these financial years, and estimated on a prudent basis.

The Council is continuing to undertake a comprehensive review of its assets and buildings portfolio, with the aim to rationalise both its operational and non-operational asset holdings, which may contribute both future capital receipts and revenue savings.

## 7.2 Directorate Programme Commentaries

### 7.2.1 Children and Young People's Services Capital Programme 2014/15 to 2016/17

The revised proposed spend for 2014/15 is **£11.419m**, with a further **£12.430m** of investment in the remaining two years of the current programme.

A copy of the current full programme is attached to this report at Appendix 1. Commentary on the main aspects of the programme and the nature of the spend is given below, including schemes at several schools across the Borough required to address the increase in pupil numbers, including the central Rotherham catchment areas where the problem is particularly acute.

#### **Primary Schools**

Spend on Primary Schools is estimated to be £5.402m in 2014/15, with a further £5.358m of planned spend in 2015/16 to 2016/17. The major investments to note in this area are:

- Work was completed in April 2014 on the **Autism Resource at Flanderwell Primary School** (£0.305m in 2014/15). This resource will cater for 10 pupils who will benefit from a purpose built facility. Negotiations are ongoing with Interserve, regarding a final valuation in respect of this contract. Legal advice has been sought on the issue. Prudently an amount of £0.100m has been earmarked against programme underspends within the 2014/15 programme in respect of this final settlement payment. Depending on the timescales for a resolution of this issue, this amount may need to be reprofiled into 2015/16. An update on these negotiations will be provided in the next report.
- Works have been completed on the expansion of **Wath CE Primary School** (£1.084m in 2014/15). This project has seen the renovation of existing classroom and toilet areas.
- Works have been completed at **Dalton Listerdale Junior & Infant School** (£1.266m in 2014/15). This project has seen a permanent expansion of the school, creating a further four classrooms.
- Works have been completed at **Badsley Moor Infants School** (£0.193m in 2014/15) to construct an extension to form a new main entrance area to the school, together with the conversion of classrooms to form an IT suite and administrative areas. Works have also been carried out to the dining room of £0.023m, funded from the Universal Free School Meals grant, which is discussed in more detail below.

- Works have commenced on site of the **New Central Primary School** to be located on Eldon Road Allotment site (£1.391m in 2014/15 and £4.998m in 2015/16). At the meeting of 16<sup>th</sup> September 2014, Cabinet Member for Children and Education Services approved a tender from Wildgoose Construction for this work. This has led to an increase in the 2015/16 budget for this project of £1.050m. This project will be the subject of a further report, identifying other budgetary pressures arising from the relocation of the allotments and fit out costs, which are currently being contained within the project contingency funding. Works are programmed to complete by September 2015.
- Work has been completed on an additional one classroom block at **Brampton Ellis Junior School** (£0.186m in 2014/15).
- Work has been completed on an extension to form an additional classroom facility at **Thurcroft Infants School** (£0.108m in 2014/15).
- The Council has received grant funding of £0.600m in 2014/15 in respect of works required to meet the Government's requirement to provide **Free School Meals** to infant school pupils. The monies have been are being spent on capital works to kitchens, including extensions and new kitchen equipment.
- Works have been undertaken at **Rawmarsh St. Mary's** to allow the facility to be used as a Pupil Referral Unit (PRU); (£0.069m in 2014/15). These works are being funded by borrowing, the costs of which are being covered by the Directorate.
- No further payments are due in respect of the **Herringthorpe Infant and Junior School Expansion** which was completed in 2013/14. Work by the Council's quantity surveyor has confirmed that £0.098m can be released from the 2014/15 budget.

## **Secondary Schools**

- **Maltby Academy** (£1.006m in 2014/15). The Council continues to have an interest in the buildings until finalisation of the proposed long term lease of the assets to the Academy and is providing professional and technical support for the project. Building works have now been completed and the school have taken possession of the new buildings.
- Works have now commenced on the 18 block classroom extension at **Wickersley School and Sports College** (£1.356m in 2014/15 and £1.547m in 2015/16). This work had been delayed owing to the need to obtain approval from the PFI funders. The work, which is required in order to address an increase in pupil numbers, is now due to be completed for October 2015. As a result of the delays, £0.244m has been reprofiled into 2015/16.

## Other Projects

The other major investments to note are:

- Using Government funding minor enhancement works are carried out at schools. The spend on the **Capitalised Minor Enhancements** programme in 2014/15 is estimated to be £2.036m, these works include:
  - Refurbishment works at The Bridge, required as the facility is being brought under the control of Newman School.
  - Roofing works at Redscope Primary School.
  - An extension and refurbishment works at Rawmarsh Sandhill Primary.
  - Replacement windows at Swinton Comprehensive School.
  - Replacement windows at Kiveton Park Meadows Junior School.
  - Repair works and alterations to the School Hall and School House at Wales Primary.

A further £3.663m is due to be spent on similar schemes in the remaining years of this programme.

- **Devolved Formula Capital Grant (DFCG)** is paid annually to schools for them to use on small capital projects. In 2014/15 £1.174m is estimated to be spent with a further estimated £1.368m to be allocated in subsequent years. Future year's allocations are subject to confirmation from the DfE.
- Investment is continuing in the **Property Adaptations** programme (£0.262m in 2014/15), which will deliver greater capacity in terms of fostering placement.
- Investment is also continuing in the **Entitlement for Early Years Provision** project (£0.023m in 2014/15 and £0.244m in 2015/16), which will allow 2 year olds to take up free early education entitlement. The spend has been re-profiled to reflect changes in the childcare market, which has led to a review of the method of allocating the capital grant.

## Future Funding Announcements

Whilst this report was being prepared, the Department for Education announced that 5 Rotherham schools will receive funding under the next stage of the Priority School Building Programme; Harthill Primary, Saint Pius X, Newman School, Brinsworth Comprehensive and St. Bernard's. This programme runs until 2021, and schools accepted on the Programme will next enter a scoping phase to determine the extent of works to be carried out. At this point the individual allocations are not known. In addition, £1.979m of Basic Need funding was announced for 2017/18.

### **7.2.2 Environment and Development Services (EDS) Capital Programme 2014/15 to 2016/17**

The revised 2014/15 forecast programme is **£27.484m**, with total planned expenditure over the remaining period of the programme of **£27.791m**. A copy of the full programme is attached to this report at Appendix 2. Commentary on the main aspects of the EDS programme, that are contributing to the regeneration of the Borough and the enhancement of its infrastructure and the changes to planned spend, are shown below.

#### **Planning, Regeneration & Cultural Services**

##### **Customer & Culture Services (£0.027m in 2014/15, £0.577m in 2015/16)**

There have been some major changes to this element of the programme from the last report.

- **Catcliffe Glass Cone**, the emergency work on the tower is now complete (£0.027m). The project came in under budget as only work on essential maintenance was completed, the cone is now safe and secure. Further work on the ground would be required if access was to be given to the general public, this is not seen as an option at the moment.
- In view of the asbestos and re-wiring issues encountered during initial investigations at **Wath Library**, the building has been included in a full review of Wath town centre properties that are of similar construction. As a result, the £0.155m has been removed from the Capital Programme.
- Library and Customer Services have been working with **Brinsworth** Parish Council and colleagues in Asset Management for some time to develop options to sustain and improve the **library** service within the area. Following consultation within the local community, the Parish Council is leading on and has submitted bids for external funding to support the development. In addition there is an existing Section 106 allocation of £124,800 allocated to the delivery of library services within Brinsworth. The Council's approved commitment to support the scheme of £0.499m has been reprofiled into 2015/16.
- Work has been carried out in a number of locations, including Dinnington and Swinton, following the co-location of libraries and customer service centres. Active prioritised projects cover sites across the Borough and are dependent upon public stakeholder consultation. **Library facilities** - £0.078m has been reprofiled into 2015/16.

**Regeneration (£1.164m in 2014/15, £0.109m in 2015/16)**

- **Rotherham Townscape Heritage Initiative (THI)** (£0.927m in 2014/15) continues to deliver improvements to the town centre, investing in the renovation of shop frontages, structural works and roof replacements. Works being undertaken include The Three Cranes, George Wright Building and 29-29a High Street, which are expected to be completed by March 2015. Work on these projects has involved significant structural repair to the building fabric, along with the reinstatement of architectural details. The forecast has been reduced by £0.090m to reflect the fact that all grant claims had to be in by the 31<sup>st</sup> December 2014 to satisfy the funding body's terms and conditions.
- The **High Street Public Realm** (£0.227m in 2014/15, £0.109m in 2015/16) improvements to the street itself have also taken place in 2014/15, with the final section to start once scaffolding to the last building is removed. This delay and the inclusion of the Steel Heart sculpture to the High Street mean the project will now run into 2015/16.

**Business Retail & Investment (£4.520m in 2014/15 nothing currently programmed beyond)**

- The full purchase of two new business investment units at **R-Evolution** on the Advanced Manufacturing Park, from Harworth Estates, was completed on the 26<sup>th</sup> November 2014 (£4.331m in 2014/15). The Council has sold Unit 3 to X-Cel Superturn (GB) Limited for £2.75m. An offer has been received for Unit 4 from the University of Sheffield, and it is hoped that this sale can be finalised before the end of March 2015.
- Two new projects have been added to the programme since the last report, the **Reroofing of Moorgate Crofts** (£0.051m in 2014/15) and the **Expansion of the Town Centre Street Market** (£0.048m in 2014/15). The Moorgate Crofts Reroofing is being funded by a revenue contribution from the service. The Expansion of the Street Market was approved by the Cabinet Member for Business Growth and Regeneration at the meeting of the 12<sup>th</sup> January 2015.

**Streetpride Services**

**Leisure & Community Services (£0.699m in 2014/15 £0.374m in 2015/16)**

- **Caged Vehicle Replacement** (£0.312m 2014/15) Purchase of 10 caged vehicles, used to support litter bin emptying and litter picking operations, and 1 HIAB vehicle used to support fly tip removal operations.

- **Firsby Reservoir Phase 2** (£0.043m 2014/15, £0.082m 2015/16) Works to discontinue Firsby Reservoir have started addressing the siltation problems at the head of the reservoir, and will then move on to address access problems. Works under the direction of the reservoir engineer are still being discussed, and are now planned for the spring, so the project will now run over two financial years.
- **Rother Valley Country Park Facilities** (£0.241m 2014/15) This project to deliver a new classroom and cycle centre in the park is almost complete.
- **Thrybergh Country Park Phased Improvements** (£0.036m 2014/15, £0.100m 2015/16) This project will provide a new indoor soft play area and ice cream parlour, an extension of the outdoor play facility, and remodelling of the car park, café front and lakeside.

**Network Management (£7.447m 2014/15, £8.225m 2015/16, £5.402m 2016/17)**

- **Street Lighting** (£2.413m 2014/15, £2.704m 2015/16) Includes the LED Lanterns (£1.208m 2014/15) and column replacement programme (£0.450m 2014/15). Two schemes to improve the lighting infrastructure and reduce energy costs. Spend of £0.371m has been reprofiled into 2015/16. In respect of 2015/16 the following works are planned; replacement of 1,300 concrete columns, 1,500 main route lanterns and 7,000 residential lanterns.
- Protracted negotiations over the **Drainage Works on Don Street** are on-going. There are a number of works being considered including flood defence and section 278 road improvements, whereby other funding or partnership contributions are being negotiated. Service estimate that the earliest start for the works will now be April 2015 (£0.627m 2015/16).
- Flood alleviation schemes are almost complete in **Wath upon Dearne** (£0.345m in 2014/15), which is replacing defective trash screens at the head of the culverted watercourses, with more appropriately designed and maintained screens.
- **Aston, Aughton and Swallownest Phase 1** scheme (£0.204m in 2014/15) which is providing individual flood protection to thirty properties and involves the replacement of defective screens at the head of the culverted water course. Works on phase 1 have been completed.
- **Aston, Aughton and Swallownest Phase 2** scheme. The Environment Agency has given permission to carry out a phase 2 of the scheme. The works commenced in January 2015, to be completed by the end of March 2015 (£0.145m 2014/15).
- In addition to the £1.894m allocated in both 2015/16 and 2016/17, for **Highway Maintenance**, funded through grant, recommended for



approval is the addition of £5m to the capital programme for **Highway Maintenance and Improvements to Non-Principal Roads** to be funded by prudential borrowing. This consists of £3m in 2015/16 and £2m in 2016/17. It is expected that the funding will permanently repair 50km of the unclassified road network. Works will be targeted to maximise the improvement to durability and condition of the network.

**Transportation & Highways (£12.545m 2014/15, £6.592m 2015/16, £0.527m 2016/17)**

Central Government funding allocations provided to the Council prior to Christmas 2014 have now been incorporated into the Budget. The LTP allocation is currently at £1.146m and STEP2 Access to Employment, Local Sustainable Transport Fund (LSTF) £0.500m in 2015/16. The STEP 2 programme aims to deliver exemplar sustainable transport. The funding will be used to deliver improved walking and cycling access into Rotherham Town Centre and highway improvements on the A630 Centenary Way around Rotherham Town Centre.

There has been no indication from the South Yorkshire Passenger Transport Executive as to what funding they may provide, and 2016/17 figures for all funding have yet to be released.

- **Connectivity** (£1.549m 2014/15, £0.965m in 2015/16) Significant funds have been allocated towards improving the canal towpath between Sheffield and Rotherham, improvements to High Street to make the route accessible to cyclists, which is also linked to the THI scheme, and the provision of a controlled pedestrian crossing on Fenton Road for pedestrians and cyclists, with improvements to adjacent footways and bus stops. The focus of spend in 2015/16 will be on measures to assist pedestrians and cyclists in using the highway network, typical interventions being the introduction of dropped kerbs and controlled crossings.
- **Network Management** (£0.768m 2014/15, £0.400m in 2015/16) The key project is the improvement of the approach to Rotherway roundabout, to create a third lane on the approach from Canklow, as well as on the circulatory carriageway of the roundabout. There are also funds for demand management schemes, such as residents' only parking on the Duke of Norfolk estate, adjacent to the hospital. The focus of spend in 2015/16 will be on measures to address congestion through amendments to junction control and minor road widening schemes.
- **Local Safety Schemes** (£0.782m 2014/15, £0.370m in 2015/16) Funds have been allocated to delivering improvements at Nether Haugh, to address accident issues, together with works at Upper Haugh. There are also works linked to the maintenance of the highway at Ferham Road, Masbrough.

- **Bus Projects** (£2.252m 2014/15) Works are focussed around improving journey times and reliability on the A633 between Rotherham town centre and Rawmarsh. Improvements have been carried out in the Parkgate district centre, with further works being undertaken at Taylors Lane roundabout, Retail World and Rotherham Road near the former 'Ruscon' site.
- **Smarter Choices** (£0.274m 2014/15, £0.100m in 2015/16) These projects involve the South Yorkshire trial of a hydrogen powered vehicle and the provision of cycle shelters in schools and places of work.
- **The A57 Improvement Scheme** (£1.300m in 2014/15, £0.300m in 2015/16) Completion of the scheme was certified on the 12<sup>th</sup> May 2014. The project has provided a dual carriageway and new roundabout, together with associated shared use footways and cycleways, including a new pedestrian, cyclist and horse signalised crossing. It is anticipated that some of the compensations for land acquisitions will not be agreed and paid until 2015/16 and landscape/planting mitigation works are to be delayed until the summer.
- **Pinch Point Pool Green roundabout** (£3.832m 2014/15, £1.126m in 2015/16) involves the replacement of the Main Street Roundabout with a signalised junction. The most significant elements of the scheme are the widening of the Centenary Way approaches to 3 lanes, and accommodating the right turn movements from Main Street and Centenary Way. Works are well underway. £0.201m has been reprofiled into 2015/16.
- **Pinch Point Old Flatts Bridge** (£1.615m 2014/15, £2.304m in 2015/16). Replacement of "Old Flatts Bridge" on the A630 Sheffield Parkway. Works commenced on the 29<sup>th</sup> September with a 56 week programme scheduled. £0.560m has been reprofiled into 2015/16.

### **Waste Management - £0.181m in 2014/15 and £0.181m in 2015/16**

It is proposed as part of the 2015/16 revenue budget that the purchase of wheelie bins will be capitalised. This capitalisation will occur in 2014/15 as well.

### **PFI Residual Waste Facility Capital Contribution - £5.764m in 2015/16**

The Waste PFI plant at Bolton Road, Rotherham, which has been procured by Barnsley, Doncaster and Rotherham Councils, has been completed. This facility is part of a PFI contract with 3SE, a partnership between Shanks and Scottish and Southern Energy, which runs for 25 years. As part of the commissioning of the plant, it is due to start taking waste from the 3 authorities at the end of February. The plant is due to become fully operational in July 2015.

The authorities will receive PFI grant to part fund the contract. All 3 authorities are also making a capital contribution, funded through prudential borrowing, which will reduce the annual revenue cost of the service, as the authorities have access to cheaper loan funding. The revenue cost of the prudential borrowing is contained within the overall budget for the PFI contract. The process includes removing recyclates from the waste stream, and produces a fuel which is transported to SSE's Ferrybridge plant for burning.

### **Audit & Asset Management**

#### **Corporate Property Unit (£0.901m 2014/15, £0.04m in 2015/16)**

- The **Ancillary Services Building** project (£0.195m in 2014/15) has been completed, leading to the relocation of the York and Lancaster Regimental Museum and works to improve customer access and the overall visitor experience.
- Work on the **Bailey House Renovation** project (£0.247m in 2014/15) continues. Work is to be carried out to address issues which include the leaking plant room roof, the heating of offices and the replacement of fire doors. The intention is to then move services from both Station Road and Canklow Depots, allowing those facilities to be closed. The overall cost of the works has increased by £0.034m. This is as a result of unexpected additional electrical works to up-grade the emergency lighting system, the removal of asbestos and additional works to replace fire doors. These additional works will be funded by prudential borrowing, with the revenue implications funded by the Service from revenue savings from closing Station Road. Works to the value of £0.040m have been reprofiled into 2015/16.
- The **Demolition of the Former Council Offices** (£0.115m in 2014/15) on Doncaster Gate is complete, this will help enhance the value of the site for future disposal and mitigate ongoing maintenance and security costs.
- **Aston CSC works** to accommodate Dinnington MacAlloy Staff (£0.280m 2014/15). This involved the adaptation of the Aston Joint Service Centre to accommodate additional staffing; the works will generate revenue savings of £40,000 per year. This work is now complete.
- In addition, two outstanding retention amounts have been added to the programme, in respect of works to Kirk House (£0.008m in 2014/15) and the Civic Theatre (£0.016m in 2014/15).

### **7.2.3 Neighbourhoods and Adults Services Capital Programme 2014/15 to 2017/18**

The forecast spend for 2014/15 is £37.238m, with a further £111.005m planned in the remainder of the programme. The programme has now been extended to 2017/18 following the refreshing of the HRA Business Plan. A copy of the full revised programme is attached to this report at Appendix 3.

#### **Adult Services**

The Service is estimating to spend £1.068m in 2014/15 and a further £1.290m in the remainder of the programme, the main projects being:

- The **Assistive Technology** scheme continues (£0.350m in 2014/15, £0.510m in 2015/16). This will enable people requiring care support services to live independently within their own homes through the purchase of telecare equipment. This equipment includes fall detectors and monitoring alarms. The programme has been reprofiled by moving £110k from 2014/15 to 2015/16. This is due to the budget being demand led, and equipment purchases vary greatly in cost due to the varying types of equipment issued to clients. The programme for 2015/16 and 2016/17 is assumed on the basis that the revenue savings proposal put forward as part of the Council's revenue budget setting process for 2015/16 is approved. This proposes that the funding of equipment purchases will be from capital grant reserves rather than the revenue budget, which is in line with the treatment in 2014/15.
- The **REWS (Rotherham Equipment and Wheelchair Service) Equipment** programme continues (£0.190m in 2014/15, £0.190m in 2015/16). This involves the purchase of equipment, after Occupational Therapist assessment, to support people within their own homes. Equipment will include a range of specialist bath and shower aids and mattresses and will be managed by Rotherham Foundation Hospital Trust.

The programme for 2015/16 and 2016/17 is assumed on the basis that the revenue savings proposal put forward as part of the Council's revenue budget setting process for 2015/16 is approved. This proposes that the funding of equipment purchases will be from capital grant reserves rather than the revenue budget, which is in line with the treatment in 2014/15.

- **Rothercare Alarms** – The replacement of 700 existing alarms, with approval having been given to upgrade the existing community alarm units (purchase 4,500 units at a cost of £0.526m) in 2014/15.

#### **Neighbourhoods Services**

For 2014/15 the Service is estimating to spend £36.170m with a further £109.715m to be invested during the remaining period of the programme.

A copy of the programme is attached to this report at Appendix 3 and the most notable items are detailed below.

**Improving Council Housing & Housing Services** - The 2014/15 programme estimate is £29.680m and £30.646m in 2015/16. Notable current and planned investments in this area are:

**Refurbishment Works** (£12.986m in 2014/15, £12.900m in 2015/16). This budget funds an ongoing programme of works for internal and external refurbishments to properties. Internal works include elements such as new kitchens and bathrooms. External elements include re-roofing, external render, fascia's, soffits & bargeboard replacements and outhouse improvements. To the end of December 2014 1,904 properties have received works through this programme. In 2015/16 external wall insulation works are planned in Dalton, Kiveton Park, Brampton Bierlow and Dinnington.

**Environmental Works** (£1.719m in 2014/15, £1.067m in 2015/16) – This budget funds a variety of projects throughout the Borough, some of which are currently subject to consultation with tenants and Members. Works funded through this scheme include bin store improvements, shrub bed enhancements, off street parking and footpath re-surfacing. Current works on site include completing cladding to the external porch area of a trial property at Birks Holt, Maltby and fencing and footpath improvements at Brameld Road, Rawmarsh. Major works are planned in 2015/16 at Markfield Drive, Flanderwell and Gray Avenue, Swallownest.

**Decent Homes Void Programme** (£2.700m in 2014/15, £2.600m in 2015/16). This budget funds an ongoing programme of works to major voids where the cost per void exceeds £4,000. This often occurs when a previous tenant has refused decency works, so properties require new kitchens and bathrooms prior to re-letting. Works at a total of 170 major voids were completed to the end of December 2014.

The **Replacement of Central Heating** programme (£3.761m in 2014/15, £3.261m in 2015/16). There is an ongoing programme of Central Heating replacements in order to reduce the revenue burden, as a result of increasing repairs to Buderus and Alpha boilers. Replacement works were completed at 846 properties to the end of December 2014.

**Replacement Communal Entrance Doors** (£0.891m in 2014/15, £0.500m in 2015/16). This scheme will conclude in 2015/16, by which time all communal entrances to flats will have high security entrance doors fitted with key management systems.

The **District Heating Conversion** programme (£1.800m in 2014/15, £1.200m in 2015/16) is to fund replacement district heating at the Swinton Fitzwilliam estate, where works commenced on site in September 2014, and replacement distribution systems at sites throughout the Borough. This forms part of a 5 year programme to

upgrade the District Heating systems. Works proposed in 2015/16 include replacing the current system at Beeversleigh House.

The **New Integrated Housing Management IT System** (£0.274m in 2014/15 and £0.169m in 2015/16). This budget is to fund the purchase and implementation of the new integrated Housing Management System. Cabinet member for Safe and Attractive Neighbourhoods approved additional costs of £0.241m to be funded from the HRA, at the meeting of 16 June 2014.

**Non-traditional Investment** (£1.400m in 2014/15, £1.500m in 2015/16). This budget is to complete the external refurbishment and insulated render works to non-traditional properties. This is part of an ongoing programme to extend the life of non-traditional stock by circa 25 years. Works at 136 properties were completed by the end of December 2014. Works planned in 2015/16 include 49 properties in East Dene and 41 properties in Rawmarsh.

**Strategic Acquisitions** (£1.537m in 2014/15, £17.156m in future years). This funding is part of a multiyear commitment to acquire properties to add to the council's social housing stock through the 30 Year HRA Business Plan. The Council purchased 6 properties in June 2014 at Willow Tree Way, Wickersley at a cost of £0.434m. Cabinet approval has previously been granted for the purchase of 25 properties at Barbers Avenue, Rawmarsh, at a cost of £2.537m, for which HCA grant of £0.437m has been received and 15 units at Whinney Hill, Dalton at a cost of £1.732m. In addition, Cabinet on the 4<sup>th</sup> February 2015 approved 15 acquisitions at Wadsworth Road, Bramley and Worksop Road, Aston at a cost of £1.400m.

**Sheltered Housing Communal Areas** (£0.300m in 2014/15 and £1m in 2015/16). This budget will fund essential upgrades to lighting and fire equipment within the centres, and the conversion of communal rooms to one bed flats, where it has been agreed to close the communal rooms following consultation with residents.

**Fair Access To All: Disabled Adaptations** (£4.094m in 2014/15, £4.200m in 2015/16) – This will fund the ongoing provision of disabled adaptations to Council and private dwellings. At the end of December 2014 there had been 382 public sector completions and 265 private sector completions. Eligibility criteria are being reviewed, as there is likely to be pressure on this service in the future.

Investment into **Neighbourhood Regeneration & Renewal** (£1.156m in 2014/15, £0.935m in 2015/16) is continuing with the most notable projects being:

**Canklow Phase 1 & 2** (£0.351m in 2014/15, £0.370m in 2015/16). This is a multi-year programme of activity to regenerate an area within Canklow through Housing Market Renewal. The project is focused on demolition, buy back and refurbishment of public and private sector properties in the area. At the current time there are 4 properties where negotiations are ongoing. There may be a requirement to reprofile

expenditure into 2015/16 if negotiations on the acquisition of the 4 properties do not conclude in the current financial year.

**Bellows Road, Rawmarsh, Service Centre Clearance** (£0.400m in 2014/15, £0.192m in 2015/16). This is an ongoing Housing Market Renewal scheme and includes the construction of new shop units and provision of new housing within the area. At the present time a planning application and lease agreement are still pending for re-location of the T-mobile telephone mast. Asbestos surveys are complete but asbestos removal is outstanding on the multi storey car park and requires completion prior to demolition.

**Garage Site Investment** (£0.250m in 2014/15, £0.100m in 2015/16) - This will fund improvement works to garage sites across the Borough. Works will include re-surfacing to the highway, re-roofing, new doors and general environmental improvements.

**Fuel Poverty - Vulnerable People (£0.030m in 2014/15, £0.273m in 2015/16)** - This is grant that was received in March 2013 for the installation of cavity wall and loft insulation to private homes, where there is evidence of fuel poverty. The budget holder has had difficulty in identifying homes to take up the offer. Currently we are in phase 3 of the programme, where there are around 20 properties to receive investment. The Council is awaiting a response from the Grant provider, DECC, requesting that we are able to retain the grant and offer solid wall insulation as an alternative, in an attempt to spend the money appropriately. In anticipation of retaining the grant, the remainder of the expenditure has been reprofiled into 2015/16.

**Furnished Homes – Capitalisation of Furniture and White Goods – (£1.2m in 2014/15; £2.88m in future years)** – As part of the revenue budget setting process for 2015/16, a revenue saving has been identified to capitalise spend on new furniture and white goods. Members are referred to the revenue budget setting report for further detail on this proposal.

#### **7.2.4 Resources Capital Programme 2014/15 to 2017/18**

The Council continues to invest in its **ICT infrastructure** as part of its ICT Strategy, with £2.194m estimated to be spent in 2014/15 and a further £0.940m estimated to be spent in the following 2 years. The Strategy is focussed on ensuring the Council is able to support effectively the services it delivers and promote new, innovative ways of working that will result in greater efficiencies and effectiveness. The most notable projects are:

- **Developing Customer Access and On-line Self Service.** Making customers' data available on-line in a secure way to improve customer service and realise efficiencies by moving transactions from more expensive contact channels.
- **Upgrading Key Financial Management Systems** to support on-going improvements to the Council's financial management capability.

- The **Electronic Document Records Management** project, designed to enable staff to access the information they need to do their jobs from any location and to reduce the amount of paper document storage.
- The **Migration of the Council's Data Network** to new providers and the deployment of new networking equipment, enabling continued delivery of faster broadband services.

Other Resources expenditure includes a further £300,000 secured capital loan facility and a £190,000 capital grant for the ongoing High Street re-development in the Town Centre.

In addition, the Cabinet meeting of 9<sup>th</sup> July 2014 agreed to underwrite a total of £1.596m, along with a contingency budget of £0.124m, spread over the next three years, in respect of the Broadband Delivery UK (BDUK) Project, which will further enhance the provision of high speed broadband across South Yorkshire. At this stage it is expected that SCR Infrastructure Funding will be available for this project.

The SCR Infrastructure Advisory Board, at its meeting on 21 January 2015, recommended that the scheme progress from outline business case to Stage 1B of the approval process. In the capital programme, the expenditure has been profiled to reflect the fact that contributions from Central Government (DCMS) will be made first. The final payment is reflected in the 2017/18 programme. It is estimated that £0.054m will be incurred in 2014/15 on consultants fees in respect of the procurement, this represents Rotherham's 25% share.

### **7.3 Funding of the Programme**

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



<b>Funding</b>	<b>2014/15 Estimate</b>	<b>2014/15 Variance from Last Report</b>	<b>2015/16 Estimate</b>	<b>2015/16 Variance from Last Report</b>	<b>2016/17 Estimate</b>	<b>2016/17 Variance from Last Report</b>	<b>2017/18 Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Grants & Contributions	31.935	-0.334	16.912	+2.169	6.963	+0.590	1.000
Unsupported Borrowing	10.256	-0.887	19.816	+6.279	5.493	+2.960	1.426
Supported Borrowing	0.006	0	0	0	0	0	0
Usable Capital Receipts	6.236	+0.049	1.649	0	1.100	0	1.100
Major Repairs Allowance (HRA)	21.559	-0.009	22.443	+1.882	21.386	+1.942	20.946
Revenue Contributions	8.902	+0.160	9.204	+3.065	11.468	+5.381	12.981
<b>Total</b>	<b>78.894</b>	<b>-1.021</b>	<b>70.024</b>	<b>+13.395</b>	<b>46.410</b>	<b>+10.873</b>	<b>37.453</b>

### 7.3 Amount of Capital Expenditure on a Ward Basis

The table shown below shows the expenditure associated with the schemes profiled above, and detailed in the Appendices 1 to 4, on a Ward basis.

	2014/15 Previous Report £k	2014/15 Revised Estimate £k	2014/15 Variance to Previous Report	2015/16 Previous Report £k	2015/16 Revised Estimate £k	2015/16 Variance to Previous Report	2016/17 Previous Report £k	2016/17 Revised Estimate £k	2016/17 Variance to Previous Report
ANSTON & WOODSETTS	372	447	74	0	8	8	0	0	0
BOSTON CASTLE	6,864	6,162	-702	1,942	2,284	342	0	0	0
BRINSWORTH & CATCLIFFE	7,099	6,113	-985	1,744	2,803	1,059	0	0	0
DINNINGTON	170	261	90	0	0	0	0	0	0
HELLABY	2,144	1,908	-236	1,303	1,547	244	0	0	0
HOLDERNESS	1,103	1,165	62	169	219	50	0	0	0
HOOBER	1,324	1,344	21	0	0	0	0	0	0
KEPPEL	459	560	101	0	15	15	0	0	0
MALTBY	1,011	1,090	80	0	0	0	0	0	0
RAWMARSH	2,172	2,302	129	1,460	1,460	0	160	160	0
ROTHER VALE	387	390	3	53	69	16	0	0	0
ROTHERHAM EAST	1,840	1,751	-90	4,889	5,035	146	0	0	0
ROTHERHAM WEST	76	142	66	0	0	0	0	0	0
SILVERWOOD	273	277	4	182	186	4	0	0	0
SITWELL	195	213	18	0	0	0	0	0	0
SWINTON	135	-215	-350	0	0	0	0	0	0
VALLEY	1,374	1,367	-7	0	7	7	0	0	0
WALES	1,097	1,162	65	250	300	50	0	0	0
WATH	628	745	117	35	63	28	0	0	0
WICKERSLEY	271	438	167	50	50	0	0	0	0
WINGFIELD	17	73	56	45	45	0	0	0	0
ALL WARDS	50,904	51,200	295	44,507	55,933	11,426	35,377	46,250	10,873
TOTAL	79,915	78,894	-1,022	56,629	70,024	13,395	35,537	46,410	10,873

### 8. Financial Implications

These are contained within the body of this report. Any revenue implications from the revised programme have been fully reflected in the Council's latest 2014/15 revenue forecast and its updated Medium Term Financial Strategy.

**9. Risks & Uncertainties**

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

**10. Policy and Performance Agenda Implications**

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

**11. Background Papers and Consultation**

- Capital Programme 2014/15 to 2016/17
- Project / Scheme monitoring reports
- Monitoring returns and budget setting details from Directorates.

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## Appendix 1

CHILDREN AND YOUNG PEOPLE'S CAPITAL PROGRAMME 2014/15 - 2016/17  
FINANCIAL SUMMARY STATEMENT

CAPITAL INVESTMENT BY PROJECT	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17
	Estimate	Revised	Variance to Previous Report	Estimate	Revised	Variance to Previous Report	Estimate	Revised	Variance to Previous Report
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>PRIMARY</b>									
WEST MELTON PRIMARY MODULAR	2	2	0						
MALTBY LILLY HALL	54	74	20						
KILNHURST ST THOMAS EXTRA CLASSROOM	10	0	-10						
HERRINGTHORPE INFANT & JUNIOR SCHOOLS EXPANSION	98	0	-98						
ASTON HALL INFANT & JUNIOR SCHOOL EXPANSION	50	11	-39						
FLANDERWELL PRIMARY AUTISM RESOURCE	205	305	100						
BROOM VALLEY COMMUNITY PRIMARY SCHOOL EXPANSION	6	6	0						
BRINSWORTH HOWARTH PRIMARY SCHOOL - MODULAR CLASSROOMS	5	3	0						
BRAMLEY SUNNYSIDE INFANT SCHOOL RENOVATION	10	10	0	50	50	0			
WATH C OF E PRIMARY SCHOOL EXPANSION	1,085	1,084	-1						
DALTON LISTERDALE JUNIOR AND INFANT SCHOOL EXPANSION	1,266	1,266	0						
KIVETON PARK MEADOWS JUNIOR SCHOOL EXPANSION	35	23	-12						
WALES PRIMARY EXPANSION - MODULAR (Ph 1)	10	10	0						
WALES PRIMARY EXPANSION - SCHOOL HOUSE/FOUNDATION STAGE UNIT (Ph 2)	88	89	1						
WALES PRIMARY EXPANSION - ADDITIONAL BULGE CLASSROOM (Ph 3)	0	0	0	150	150	0			
BADSLEY MOOR INFANTS RECEPTION ALTERATIONS	212	193	-19						
AUTHORITY NEW SCHOOL (ELDON ROAD)	1,500	1,391	-109	4,889	4,998	109			
RAWMARSH MONKWOOD PRIMARY SCHOOL EXPANSION - MORE LIKELY THOROGATE							160	160	0
THURCROFT INFANTS	128	108	-20						
BRAMPTON ELLIS JUNIOR	186	186	0						
UNIVERSAL FREE SCHOOL MEALS	577	577	0						
ST MARYS PRU	69	69	0						
THORNHILL PFI	0	-5	-5						
<b>SECONDARY</b>									
SUPPORT TO SCHOOLS	100	100	0	100	100	0	50	50	0
MALTBY ACADEMY	1,006	1,006	0						
CLIFTON SCHOOL CARETAKERS CONVERSION	27	27	0						
WICKERSLEY SSC NEW BLOCK	1,600	1,356	-244	1,303	1,547	244			
WATH PFI	22	22	0						
<b>SPECIALS</b>									
<b>CITY LEARNING CENTRES</b>									
CLC RAWMARSH	6	6	0						
<b>CAPITALISED MINOR ENHANCEMENTS</b>	2,019	2,036	17	1,800	1,863	63	1,800	1,800	0
<b>OTHER SCHEMES</b>									
DFCG	1,176	1,174	-2	734	734	0	634	634	0
KIMBERWORTH CO-LOCATION	1	1	0						
PROPERTY ADAPTATIONS	262	262	0	50	50	0	50	50	0
ENTITLEMENT FOR EARLY YEARS PROVISION (TWO YEAR OLDS)	79	23	-56	187	244	57			
ORCHARD CENTRE - CONSERVATORY	0	0	0						
KILNHURST PRIMARY SCULLERY	4	4	0						
<b>CYPS CAPITAL PROGRAMME</b>	<b>11,896</b>	<b>11,419</b>	<b>-477</b>	<b>9,263</b>	<b>9,736</b>	<b>473</b>	<b>2,694</b>	<b>2,694</b>	<b>0</b>

SOURCES OF FUNDING	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17
	Estimate	Revised	Variance to Previous Report	Estimate	Revised	Variance to Previous Report	Estimate	Revised	Variance to Previous Report
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)	6	6	0						
GRANTS AND CONTRIBUTIONS	11,539	11,056	-483	6,963	7,436	473	2,644	2,644	0
REVENUE CONTRIBUTION	20	26	6			0			0
USABLE CAPITAL RECEIPTS			0			0			0
PRUDENTIAL BORROWING	331	331	0	2,300	2,300	0	50	50	0
EARMARKED RESERVES			0			0			0
MAJOR REPAIRS ALLOWANCE			0			0			0
<b>CYPS CAPITAL PROGRAMME</b>	<b>11,896</b>	<b>11,419</b>	<b>-477</b>	<b>9,263</b>	<b>9,736</b>	<b>473</b>	<b>2,694</b>	<b>2,694</b>	<b>0</b>

## CYPS CAPITAL INVESTMENT BY WARD 2014/15 - 2016/17

CYPS CAPITAL INVESTMENT BY WARD	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17
	Estimate	Revised	Variance to Previous Report	Estimate	Revised	Variance to Previous Report	Estimate	Revised	Variance to Previous Report
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
ANSTON & WOODSETTS	41	124	83	0	0	0	0	0	0
BOSTON CASTLE	19	27	8	0	0	0	0	0	0
BRINSWORTH & CATCLIFFE	67	140	74	0	0	0	0	0	0
DINNINGTON	45	136	90	0	0	0	0	0	0
HELLABY	1,676	1,440	-236	1,303	1,547	244	0	0	0
HOLDERNESS	104	166	62	0	0	0	0	0	0
HOOPER	1,324	1,344	21	0	0	0	0	0	0
KEPPEL	159	260	101	0	15	15	0	0	0
MALTBY	1,011	1,090	80	0	0	0	0	0	0
RAWMARSH	235	365	129	0	0	0	160	160	0
ROTHER VALE	130	149	19	0	0	0	0	0	0
ROTHERHAM EAST	1,840	1,751	-90	4,889	5,035	146	0	0	0
ROTHERHAM WEST	76	142	66	0	0	0	0	0	0
SILVERWOOD	194	198	3	0	4	4	0	0	0
SITWELL	195	213	18	0	0	0	0	0	0
SWINTON	135	-215	-350	0	0	0	0	0	0
VALLEY	1,374	1,359	-15	0	7	7	0	0	0
WALES	447	512	65	150	150	0	0	0	0
WATH	62	329	267	0	0	0	0	0	0
WICKERSLEY	271	438	167	50	50	0	0	0	0
WINGFIELD	15	71	56	0	0	0	0	0	0
ALL WARDS	2,477	1,381	-1,096	2,871	2,928	57	2,534	2,534	0
<b>CYPS CAPITAL PROGRAMME</b>	<b>11,896</b>	<b>11,419</b>	<b>-478</b>	<b>9,263</b>	<b>9,736</b>	<b>473</b>	<b>2,694</b>	<b>2,694</b>	<b>0</b>

## APPENDIX 2

EDS PLANNING, REGENERATION & CULTURAL SERVICES CAPITAL PROGRAMME 2014/15 - 2016/17  
FINANCIAL SUMMARY STATEMENT

CAPITAL INVESTMENT BY PROJECT	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17
	Previous Report	Estimate	Variance to Previous Report	Previous Report	Estimate	Variance to Previous Report	Previous Report	Estimate	Variance to Previous Report
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>CUSTOMER &amp; CULTURAL SERVICES</b>									
BRINSWORTH LIBRARY	499	0	-499	0	499	499			
STRATEGIC REVIEW OF LIBRARIES	78	0	-78	0	78	78			
WATH LIBRARY REFURBISHMENT	155	0	-155						
CATCLIFFE GLASS CONE	27	27	0						
<b>REGENERATION</b>									
ROTHERHAM TOWNSCAPE HERITAGE INITIATIVES	1,017	927	-90						
HIGH STREET PUBLIC REALM	335	227	-108	0	109	109			
TOWN CENTRE POPPED ART PROJECT	11	10	-1						
<b>BUSINESS RETAIL &amp; INVESTMENT</b>									
R-EVOLUTION	2,407	2,407	0						
R-EVOLUTION UNIT 4	1,924	1,924	0						
TOWN CENTRE BUSINESS VITALITY SCHEME-PRIVATE PROPERTIES	74	74	0						
TOWN CENTRE BUSINESS VITALITY SCHEME-RMBC PROPERTIES	15	15	0						
MOORGATE CROFTS re ROOFING (New)	0	51	51						
STREET MARKET EXPANSION (New)	0	48	48						
<b>PLANNING REGEN &amp; CULTURAL SERVICES CAPITAL PROGRAMME</b>	<b>6,542</b>	<b>5,711</b>	<b>-831</b>	<b>0</b>	<b>686</b>	<b>686</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SOURCES OF FUNDING</b>									
SUPPORTED CAPITAL EXPENDITURE (REVENUE)	0	0	0						
GRANTS AND CONTRIBUTIONS	569	538	-31						
REVENUE CONTRIBUTION	0	51	51						
USABLE CAPITAL RECEIPTS	4,453	4,358	-95						
PRUDENTIAL BORROWING	1,520	764	-756	0	686	686	0	0	0
earmarked reserves	0	0	0	0	0	0	0	0	0
MAJOR REPAIRS ALLOWANCE	0	0	0	0	0	0	0	0	0
<b>PLANNING REGEN &amp; CULTURAL SERVICES CAPITAL PROGRAMME</b>	<b>6,542</b>	<b>5,711</b>	<b>-831</b>	<b>0</b>	<b>686</b>	<b>686</b>	<b>0</b>	<b>0</b>	<b>0</b>

EDS STREETPRIDE SERVICES PROGRAMME 2014/15 to 2016/17  
FINANCIAL SUMMARY STATEMENT

CAPITAL INVESTMENT	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17
	Previous Report	Estimate	Variance to Previous Report	Previous Report	Estimate	Variance to Previous Report	Previous Report	Estimate	Variance to Previous Report
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>LEISURE &amp; COMMUNITY SERVICES</b>									
CAGED VEHICLE HIAB REPLACEMENT	312	312	0	0	0	0	0	0	0
ALEXANDRA PARK	0	0	0	69	69	0	0	0	0
GORDON BENNETT PLAY	16	0	-16	53	69	16	0	0	0
SANCTUARY FIELDS	52	43	-9	0	8	8	0	0	0
MEMORIAL IN CLIFTON PARK	10	19	9	20	11	-9	0	0	0
WATH PARK CHILDRENS PLAY	5	5	0	35	35	0	0	0	0
FIRSBY RESERVOIR PHASE 2	43	43	0	82	82	0	0	0	0
ROTHER VALLEY COUNTRY PARK FACILITIES	241	241	0	0	0	0	0	0	0
THRYBERGH COUNTRY PARK PHASED IMPROVEMENTS	36	36	0	100	100	0	0	0	0
<b>NETWORK MANAGEMENT</b>									
STREET LIGHTING	2,783	2,413	-370	2,333	2,704	371	1,508	1,508	0
<b>DRAINAGE</b>									
WATH UPON DEARNE FLOOD ALLEVIATION SCHEME	345	345	0						
ASTON, AUGHTON & SWALLOWNEST PHASE 1	204	204	0						
ASTON, AUGHTON & SWALLOWNEST PHASE 2	145	145	0						
DRAINAGE WORKS DON STREET	0	0	0	627	627	0			
HIGHWAYS DELIVERY (MAINTENANCE)	4,092	4,340	248	1,894	1,894	0	1,894	1,894	0
HIGHWAYS DELIVERY (MAINTENANCE) (New)				0	3,000	3,000	0	2,000	2,000
<b>TRANSPORTATION &amp; HIGHWAYS</b>									
BRIDGES	140	140	0	527	527	0	527	527	0
CONNECTIVITY	1,694	1,549	-145	346	965	619			
NETWORK MANAGEMENT	672	768	96	400	400	0			
LOCAL SAFETY SCHEMES	782	782	0	370	370	0			
BUS PROJECTS	2,031	2,252	221	0	0	0			
SMARTER CHOICES	223	274	51	100	100	0			
GREEN ING CULVERT	33	33	0	0	0	0			
STEP 2 ACCESS TO EMPLOYMENT	0	0	0	500	500	0			
<b>MAJOR SCHEMES</b>									
A57 IMPROVEMENTS	1,300	1,300	0	200	300	100			
POOL GREEN ROUNDABOUT	4,032	3,832	-200	925	1,126	201			
OLD FLATTS BRIDGE	2,175	1,615	-560	1,744	2,304	560			
<b>WASTE MANAGEMENT</b>									
PFI RESIDUAL WASTE FACILITY				5,764	5,764	0			
BINS (New)	0	181	181	0	181	181			
<b>EDS STREETPRIDE SERVICES CAPITAL PROGRAMME</b>	<b>21,366</b>	<b>20,872</b>	<b>-494</b>	<b>16,089</b>	<b>21,136</b>	<b>5,047</b>	<b>3,929</b>	<b>5,929</b>	<b>2,000</b>

SOURCES OF FUNDING	2014/15 Previous Report £'000s	2014/15 Estimate £'000s	2014/15 Variance to Previous Report £'000s	2015/16 Previous Report £'000s	2015/16 Estimate £'000s	2015/16 Variance to Previous Report £'000s	2016/17 Previous Report £'000s	2016/17 Estimate £'000s	2016/17 Variance to Previous Report £'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)	0	0	0	0	0	0	0	0	0
GRANTS AND CONTRIBUTIONS	16,489	17,007	518	6,330	7,053	723	2,729	2,729	0
REVENUE CONTRIBUTION	76	171	95	100	100	0	0	0	0
USABLE CAPITAL RECEIPTS	0	0	0	0	0	0	0	0	0
PRUDENTIAL BORROWING	4,801	3,694	-1,107	9,659	13,983	4,324	1,200	3,200	2,000
EARMARKED RESERVES	0	0	0	0	0	0	0	0	0
MAJOR REPAIRS ALLOWANCE	0	0	0	0	0	0	0	0	0
<b>EDS STREETPRIDE SERVICES CAPITAL PROGRAMME</b>	<b>21,366</b>	<b>20,872</b>	<b>-494</b>	<b>16,089</b>	<b>21,136</b>	<b>5,047</b>	<b>3,929</b>	<b>5,929</b>	<b>2,000</b>

**EDS AUDIT & ASSET MANAGEMENT CAPITAL PROGRAMME 2014/15 - 2016/17**  
**FINANCIAL SUMMARY STATEMENT**

CAPITAL INVESTMENT	2014/15 Previous Report £'000s	2014/15 Estimate £'000s	2014/15 Variance to Previous Report £'000s	2015/16 Previous Report £'000s	2015/16 Estimate £'000s	2015/16 Variance to Previous Report £'000s	2016/17 Previous Report £'000s	2016/17 Estimate £'000s	2016/17 Variance to Previous Report £'000s
<b>CORP PROPERTY UNIT</b>									
ANCILLARY SERVICES BUILDING	195	195	0	0	0	0	0	0	0
BAILEY HOUSE RENOVATION	289	247	-42	0	40	40	0	0	0
DEMOLITION OF FORMER COUNCIL OFFICES	115	115	0	0	0	0	0	0	0
DEMOLITION OF INTERNATIONAL CENTRE	1	7	6	0	0	0	0	0	0
McALLOY - ASTON CSC	280	280	0	0	0	0	0	0	0
CCTV HELLABY DEPOT	33	33	0	0	0	0	0	0	0
KIRK HOUSE (New)	0	8	8	0	0	0	0	0	0
CIVIC THEATRE (New)	0	16	16	0	0	0	0	0	0
<b>EDS AUDIT &amp; ASSET MANAGEMENT CAPITAL PROGRAMME</b>	<b>913</b>	<b>901</b>	<b>-12</b>	<b>0</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>

SOURCES OF FUNDING	2014/15 Previous Report £'000s	2014/15 Estimate £'000s	2014/15 Variance to Previous Report £'000s	2015/16 Previous Report £'000s	2015/16 Estimate £'000s	2015/16 Variance to Previous Report £'000s	2016/17 Previous Report £'000s	2016/17 Estimate £'000s	2016/17 Variance to Previous Report £'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)	0	0	0	0	0	0	0	0	0
GRANTS AND CONTRIBUTIONS	0	0	0	0	0	0	0	0	0
REVENUE CONTRIBUTION	33	41	8	0	0	0	0	0	0
USABLE CAPITAL RECEIPTS	0	122	122	0	0	0	0	0	0
PRUDENTIAL BORROWING	880	738	-142	0	40	40	0	0	0
EARMARKED RESERVES	0	0	0	0	0	0	0	0	0
MAJOR REPAIRS ALLOWANCE	0	0	0	0	0	0	0	0	0
<b>EDS AUDIT &amp; ASSET MANAGEMENT CAPITAL PROGRAMME</b>	<b>913</b>	<b>901</b>	<b>-12</b>	<b>0</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>

**SUMMARY EDS CAPITAL PROGRAMME 2014/15 - 2016/17**

TOTAL EDS INVESTMENT	2014/15 Previous Report £'000s	2014/15 Estimate £'000s	2014/15 Variance to Previous Report £'000s	2015/16 Previous Report £'000s	2015/16 Estimate £'000s	2015/16 Variance to Previous Report £'000s	2016/17 Previous Report £'000s	2016/17 Estimate £'000s	2016/17 Variance to Previous Report £'000s
	<b>28,821</b>	<b>27,484</b>	<b>-1,337</b>	<b>16,089</b>	<b>21,862</b>	<b>5,773</b>	<b>3,929</b>	<b>5,929</b>	<b>2,000</b>

SOURCES OF FUNDING	2014/15 Previous Report £'000s	2014/15 Estimate £'000s	2014/15 Variance to Previous Report £'000s	2015/16 Previous Report £'000s	2015/16 Estimate £'000s	2015/16 Variance to Previous Report £'000s	2016/17 Previous Report £'000s	2016/17 Estimate £'000s	2016/17 Variance to Previous Report £'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)	0	0	0	0	0	0	0	0	0
GRANTS AND CONTRIBUTIONS	17,058	17,545	487	6,330	7,053	723	2,729	2,729	0
REVENUE CONTRIBUTION	109	263	154	100	100	0	0	0	0
USABLE CAPITAL RECEIPTS	4,453	4,480	27	0	0	0	0	0	0
PRUDENTIAL BORROWING	7,201	5,196	-2,005	9,659	14,709	5,050	1,200	3,200	2,000
EARMARKED RESERVES	0	0	0	0	0	0	0	0	0
MAJOR REPAIRS ALLOWANCE	0	0	0	0	0	0	0	0	0
<b>EDS CAPITAL PROGRAMME</b>	<b>28,821</b>	<b>27,484</b>	<b>-1,337</b>	<b>16,089</b>	<b>21,862</b>	<b>5,773</b>	<b>3,929</b>	<b>5,929</b>	<b>2,000</b>

**EDS CAPITAL INVESTMENT BY WARD 2014/15 - 2016/17**

EDS CAPITAL INVESTMENT BY WARD	2014/15 Previous Report £'000s	2014/15 Estimate £'000s	2014/15 Variance to Previous Report £'000s	2015/16 Previous Report £'000s	2015/16 Estimate £'000s	2015/16 Variance to Previous Report £'000s	2016/17 Previous Report £'000s	2016/17 Estimate £'000s	2016/17 Variance to Previous Report £'000s
ANSTON & WOODSETTS	332	323	-9	0	8	8			0
BOSTON CASTLE	6,094	5,784	-310	1,572	1,914	342			0
BRINSWORTH & CATCLIFFE	7,032	5,973	-1,059	1,744	2,803	1,059			0
DINNINGTON	0	0	0	0	0	0			0
HELLABY	33	33	0	0	0	0			0
HOLDERNESS	999	999	0	169	219	50			0
HOOBER	0	0	0	0	0	0			0
KEPPEL	0	0	0	0	0	0			0
MALTBY	0	0	0	0	0	0			0
RAWMARSH	0	0	0	0	0	0			0
ROTHER VALE	257	241	-16	53	69	16			0
ROTHERHAM EAST	0	0	0	0	0	0			0
ROTHERHAM WEST	0	0	0	0	0	0			0
SILVERWOOD	78	79	1	182	182	0			0
SITWELL	0	0	0	0	0	0			0
SWINTON	0	0	0	0	0	0			0
VALLEY	0	8	8	0	0	0			0
WALLES	650	650	0	100	150	50			0
WATH	505	383	-122	35	35	0			0
WICKERSLEY	0	0	0	0	0	0			0
WINGFIELD	0	0	0	0	0	0			0
ALL WARDS	12,841	13,011	170	12,234	16,483	4,248	3,929	5,929	2,000
<b>EDS CAPITAL PROGRAMME</b>	<b>28,821</b>	<b>27,484</b>	<b>-1,337</b>	<b>16,089</b>	<b>21,862</b>	<b>5,773</b>	<b>3,929</b>	<b>5,929</b>	<b>2,000</b>

## Appendix 3

**NEIGHBOURHOODS & ADULT SERVICES CAPITAL PROGRAMME 2014/15 - 2017/18**  
**FINANCIAL SUMMARY STATEMENT**

CAPITAL INVESTMENT BY PROJECT	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17	2017/18
	Previous Report	revised	Variance to Previous Report	Previous Report	revised	Variance to Previous Report	Previous Report	revised	Variance to Previous Report	Capital Programme
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>ADULT SERVICES</b>										
ASSISTIVE TECHNOLOGY	460	350	-110	0	510	510	0	400	400	
REWS EQUIPMENT	190	190	0	0	190	190	0	190	190	
ROTHERCARE ALARMS	526	526	0							
TREEFIELDS LEARNING CENTRE - FENCING	2	2	0							
<b>IMPROVING COUNCIL HOUSING &amp; HOUSING SERVICES</b>										
REFURBISHMENT	12,986	12,986	0	12,100	12,900	800	11,900	13,663	1,763	14,446
REPLACEMENT WINDOWS	211	211	0							
ENVIRONMENTAL WORKS	1,719	1,719	0	1,100	1,067	-33	1,400	1,400	0	1,000
DECENT HOMES VOID PROGRAMME	2,700	2,700	0	2,600	2,600	0	2,600	2,600	0	2,600
REPLACEMENT OF CENTRAL HEATING	3,761	3,761	0	3,261	3,261	0	3,261	3,261	0	3,261
ELECTRICAL BOARD & BOND	120	120	0	150	150	0	150	150	0	150
REPLACEMENT OF COMMUNAL DOORS (HIGH SECURITY)	891	891	0	500	500	0	0	0	0	0
ASBESTOS TESTING	290	290	0	370	370	0	370	370	0	370
FLAT DOOR REPLACEMENT	76	76	0							
DISTRICT HEATING CONVERSIONS	1,800	1,800	0	1,200	1,200	0	1,000	1,000	0	1,000
BOUNDARY WALL TREATMENTS	140	140	0	0	33	33	0	0	0	0
GENERAL STRUCTURES	650	650	0	650	650	0	650	650	0	650
EXTERNAL INSULATION	25	25	0	100	100	0	50	50	0	50
NEW IT SYSTEMS	274	274	0	169	169	0	0	0	0	0
NON-TRADITIONAL INVESTMENT	1,400	1,400	0	1,500	1,500	0	1,100	1,100	0	
STARTEGIC ACQUISITIONS	1,537	1,537	0	1,299	4,946	3,647	0	5,060	5,060	7,150
NEW BUILD DPV BUNGALOWS	300	300	0	200	200	0	0	0	0	
ENABLING WORKS HRA LAND	0	0	0	0	0	0	0	0	0	
LADY OAK FLATS ENVIRONMENTS	500	500	0	0	0	0	0	0	0	
SHELTERED HOUSING COMMUNAL AREA	300	300	0	500	1,000	500	500	1,000	500	500
<b>FAIR ACCESS TO ALL</b>										
DISABLED FACILITIES GRANT (PRIVATE SECTOR)	2,016	2,016	0	2,100	2,100	0	2,100	2,100	0	2,100
DISABLED ADAPTATIONS (PUBLIC SECTOR)	2,078	2,078	0	2,100	2,100	0	2,300	2,300	0	2,500
<b>NEIGHBOURHOOD REGENERATION &amp; RENEWAL</b>										
GALLERY TOWN - DINNINGTON IMPROVEMENTS	1	1	0	0	0	0	0	0	0	
CANKLOW PHASE 1 & 2	351	351	0	370	370	0	0	0	0	
BELLOWS ROAD SERVICE CENTRE CLEARANCE	400	400	0	192	192	0	0	0	0	
GARAGE SITE INVESTMENT	250	250	0	100	100	0	250	250	0	250
MONKSBRIDGE DEMOLITION DINNINGTON	80	80	0	0	0	0	0	0	0	
DOE QUARRY LANE STREET SCENE	44	44	0	0	0	0	0	0	0	
FUEL POVERTY - VULNERABLE PEOPLE	303	30	-273	0	273	273	0	0	0	
<b>NEIGHBOURHOODS IMPROVEMENTS NON-HIP PROGRAMME</b>										
AIR QUALITY GRANT	7	7	0	0	0	0	0	0	0	
LANDFILL SITES	61	33	-28	45	73	28	0	0	0	
FURNISHED HOMES CPTL (New)	0	1,200	1,200	0	1,200	1,200	0	960	960	720
<b>NEIGHBOURHOODS &amp; ADULT SERVICES CAPITAL PROGRAMME</b>	<b>36,449</b>	<b>37,238</b>	<b>789</b>	<b>30,606</b>	<b>37,754</b>	<b>7,148</b>	<b>27,631</b>	<b>36,504</b>	<b>8,873</b>	<b>36,747</b>

SOURCES OF FUNDING	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17	2017/18
	Previous Report	revised	Variance to Previous Report	Previous Report	revised	Variance to Previous Report	Previous Report	revised	Variance to Previous Report	Capital Programme
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>SUPPORTED CAPITAL EXPENDITURE (REVENUE)</b>										
GRANTS AND CONTRIBUTIONS	3,115	2,777	-338	1,450	2,423	973	1,000	1,590	590	1,000
REVENUE CONTRIBUTION	8,513	8,513	0	6,039	9,104	3,065	6,087	11,468	5,381	12,981
USABLE CAPITAL RECEIPTS	1,734	1,698	-36	1,649	1,649	0	1,100	1,100	0	1,100
PRUDENTIAL BORROWING	1,519	2,691	1,172	907	2,135	1,228	0	960	960	720
earmarked reserves	21,568	21,569	0	20,561	22,443	1,882	19,444	21,386	1,942	20,946
MAJOR REPAIRS ALLOWANCE	0	0	0	0	0	0	0	0	0	0
<b>NEIGHBOURHOODS &amp; ADULT SERVICES CAPITAL PROGRAMME</b>	<b>36,449</b>	<b>37,238</b>	<b>789</b>	<b>30,606</b>	<b>37,754</b>	<b>7,148</b>	<b>27,631</b>	<b>36,504</b>	<b>8,873</b>	<b>36,747</b>

**NEIGHBOURHOODS & ADULT SERVICES**  
**CAPITAL INVESTMENT BY WARD 2014/15 -**  
**2017/18**

NEIGHBOURHOODS & ADULT SERVICES CAPITAL INVESTMENT BY WARD	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17	2017/18
	Previous Report	revised	Variance to Previous Report	Previous Report	revised	Variance to Previous Report	Previous Report	revised	Variance to Previous Report	Capital Programme
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
ANSTON & WOODSETTS			0	0		0	0	0	0	0
BOSTON CASTLE	751	351	-400	370	370	0	0	0	0	0
BRINSWORTH & CATCLIFFE			0	0		0	0	0	0	0
DINNINGTON	125	125	0	0		0	0	0	0	0
HELLABY	435	435	0	0		0	0	0	0	0
HOLDERNESSE			0	0		0	0	0	0	0
HOOPER			0	0		0	0	0	0	0
KEPPEL	300	300	0	0		0	0	0	0	0
MALTBY			0	0		0	0	0	0	0
RAWMARSH	1,937	1,937	0	1,460	1,460	0	0	0	0	0
ROTHER VALE			0	0		0	0	0	0	0
ROTHERHAM EAST			0	0		0	0	0	0	0
ROTHERHAM WEST			0	0		0	0	0	0	0
SILVERWOOD			0	0		0	0	0	0	0
SITWELL			0	0		0	0	0	0	0
SWINTON			0	0		0	0	0	0	0
VALLEY			0	0		0	0	0	0	0
WALSLEY			0	0		0	0	0	0	0
WATH	61	33	-28	0	28	28	0	0	0	0
WICKERSLEY			0	0		0	0	0	0	0
WINGFIELD	2	2	0	45	45	0	0	0	0	0
ALL WARDS	32,838	34,055	1,217	28,731	35,851	7,120	27,631	36,504	8,873	36,747
<b>NEIGHBOURHOODS &amp; ADULT SERVICES CAPITAL PROGRAMME</b>	<b>36,449</b>	<b>37,238</b>	<b>789</b>	<b>30,606</b>	<b>37,754</b>	<b>7,148</b>	<b>27,631</b>	<b>36,504</b>	<b>8,873</b>	<b>36,747</b>

**RESOURCES CAPITAL PROGRAMME 2014/15 - 2017/18**  
**FINANCIAL SUMMARY STATEMENT**

CAPITAL INVESTMENT BY PROJECT	SPEND AND FUNDING STATEMENT								
	2014/15 Previous Report	2014/15 Estimate	2014/15 Variance to Previous Report	2015/16 Previous Report	2015/16 Estimate	2015/16 Variance to Previous Report	2016/17 Previous Report	2016/17 Estimate	2016/17 Variance to Previous Report
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>ICT</b>									
ICT STRATEGY	203	203	0						
ICT STRATEGY (2)	1,526	1,526	0						
ICT REFRESH	465	465	0	470	470	0	470	470	0
<b>RESOURCES</b>									
ELECTORAL HARDWARE	15	15	0						
HIGH STREET DEVELOPMENT LOAN	300	300	0						
HIGH STREET DEVELOPMENT LOAN	190	190	0						
BD UK	50	54	4	201	201	0	813	813	0
<b>RESOURCES CAPITAL PROGRAMME</b>	<b>2,749</b>	<b>2,753</b>	<b>4</b>	<b>671</b>	<b>671</b>	<b>0</b>	<b>1,283</b>	<b>1,283</b>	<b>0</b>

SOURCES OF FUNDING	2014/15 Previous Report	2014/15 Estimate	2014/15 Variance to Previous Report	2015/16 Previous Report	2015/16 Estimate	2015/16 Variance to Previous Report	2016/17 Previous Report	2016/17 Estimate	2016/17 Variance to Previous Report
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
	SUPPORTED CAPITAL EXPENDITURE (REVENUE)								
GRANTS AND CONTRIBUTIONS	557	557	0						
REVENUE CONTRIBUTION	100	100	0						
USABLE CAPITAL RECEIPTS									
PRUDENTIAL BORROWING	2,092	2,096	4	671	671	0	1,283	1,283	0
MAJOR REPAIRS ALLOWANCE									
<b>RESOURCES CAPITAL PROGRAMME</b>	<b>2,749</b>	<b>2,753</b>	<b>4</b>	<b>671</b>	<b>671</b>	<b>0</b>	<b>1,283</b>	<b>1,283</b>	<b>0</b>

**RESOURCES CAPITAL INVESTMENT BY WARD 2014/15 - 2017/18**

RESOURCES CAPITAL INVESTMENT BY WARD	2014/15 Previous Report	2014/15 Estimate	2014/15 Variance to Previous Report	2015/16 Previous Report	2015/16 Estimate	2015/16 Variance to Previous Report	2016/17 Previous Report	2016/17 Estimate	2016/17 Variance to Previous Report
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
	ANSTON & WOODSETTS	0	0	0	0	0	0	0	0
BOSTON CASTLE	0	0	0	0	0	0	0	0	0
BRINSWORTH & CATCLIFFE	0	0	0	0	0	0	0	0	0
DINNINGTON	0	0	0	0	0	0	0	0	0
HELLABY	0	0	0	0	0	0	0	0	0
HOLDERNESS	0	0	0	0	0	0	0	0	0
HOOBER	0	0	0	0	0	0	0	0	0
KEPPEL	0	0	0	0	0	0	0	0	0
MALTBY	0	0	0	0	0	0	0	0	0
RAWMARSH	0	0	0	0	0	0	0	0	0
ROTHER VALE	0	0	0	0	0	0	0	0	0
ROTHERHAM EAST	0	0	0	0	0	0	0	0	0
ROTHERHAM WEST	0	0	0	0	0	0	0	0	0
SILVERWOOD	0	0	0	0	0	0	0	0	0
SITWELL	0	0	0	0	0	0	0	0	0
SWINTON	0	0	0	0	0	0	0	0	0
VALLEY	0	0	0	0	0	0	0	0	0
WALES	0	0	0	0	0	0	0	0	0
WATH	0	0	0	0	0	0	0	0	0
WICKERSLEY	0	0	0	0	0	0	0	0	0
WINGFIELD	0	0	0	0	0	0	0	0	0
ALL WARDS	2,749	2,753	4	671	671	0	1,283	1,283	0
<b>RESOURCES CAPITAL PROGRAMME</b>	<b>2,749</b>	<b>2,753</b>	<b>4</b>	<b>671</b>	<b>671</b>	<b>0</b>	<b>1,283</b>	<b>1,283</b>	<b>0</b>



1.	<b>Meeting:</b>	<b>Council</b>
2.	<b>Date:</b>	<b>4<sup>th</sup> March, 2015</b>
3.	<b>Title:</b>	<b>Extension of Business Rates Transitional Relief for 2015/16</b>
4.	<b>Directorate:</b>	<b>Resources</b>

## 5. Summary

In the December 3<sup>rd</sup> Autumn Statement for 2014 the Government announced that Transitional Rates Relief was being extended for 2 years until March 2017 and that authorities would be compensated by grant for the cost to them of any relief granted. Guidance on the extension of Transitional Relief was issued in January and it is estimated that up to 17 properties in Rotherham will be affected and with a maximum rates relief awarded in 2015/16 of £20k of which Rotherham MBC's share would be £10k.

In addition, the guidance asked authorities to consider granting discretionary relief to childcare providers but did not offer to reimburse authorities for the cost. Councils were also reminded to notify childcare providers of the other rates reliefs available to them (e.g. Small Business Rates Relief and Charity Relief) and of the importance of prompt payment.

## 6 Recommendations

### That Council:

- **Grants an extension of Transitional Rates Relief to all qualifying premises within the Council area, subject to satisfying the State Aid requirements.**
- **The Council does not change its existing policy with respect to discretionary rates relief for childcare providers but continues to assess cases for discretionary rates relief individually.**

## 7 Proposals and Details

- 7.1 **Extension of Transitional Relief** One of the measures announced by the government in the Autumn Statement on 3 December 2014 was that the current transitional relief scheme for properties with a rateable value up to and including £50,000 would be extended to March 2017 rather than ending in March 2015. The transitional relief scheme was introduced in 2010 with the last rates revaluation to help those ratepayers who were faced with higher bills. The scheme was originally planned to end on 31 March 2015 and as a result a small number of ratepayers would have faced an increase to their full rates bill from 1 April 2015.
- 7.2 Guidance to authorities about the operation of the proposals was released in January and indicated that the government intends to fully reimburse local authorities for their share of the cost of granting relief by means of a grant. In Rotherham's case this will be 49% (50% of Business Rates are paid to the government and 1% to the Fire Authority). As this is a measure for 2015/16 and 2016/17, the government is not changing the legislation around transitional relief.
- 7.3 To grant relief, authorities should use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, as amended. The guidance states that it will be for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant relief. However the guidance states that, **"in view of the fact that such expenditure can be reimbursed, the government expects local government to grant discretionary relief to qualifying ratepayers"**.
- 7.4 The proposals only apply to properties moving to higher bills with a rateable value up to £50,000 and eligible properties will receive the same level of protection they would have received had the properties continued to receive transitional relief. In Rotherham's case only 21 properties have been identified as qualifying for the scheme with potential relief of £22k in total, of which the cost to the Council would be 49%, £11k.
- 7.5 The list includes 2 Rotherham Council properties which would receive under £2k in relief and Anston and Ravenfield Parish Councils (but the sum concerned is very small £134 in total). However the regulations around Discretionary Rates Relief prevent the Council and precepting authorities, like parish councils, receiving discretionary rates relief. Other categories of property qualifying for the extension in relief are cash machine sites which would receive relief of £2.5k and Dignity PLC which would receive around £500. These costs would be the maximum as premises may also qualify for other reliefs such as Small Business and Retail Relief which would take precedence over the Transitional Relief scheme. The total in relief granted is therefore likely to be less than £20k with the cost to the Council being some £10k – which would be funded by grant.
- 7.6 The January Business Rates Information Letter states that "in view of the fact that such expenditure can be reimbursed, the government expects local government to grant discretionary relief to qualifying ratepayers" and given this and as no conflicts with other Council objectives have been identified, it is suggested that the Council grant the relief to all qualifying properties.
- 7.7 Any extension of Transitional Relief is likely to fall within the State Aid regulations and will be subject to the with the De Minimis provisions which allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years). The Council has with the introduction of retail relief set in place measures for ensuring that rates relief it grants does not breach these rules (the Government has previously indicated that it will not reimburse authorities for rates relief granted in breach of the State Aid rules).

- 7.8 **Business Rates and Childcare Providers** - with the guidance on Transitional Relief Ministers issued a statement encouraging local authorities to consider using their business rates local discounts powers to support access to local high quality childcare provision where there is a clear community benefit. This is because the provision of high quality childcare is believed by the Government to be crucial to stopping development gaps emerging and ensuring all children get the best start in life. It is also considered that good childcare provision can help to aid economic growth for example with maternal employment. However although authorities are reminded that central government funds 50% of the cost of any local discount granted, there is no offer to meet the 49% of the cost of any local discount that would fall on the Council. The guidance provides no further details of what would constitute a “clear community benefit”. Such relief would also be subject to State Aid cap.
- 7.9 Preliminary estimates based on cross matching the rating list with OFSTED lists suggest that 31 nurseries paying around £140k in rates (after current reliefs) might qualify for such relief if the Council chose to grant it – however it is estimated that this would cost the council £68k in 2015/16 In light of the cost to the Council and the lack of details as to what would constitute a community benefit it is recommended that the **Council does not change its current policy** but will continue to assess requests for rates discounts under local powers on an individual case by case basis.
- 7.10 Childcare providers may already be eligible rates relief, for example Charity Relief or Small Business Rate Relief, and the Government urges authorities to remind childcare providers of these reliefs “where in contact on wider matters”. This approach is in line with Rotherham Council’s existing policy with respect contact and the provision of advice to ratepayers.
- 7.11 The guidance also reminds Councils of the importance of prompt payment for services received including funding for free early education entitlement places. Rotherham MBC policy with respect to payments is payment within 30 days unless specific terms exist (payment terms are agreed as part of the contract). Payment performance is continually monitored and performance for the procurement service is reported to the Strategic Director of Resources on a monthly basis. Both the speed and accuracy of all payments is monitored and average performance is 96% paid within 30 days with 68% of these being paid within the first 10 days. Payments for small suppliers (such as childcare providers) can also be prioritised to ensure their cash flow is not adversely affected.

## 8. Finance

The Government has indicated that it will fully compensate authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003) so there is no direct cost to the Council. The Government has not made any commitment to reimburse Councils for their share (49%) of any discretionary relief granted to childcare providers, however as it is not recommended that the Council’s current policy of assessing any discretionary reliefs on a case by case basis is varied there would be no cost to the Council if this recommendation is supported.

## 9 Risks and Uncertainties

As no change to legislation is proposed in respect of the extension of Transitional Relief it will be necessary to undertake manual calculations to determine the relief applicable, which will not only increase workload in the Revenues and Benefits section (although the number of cases concerned is small) but also carries with it an increased risk of error in calculations.

## 10. Policy and Performance Agenda Implications

As indicated above creditor payment performance is regularly monitored.

**11. Background Papers and Consultation**

- Business Rates Information Letter January 2015
- Business Rates Extension of Transitional Relief for small and medium properties – Guidance to Local Authorities DCLG January 2015
- Local Government Act 1988
- The Localism Act 2011
- Local Government Finance Act 1992.
- Non Domestic Rates - Guidance on Rate Relief for Charities and Other Non-Profit Making Organisations ODPM 2002

**Contact Name:** *Anne Ellis Tel Ext 22019*

**THE CABINET**  
**4th February, 2015**

Present:- Councillor Lakin (in the Chair); Councillors Beck, Doyle, Godfrey, Hoddinott and Hussain.

An apology for absence was received from Councillor Beaumont.

**C129      QUESTIONS FROM MEMBERS OF THE PUBLIC**

(1) A member of the public asked in view of the £220 million contract with B.T. and the efficiencies and savings required, why did the Council continue to play music or give information on training events when callers contacted the Council. Was this expense of prolonging the call being passed onto the caller?

The Strategic Director of Environment and Development Services believed the member of the public to be referring to the former RBT contract which was terminated a few years ago. In terms of the use of premium telephone lines and costs incurred by the public, it was confirmed that this was not a system used in Rotherham.

Music was only played to a caller when they were placed on hold whilst being transferred to the right person.

The Council also monitored the number of abandoned calls to the Council and there was nothing to indicate the Council was having a higher number of abandoned calls.

(2) A member of the public asked when would the report by Louise Casey be published?

The Interim Chief Executive confirmed that the report was to be published later today (4<sup>th</sup> February, 2015).

In a supplementary question the member of the public asked if the Council would have early sight of the report prior to it being made available to the public?

The Interim Chief Executive was led to believe the report, when published, would be freely accessible by all.

(3) A member of the public referred to a recent Cabinet meeting where it was agreed to withdraw the level of grant provided to Parish Councils, which would cause Anston Parish Council to lose £31,000 of funding. How was this fair to withdraw Parish Council funding for key services and given this to private business?

The Deputy Leader pointed out it was unfair, but this was directly as a result of the funding cuts by Central Government to the revenue support grant, which would take place over the next few years and which was being passed on to Parish Councils.

This was not a situation the Council wished to be in, but the funding had been protected for 2015/16 to allow Parish Councils time to prepare for the proposed reduction in funding in future years.

In a supplementary question the member of the public did not accept the answer provided and that this was as a direct result of the Government funding cuts. Why was funding to Parish Councils being cut when the Cabinet were to discuss on today's agenda a proposed loan to Magna of £350,000 with money going to private businesses? Residents were being denied the services they required, which was unacceptable.

The Deputy Leader pointed out that the loan to Magna would be considered in the context of the Council receiving a return on this business, but pointed out that the effect of receiving 28% less of the revenue support grant had to be managed.

#### **C130 DECLARATIONS OF INTEREST**

Councillor Beck, Cabinet Member for Business Growth and Regeneration, declared a disclosable pecuniary interest in Minute No. 141 (Magna Trust Loan) on the basis that the Chamber of Commerce were members of the trust of Magna.

#### **C131 REVENUE BUDGET MONITORING FOR THE PERIOD ENDING 31ST DECEMBER 2014**

Councillor Hoddinott, Deputy Leader, introduced a report by the Strategic Director of Resources and Transformation which provided details of progress on the delivery of the Revenue Budget for 2014/15 based on performance for the first nine months of this financial year. It was currently forecast that the Council would overspend against its Budget by £2.103m (+1.0%); an improvement of £873k since the last report to Cabinet in December (October monitoring report).

The current forecast outturn excluded the costs of implementing recommendations from the Jay report and the Ofsted Inspection, and the costs which would be borne by the Council in respect of the Corporate Governance Inspection.

The main reasons for the forecast overspend were:-

- The continuing service demand and cost pressures for safeguarding vulnerable children across the Borough.
- Cost pressures arising from some schools converting to academies.
- Continuing Health Care income pressures and demand pressures for Direct Payments within Older People and Physical and Sensory Disability clients.
- Additional costs of responding to the Jay report and Ofsted recommendations.

Resolved:- That the current forecast outturn and the continuing financial challenge for the Council to deliver a balanced revenue budget for 2014/15 be noted.

**C132 RMBC "FACING THE CUTS, DELIVERING ROTHERHAM'S PRIORITIES" 2015/16-2016/17 - PUBLIC/EMPLOYEE CONSULTATION FINDINGS**

Councillor Hoddinott, Deputy Leader, introduced a report by the Strategic Director of Environment and Development Services, setting out the key headlines from the recent 'Facing the Cuts, Delivering Rotherham's Priorities' consultation which had taken place to help inform the Council's budget for 2015/15 and 2016/17. The consultation had been active since 1<sup>st</sup> November, 2014 and was completed on 31<sup>st</sup> December, 2014.

The consultation had been undertaken through input from a number of teams across the Council including Corporate Finance, Housing and Neighbourhood Area Partnerships and Engagement Service and Communications and Marketing. Rotherham residents and partner organisations had been asked to give their views on how the Council's budget should be spent and where reductions should be made on the following three priority areas:-

- Protecting our most vulnerable children and adults
- Getting people into work and making work pay
- Making our streets cleaner and better

The consultation had also asked whether people would support an increase in Council Tax.

The report set out the methods of consultation utilised and a summary of the findings for the consultation with the public, partners, voluntary and community sector and employees.

The impact of the findings would be mitigated through robust research methodology and analysis of findings, balancing qualitative and quantitative research methodologies distinguishing between respondents (such as Council employees, businesses, voluntary sector and the public) and a communication strategy that supported the consultation exercise.

All services would be encouraged to use the online forum as an integral part of their public consultation to ensure the momentum from the last two years was maintained. This would ensure that the response rate rose and improved as some momentum was lost between the last two budget consultation exercises when the online form was closed down.

Resolved:- (1) That the headline messages arising from the analysis of the budget consultation be noted.

(2) That consideration be given as to how the consultation findings aligned with and could/should influence the Council Budget for 2015/16 and 2016/17

(3) That the development of a communication plan to ensure that the Council was proactive in communicating both the results and the impact on decision making to the public and employees be supported.

### **C133 SAFEGUARDING ADULTS ANNUAL REPORT 2013-2014**

Councillor Doyle, Cabinet Member for Adult Social Care and Health, introduced the Annual Report produced by the Rotherham Safeguarding Adults Board.

The Safeguarding Annual Report was a key mechanism through which every member of the Safeguarding Adults Partnership assured itself that Safeguarding Adults activity had been carried out effectively and to the expected standard.

Cabinet Members welcomed the report and the activity that had been taking place.

Resolved:- That the Safeguarding Adults Annual Report 2013-14 be received and the contents noted.

### **C134 REVIEW OF NEIGHBOURHOOD CENTRES - FINAL RECOMMENDATIONS**

Further to Minute No. 29 of 6<sup>th</sup> August, 2014, Cabinet, Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, setting out proposals for the remaining nine Neighbourhood Centres and Borough-wide laundry and guest bedroom facilities following further consultation and usage analysis.

A thorough consultation exercise for each of the Neighbourhood Centres, including communal lounge areas, guest bedrooms and laundry facilities, had been undertaken to determine proposals relating to future use. The findings had been:-



- Retain one Centre – the Centre was only used six hours per week but operated at a surplus and the majority of tenants wanted to retain it. It was located within a deprived area where the Service would like to work with the existing Tenant and Residents Association to increase usage
- Decommission eight Centres – these Centres were not well used, most operated at a deficit and the majority of the tenants (on seven of the eight schemes) supported removal of the charge and an alternative use

The guest bedrooms would be removed from all facilities recommended for an alternative use. However, some of the laundry facilities may be retained if usage was above the proposed threshold. The Centres would be converted and re-let as Council homes to support housing need and demand subject to planning permission for a change of use. If planning permission was not granted that alternative options may have to be considered. Subject to the relevant approvals, the works would be phased with Centres already approved for conversion over a two year period (2015/16 and 2016/17).

The options for the proposed increase to the laundry charge were set out in the report submitted.

Informal discussions had been held with the Planning Service regarding the proposals for a change of use to residential units. There was a need to demonstrate that the existing community use was no longer required and that there was no other community use that could benefit from the building before considering allowing a change of use to residential. The Housing Service was able to justify that the community use was not viable based upon current usage and consultation feedback, however, there was a risk that planning permission would not be granted and alternative options would have to be considered. The units were located within older persons housing schemes and, therefore, future lettings would have to be sensitive towards the nature of the scheme with a relevant Local Lettings Policy being applied similar to lettings of former warden flats above centres.

It would be necessary to change the terms of the Tenancy Agreements if the communal facility was to be no longer available or changed to a nearby site. If the alternative facility was too far from the site or shared with properties of a different status, there may be a danger that they would lose their immunity from Right to Buy claims.

The Centres were currently operating at a deficit and there was no certainty that appropriate funding would be available to subsidise the units in future.

Cabinet Members welcomed the alternative arrangements that would be offered to tenants regarding the laundry service.

Resolved:- (1) That the proposals identified for each Centre in Appendices 1 and 2 and as detailed in the report submitted be approved, namely:-

- Retain one Centre
- Decommission 8 Centres for an alternative use subject to planning permission
- Increase the laundry charge to £1.60 with a minimum threshold of ten tenants resulting in the retention of twenty-nine facilities and removal of eighteen facilities
- Remove forty-three guest bedrooms for an alternative use
- Retain one guest bedroom and increase the charge to £10 per night

(2) That the removal of payphones within all Neighbourhood Centres be approved.

### **C135 1 SHAFTESBURY SQUARE, ST ANN'S**

Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, requesting the transfer/appropriation of No. 1 Shaftesbury Square, St. Ann's, from the General Fund into the Housing Revenue Account in accordance with Paragraph 175 of the Council's Financial Regulations.

The property concerned was a vacant disabled person's respite unit which was currently administered by Adult Services within the General Fund portfolio. The three bedroom bungalow was within a community of ten bungalows formerly supported by Grafton House. The Director of Adult Social Services had advised that the property was no longer required for its current purpose.

Two of the bungalows were currently vacant and needed to be allocated as soon as possible in order to avoid any further loss of rental and to help those people who were in desperate need of this type of accommodation.

Historically the properties had been let to single people and couples who received a care/support package from Grafton House. Now that the Grafton House service had ended a different approach was required to ensure the best use was made of the housing stock. It was proposed that the two empty bungalows (which included No. 1) be allocated to families with a disabled child(ren) or adults who were currently living in unsuitable homes.

Communication with the residents of the occupied bungalows and of the neighbouring Shaftesbury House was important in order to clearly explain the reasons for allocating the empty properties to families.

The remaining properties in the complex area were Housing Revenue Account properties.

Resolved:- (1) That the appropriation of No. 1 Shaftesbury Square, St. Ann's, from the General Fund to the Housing Revenue Account be approved as set out in the report submitted.

(2) That the Director of Legal and Democratic Services complete the necessary documentation.

(3) That the Director of Finance amend the Council's Asset Register and financial records accordingly.

### **C136 HOUSE BUILDING ON MULTIPLE HRA SITES**

Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, setting out proposals for over 150 residential development sites which had been identified across the Borough which were suitable for early delivery of a variety of house types and tenures.

The sites represented an important component of the Council's Housing Growth ambitions. To maximise the opportunity the Council had carried out a "Site Sifting" process to determine the most suitable shape and form of housing for each site.

The methodology used to carry out the site sifting was set out in the report submitted together with the initial results, analysis and a proposed delivery programme over the next three years. If approved, the proposals would generate New Homes Bonus and capital receipts to the Housing Revenue Account, new affordable and specialist housing and new homes for sale. There would also be a positive economic regeneration impact across the Borough.

If the proposed delivery programme was not supported the Council would lose the opportunity to create 987 new homes in areas of housing need. The value of assets could fluctuate and was very much dependent upon market conditions at the time of sale. It was uncertain at which point in the future the most difficult sites would become viable and generate a land receipt without further public funding support.

The site sifting process and the resulting draft New Housing Building Programme had been informed by information available at that time and, therefore, a number of assumptions had been necessary. As disposal plans and activity, such as site surveys and appraisal work, were completed new information and data may affect the final recommendations for a site.

Resolved:- (1) That the proposed delivery programme and the associated next steps, as set out in the report submitted, be approved.

(2) That the fourteen sites be disposed of to generate early wins.

(3) That the sixteen sites be offered to Registered Social Landlords to enable them to acquire the land for affordable housing development.

(4) That the Council commence the process of enabling custom built housing on identified Housing Revenue Account sites in the report submitted.

(5) That further work take place to develop a Local Authority new build programme as described in section 7.7 of the report submitted subject to financial constraints within the Housing Revenue Account business plan.

### **C137 DEVELOPER SELECTION TO BUILD ON MULTIPLE HRA SITES**

Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, setting out proposals for marketing seven Housing Revenue Account sites.

Following a review of Housing Revenue Account land it had been identified that there were advantages in clustering sites suitable for residential development and presenting them to the market as a more significant development opportunity than would otherwise happen if released in isolation. The analysis had identified that there were thirty-one sites which should be sold on the open market and forty-nine sites identified as being suitable for Specialist Social Housing or General Needs Social Housing. All the sites ranged in size and were spread geographically across the Borough.

The results of the soft market testing of releasing multiple sites had helped the Council understand market interest in the proposed approach and the advantages it would bring and how best to present the opportunity to the market.

If the proposals were supported, the associated development programme would represent an important component of the Council's housing growth ambitions, provide new housing that met local needs, have a positive regeneration impact and receive New Homes Bonus grant funding associated to the new housing.

Should the scheme be not supported it would result in a loss of £24.9 million investment in the immediate term and the lost opportunity to create fifty-eight new affordable homes in areas of housing needs.

An important driver for the scheme was to meet the demand for affordable housing in Rotherham and offer the opportunity for the Council to acquire eleven new dwellings that were of the size and type that met local demand. The Authority would also have the opportunity to acquire forty-seven Section 106 dwellings at 55% of market value if Housing Revenue account funding was available.

Resolved:- (1) That the Council procure a development partner via the Home and Communities Agency's Developer Partner Panel to undertake residential development across seven Housing Revenue Account sites.

(2) That the tender documents give developers the opportunity to set out their preferred working arrangements with the Council that met local housing needs and provided the best consideration for the Council.

(3) That a Tender Evaluation report be submitted on completion of the tender process setting out recommendations to appoint a developer partner.

### **C138 STRATEGIC ACQUISITIONS FOR SOCIAL HOUSING**

Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, on the progress made to acquire residential properties to be added to the Council-owned housing stock.

To date, the Authority had purchased twenty-one properties at a cost of £1,302,547 and made a commitment to purchase a further forty new homes on Whinney Hill, Dalton, and Barbers Avenue, Rawmarsh. The cost of purchasing the properties, including fees and stamp duty land tax, was £4,102,632.

Additionally, a further fourteen homes had been identified as suitable for acquisition ten of which would be built by Strata Homes at Wadsworth Road, Bramley, and four by Jones Homes at Worksop Road, Aston. The anticipated cost of the fourteen units would be £1,400,000.

There was a minimal level of financial risk to the Council if the developer failed to deliver the units but every possible safeguard would be put in place to protect the Council's interests.

In order to ensure that the new Council homes were compliant with the standards the Council would utilise the services of a Quantity Surveyor from the Land and Property Team who would agree the specifications, timetable and monitor the ongoing build programme and sign off the units as being compliant with standards which would trigger payments.

Resolved:- (1) That acquisition of the twenty-one new Council homes to date and a commitment to purchase up to forty more homes, achieving excellent value for money, be noted.

(2) That the contracts for an additional fourteen properties at Wadsworth Road, Bramley, and Worksop Road, Aston, as set out in the report, be finalised requiring up to an additional £1,400,000 allocation for the acquisitions.

**C139 99A KNOLLBECK AVENUE, BRAMPTON BIERLOW**

Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, seeking appropriation of No. 99a Knollbeck Avenue, Brampton Bierlow, from Economic Development Services to Neighbourhoods and Adult Services Housing Revenue Account.

The property was a vacant three bedroomed residential property located above retail units on Knollbeck Avenue. It had been empty for a considerable period of time and had been the subject of break-ins and was now in a poor state of repair. The appropriation would enable the funding of essential repairs and maintenance to enable the property to be let and managed as a Council home within the Council's Housing Service.

The cost of bringing the property back into use was estimated to be £55,000 from the Structural and One-Off Property budget in the Housing Revenue Account.

Resolved:- That the appropriation of No. 99a Knollbeck Avenue, Brampton Bierlow, into the Housing Revenue Account and brought back into residential use be approved.

**C140 LOCAL HIGHWAY MAINTENANCE CHALLENGE FUND: RMBC SCHEME BID**

Councillor Hussain, Cabinet Member for Environment Services, introduced a report by the Strategic Director of Environment and Development Services, outlining the Department for Transport's announcement on a Local Highway Maintenance Challenge Fund that local highway authorities could bid into for schemes that addressed local highway maintenance issues.

In accordance with the criteria, a strategic corridor scheme had been developed centred on the A630 that would benefit from the submission of a bid into the Fund. The bid consisted to two elements:-

- Major works to be carried out to Crinoline Bridge (A630) – value of works £5.8M (Rotherham's contribution should be £580,000)
- Major maintenance works on the A630 (strategic network) – value of works £5.8M (Rotherham's contribution should be £580,000)

Eligible highways authorities may submit a maximum of two bids, one small scheme (over £5M) and one large scheme (over £20M). The Fund was designed to help maintain existing local highways infrastructure. The A630 ran between Rotherham's boundary with Sheffield in the west through to the Doncaster boundary in the east, forming key strategic links to the M1 from Rotherham Town Centre, the Rotherham urban area and Waverley Advance Manufacturing Park. The A630 Centenary Way played

a critical role in managing traffic movements through and around the Town Centre forming part of both the inner and outer ring road.

Reactive maintenance on the route introduced delay to drivers and the structural weakness of Crinoline Bridge (near to the junction of A630 Centenary Way and the A6021 Drummond Street) would ultimately require weight restrictions or closures to be imposed if left unaddressed. This would impose significant diversions and delay to drivers, bus passengers and freight movements resulting in a major adverse impact on the Rotherham Town Centre and urban economy.

The total cost of the scheme was £11.6M and the total contribution to the Local Authority to the Local Authority, therefore, would be £1.16M. It was likely that at least part of the Council's contribution would need to be provided through prudential borrowing in addition to Council Capital Receipts. The Department for Transport contribution would be £10.44M.

There was no certainty that applications to the Fund would be successful.

The bid must be submitted by on 9<sup>th</sup> February, 2015 and on this basis a request had been submitted to the Mayor to exempt it from the call-in procedure.

Resolved:- (1) That the submission of a bid for the A630 Strategic Corridor Scheme to the Department for Transport's Local Highway Maintenance Challenge Fund (via the Combined Authority), as outlined in the report submitted, total cost £11.6M, be approved.

(2) That a contribution from the Council to the scheme of 10% (£1.6M) be approved.

(3) That it be noted that there would be no further contributions from the Department for Transport towards the scheme costs above their contribution of £10.44M (as set out in the bid) and that any expenditure above the estimated scheme cost (including contingency) of £11.6M rests with the Council.

(The Mayor exempted this item from call-in due to the deadline for submission of bids being 9<sup>th</sup> February, 2015.)

#### **C141 MAGNA TRUST LOAN RENEWAL**

Councillor Hoddinott, Deputy Leader, introduced a report by Strategic Director of Resources and Transformation, proposing the provision of a one year loan facility to the Magna Trust of up to £250,000. The existing £250,000 loan would be repaid by the 31<sup>st</sup> March, 2015, deadline before the new loan was taken out.

In accordance with her delegated powers, an urgent decision had been taken by the Chief Executive to provide an immediate additional loan facility of up to £100,000 to the Magna Trust. This represented an increase of up to £100,000 to existing one year loan facility of £250,000.

It was suggested that an independent consultant be appointed to undertake a review of Magna's business, to help to strengthen the Magna business plan and to assess the future viability of Magna and to give some assurances moving forward. On this basis it was suggested that the short term loan facility be deferred pending the outcome of the review.

Councillor Cowles asked if the numbers for Magna in their financial statements had been looked at because from his point of view only one conclusion could be drawn.

The Deputy Leader pointed out that appointment of an independent consultant to review Magna's current trading position would consider in detail their financial position, whilst taking account of opportunities for Magna moving forward

Resolved:- (1) That a short term Council loan facility to the Magna Trust of £250,000 be deferred.

(2) That the decision taken by the Chief Executive on 16<sup>th</sup> January, 2015, in accordance with her delegated powers, to provide Magna with an immediate additional £100,000 loan facility, to be drawn down by Magna on demonstration of need, be noted.

(3) That the appointment of an independent consultant to undertake a review of Magna's business, to help to strengthen the Magna business plan and to assess the future viability of Magna, be approved and a report be submitted back to the Cabinet in due course.

(Councillor Beck, Cabinet Member for Business Growth and Regeneration, declared a disclosable pecuniary interest in Minute No. 141 (Magna Trust Loan) on the basis that the Chamber of Commerce were members of the trust of Magna and left the room whilst the item was discussed)

#### **C142 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 I of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any person (including the Council)).



**C143 NEW APPLICATION FOR HARDSHIP RELIEF**

Councillor Hoddinott, Deputy Leader, introduced the report by the Strategic Director of Resources and Transformation which detailed an organisation which had applied for Hardship Relief under Section 49 of the Local Government Finance Act 1988.

Details about the company, their background, financial position and reason for the request were set out in detail as part of the report.

Resolved:- That the relief, in line with previous decisions and in accordance with the policy approved at Cabinet on 24th April, 2013, be refused on the grounds that there was no real evidence that assisting as requested would lead to the long term sustainability of the business.

**DEPUTY LEADER  
23rd January, 2015**

Present:- Councillor Hoddinott (in the Chair); Councillors Sims.

An apology for absence was received from Councillor Tweed.

**D33. MINUTES OF THE PREVIOUS MEETING**

Consideration was given to the minutes of the previous meeting held on 13<sup>th</sup> January, 2015.

Reference was made to Minute No. D30 – Page 4, Fifth Paragraph (Review of the South Yorkshire Police and Crime Commissioner Bi-Election) and suggested that the word “before” on the third line be removed.

In terms of the briefing note being prepared at Minute No. D31(2) (Individual Electoral Registration) this was to be circulated to all Elected Members before National Registration Day.

Resolved:- That the minutes of the previous meeting be approved as a correct record for signature by the Chairman.

**D34. WAIVER OF STANDING ORDERS FOR POST ABUSE CSE SUPPORT COMMISSIONED PROVISION AND FURTHER COMMISSIONS FOR VOICE AND INFLUENCE WORK**

Consideration was given to the report presented by David McWilliams, Director of Commissioning and Performance Management, which, following the findings of the Independent Inquiry into Child Sexual Exploitation in Rotherham (1997-2003) by Professor Alexis Jay, published August 2014, detailed the Council and partners’ response to ensure there was the right kind of support in place to meet the needs of victims and survivors of child sexual exploitation by increasing the capacity of voluntary and community sector services and organisations.

A fund of £120,000 was announced by the Leader of the Council in September, 2014 for an immediate response to support victims and survivors of Child Sexual Exploitation through the Council’s commissioned services.

The services already commissioned to date would cease at the end of March 2015, and it was proposed that this be extended until the end of June, 2015 and pro rata payments made accordingly to assist with the commissioning of longer term support for the next three to five years which would be informed by a Needs Analysis being led by Public Health. To ensure the Needs Analysis included learning from the immediate commissioned services it was proposed that the longer term three to five years’ services commence from the 1st July, 2015 and include the

comments from existing service users on how this provision should be tailored in the future, as referred to by the Chairman.

The voice and influence of victims and survivors was critical in ensuring that the right services were commissioned for the future, hence the requirement to extend the existing contracts to prevent any gap in provision.

Councillor C. Vines expressed his concern about the description of the provision extension and his confusion around whether the funds allocated in September, 2014 were grants or contracts and what service the Council were expecting or tendering.

The Director of Commissioning and Performance Management gave his assurance that the organisations in receipt of the funds had been commissioned against an agreed service specification apart from South Yorkshire Community Foundation, who were allocated funding to distribute through the voluntary and community sector.

In addition, a contingency fund of £11,319 was to be pooled with an additional £20,000 to be utilised for a specific commission to undertake consultation with victims and survivors of child sexual exploitation from a range of backgrounds, including BME, Roma and Asian communities to gain a better understanding of their experiences and how child sexual exploitation affected their communities. This work was scoped up and ready to be commissioned.

As the service provision was only provided up the end of March, 2015, an exemption from Contract Standing Orders was required to extend the current service provision to the end of June, 2015 to ensure the needs analysis was fully informed by learning from current commissioned services and the voice of victims and survivors and to ensure continued support whilst further provision was commissioned or existing services strengthened.

Councillor C. Vines found the terminology misleading, but was reassured contract management was in place with clear service specifications as to what the funds could be used for and regular contract management monitoring in place.

Councillor Parker sought clarification as to what the voice and influence work would entail with victims and survivors and whether this was information gathering

The Director of Commissioning and Performance Management explained that there was a need to engage directly with victims and survivors who have been affected by child sexual exploitation and which would inform the provision of service moving forward from 1<sup>st</sup> July, 2015.

Councillor Parker pointed out that many victims were still not coming forward because of their mistrust of the organisations involved and whilst provision was being made now via various organisations, what information was to hand to indicate how this money would be spent.

The Chairman explained that the scope of the work had been developed and organisations would be invited to bid for the funding. A panel would assess any bids received, which was a critical piece of work that fitted into the jigsaw.

The Director of Commissioning and Performance Management reiterated his assurance that this bespoke piece of work would attempt to fill the gaps in provision going forward and every effort should be made to make contact with those hard to reach communities that were yet to come forward.

In response to the concerns about this being a service specific piece of work, the details of the scope would be shared with Members of the Opposition, which would be informed by expert input.

The Chairman also pointed out that there had been a specific recommendation from the scrutiny focus groups that the voices of survivors must be listened to and the scope of this work was to address the gap.

Councillor C. Vines expressed his concern that four months after the publication of the Jay Report nothing appeared to be happening. There had been no arrests and despite the funds being made available to support tackling child sexual exploitation in Rotherham, children were still being abused. The needs analysis and its aims referred to in the report were not going far enough and there were still victims who were not being helped.

The Chairman asked whether Cllr C. Vines' concerns had been raised with the Police and was informed they had been.

Councillor Parker referred to a previous question he had asked at the Council Meeting relating to under age marriages within the Roma Community and the lack of information coming forward. He was informed the information was in the White Book and that whilst the bespoke work with the hard to reach communities would not specifically consider these elements, this would form part of the questioning and consultation with these hard to reach communities.

Resolved:- (1) That the proposal to waive Standing Order 47 (contracts valued at less than £50,000 should be tendered) in accordance with Standing Order 38 (exemptions from contract standing orders) be approved and the current child sexual exploitation commissioned service be extended to June, 2015 to ensure that the needs analysis continued to

be informed by the learning from current commissioned services and the voice of victims and survivors.

(2) That the Contingency Fund be allocated to undertake further voice and influence work with survivors and victims of child sexual exploitation to shape the current Needs Analysis and longer term provision.

(3) That £20,000 be pooled with the £11,319 Contingency Fund to commission further voice and influence work with victims, survivors and families, and incorporate a specific commission to gain further understanding of the effects of child sexual exploitation on minority ethnic groups and communities including Asian and Roma communities in Rotherham.

(4) That details of the Needs Analysis be circulated to Elected Members, but its outcome submitted back to a future meeting of the Deputy Leader and Advisers for consideration.

(5) That the scope of the specific consultation with the hard to reach communities be shared with Elected Members.

#### **D35. CHILD SEXUAL EXPLOITATION SUPPORT SERVICES STRATEGY**

David McWilliams, Director of Commissioning and Performance Management, gave an update on the progress of the Child Sexual Exploitation Support Services Strategy and the post abuse support.

The Strategy was broken down into four specific areas:-

- Marketing and Communication.
- Needs Analysis.
- Voice and Influence Work.
- Commissioning.

Jo Smith, Post Abuse Co-ordinator, who had been in post two weeks, gave a brief summary of her activity to date, which included visits to the post abuse support organisations as an initial evaluation of progress.

Contact had also been made with key organisations which would assist in the formation of the needs analysis, reporting directly to the CSE Sub-Group of the Local Safeguarding Children's Board. The work would develop the voice and influence plan and feed into forward and future service planning.

An event was also being planned with both statutory and commissioned services to discuss where each fitted into the jigsaw of provision for tackling and dealing with child sexual exploitation.

It was also noted that two meetings had already been arranged to develop a new management system, which would give clear definition to identify numbers and process allocations and would enhance transparency and information flows.

The Chairman also advised of Ministry of Justice funding which was a pot of £7 million that could be accessed to enhance existing services dealing with child sexual exploitation. A consortium led bid was, therefore, being developed.

Councillor Parker pointed out that it was now four months since the publication of the Jay Report and was informed that the transformation of service delivery took time.

Sue Greig from Public Health highlighted the provision of front line post abuse support services to victims and survivors of child sexual exploitation and the additional funds which had been used to provide additional capacity, especially at G.R.O.W. and the Rotherham Women's Counselling Service.

The needs analysis was intended to draw together the various funding provisions of different organisations and to understand where the unmet need was. Despite the perception by the public and the media, Rotherham was undertaking some very good work and every effort was being made to structure the spectrum of support available.

All partner agencies were to work together to understand the problem and to respond collectively. The voluntary and community sector had a very important role to play in this to ensure that the funds allocated to dealing with this issue were given a better chance to make a bigger difference.

The Chairman also confirmed the Clinical Commissioning Group had contributed £20,000 to the Rotherham Women's Counselling Service and discussions needed to take place with partner agencies to ensure funds were allocated accordingly to need.

As well as the voluntary sector, additional monies had been put into Youth Start as they had a record of reaching difficulties groups up to the ages of twenty-five and which involved some work with Roma girls.

There was also a programme of work with schools as part of the Healthy Schools initiative, which worked alongside some mobile phone apps, e-learning and pastoral support. How well this was targeted needed further evaluation. An example of a community awareness programme at Fleming Gardens was provided.

The Chairman suggested that it had been recognised by Scrutiny that there needed to be improved engagement with schools and this needed to be picked up as part of the Strategy.

The Director of Commissioning and Performance Management pointed out that the Strategy needed to include Police enforcement and this information needed to be collated and shared within schools.

One further gap in the Strategy was the Council's strategic post for Child Sexual Exploitation. A recruitment exercise was currently taking place and once an appointment had been made this would be beneficial.

Resolved:- (1) That officers be thanked for their respective updates.

(2) That the information be shared with Elected Members.

**D36. DATE AND TIME OF THE NEXT MEETING**

Resolved:- That the next meeting of the Deputy Leader and Advisers take place on Tuesday, 3<sup>rd</sup> February, 2015 at the slightly later time of 6.00 p.m. with a briefing at 5.30 p.m.

**DEPUTY LEADER**  
**3rd February, 2015**

Present:- Councillor Hoddinott (in the Chair); Councillors Sims and Tweed.

**D37. MINUTES OF THE PREVIOUS MEETING HELD ON 23RD JANUARY, 2015**

Consideration was given to the minutes of the previous meeting held on 23rd January, 2015.

Reference was made to Minute No. D34(2) – (Post Abuse Support) and the finalisation of the Post Abuse Strategy Needs Analysis document which would now be provided for Elected Members.

With regards to Minute No. D35 (Child Sexual Exploitation Support Services Strategy) it was noted that this information, as per Recommendation 2, had now been circulated to all Elected Members.

Resolved:- That the minutes of the previous meeting be approved as a correct record for signature by the Chairman.

**D38. FINANCIAL SYSTEMS MANAGED SERVICE RENEWAL - EXEMPTION FROM STANDING ORDERS**

Consideration was given to a report presented by Richard Douthwaite, Finance Manager, which sought an exemption from Standing Order 48.1 (requirement to invite three to six tenders for a contract with an estimated value of £50,000 or more) in order to contract directly with Advance Business Solution (ABS), as the proprietary provider of Cedar e5, in respect of providing a Managed Service for the hosting and support of the Council's financial systems and thereby enabling Financial Services and Procurement Services to deliver its services.

In July, 2011, the e5 and other financial systems were hosted with Advance Business Solution to enable Financial Services to deliver and underpin the objectives of the Financial Services' review and to support the Council's wider objective of delivering more for less without compromising the level or quality of services. As the contract was approaching its renewal date, October 2016, the Council's Procurement Service were asked to identify other suppliers capable of providing similar services with the aim of undertaking a full procurement exercise to introduce competition in to the process, allowing for sufficient lead in time to enable any resulting negotiations and implementation to take place whilst avoiding adverse impact on business critical activities such as close down and budget setting. Investigations have revealed that there were no other providers in the market place who were capable or have any experience of hosting and supporting the e5 system. The estimated annual value of the contract was £125.5k.



Additionally, approval was sought to publish a European Union (EU) Voluntary Ex-Ante Transparency (VEAT) notice for ten days which was to be published aiming at notifying suppliers of the fact that the Council did not plan to issue an invitation to tender thereby giving them the opportunity to make contact and offer their services prior to the contract being awarded.

The Chairman sought clarification on the period of the contract, the reason for the exemption from Standing Order request, the procurement process and confirmation of whether there were any other providers that could support the contract.

The Finance Manager confirmed the contract was for a period of five years and the reason for the exemption from Standing Order request was because current market testing had shown that alternative providers were unable to provide similar levels of support having no experience of supporting e5, which was confirmed by Procurement Services and Legal Services.

Investigations have also revealed that the market place was not mature enough to provide such an offering, with suppliers only able to provide the hardware platform, but were unable to provide the application support remarking that they would need to put a back to back contract in place with Advance Business Solutions to provide this support, ultimately leading to further complexity and increasing costs.

Councillor Sims, Adviser, sought advice on the contract renewal dates and whether the managed service contract and the financial systems contract aligned to each other to allow for a full tendering process in the future.

The Finance Manager reported that this contract only related to the managed service elements and would allow for an upgrade on the software solutions to include shared services in the future. There was scope in the future to look at the overall system to consider its overall viable functionality when the need arose.

The Chairman asked about current market testing which had shown that alternative providers were unable to provide similar levels of support and why a tendering process had not been pursued to confirm this. It was acknowledged that market testing had been undertaken, but confirmation in writing was required to confirm that the contract could not be delivered by any another supplier.

The Finance Manager explained about the process undertaken by Procurement Services to identify any other suppliers and it was noted that investigations have revealed that there were no other providers in the market place who were capable or have any experience of hosting and supporting this system. This was endorsed by Legal Services.

The current supplier had a proven track record of providing acceptable levels of support and system resilience and as current market testing had shown introducing a new supplier could inevitably introduce unacceptable levels of risk not only affecting the delivery of services by Financial Services and Procurement Services, but the Council's ability to manage its finances.

The Chairman asked for confirmation from the Finance Manager that Advanced Business Solutions were the only practical option for providing the service and this was confirmed by the Finance Manager. The Chairman also asked for confirmation from procurement and legal, by email, that they agreed with the proposed approach.

The Chairman asked for it to be noted that it was helpful and assuring that a VEAT notice was proposed to be issued

Resolved:- (1) That written confirmation be received from Procurement Services and Legal Services that there were no alternative providers who were able to provide similar levels of support and following confirmation an exemption from Standing Order 48.1 (requirement to invite three to six tenders for a contract with an estimated value of £50,000 or more) be granted and Advance Business Solutions be appointed to provide a ICT managed Service for Cedar e5.3 and ancillary reporting systems be approved for a period of five years.

(2) That a procurement exercise be undertaken at the end of the renewed contract to determine whether the market has matured.

(3) That negotiations be commenced immediately with Advance Business Solution to review current contract costs and services with the aim of achieving improved value for money.

(4) That the publication of an EU VEAT notice be welcomed as a safeguard and approved.

#### **D39. DATE AND TIME OF THE NEXT MEETING**

Resolved:- That the next meeting of the Deputy Leader and Advisers take place on Tuesday, 17<sup>th</sup> March, 2015 at the time of 4.30 p.m. with a briefing at 4.00 p.m.

**CHILDREN AND EDUCATION SERVICES**  
**12th January, 2015**

Present:- Councillor (in the Chair); Councillors Beaumont, Lelliott and Roche.

**F36. QUESTIONS FROM MEMBERS OF THE PUBLIC.**

A member of the public referred to a letter published in the Rotherham Advertiser from a parent of a child at Abbey School. The parent was concerned about her daughter's education as, for half of the time, the School was closed to children and no reason had been given. The member of the public stated that the Local Authority should ensure that Schools were open all of the time. For example, if children were absent because they had been taken on holiday, parents would end up being fined. If the School had to be closed, parents should be given specific reasons as to why it had been closed, not general reasons.

The Service Lead for School Planning, Admissions and Appeals (Schools and Lifelong Learning, Children and Young People's Services Directorate) was shortly due to meet with the Interim Executive Board at Abbey School and would pass this information on to them.

Councillor C. Beaumont, Cabinet Member for Children and Education Services, referred to the duty on the Local Authority and Schools to ensure the safety of children and young people and to inform parents and carers if this was not the case. She agreed that reasons for any instances of school closures did need to be provided for every closure.

The member of the public asked a supplementary question and referred to a pressure campaign to make Abbey School unviable. He was aware of a parent who had been pressured by the Associate Headteacher who had stated that the parent's child would have to be educated at home if they did not accept an alternative school place immediately. The member of the public felt that this type of pressure made a joke of the democratic and consultation processes. If the School lost more than 50% of its students it would be de facto shut. The Local Authority must ensure that parents are not put under pressure to move their children. If and when the School closed the pupils should be guaranteed a place at another school at that point.

The Service Lead for School Planning, Admissions and Appeals (Schools and Lifelong Learning, Children and Young People's Services Directorate) confirmed that no Officers of the Local Authority were saying this to parents and carers. All Officers were aware that this was a consultation process and the decision would be a political one. The Local Authority considered Abbey School as operational until a final decision was made by elected members in June. The Service Lead agreed to pass this back to the Interim Executive Board.

The Cabinet Member for Children and Education Services referred to the external consultant's report, which would also inform the consultation process.

A member of the public referred to different messages he was hearing with regards to the involvement of Mr. Burman in Abbey School. In previous meetings it had been shared that Mr. Burman had left from this position of responsibility. However, the same day Mr. Burman had attended a meeting in Abbey School and still retained an education influence at the School. The member of the public asked for correct information.

The Service Lead for School Planning, Admissions and Appeals confirmed that Mr. Burman was still the Executive Headteacher at Abbey School. The minutes of the meeting of the Cabinet Member for Children and Education Services of 8<sup>th</sup> December made reference to the Interim Executive Board (which has replaced the Governing Body), not the Executive Headteacher.

The Cabinet Member could not recall confirming this at any meeting, but agreed to look back carefully at the minutes of the meetings.

The member of the public stated the information was shared at meetings on 8<sup>th</sup> and 10<sup>th</sup> December, 2014.

**F37.       DECLARATIONS OF INTEREST**

No Declarations of Interest were made at the meeting.

**F38.       MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting of the Cabinet Member for Children and Education Services held on 8<sup>th</sup> December, 2014, were considered.

Resolved:- That the minutes of the previous meeting be agreed as an accurate record.

**F39.       CHILDREN AND YOUNG PEOPLE'S SERVICE REVENUE BUDGET MONITORING REPORT TO 30TH NOVEMBER, 2014.**

Consideration was given to the report presented by the Finance Manager for Children and Young People's Services and Schools (Financial Services, Resources Directorate) that provided a budget monitoring update on the Children and Young People's Service revenue budget to the end of March, 2015.

The budget monitoring report was based on actual income and expenditure to the end of November, 2014. Overall, the Directorate was projecting an over-spend outturn position of £4.262M, which was an increase of 9.8% of the total budget. The reported position at the end of

November was an increase of £233,000 since the October budget monitoring report.

The report gave the net budget and forecast outturn for each division of service within the whole Directorate, and any variations.

The main variances were outlined, along with the underlying reasons shown in the submitted report. The main areas of over-spend related to:-

- Academy conversions – treatment of deficits - £310,000 (previous provision had also been made in the 2013/2014 accounts);
- Child Protection Teams - £125,000;
- Children in Need Social Work Teams - £579,000;
- Looked After Children - £3,502,000.

Some of the overspends were off-set against under-spends in other areas as outlined in the submitted report.

The Adoption Reform Grant that was first received in 2013/2014 was reduced by £746k in 2014/2015. The grant significantly mitigated LAC budget pressures in 2013/2014 on a temporary basis.

As at the end of November, 2014, there were 409 Looked After Children, which was an increase of 7 since the October budget monitoring report and an increase of 9 as at March, 2014. The submitted report outlined the type of looked after children's placement, along with current and previous financial year costs, including whether they were based in Out of Authority Residential settings, and independent or in-house fostering settings.

The report also outlined the use of Special Guardianship and Residence Orders. There was a continuing push to secure permanency for some children via these routes rather than becoming or remaining looked after children. This sought to reduce the numbers of Looked After Children and also provide better outcomes for children and young people.

Management actions had contributed £698,000 of cost avoidance which would otherwise have been incurred. These related to a reduction in placement costs of £598,000, the Fostering Framework had achieved £48,000 of cost avoidance, the Block contract had avoided £52,000 and the multi-agency support panel and the Valuing Care review would identify potential areas for cost renegotiations and ongoing savings in 2014/2015.

Further information was provided in relation to:-

- Agency spend totalled £655,000 as at 30<sup>th</sup> November, 2014. This compared to an actual cost of £541,000 for the same period last year;

- Non-contractual overtime totalled £66,000 as at 30<sup>th</sup> November, 2014, excluding schools. This compared to an actual cost of £84,000 for the same point last year. The overspend related mainly to cover in Residential Units.

Discussion followed and the following issue was raised: -

- Working with Schools that were in the process of converting to be academies, especially in the cases where there would be a deficit balance for the Local Authority to pick-up.

Resolved: - That that latest financial projection against budget for the year on actual income and expenditure to the end of November, 2014, be noted.

**F40. ROTHERHAM'S INTEGRATED YOUTH SUPPORT SERVICE - QUARTERLY UPDATE.**

Resolved: - That this item be deferred to the next meeting for further information.

**F41. PROPOSAL TO MAKE A PRESCRIBED ALTERATION TO THE KILNHURST AUTISM RESOURCE CENTRE, HOOTON ROAD, KILNHURST**

The Service Lead, School Planning, Admissions and Appeals, submitted a proposal to enter a Pre-Statutory Consultation phase to transfer the Kilnhurst Autism Resource Unit from Kilnhurst Junior and Infant School to Milton School control.

The discontinuance or transfer of a SEN Unit attached to a Maintained 'mainstream' School was classed as a 'prescribed alteration' under the 'School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013' and, therefore, necessary to consult on the proposals including a 4 weeks representation period prior to implementation.

There were no cost implications to the proposal; the building, associated resources and staff employed at the Unit would be transferred from under the control/employment of Kilnhurst to the control/employment of Milton School. A Service Level Agreement would be implemented between the two Schools to ensure smooth transition and onward operation.

Resolved:- (1) That Pre-Statutory Consultation commence on the following proposals:-

- (a) To discontinue the Kilnhurst Autism Resource Centre as an annex of Kilnhurst Junior and Infant School;

(b) Transfer control of the Unit to become a Satellite Unit of Milton School.

(2) That a further report be submitted to the Cabinet Member with details of the outcome of the consultation.

**F42. PROPOSAL TO MAKE PRESCRIBED ALTERATIONS TO MILTON SCHOOL, STOREY STREET, SWINTON**

The Service Lead, School Planning, Admissions and Appeals, submitted a proposal to expand Milton School by the addition of the Kilnhurst Unit satellite. The DfE School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 required a formal Pre-Statutory and Statutory Consultation process to be undertaken where expansion was above 10% of an existing Special School roll or there is a change of age range or type of SEN provision. The proposed expansion of Milton School exceeded the threshold.

It was proposed:-

- To re-designate Milton School as a school for pupils with learning difficulties. It was proposed to extend its remit beyond its current role for pupils with moderate learning difficulties. This would support greater diversity and parental choice as well as enabling the Local Authority to provide more flexibility in and targeting of placement decisions
- To increase the Admission Number at Milton School from 100 to 120 pupils by placing the specialist unit at Kilnhurst Primary School under its management and governance

Specialist provision would continue to be funded from the High Needs Block. The overall cost of specialist provision was not anticipated to change as a result of the proposal. The proposal would improve the Local Offer and consequently may realise savings on current out-of-authority and specialist provider expenditure.

The proposed timelines for the Pre-Statutory Consultation was included in the submitted report.

Resolved:- (1) That Pre-Statutory Consultation commence on the proposal to make prescribed alterations to Milton School.

(2) That a further report be submitted to the Cabinet Member at the end of the consultation period.

**F43. TWO-YEAR OLD EARLY EDUCATION CAPITAL FUNDING PROPOSAL**

The Childcare Sustainability Manager (Early Years and Childcare Strategy, School Effectiveness Service, Children and Young People's Services Directorate), reported on proposals to revise the method of allocating future capital funding to ensure more early education places for 2 year olds were created in areas of need and to ensure stabilisation of the childcare market due to significant changes in the market.

The 2011 Education Act stated that all economically disadvantaged and looked after 2 year old children would be entitled to 570 hours free early education from September, 2013. From September, 2014, this had increased to include more low income families, children with a special educational need or disability (SEND) and children no longer looked after but not returned to their family e.g. adopted children). The DfE estimated that in Rotherham approximately 1,600 children from September 2014, would meet the eligibility criteria.

Cabinet had approved the capital strategy to deliver sufficient early education places to meet the statutory entitlement for 2 year olds (Minute No. 94 of the former Cabinet Member for Children, Young People and Families Services 13th March, 2013). It was originally intended to fund new places at a rate of £480 per new place created. To date 399 new places had been created across 14 providers (9 new providers created, 5 existing providers expanded) at a cost of £192,000. The childcare sufficiency analysis, which formed the basis of the original capital strategy, had been repeated in the Summer 2014 which had shown that the position had changed significantly due to a large increase of childminders who were now contracted to deliver early education places (19 to 81), the creation of new provision with support of the capital funding and the creation of new provision without capital funding.

The level of early education take-up by 2 year olds in Rotherham was one of the highest in the country with 78% of 2 year olds taking up a place in the Autumn term (compared to the national average of 55%).

In light of the above, it was proposed to revise the future allocation of capital funding:-

- Utilise the capital funding to make the necessary changes to Children's Centre buildings which will remain open in 2015/16
- Work with existing providers in geographical areas of need to identify potential to expand and fund them at a rate of £480 per new place created
- If, after 1 and 2 above, there was still a lack of capacity, open up opportunities for new provision to be created by either existing or potential new providers



- Retain capital funding into 2015/15 to ensure that further provision could be created if required following Summer 2015 childcare sufficiency analysis

Resolved:- That the proposal to review the 2 year old capital spend, as set out in the report submitted, be approved.

**F44. DATE AND TIME OF THE NEXT MEETING: -**

Resolved: - That the next meeting of the Cabinet Member for Children and Education Services take place on Monday 16<sup>th</sup> February, 2015, to start at 10.00 a.m. in the Rotherham Town Hall.

**CABINET MEMBER FOR THE ENVIRONMENT  
26th January, 2015**

Present:- Councillor Hussain (in the Chair); Councillors McNeely and Swift.

**G39. MINUTES OF THE PREVIOUS MEETING HELD ON 22ND DECEMBER, 2014**

Resolved:- That the minutes of the previous meeting of the Cabinet Member and Advisers for Environment held on 22nd December, 2014 be approved as a correct record for signature by the Chairman.

**G40. ENVIRONMENT AND DEVELOPMENT SERVICES - REVENUE BUDGET MONITORING 2014/15**

Consideration was given to a report, presented by the Finance Manager and the Principal Finance Officer on the performance against budget for the Environment and Development Services Directorate Revenue Accounts as at 31st December, 2014 and providing a forecast outturn for the whole of the 2014/15 financial year. Members noted the forecast outturn position of an under-spend of £455,000 for the Environment and Development Services Directorate, based on expenditure and income as at 31st December, 2014.

During discussion of this item, Members raised the following salient items:-

: the restructuring within the Council will eventually mean changes to the contents of the budget monitoring reports;

: budget pressures for Streetpride, especially affecting Winter maintenance expenditure (Members acknowledged the good support from Grounds Maintenance employees (especially in the Rawmarsh area) who were assisting with Winter maintenance duties during the current inclement weather conditions);

: the control of costs in respect of the use of temporary employees hired from Agencies;

: the control of costs of non-contractual overtime.

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

(2) That the latest financial projection against budget for 2014/15, based on actual income and expenditure to 31st December, 2014, as outlined in the submitted report, be noted.

(3) That the submitted report be referred to the Self Regulation Select Commission for information.

**G41. HUMAN RESOURCES ISSUES - UPDATE**

The Director of Human Resources reported on a number of issues including:-

: issues to be discussed at the meeting of the RMBC/Trades Unions Joint Consultative Committee to be held on Friday, 30th January 2015;

: implementation of the national pay award for local government employees with effect from 1st January 2015;

: payment of the Living Wage to some 1,900 employees of this Authority;

: the imminent publication of the corporate governance inspection report about the Authority;

: recruitment processes for the Authority's most senior management positions;

: the recent Office for Standards in Education (Ofsted) requirement for employees within Children's Services to undertake self-disclosure of any relevant convictions of household members.

Resolved:- That the information be noted.

**G42. 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 I of Schedule 12A to the Local Government Act 1972, as amended (information relating to the financial/business affairs of any person (including the Council) and is commercially confidential).

**G43. CONTRACT FOR OPERATED, NON-OPERATED PLANT AND TOOL HIRE**

Consideration was given to a report, presented by the Procurement Category Manager, concerning the evaluation of tenders for the four years' framework agreement for the supply of operated and non-operated vehicle plant and tool hire for the Authority. Details of the evaluation process were included within the report.

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

(2) That the tenders submitted by the thirteen companies now listed within the report, for the four years' framework agreement for the supply of operated and non-operated vehicle plant and tool hire for the Authority be accepted, on the terms detailed in the report now submitted.

(3) That the framework agreement shall begin on 1st February 2015, for an initial period of two years, with an option to extend the framework agreement annually for a period up to a maximum of four years ending on 31st January 2019, subject to annual monitoring and satisfactory performance.

(4) That the Council's forecast annual spending on this framework agreement, amounting to approximately £1,025,000 per year, based on current spending profiles, be noted and further reports be submitted to Elected Members in respect of any specific budget pressures identified during the period of this framework agreement.

**CABINET MEMBER FOR THE ENVIRONMENT  
10th February, 2015**

Present:- Councillor Hoddinott (in the Chair); Councillors McNeely and Swift.

**G44. MINUTES OF THE PREVIOUS MEETING HELD ON 26TH JANUARY 2015**

Resolved:- That the minutes of the previous meeting of the Cabinet Member and Advisers for Environment held on 26th January, 2015 be approved as a correct record for signature by the Chairman.

**G45. CONTRACT FOR THE SUPPLY OF WHEELED BINS AND CONTAINERS**

Consideration was given to a report, presented jointly by the Procurement Category Manager and the Waste Officer, concerning the evaluation of tenders for the four years' contract for the supply of wheeled bins and containers to the Authority. Details of the evaluation process were included within the report.

Members were informed of the proposal to appoint MGB Plastics (a supplier based at Rotherham's Barbot Hall industrial estate) for this contract for a period of up to four years. The report stated that the terms of this contract will require its renewal annually, subject to satisfactory supplier performance. The quality aspects which have been evaluated include Key Performance Indicators and Management Information, enabling the Authority to monitor and proactively encourage good performance from the supplier, throughout the four years' term of the agreement.

The need for urgent consideration of this item was in order to begin the contract without delay. Members were informed of the significant budget savings which will accrue from this contract.

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

(2) That the reason for the urgent consideration of this item be noted as the need to commence the contract as soon as possible, in order to achieve the budget savings which will accrue from the negotiated prices.

(3) That the tender submitted by MGB Plastics for the supply of wheeled bins and containers to the Authority be accepted, on the terms detailed in the report now submitted.

(4) That the contract shall begin on 1st March 2015 and shall last for a period of four years, with the contract being renewed annually, subject to monitoring and satisfactory supplier performance.

**ADULT SOCIAL CARE AND HEALTH**  
**26th January, 2015**

Present:- Councillor Doyle (in the Chair); Councillors Andrews and Pitchley.

**H44.       DECLARATIONS OF INTEREST**

There were no Declarations of Interest made at the meeting.

**H45.       MINUTES OF THE PREVIOUS MEETINGS**

Consideration was given to the minutes of meeting held on 8th and 19th December, 2014.

Resolved:- That the minutes of meetings held on 8<sup>th</sup> and 19th December, 2014, be approved as a correct record.

Arising from Minute No. H37 (Petition – Rotherham Deaf Future), it was noted that the member of staff who may be supporting the solution had returned to work and was progressing a response.

Arising from Minute No. H39 (Introduction of a New Approach to Mobile Technology into Rothercare (M-Care)), it was noted that a report would be submitted to the next meeting together with arrangements for a visit to Rothercare.

**H46.       HEALTH AND WELLBEING BOARD**

The minutes of the meeting of the Health and Wellbeing Board held on 3rd December, 2014, were noted.

Arising from Minute No. S44 (Better Care Fund), it was reported that a letter had now been received confirming that the Plan had been accepted.

**H47.       CONFERENCES**

Resolved:- (1) That the Chairman (or substitute) be authorised to attend the Health and Wellbeing Board Chairs Summit to be held in London on 25<sup>th</sup> March, 2015.

(2) That the Chairman (or substitute) be authorised to attend the Association of Directors of Social Services (ADASS) national conference to be held in Bournemouth on 16<sup>th</sup>-18<sup>th</sup> October, 2015.

**H48. SEXUAL HEALTH STRATEGY 2014 FRAMEWORK FOR DELIVERY 2015 - 2017**

Gill Harrison, Public Health Specialist, and Sue Grieg, Locum Consultant in Public Health, presented the Sexual Health Strategy for Rotherham.

In May, 2013, the Health and Wellbeing Board had recommended the reconvening of a multi-agency Sexual Health Strategy to produce an updated, comprehensive Strategy for Rotherham. The Group had first met in October, 2013, and a draft Strategy circulated for consultation in June, 2014. The Group had agreed the finalised Strategy in December, 2014.

The Department of Health's Framework for Sexual Health Improvement in England had set out the Government's ambitions for good sexual health and provided information about what would be needed to deliver good Sexual Health Services for commissioners and providers. It was felt that a comprehensive strategic approach to the commissioning and delivering of Sexual Health Services could help minimise risk in relation to control of infection and in tackling unintended teenage pregnancy.

A couple of comments had been made as part of the consultation on the Strategy with regard to strengthening the Strategy, links with Safeguarding and CSE and also with respect to vulnerable young people. Those changes had been made. In terms of links with the CSE Strategy and action plan they were very much consolidated. The last section of the Framework for Action was both cross referenced with the CSE Strategy and action plan as well as the Needs Analysis for the CSE Strategy being referenced as a key action. Attempts had been made to make the links without repeating the CSE Strategy.

Discussion ensued on the report with the following issues raised/clarified:-

- The Safeguarding Children's Board had been referenced in the Strategy
- Information contained therein regarding the Sexual Health Service and its commissioning cross referenced with the CSE action plan
- Any comments received from the consultation had been incorporated into the revised document. Comments had included the need to cross reference the Alexis Jay report, Safeguarding, young people welcoming the emphasis on the young person and increased emphasis on Looked after Children
- The revised document had been considered by the Core Strategy Group and the Clinical Commissioning Group Governing Body who had ratified the document. They had commented that they would wish to see specific actions underneath the Framework for delivery particularly looking at the commissioning role and the individual

groups' role for commissioning. Those comments would be taken on board during delivery of the Strategy

- There had been no reticence to become involved with the consultation
- Public Health worked with the School Effectiveness Programme to look at what they did. There were national guidelines and programmes on good sexual and relationship education which started from the point of self-esteem and good relationships. The national guidelines also spoke about the ages of children. The School concerned was the best placed to know their children; there was no hard and fast rule to say where, when and what
- There were standardised programmes of sexual education so Schools should be offering the same learning programme but how they actually facilitated it could be different e.g. could be work with the School Nurse or a teacher. There were set workbooks and educational work that were used and promoted
- Something that Ofsted looked at within their Framework

Resolved:- (1) That the Sexual Health Strategy for Rotherham be submitted to the Health and Wellbeing Board for ratification.

(2) That the report be submitted to the Cabinet Member for Children and Education Services for information.

(3) That the Senior Management Team consider possible reporting routes for the future.

#### **H49. CARE ACT 2014**

Shona McFarlane, Director of Adult Social Services, presented a proposed mechanism to manage the release of key information on the Care Act through a series of briefings.

The Care Act 2014 supported Legislation changes across Adult Social Care. A Care Act Steering Group had been established with a series of sub-groups and enabling groups with each taking responsibility for delivering on elements of the Act.

It was proposed that briefing notes be prepared and distributed to the Cabinet Member and Policy Advisors, partners and included on the intranet. There was to be a web page dedicated to the Care Act.

Resolved:- (1) That the mechanism of briefing notes to provide key information on the delivery of preparations for the Care Act 2014 be approved.



(2) That the briefing notes be included on the Care Act website.

#### **H50. ADULT SERVICES REVENUE BUDGET MONITORING - NOVEMBER 2014**

Consideration was given to a report presented by Mark Scarrott, Finance Manager (Neighbourhoods and Adult Services), which provided a financial forecast for the Adult Services Department within the Neighbourhoods and Adult Services Directorate to 31st March, 2015, based on actual income and expenditure for the period ending November, 2014.

It was reported that the forecast for the financial year 2014/15 was an overspend of £468,000 against an approved net revenue budget of £69.751m. The main budget pressures related to budget savings from previous years not fully achieved in respect of additional Continuing Health Care Funding plus recurrent pressures and increasing demand for Direct Payments. There were also delays on achieving budget savings proposals within Learning Disability Services.

Management actions were being developed with the aim of containing expenditure within the approved cash limited budget by the end of the financial year.

The first financial forecast showed there remained a number of underlying budget pressures. The main variations against approved budget for each Service area were as follows:-

##### **Adults General**

- This area included the cross cutting budgets of Workforce planning and training and corporate charges and was forecasting an underspend due to higher than anticipated staff turnover within the Contract and Reviewing Officers Team and the impact of the moratorium on training budgets

##### **Older People**

- Recurrent budget pressure on Direct Payments over budget. Client numbers had increased since April together with an increase in the amount of a number of care packages
- Forecast underspend on Enabling Care and Sitting Service based on current level of Service together with an underspend within Independent Sector Home Care which had experienced a slight reduction in demand since April
- Overspend on Independent Residential and Nursing Care due to delays in achieving the savings target for additional Continuing Health Care (CHC) income. Additional income from property charges was reducing the overall overspend
- Underspend within In-House Residential Care and Day Care Services due to vacancies pending restructure, additional income from self-funders together with Winter Pressures funding

- Planned delays on recruitment to vacant posts within Assessment and Care Management plus additional income from Health resulting in an overall underspend
- Overall underspend on Rothercare due to savings on maintenance contracts on the new community alarm units and supplies and services
- Underspends in respect of vacancies within Carers Service

#### Learning Disabilities

- Independent sector Residential Care budgets forecasting an underspend and realisation of continued work reviewing all CHC applications and high cost placements as part of budget savings target
- Forecast overspend within Day Care Services due to a recurrent budget pressure on external transport plus provision for 7 specialist transitional placements from Children's Services. This was being reduced slightly due to staff turnover higher than forecast
- Overspend in Independent Sector Home Care due to increase in demand over and above budget
- New transitional placements from Children's Services into Supported Living plus additional demand for Shared Lives was being offset by additional CHC and one-off funding resulting in an overall forecast underspend
- Delays in meeting approved budget savings on Contracted Services for Employment and Leisure Services had increased the overspend due to extended consultation to the end of the financial year
- Forecast pressure on changing the provision of residential care to delivering of Supported Living by RDaSH
- Staff turnover lower than forecast within In-house Residential Care reduced by saving on RDaSH administration support

#### Mental Health

- Projected underspend on Residential Care budget due to a reduction of 5 placements since April 2014 plus additional Public Health funding for substance misuse
- Reduced pressure on employee budgets due to lower than expected staff turnover plus review of night cover arrangements offset by underspend on Community Support and Direct Payments due to a review of a number of care packages plus additional Public Health funding

#### Physical and Sensory Disabilities

- Further increase in demand for Direct Payments in addition to a recurrent budget pressure and forecasting an overspend
- Efficiency savings on contracts for advice and information
- Independent sector Residential Care forecasting an underspend as 1 client was now supported by another authority
- Underspend on Independent sector Homecare as clients migrated to Direct Payments Scheme

- Slight underspends on Independent Day Care, therapy and equipment support

#### Safeguarding

- Increase in demand for assessments under Deprivation of Liberty Safeguards putting additional pressure on existing budgets
- Reduced by higher than anticipated staff turnover plus additional one-off income from Health

#### Supporting People

- Efficiency savings on contracts due to reduced activity and supplies and services budgets due to the moratorium on non-essential spend

Total expenditure on Agency staff for Adult Services to the end of November, 2014, was £130,961 (no off contract), a significant reduction compared with actual expenditure of £254,082 (no off contract) for the same period last financial year. The main areas of spend were within Assessment and Care Management Social Work Teams. There had been no expenditure on consultancy to date.

There had been £132,130 spent up to the end of November, 2014, on non-contractual overtime for Adult Services compared with expenditure of £273,472 for the same period last year.

Careful scrutiny of expenditure and income and close budget monitoring remained essential to ensure equity of Service provision for adults across the Borough within existing budgets particularly where the demand and spend was difficult to predict in a volatile social care market. A potential risk was the future number and cost of transitional placements from Children's Services into Learning Disability Services together with any future reductions in Continuing Health Care funding.

Regional benchmarking within the Yorkshire and Humberside region for the final quarter of 2012/13, showed that Rotherham remained below average on spend per head in respect of Continuing Health Care.

Discussion took place with the following issues raised and clarified:-

- The number of assessments under the Deprivation of Liberty Safeguards had increased from that of 2013/14. The backlog was being managed through the risk assessment process (using the national tool for risk assessments) and the 154 completed to date had gone through that process. The Strategic Leadership Team was to consider a report shortly requesting additional funding. The situation in Rotherham was replicated across the country
- All frontline services posts were fully recruited to immediately because of Care Quality Commission requirements. If recruitment was not possible, agency staff would be utilised. There was a constant recruitment process due to the turnover of staff

The Chairman thanked all those involved for their work in striving towards a balanced budget situation.

Resolved:- That the latest financial projection against budget for 2014/15, as now reported, be noted.

**H51. SETTING IN HOUSE RESIDENTIAL ACCOMMODATION CHARGES 2015/16**

Mark Scarrott, Finance Manager (Neighbourhoods and Adult Services) submitted proposals for increasing the charge to Service users for the provision of In-house Residential Care for the 2015/16 financial year to take account of inflation.

In accordance with its statutory duty, the Council was required to set a maximum charge for residential accommodation it provided in Local Authority homes for:-

- Those Service users who refused to provide details of their financial circumstances
- Those Service users who had been financially assessed according to their ability to pay and as a result were required to pay the maximum charge i.e. have savings/assets of more than £23,250
- Those Service users who were placed and financially supported by another Local Authority

All other Service users with savings of less than £23,250 would be financially assessed according to the income they received which was generally made up of retirement pension and/or other welfare benefits. Their charges would increase in line with welfare benefits increases of 2.5%

The proposed charges were as follows:-

**Homes for Older People**

It was proposed that the maximum charge for all Local Authority residential care homes was increased by 2.5% in line with the increase in welfare benefits.

The proposed charge based on the 2.5% would be £550 per week, an increase of £13.00 per week.

**Homes for Other Service User Groups**

The proposed revised charges for other Service user groups had limited immediate impact as there was currently only 1 client paying the full cost. The charges were set out at Appendix 1 of the report submitted.

Discussion ensued with the following issues raised/clarified:-

- Fees had always been raised in line with the increase in welfare benefits where individuals who received benefits had no access to capital or savings
- Once a Service user's capital fell below the £23,250 threshold there was a sliding scale of charges – the majority of Service users paid a reduced fee based on their financial assessment
- An individual that had very little income coming into care would be left with the personal allowance of £24.40 per week

Resolved:- That increase in the charge for In-house Residential Care Homes, as set out in the report now submitted, be approved with effect from April, 2015.

## **H52. EXCLUSION OF THE PRESS AND PUBLIC**

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

## **H53. REVIEW OF NON RESIDENTIAL SERVICE CHARGES**

Consideration was given to a report, presented by Mark Scarrott, Finance Manager (Neighbourhoods and Adult Services), containing proposals for increasing charges for non-residential services for 2015/16.

The Council has discretionary power to charge for non residential services and set a maximum amount and then carry out a financial assessment to test people's ability to pay. The Council cannot charge more than the actual cost of the service, including overheads.

The Consumer Price Index inflation rate as at September, 2014, was 1.2%.

The submitted report set out the proposed charges for Domiciliary Care, Day Care, Day Care Meal, Transport to Day Centres and Community Alarms.

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

(2) That with effect from 1 April 2015, the Domiciliary Care and Day Care charges be increased by 1.2%, as set out in the report submitted, be approved.

(3) That the charges for the provision of Transport to Day Centres be increase to £3.50 per return journey as agreed at the Cabinet member for Adult Social Care meeting on 25<sup>th</sup> February, 2013 (Minute No. H72(2)(f)) refers.

(4) That the charge for Day Care Meals for the 2015/16 financial year remain at their existing charge of £4.70.

**H54. FEE SETTING 2015/16 - INDEPENDENT SECTOR RESIDENTIAL AND NURSING CARE OF PEOPLE OVER 65 YEARS**

Consideration was given to a report presented by Jacqui Clark, Operational Commissioner, concerning proposals to increase the fees to the Independent Sector Residential and Nursing Care Providers (People Over 65 Years) for the financial year 2015/16.

Consultation had taken place with the sector from 8<sup>th</sup> September and a meeting held on 27<sup>th</sup> November with a 7<sup>th</sup> January, 2015, deadline for comments. No objections had been raised to the proposal.

The older persons' residential care market in Rotherham continued to face significant financial pressures. Council commissioners, in collaboration with the Care Quality Commission, Public Health and NHS partners, undertook periodic "Healthchecks" on care homes in addition to regular compliance work and the Home from Home assessment. An Older Peoples Residential Care Market Analysis was currently under construction.

The proposed 1.98% uplift figure for 2015/16 was based on a formula which took account of the average increase in minimum wage, the changes to pensions from October, 2015 and the Consumer Price Index as at September, 2014 (1.2%).

Resolved:- (1) That a fee increase for Residential and Nursing Care Homes for People Over 65 Years be approved of 1.98% for 2015/16, as set out in the report submitted.

(2) That a report be submitted on proposals for specialist (under 65 years) Care Home placement fees for 2015/16.

**CABINET MEMBER FOR BUSINESS GROWTH AND REGENERATION**  
**2nd February, 2015**

Present:- Councillor Beck (in the Chair); Councillors Whysall.

Apologies for absence were received from Councillors Sansome.

**I40. MINUTES OF THE PREVIOUS MEETING HELD ON 12TH JANUARY 2015**

Resolved:- That the minutes of the previous meeting of the Cabinet Member and Advisers for Business Growth and Regeneration held on 12th January, 2015, be approved as a correct record for signature by the Chairman.

**I41. ENVIRONMENT AND DEVELOPMENT SERVICES - REVENUE BUDGET MONITORING 2014/15**

Consideration was given to a report, presented by the Finance Manager, on the performance against budget for the Environment and Development Services Directorate Revenue Accounts as at 31st December, 2014 and providing a forecast outturn for the whole of the 2014/15 financial year. Members noted the forecast outturn position of an under-spend of £455,000 for the Environment and Development Services Directorate, based on expenditure and income as at 31st December, 2014.

During discussion of this report, Members raised the following salient items:-

- Asset Management, Audit and Insurance;
- Streetpride (possible pressures on the Winter maintenance budget, which are dependent upon weather conditions).

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

(2) That the latest financial projection against budget for 2014/15, based on actual income and expenditure to 31st December, 2014, as outlined in the submitted report, be noted.

(3) That the submitted report be referred to the Self Regulation Select Commission for information.

**I42. 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 I of Schedule 12A to the Local Government Act 1972, as amended (information relating to the financial/business affairs of any person (including the Council) and is commercially confidential).

**I43. ROTHERHAM TOWN CENTRE - BUSINESS VITALITY GRANT - VARIATION TO AWARD**

Further to Minute No. G59 of the meeting of the Cabinet Member and Advisers for Regeneration and Development, held on 7th October, 2013, consideration was given to a report, presented by the Business and Retail Investment Manager, concerning a request for the variation of the previous approval of a Business Vitality Grant for an applicant trading in a retail shop situated at High Street in the Rotherham town centre.

The report stated that the Town Centre Business Vitality Scheme is designed to encourage and support new independent niche retail businesses to open up in Rotherham town centre. Members were informed that the applicant business proposes to move into adjacent larger premises in April 2015, to develop the business further. As part of this proposed expansion, the applicant business also intends to begin a partnership and to share the premises with another town centre retailer.

Members noted the terms and conditions of the grant scheme and considered the suggestion that the applicant business be allowed to claim the remaining amount of the original Business Vitality Grant award and to utilise it against the rent for the new business property at High Street. The financial implications of this proposal were detailed within the submitted report.

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

(2) That the payment of the remaining balance of grant, awarded in October 2013, to the applicant now identified, be approved on the same terms as the original award, but instead shall be based upon the occupation of a different retail property at High Street, Rotherham, as described in the report now submitted.



**CABINET MEMBER FOR BUSINESS GROWTH AND REGENERATION  
20th February, 2015**

Present:- Councillor Beck (in the Chair); Councillors Sansome and Whysall.

**I44. MINUTES OF THE PREVIOUS MEETING HELD ON 2ND FEBRUARY, 2015**

Resolved:- That the minutes of the previous meeting of the Cabinet Member and Advisers for Business Growth and Regeneration held on 2nd February, 2015, be approved as a correct record for signature by the Chairman.

**I45. HERRINGTHORPE ATHLETICS STADIUM**

Further to Minute No. 11 of the meeting of the Cabinet Member and Advisers for Culture and Tourism held on 9th July, 2013, consideration was given to a report, presented by the Leisure and Community Services Manager, describing a proposal that the necessary operational budget for the Herringthorpe Athletics Stadium is reinstated from 1st April 2015 and that the identified saving be met by other areas of the Council's Leisure and Green Space service. The report stated that this proposal will facilitate the continued operation of the Athletics Stadium under the current opening hours (ie: the reduced hours introduced in 2013). The proposal also means that the facilities and opportunities afforded to the Rotherham Harriers Athletics club, schools and all the other user groups and individuals can be sustained and, subject to the necessary funding being available, ultimately developed.

Members noted that the intention would be for this head of account to remain within the base budget of the Leisure and Green Spaces service and continue to be the subject of the Council's usual annual budget review process. The current level of income and the potential for increased income, from use of the Athletics Stadium, were described in the report.

The implications of the closure of the Athletics Stadium were highlighted within the submitted report. It was also noted that any suggestion of developing the stadium and site further was currently on hold and would remain the case, pending consideration of any available or possible future funding options.

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

(2) That, after due consideration of the financial implications of this issue, the operational budget for the Herringthorpe Athletics Stadium shall be reinstated from 1st April 2015 and be funded by other budget savings within the Leisure and Green Spaces service.

**I46. FAIRS APPLICATIONS AND FAIRS CHARGES REVIEW 2015**

Further to Minute No. G130 of the meeting of the Cabinet Member and Advisers for Regeneration and Development held on 6th May, 2014, consideration was given to a report presented by the Markets Operations Manager concerning the annual review of fairs applications and charges, which had been carried out in accordance with the Council's audit requirements.

The review had included discussions with Showmen, who had expressed concerns about increasing operating costs and the possible need to reduce the number of operating days. Therefore, there was a proposal that the fees shall remain the same as those levied during the 2014/2015 financial year.

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

(2) That the dates and rental charges and other charges listed below be approved in respect of the fairs to take place on Council-owned land during 2015, such charges being the same as those levied in 2014:-

(a) Wath Bonfire Ground, five days from 26th to 30th March, 2015 and rental remaining unchanged at £200.00 per day;

(b) Victoria Park, Rawmarsh, four days from 16th to 19th April, 2015 and rental remaining unchanged at £238.00 per day;

(c) Spring Fair at Herringthorpe playing fields, four days from 14th to 17th May, 2015, with the rental to remain unchanged at £4,000.00;

(d) Kimberworth St. Paul's Fields, five days from 19th to 23rd June, 2015 and rental remaining unchanged at £94.00 per day;

(e) Clifton Park, Rotherham, (i) six days from 1st to 6th July, 2015; and (ii) six days from 26th to 31st August, 2015 and the rent for both fairs to remain unchanged at £1,664.00;

(f) Greasbrough Recreation Ground, four days from 3rd to 6th September, 2015 and rental remaining unchanged at £205.00 per day.

(g) Clifton Park, Rotherham, for the two days of the Rotherham Show on 12th and 13th September, 2015, with all charges remaining the same as in 2014;

(h) Wood Lea Common, Maltby, four days from 16th to 19th September, 2015 and rental remaining unchanged at £127.50 per day.

(3) That the enhanced Disclosure and Barring Service procedure, to ensure that safeguarding shall apply to the employees of all showmen, shall be implemented as part of the application process for the fairs listed at (2) above.

**I47. ROTHERHAM TOWN CENTRE - STREET MARKET ON TUESDAYS - CHARGES AND TRADING AREAS**

Further to Minute No. F36(5) of the meeting of the Cabinet Member and Advisers for Business Growth and Regeneration held on 12th January, 2015, consideration was given to a report, presented by the Markets Operations Manager, describing the proposed charges and allocation arrangements for the expanded Tuesday street market within the Rotherham town centre.

Members viewed a plan of the two trading zones within the town centre, showing Zone 1 (the streets closest to the Imperial Buildings and including Bridgegate) and Zone 2 (the area including Effingham Street and Howard Street).

Included within the report were:-

i) a proposal that the number of market stalls available in Zone 2 shall be increased, in view of the footfall of shoppers going to the Tesco supermarket, off Drummond Street; and that there also be an expansion of stalls in Zone 1, near to the Imperial Buildings;

ii) details of the market stall allocation measures, for the expanded Tuesday street market;

iii) current charges for town centre street market stalls, the stall rental income received by this Council and the proposed new charging structure for stalls; and

iv) details of the proposed six weeks' trial period, during which the regular market traders will be afforded the opportunity of relocating their business to an alternative market stall within the town centre and enabling new traders to be attracted to the street market.

During discussion of this item, Members asked that officers should investigate whether the enhanced Disclosure and Barring Service procedure ought to apply to market stallholders and their employees. OfficerS were asked to submit a report to Elected Members, on this issue, in due course.

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

(2) That the scale of charges for the rental of stalls at the Tuesday street market within the Rotherham town centre, ie: either Zone 1 (£10.00 for a pitch), or Zone 2 (£19.90 or £33.75 for a pitch), as detailed in the report now submitted, be approved.

(3) That the revised street market trading zones within the Rotherham town centre, as shown on the plan displayed at the meeting, be approved.

(4) That the provision of the additional trading areas in Zone 1, surrounding the Imperial Buildings, be approved.

(5) That the six weeks' initial trial rate, to attract traders to the Tuesday street market, be approved.

**I48. 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 I of Schedule 12A to the Local Government Act 1972, as amended (information relating to the financial/business affairs of any person (including the Council) and is commercially confidential).

**I49. ROTHERHAM TOWN CENTRE - BUSINESS VITALITY GRANT - VARIATION TO AWARD**

Further to Minute No. G46(3) of the meeting of the Cabinet Member and Advisers for Regeneration and Development, held on 2nd September, 2013, consideration was given to a report, presented by the Business and Retail Investment Manager, concerning a request for the variation of the previous approval of a Business Vitality Grant for an applicant trading in a retail shop situated at Corporation Street in the Rotherham town centre.

The report stated that the Town Centre Business Vitality Scheme is designed to encourage and support new independent niche retail businesses to open up in Rotherham town centre. Members were informed that the applicant business proposes to move a double unit/stall on the ground floor of the Rotherham Indoor Market at the beginning of April 2015, to develop the business further. As part of this proposed relocation, the applicant business will surrender the lease of the existing business premises. The reasons for the proposed relocation were listed in the report.

Members noted the terms and conditions of the grant scheme and the financial implications of this proposed relocation were detailed within the submitted report.

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

(2) That the payment of the remaining balance of grant, awarded in September 2013, to the applicant now identified, be approved on the same terms as the original award, but instead shall be based upon the occupation of a different retail unit/stall at the Rotherham Indoor Market, as described in the report now submitted.

(3) That, in accordance with the original grant offer, payment contributions shall cease in October, 2015.

**CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS  
2nd February, 2015**

Present:- Councillor Godfrey (in the Chair); Councillors N. Hamilton and Wallis.

**J101. MR. JOHN BRAYSHAW, PRINCIPAL OFFICER, HOUSING, ASSET MANAGEMENT AND NEIGHBOURHOOD SERVICES**

The Director for Housing, Asset Management and Neighbourhood Services, informed the Cabinet Member about the sad death of Mr. John Brayshaw, Principal Officer, who had recently passed away whilst in service.

John had worked for the Council and had made a positive and lasting contribution to the organisation. He would be missed by all.

**J102. DECLARATIONS OF INTEREST**

No Declarations of Interest were made.

**J103. MINUTES OF THE PREVIOUS MEETING HELD ON 12TH JANUARY, 2015**

The minutes of the previous meeting of the Cabinet Member for Safe and Attractive Neighbourhoods held on 12<sup>th</sup> January, 2015, were considered.

Resolved: - That the minutes of the previous meeting be agreed as a correct record.

**J104. MINUTES OF THE PREVIOUS MEETING OF AREA ASSEMBLY CHAIRS HELD ON 19TH JANUARY, 2015**

The minutes of the previous meeting of the Area Assembly Chairs held on 19<sup>th</sup> January, 2015, were noted.

**J105. HOUSING INVESTMENT PROGRAMME 2014/15 UPDATE**

Consideration was given to the report presented by the Director for Housing, Asset Management and Neighbourhood Services (Environment and Development Services Directorate), that provided an update on the Housing Investment Programme, 2014/2015, to the end of December, 2014. The report provided budget monitoring updates on each of the headings within the overall programme, the original budget, the forecast and the variance.

To December, 2014, the budget was reporting a decrease in spend of £34,898,825, against the original 2014/2015 budget of £35,004,000.

Large variations where spend was exceeding budget by a large amount related to the Refurbishment, Empty Homes, Lady Oak Flats Environmental Improvements and Non-traditional Investments.

Discussion followed and the following questions were raised: -

- The Local Authority's policy of installing walk-in showers in empty bungalows. Following contact from a member of the public, the Cabinet Member for Safe and Attractive Neighbourhoods asked whether there would be a programme of installations throughout the Council's housing stock? - The Director referred to advice taken from Occupational Therapy, the need to retain public choice – many tenants would opt to retain a bath, for example – and the likely costs involved;
- Private Sector adaptations – a review was ongoing;
- HCA new builds.

Resolved: - That the report be received and its content noted.

**J106. HOUSING REVENUE ACCOUNT BUDGET MONITORING REPORT 2014/2015**

Consideration was given to the report presented by the Neighbourhoods and Adult Services Finance Manager that presented a forecast outturn position for the 2014/2015 Housing Revenue Account (HRA) based on actual income and expenditure to end of December, 2014.

Overall, it was forecast that the HRA would outturn on budget with a transfer to the working balance (reserves) of £0.693million, a reduction of £2.133m against the approved budget. The net cost of the Service was a surplus of £9.136 million before interest and a contribution to Capital.

The submitted report outlined the considerations taken into account when monitoring the budget, including the Revenue Contribution to Capital costs, interest received, debt management costs and cost of capital charges.

Only Debt Management Costs were forecast to be slight higher than budgeted.

Resolved: - That the report be accepted and the latest financial projected outturn based on forecasts to end of December, 2014, be noted.

**J107. NEIGHBOURHOODS GENERAL FUND REVENUE BUDGET MONITORING 2014/2015**

Consideration was given to the report presented by the Neighbourhoods and Adult Services Finance Manager that presented a forecast outturn position for the 2014/2015 General Fund Revenue based on actual income and expenditure to end of December, 2014.

The forecast for the financial year was an overall underspend of £761,000 against an approved net revenue budget of £1.513million.

The submitted report outlined the new budget available for each Service Area, the forecast outturn, the variance from the net budget and the percentage variation.

The net budget had increased by £846,000 since the previous report due to the restructure that had incorporated the Community Cohesion Service Area. Housing and Community Services had been renamed Housing and Estate Services.

The Strategic Housing and Investment Service was the only Service Area projecting a budget pressure of £64,000. The over-spend related to anticipated write-offs, staffing budgets, outstanding debts and a shortfall of projected income.

Resolved: - That the report be received and the latest financial projection to the end of December, 2014, against the budget for 2014/2015 be noted.

**J108. MEMBERS COMMUNITY LEADERSHIP FUND - FLEXIBILITY TO CARRY FORWARD UNDER-SPEND**

Consideration was given to the report presented by the Director for Housing, Asset Management and Neighbourhood Services, that outlined the current position relating to expenditure of the Community Leadership Fund in 2014/2015.

The submitted report outlined the purpose of the Community Leadership Fund. The balances for each Elected Member as at 27<sup>th</sup> January, 2015, were included in the report.

Elected Members had the option to carry-forward funding an allowance of up to £1,000 per year. At the end of the 2013/2014 financial year 80% of Members opted to carry-forward monies, the majority between £200-300. At the end of the 2013/2014 financial year, any under-spends lost from Elected Members would be recovered into a One Town Once Community small grants panel that organisations could submit a bid towards.

The Cabinet Member for Safe and Attractive Neighbourhoods requested that Elected Members with current balances of above £1,000 be written to urging them to spend their allocation before the end of the financial year.

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

(2) That a maximum carry-forward of £1,000 per Elected Member into the 2015/2016 financial year be approved.



(3) That Elected Members with a balance of greater than £1,000 be written to explaining the arrangements.

**J109. HOUSING AND NEIGHBOURHOODS PERFORMANCE INDICATOR REPORT - QUARTER 3 2014/2015**

Consideration was given to the report presented by the Director for Housing, Asset Management and Neighbourhood Services that provided a performance indicator report for Quarter 3 in relation to Housing and Neighbourhoods.

The performance indicators were organised by each Corporate Plan Priority and were assessed and given a RAG rating.

Thirteen of the fifteen performance measures were on track. The two failing measures related to the number of households living in temporary accommodation and rent collection and tenant arrears. Commentary was provided in relation to each Red rated performance: -

- **Measure Ref No. 11 (NAS 77) - Current tenant arrears as a percentage of the annual rent debit**

The outturn for December 2014 was higher than the control target and was equivalent to around £570,000.

Arrears recovery had been significantly affected due to the database system being off-line for around 5 consecutive weeks so that only basic arrears recovery actions could be undertaken during that time.

The roll-out of Universal Credit was also likely to negatively affect this outturn.

The submitted report outlined the actions that had been put in place to improve performance.

- **Measure Ref No. 12 (NAS 82) – Number of households living in temporary accommodation**

There had been an increase in the number of households living in temporary accommodation since Quarter 1. However, numbers in Rotherham were still low in comparison nationally.

Households leaving Home Office accommodation continued to be the largest cohort.

Over 500 households had been prevented from becoming homeless since April.

Resolved: - That the report be received and its content in relation to performance monitoring to the end of Quarter 3, 2014/2015, be noted.

**J110. EXCLUSION OF THE PRESS AND THE 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 those paragraphs, indicated below, of Part 1 of Schedule 12A to the Local Government Act 1972.

**J111. REVIEW OF GRANT ARRANGEMENTS FOR SUPPORTED TEMPORARY ACCOMMODATION FOR HOMELESS FAMILIES AND YOUNG PEOPLE**

Further to Minute No. J83 of the meeting of the Cabinet Member for Safe and Attractive Neighbourhoods held on 1<sup>st</sup> December, 2014, the report now presented by the Director of Housing, Asset Management and Neighbourhood Services, outlined the options available relating to the current grant arrangement with the South Yorkshire Housing Association who provided supported accommodation to people who would otherwise be homeless.

Three options were presented for the future operation of the Service.

Resolved: - (1) That the current grant arrangement for 28 properties currently leased to South Yorkshire Housing Association (supported by Rush House and Target Housing) be ended.

(2) Renew the 28 leases by charging market rent to South Yorkshire Housing Association.

(Exempt under Paragraph 3 of the Act – Information Containing information relating to the financial or business affairs of any particular person, including the authority holding that information).

**J112. OBJECTIVE ONLINE SOFTWARE SUPPORT AND MAINTENANCE (LOCAL PLAN CONSULTATION PORTAL)**

Consideration was given to the report presented by the Senior Research and Spatial Analysis Officer (Environment and Development Services Directorate) that outlined the tendering process that had been undertaken in relation to the software that the Council used for the preparation, publishing, on-line consultation and examination of the Local Plan. The Council used Objective Online for this provision.

Investigation of the marketplace had led the Council's IT Service and Procurement Team to conclude that the current supplier, Objective Online, was the only provider that had the features and ability to meet the Council's statutory duty. All staff were fully trained, it posed no risks and was the market leader. Objective Online would provide continuity for both the Council and the public users of the system.

Resolved: - That the contract for support and maintenance of the Objective Online software be exempt from the provisions of Standing Order 47.6.2 (requirement to invite at least 2 oral or written quotations for contracts with a value of between £5,000 and £20,000) and the contract be awarded to Objective Corporation UK Ltd.

(Exempt under Paragraph 3 of the Act – Information Containing information relating to the financial or business affairs of any particular person, including the authority holding that information).

**J113. STAGE 3 COMPLAINT PANEL**

The outcome of the Stage Three Complaints Panel held on 23<sup>rd</sup> January, 2015, and comprised of Councillors Buckley (in the Chair), Ellis and Whysall was noted.

(Exempt under Paragraph 2 of the Act – information which is likely to reveal the identity of an individual).

**J114. DATE AND TIME OF NEXT MEETING**

Resolved: - That the next meeting take place on Monday 2<sup>nd</sup> March, 2015, to start at 10.00 a.m. in the Rotherham Town Hall.

**CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS**  
**13th February, 2015**

Present:- Councillor Godfrey (in the Chair).

Councillor Reeder was in attendance at the invitation of the Chair.

Apologies for absence were received from Councillor N. Hamilton.

**J115.       DECLARATIONS OF INTEREST.**

There were no Declarations of Interest made at this meeting.

**J116.       LOCAL PLAN EVIDENCE BASE - JOINT SHEFFIELD AND  
ROTHERHAM EMPLOYMENT LAND REVIEW**

Consideration was given to a report, presented by the Senior Planner, proposing an exemption from Standing Orders 47.6.2 and 47.6.3 to allow the appointment of consultants Nathaniel Lichfield and Partners to undertake a Joint Sheffield and Rotherham Employment Land Review.

The report stated that Rotherham's key employment and business evidence base, which supported preparation of the Local Plan Core Strategy, is the 2010 Employment Land Review, which was produced in-house. This document is now out-of-date and requires updating in order to ensure that the Local Plan Publication Sites and Policies document is based on robust evidence.

The opportunity has arisen to work with Sheffield, to update its own 2013 Employment Land Review, which would be expanded to include data, analysis and assessment for Rotherham in addition to Sheffield. Both Councils require a robust evidence base regarding employment land. In compliance with the National Planning Policy Framework, this proposed Employment Land Review would provide a joint evidence base across Rotherham and Sheffield, which has been previously identified as a single economic area.

The cost of the study for Rotherham is expected to be a maximum of £15,000 and will be met from the Planning Policy budget

It was envisaged that the Employment Land Review document will be prepared and available during early May 2015.

Members were informed of the timing of preparation of this Review, in terms of the publication of the Growth Plans, both for Rotherham and for the Sheffield City Region, as well as the economies of scale available from the procurement of this contract jointly with the Sheffield City Council.

The Cabinet Member agreed to consider this item, as being both essential and a matter of urgency, on the basis that there are significant financial savings achievable if the Employment Land Review is commissioned jointly with Sheffield City Council and in order to meet the agreed timescales for progress with the Local Plan.

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

(2) That the proposed appointment of Nathaniel Lichfield and Partners, to undertake a Joint Sheffield and Rotherham Employment Land Review, shall be exempt from Standing Orders 47.6.2 (requirement to invite at least two oral or written quotations for contracts with an estimated value of £5,000 but less than £20,000) and 47.6.3 (requirement to invite at least three written quotes for contracts with a value of between £20,000 and £50,000).

(3) That the expenditure, by this Council, on this contract shall not exceed £15,000.

**AUDIT COMMITTEE**  
**18th February, 2015**

Present:- Councillor Sangster (in the Chair); Councillors Cowles, Kaye and Sharman.

**N28. MINUTES OF THE PREVIOUS MEETING HELD ON 19TH NOVEMBER 2014**

The minutes of the previous meeting of the Audit Committee held on 17<sup>th</sup> September, 2014, were discussed.

Resolved:- That the minutes of the previous meeting be accepted as a correct record.

**N29. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2015/16 TO 2017/18**

Consideration was given to a report presented by Derek Gaffney, Chief Accountant, 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 2015/16 to 2017/18.
- 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.

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 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 remain 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 2014/15 and 2015/16 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.

Further information was provided on the effect on the counterparty list of the transfer to the NatWest Bank following the Co-operative Bank's decision to withdraw from banking services to Local Authorities.

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.

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 2014/15 Strategy; the maturity structure detail had been maintained; and the investment limits beyond 364 days have been maintained to reflect the continued investment strategy.

An update was also provided on the current investments of the Council and the how the Treasury Management and Investment Strategy sought to minimise the risks in operating the Treasury Management function during these difficult economic and financial conditions.

Resolved:- That Cabinet be asked to recommend to Council:-

(1) The approval of the Prudential Indicators and limits for 2015/16 to 2017/18 contained in Appendix A to the report.

(2) The approval of the Minimum Revenue Provision Statement contained in Appendix A which sets out the Council's policy on Minimum Revenue Provision.

(3) The approval of the Treasury Management Strategy for 2015/16 to 2017/18 and the Authorised Limit Prudential Indicator (Appendix B).

(4) The approval of the Investment Strategy for 2015/16 to 2017/18 (Appendix B – Section (e) and Annex B1).

### **N30. EXTERNAL AUDIT PLAN 2014/15**

Consideration was given to a report presented by Derek Gaffney, Chief Accountant, and Rashpal Khangura and Debra Chamberlain, KPMG, describing the KPMG External Audit Plan (included as an appendix to the submitted report) which set out the proposed external audit work to be undertaken to form an opinion on the Council's financial statements and to conclude on whether the Council has arrangements in place to secure value for money in the use of its resources.

Section 3 of the External Audit Plan summarised the key stages KPMG would carry out in their audit of the financial statements and Section 4 set out the areas of focus during the audit in forming their opinion on the Financial Statements. The 4 areas to be reviewed were:-

- Child Sexual Exploitation claims
- Accounting for school assets used by Local Authority maintained schools
- Digital Region closure costs
- The Council's new banking arrangements

KPMG's approach to reaching their Value for Money conclusion was set out in Section 5 with the 2 key themes being:-

- The Council's financial resilience to manage effectively its financial risks and opportunities and sustain a stable financial position
- How effectively the Council challenged its arrangements to secure Value for Money and prioritise resources by , for example, improving productivity and efficiency and achieving cost reductions

At the present time, KPMG had yet to complete their initial risk assessment for the Value for Money conclusion as they had not yet concluded their work on the 2013/14 Value for Money conclusion. Their Value for Money audit approach required them to consider findings from other inspectorates and review bodies. The independent inquiry into Child Sexual Exploitation and the Corporate Governance Inspection reports were currently being reviewed to ascertain how they might impact on the Value for Money conclusion for 2013/14. The initial risk assessment for the 2014/15 Value for Money conclusion would then be undertaken.

It was hoped to report the outcome to the next meeting of the Committee.



The 2014/15 audit fee of £186,300 was based on KPMG's assessment of the level of risk. However, changes to the Plan and the fee may be necessary if significant new audit risks emerge or KPMG's expectations were not met.

The Audit Commission had confirmed the re-appointment of KPMG for a further 2 years (2015/16 and 2016/17) which may be extended by a further 3 years to 2020. The DCLG had indicated it would make a decision on whether or not to extend in the Summer of 2015.

Discussion ensued on the future of the Audit Committee and the role of the Commissioners. From KPMG's perspective they would be seeking an understanding of entity level controls in that their audit was based on a Local Authority with Financial Regulations, Standing Orders etc. If that situation changed, there needed to be an understanding of the environment and any risks identified.

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

(2) That KPMG's External Audit Plan 2014/15, as now submitted, be approved insofar as the Audit Committee is concerned and the proposed areas for audit, now identified, be noted.

#### **N31. EXTERNAL AUDIT 2013/14 GRANTS LETTER**

Consideration was given to a report presented by Derek Gaffney, Chief Accountant, and Rashpal Khangura, KPMG, which advised the Audit Committee of the matters arising from the external audit of the Council's 2013/14 Government grants and returns.

The report provided a summary of KPMG's key findings from the certification work they have carried out in 2013/14.

The main findings were:-

- KPMG were required to audit three claims and returns in 2013/14 with an aggregate value of £102 million and issued a qualification certificate for one return and unqualified certificates for the remaining two grants and returns.

Several issues lead to qualification and amendment of the Housing Benefit subsidy claim mainly attributable to benefit assessor inputting errors. The impact of the subsidy of the majority of the errors, however, was expected to be minimal. The qualification issue related to the claim including payment runs made on 1<sup>st</sup>, 2<sup>nd</sup> and 4<sup>th</sup> April, 2014, and these payments were for periods linking two financial years and should be claimed in the year in which the payment was made, therefore, should have been included in the 2014/15 claim irrespective of the fact the payment made related to 2013/14. KPMG had previously commented that this grant was a

very complex and high value grant (£92 million 2013/14).

- The Council had good arrangements in place to ensure the efficient and effective preparation and submission of claims and returns and which supported the audit process. In particular, working papers were of a good standard and officers responded promptly to audit queries.

These positive findings demonstrated that the Council continued to maintain the high standard achieved in recent years.

The Audit Commission's indicative 2013/14 grant fee for the Council was set at £20,000, however, the actual fee charged varied from the original indicative amount due to changes in the following requirements and resulted in the following budget pressures:-

- The Local Transport Plan – Major Projects Grant was not included in the original indicative figure resulting in an increase of £1k
- The Pooling of Housing Capital Receipts had an increase of £0.5k due to the requirements to undertaken both Part A and Part B testing which was required every three years
- The Housing Benefit subsidy claim included a fee increase of £2.7k due to the requirement to undertake additional testing

Resolved:- (1) That the external auditor's report be noted.

(2) That, whilst the fees increased for carrying out grant certification work due to additional testing requirements, the Council had sustained good performance in both preparing and submitting its 2013/14 grant claims and returns.

### **N32. REVIEW OF PROGRESS AGAINST THE INTERNAL AUDIT PLAN FOR THE NINE MONTHS ENDING 31ST DECEMBER 2014**

Consideration was given to a report presented by Marc Bicknell, Chief Auditor, which provided a summary of Internal Audit work and performance for the nine months ending 31st December 2014.

Progress on the Plan remained slightly below target for a variety of reasons including the loss of one member of staff through Voluntary Severance and another on maternity leave. The extended scope of some pieces of work had had an impact together with examination of issues highlighted within the Jay Report which had included specific work on the Council's Home to School Transport contracts, Risky Business project and the 'Key Players' Group.

By prioritisation of the audit activity, careful management of resources and the utilisation of additional temporary staff, it was the expectation to have a sufficient body of audit evidence to form an opinion on the Council's control environment.

The Corporate Governance Inspection had highlighted a number of fundamental weaknesses in the Council's governance arrangements. These were being assessed from an audit perspective and it should be noted that the likelihood of some of the matters being referenced in the annual audit opinion.

Appendix A of the report submitted showed the audit reports issued during the first nine months of the year. Audit findings in most areas indicated that satisfactory control arrangements were in place and testing confirmed that the controls were operating effectively during the period under review. Notwithstanding this, the work showed that there were opportunities to strengthen arrangements in some of the areas and implementation of Internal Audit's recommendations for improvement would reduce the Council's exposure to risks.

Three areas had required reporting as 'inadequate':-

- CYPS – Contract for School Improvement Activity
- EDS – Highways Final Accounts Arrangements
- EDS – Blue Badge Scheme

Discussion ensued on the report with the following issues raised:-

- The significant upsurge in responsive work since the publication of the Alex Jay and Louise Casey reports. There was a risk that if the Internal Audit Team were constantly diverted onto special investigations and reviews that the 85% audit plan delivery target may not be achieved
- There were currently 7.8 FTE plus a temporary contractor working in Internal Audit. It was the smallest and lowest cost Local Authority Internal Audit function in South Yorkshire and West Yorkshire by a significant margin
- The Casey report made reference to the Audit function
- Ongoing work as a result of the 2 independent inspections including understanding how the Records Management System worked
- Unknown risks that could not be quantified as yet – there would be a complete refresh of the Risk Register
- As part of the Transformation work the Terms of Reference and Constitution of the Audit Committee would be reviewed

Resolved:- (1) That the performance of the Internal Audit Service during the period be noted.

(2) That the key issues arising from the work done in the period be noted.

(3) That the likelihood of matters raised in the Corporate Governance Inspection report being referred in the annual audit opinion on the Council's control environment be noted.

(4) That the Internal Audit Service be congratulated for their work and resilience in dealing with the substantial increased workload.

**N33. DATE AND TIME OF NEXT MEETING**

Resolved:- That the next meeting of the Audit Committee take place on Wednesday, 11th March, 2015 at 4.00 p.m.

**LICENSING BOARD-SUB-COMMITTEE**  
**20th January, 2015**

Present:- Councillor Dalton (in the Chair); The Mayor (Councillor John Foden), Councillors Ellis, McNeely and Parker.

**Q31. 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 the Police Act 1997 and Paragraphs 3 and 7 of Part I of Schedule 12A to the Local Government Act 1972 (business affairs and prevention of crime).

**Q32. APPLICATION FOR THE REVIEW OF A HACKNEY CARRIAGE/PRIVATE HIRE DRIVER'S LICENCE**

Further to Minute No. 30(5) of the meeting of the Licensing Board Sub-Committee held on 14th January, 2015, consideration was given to a report, presented by the Licensing Manager, relating to the application to review a hackney carriage/private hire driver's licence in respect of Mr. E.Z.Z.

Mr. E.Z.Z. attended the meeting, along with his legal representative, and was interviewed by the Sub-Committee.

Resolved:- That the licence in respect of Mr. E.Z.Z. be revoked on the grounds that he was not a fit and proper person to hold a taxi licence and that should he continue to hold a licence his clients could be placed at risk of harm from sexual or drug advances.

**HEALTH AND WELLBEING BOARD  
21st January, 2015**

**Present:-**

Councillor Doyle	Cabinet Member, Adult Social Care and Health <b>(in the Chair)</b>
Dr. Tony Baxter	Interim Director of Public Health
Chris Edwards	Rotherham Clinical Commissioning Group
Jason Harwin	South Yorkshire Police
Councillor Hoddinott	Deputy Leader
Shona McFarlane	Director of Adult Social Services
Dr. Jason Page	Executive Lead for Referrals and Pathways Rotherham Clinical Commissioning Group (representing Julie Kitlowski)
Ian Thomas	Interim Strategic Director, Children's and Young Peoples Services
Janet Wheatley	Voluntary Action Rotherham

**Also Present:-**

Tony Clabby	Rotherham HealthWatch (representing Naveen Judah)
Dr. D. Donoghue	Interim Director, Rotherham Foundation Trust (representing Louise Barnett)
Michael Holmes	Policy and Partnerships Officer, RMBC
Alison Illiff	Public Health Specialist, Public Health
Joanna Saunders	Head of Health Improvement, Public Health
Chrissy Wright	Strategic Commissioning Manager, RMBC

Apologies for absence were received from Chris Bain, Louise Barnett, Councillor Beaumont, Naveen Judah, Julie Kitlowski and Carol Stubley

**S52. QUESTIONS FROM MEMBERS OF THE PRESS AND PUBLIC**

There were no members of the press and public present at the meeting.

**S53. MINUTES OF PREVIOUS MEETING**

Resolved:- That the minutes of the meeting held on 3<sup>rd</sup> December, 2014, be approved as a correct record.

Arising from Minute No. S48 (Commissioning Framework) it was noted that consultation feedback was still awaited. Chrissy Wright was to meet with the Leader later that day to progress it.

**S54. CARE ACT TRAINING SCHEDULE**

The Authority was going to hold a training session on the Act. Details would be circulated to anyone interested.

**S55. PHARMACY FIRST**

Jason Page reported that the initiative was about working together with local pharmacists and them providing certain medications to the general public without having to see their GP.

If someone did not normally pay the NHS prescription charge then any medicine supplied under the Pharmacy First scheme would also be free.

All pharmacists were signed up and there would be 1 participating in each area.

A publicity campaign was always run at this time of the year to publicise the service.

Agencies could assist with publicising the service on their respective websites and communication channels.

**S56. BETTER CARE FUND**

Chris Edwards, Rotherham Clinical Commissioning Group, reported that informal communication had been received regarding Rotherham's submission but official written confirmation was awaited.

**S57. YORKSHIRE AND HUMBER INTEGRATION EVENT**

Shona McFarlane, Director of Adult Social Services, referred to the programme submitted for the ADASS integration event to be held on 6<sup>th</sup> March, 2015.

If any Board member wished to attend they should contact Shona before the end of January.

**S58. GET HEALTHY GET ACTIVE FUND**

The above funding application had been submitted through Public Health for research into the benefits of an active lifestyle particularly for people with long term conditions.

It was noted that a significant bid had been submitted by Age UK in reaching communities so the 2 needed to be joined up as well as linking up with the Police.

Resolved:- That the Board support the submitted funding bid as well as the project governance scheme associated with the application.

**S59. HEALTH AND WELLBEING STRATEGY REFRESH WORKSHOP**

The Chairman referred to the original intention of holding a ½ day development session on 13<sup>th</sup> February, 2015, for the Health and Wellbeing Strategy refresh. However, an offer had been received for external facilitation by the Local Government Association of a more indepth look at the Strategy.

It was suggested that the ½ day session could bring all the workstreams together and review them in anticipation of the new Strategy.

Discussion ensued with the following issues raised:-

- An opportunity to revisit the objectives and strengthen the support for children
- The original intention had been for the 13<sup>th</sup> February session to discuss a 1 vision for Rotherham and how to maximise the Strategy
- The ½ day session could be used to look back on the success/challenges faced by the Board during its first couple of years of operation as well as identifying what future challenges it faced
- The proposed facilitator had worked with many authorities across the country
- The 4 days facilitation would involve meeting with some Board members to get a feeling of where things had been, how the Board had been operating, clarity about the process and return at a later date to help to flesh out the Strategy and how the Board wanted to operate in the future.
- The Peer Review was suspended in September for 6 months due to the publication of the Alex Jay report. It had been the intention to use that resource to review the Strategy and there was a danger of duplication. Some of the preliminary work on the Review had already taken place
- A view was expressed that the Peer Review was about the system and not just the Board. The Board should use the Local Government Association (LGA) support to refresh the Strategy and the Peer Review used to look at how the system would operate to make the Strategy happen – the Peer Review should not take place until the Board understood where its business was going in the future
- The Rotherham Clinical Commissioning Group was of the view that the current delivery mechanisms were not fit for purpose and there was some urgency to the issue



- Both the LGA offer of facilitation and the Peer Review were real opportunities to be taken advantage of but they needed to be integrated
- National guidance that Health and Wellbeing Boards now had to operate to had been released but that could be subject to change dependent upon the outcome of the General Election
- Any refresh also had to take account of the forthcoming Corporate Governance Inspection report

Resolved:- (1) That, given the concerns raised, discussion take place with the Local Government Association regarding the Peer Review to clarify when this could be rescheduled for.

(2) That a separate meeting be held to agree how the peer review and separate Local Government Association facilitated support sessions could best be utilised to support Board and strategy development and strengthen governance.

(3) That Board members be notified of the outcome of (1) above.

#### **S60. HEALTH AND WELLBEING PERFORMANCE UPDATE**

Tony Baxter, Interim Director of Public Health, presented an update on the performance of the Health and Wellbeing Strategy with attention drawn to the following red rate Indicators:-

##### Priority 1 Smoking

- Smoking at delivery rates rose slightly during 2013/14 – anticipated continued fall. A number of factors could have influenced this including transition of Service from the Stop Smoking Service to Midwifery, specialist midwife sickness during Q4 affecting capacity, inaccurate recording of smoking at delivery status and uncertainty of Midwifery staff about how to record smoking status of women who switch to electronic cigarettes during pregnancy
- New systems put into place since the team moved to Midwifery including electronic booking of stop smoking appointments by Community Midwives, clinic lists and test appointment reminders.
- An audit of smoking at booking and smoking at delivery recording was planned as this had been shown to be inaccurate in other areas in Yorkshire and Humber with appropriate follow-up dependent upon results

##### Priority 2 Alcohol

- The Team to deliver this piece of work had now been selected with work scheduled to begin in October/November 2013 but this was delayed until Q4. Due to the late start the 2013/14 target was adjusted to maintain 2012/13 level with the 20% reduction set as the 2014/15 target

- Although not demonstrating reductions in admissions overall, reductions for the cohort of 3+ admitters were now in evidence and the length of stay significantly reduced
- Programme was making good progress to reduce the length of stay but as overall admissions had increased the figure had also increased
- There was evidence that the programme was reducing admissions for the specified cohort

#### Priority 3 Obesity

- 2012/13 and 2013/14 data for overweight and obese children in Reception/Y6 data was higher than for 2011/12 especially for Reception. Once detailed data was available for 2012/13 it would be analysed to highlight the reasons behind the increased
- No further Healthy Eating Prevalence data after the 2011/12 baseline. Indicator replaced by Excess Weight in Adults in Local Authority health profiles
- Indicator was to be included in the Public Health Outcomes Framework similar to 'healthy eating prevalence', data to be collected via the Active People Survey from late 2014 and hoped to be published in February or May, 2015

#### Priority 4 NEET

- Of the cohort of 28:-
  - 14 (50%) were aged 18 and 19 – they were able to claim benefit in their own right and live independently – an extremely hard group to engage in any form of learning
  - 9 (33%) were Y13 - 6 resident outside of Rotherham
  - 5 (17%) had all recently left compulsory education and had a range of complex needs. 2 were resident outside of Rotherham but still supported by the Service, 1 in temporary accommodation at Rush House with intensive support from the Service, 1 had health issues which prevented engagement in Learning, 1 had never engaged despite persistent attempts whilst the remaining 1 was current engaging with the Service and moving towards a learning outcome
- IYSS currently revisiting its approach to working with the LAC/CL group with a view to a more Locality based model and strengthened working relationship with the Care Leaver Team

#### Priority 5 Fuel Poverty

- Funding available to utility providers (earmarked for 2012/13) rolled over into 2013/14
- Anticipated target of 1,285 not met as CESP had come to an end
- Utility providers had made the required carbon savings on other earlier national schemes

Resolved:- That the report be noted.

**S61. HEALTH AND WELLBEING STRATEGY: SMOKING AND HEALTHY LIFESTYLES PROGRESS UPDATE**

Joanna Saunders, Head of Health Improvement, and Alison Illiff, Public Health Principal (Health Improvement), gave the following powerpoint presentation:-

**Overarching Outcome in Healthy Lifestyles Theme**

- People in Rotherham will be aware of health risks and be able to take up opportunities to adopt healthy lifestyles

**Priorities in Healthy Lifestyles Theme**

- We will work together to understand our community assets; identifying what and where they are across the borough and how we use them effectively
- We will use the Health and Wellbeing Strategy to influence local planning and transport services to help us promote healthy lifestyles
- We will promote active leisure and ensure those who wish to are able to access affordable, accessible leisure centres and activities

**The Determinants of Health (1992)**

- General socioeconomic, Cultural and Environmental Conditions
- Agriculture and food production
- Education
- Work environment
- Living and working conditions
- Unemployment
- Water and sanitation
- Health care services
- Housing
- Social and Community networks
- Individual lifestyle factors
- Age, sex and hereditary factors

**Healthy Lifestyles Work Plan**

- Specific actions for overarching outcome and priorities – most not target driven
- Headline achievements
- Challenges
- What do we need to do next?

**Achievements – Overarching Outcome**

- Tobacco Control and Weight Management Services recommissioned in 2014/15
- Strengthening performance management through data management systems and reporting/review
- Promotion of social norms and social marketing – linking with national programmes and local ones

- Higher profile for public Mental health linked to Welfare Reform Programme and self-harm

#### Achievements – Priorities

- Increased awareness of behaviour change services in communities – networks, marketing and social media) links with EI&P theme)
- Service review following feedback (links with Expectations and Aspirations theme)
- Building community capacity to support behaviour change (links with Dependence-Independence theme)
- Stronger links with Planning Department and health proofing of local plan
- National recognition (academic and policy publications) of Affordable Warmth Programme including social marketing tools (links with Poverty theme)
- Successful Safer Roads Partnership and Casualty Reduction Programme
- Increased opportunities for accessible and affordable physical activity
- Physical activity rehabilitation programmes (links with Long Term Conditions theme)
- Successful bids for external funding to support physical activity programmes

#### Challenges

- Premature mortality and years of life lost
- Challenges of measuring improvements
- Progressing Making Every Contact Count
- Sustaining investment in health improvement/prevention programmes

#### What could we do in a refreshed strategy?

- Review priorities (within this theme/strategy priorities)
- Still about investment in prevention and early intervention
- Mandated Public Health priorities
- Local priorities
- Early diagnosis and referral to treatment
- Continued role for partners

#### Tobacco Control Priority

##### A smokefree town

- Goal 1: Preventing the initiation of tobacco use among children and young people
- Goal 2: Reducing harm to adults from tobacco consumption
- Specific actions and targets for each goal
- Headline achievements
- Challenges
- What do we need to do next

#### Achievements

- New suite of Tobacco Control Services commissioned
- Joint commissioning across South Yorkshire to provide best value for money and economies of scale

#### Performance

- Adult smoking prevalence 2013: 18.9% (England: 18.4%) – lowest ever rate for the Borough
- Smoking at delivery 2013/14: 19.9% (England: 12%) – 6.2% point reduction over 5 years (England: 2% point reduction)
- Regular smoking rate in Year 10: 9.1% (England: 8% at age 15) – rate in Years 7 and 10 static according to local Lifestyle Survey results

#### Challenges

- Smoking at delivery rates – reductions have stalled following significant drop between 2009 and 2013
- Nicotine delivery devices (electronic cigarettes) – renormalisation/glamourisation of smoking? Use among young people
- Using cheap and illicit tobacco is a ‘Robin Hood’ crime
- Changing behaviour in our most vulnerable communities

#### What do we need to do next?

- Focus on the prevention of uptake
- Extend smokefree spaces to promote non-smoking as the social norm
- Promote harm reduction messages
- Continue to innovate in-service delivery and development – vaper-friendly stop smoking services?
- Embed stop smoking support in clinical pathways – opt out referral into Service for certain key conditions

#### Discussion ensued with the following issues raised/clarified:-

- Safer Roads - the Transportation Planning Team had identified areas across the Borough where there had been accidents and there were a number of programmes in delivery. However, there was no clear message nationally on what the best method was and the Police did not have the resources for enforcement action. It was about creating a culture where everyone recognised areas where children played and people exercised outside and drivers drove more slowly
- Although not fitting into the Strategy, promotion of Mental Health and Wellbeing was carried out. There was an excellent programme of training, Mental Health First Aid, and work around assisting prevention carried out by very small resources within Public Health. It was seen as a much bigger priority going forward
- There were increased numbers of people living alone with 1 of the biggest contributors to poor healthy lifestyles being isolation and loneliness particularly in elderly people. This had featured in the

Expectations and Aspirations Theme and work carried out with Age UK about recognising the impact of social isolation and loneliness particularly in older adults and the impact it had in terms of higher risk and potential higher use of health services

- Should be a continued prioritisation to catch people at the points in their life when something changed. If they could be caught at that point with social prescribers it would have an impact on admissions to hospital which translated into cost savings
- In the Jay report it stated that 1/3 of the girls suffered mental health issues which was consistent with the Serious Case Reviews findings as well as drugs, alcohol and substance misuse. Joint commissioning was the way forward in an attempt to reduce births of babies with complex needs. A behaviour pathway needed to be developed to identify the critical signs and signpost children and families
- The update raised questions as to what should be included in the Strategy refresh and how collectively the Board determined and agreed what those priorities were. There also needed to be a sharing of what partners were doing separately which contributed to the health and wellbeing of the people of Rotherham and what they were doing well
- There was a lot of good work taking place in Smoking, Obesity and Alcohol but there were no agreed trajectories to measure even though they had been priorities for 2 years. These were needed by the end of February
- There had been some confusion amongst practitioners when the new Smoking Service had started. A single provider was now commissioned who then sub-contracted to GPs. The agreement was agreed by the Local Medical Council in Doncaster but rejected by Rotherham, however, they had contacted all practices in Rotherham to ascertain if they wished to continue with Stop Smoking support. 5 practices in Rotherham had agreed to provide the support as well as a number of pharmacies. The LMCs in both areas had agreed 42-45 pharmacies across both areas so far. The number that would have been expected to receive support in Primary Care had reduced as a result, however, provision had been made to ensure referrals were made and there was capacity in GP services to provide the support. In the last couple of years a number of GP practices had said that the time and effort required to provide the service directly was not sufficient for the income they achieved and a number had ceased and arranged for Smoking Services to come into their practices to deliver instead
- Tobacco was still the single biggest killer in Rotherham. The work carried out across South Yorkshire, with the support of Public Health and Public Health England, had been innovative

- There was a lot more support for and recognition of electronic cigarettes. The long term effects were not known but it could be said that they were safer than tobacco. If people were not looking to quit they would be the approach to reduce the harm
- Rotherham United was a member of the Tobacco Liaison Group. The Club carried out a number of diversionary activities and activities that related to smoking. The leisure centres had lifestyle agendas and would promote No Smoking Day etc. and encourage people, however, there was more that could be done
- An additional Trading Standards Officer was funded to enable more work on tobacco control. There was a Service Level Agreement with a certain number of activities that were required over a 12 months period which could be educational and informational activities

Joanna and Alison were thanked for their presentation.

## **S62. URGENT CARE PERFORMANCE**

Chris Edwards, Rotherham Clinical Commissioning Group, presented a summary of performance across Urgent Health Care Services in Rotherham identifying poor performance and setting out remedial actions as follows:-

### **Accident and Emergency**

- There had been a consistent increase in attendances each month in 2014/15 compared to 2012/13 and 2013/14 – 5.2% increase
- From August to November, 2014, A&E had failed to achieve the 95% target for patients who had been waiting for treatment
- It was clear that a contributing factor was the increase in demand at A&E as well as increased acuity of patients and difficulties in the recruiting of doctors
- Performance was currently around 94%
- Second best performing Trust out of the 4 in South Yorkshire
- National pressure on A&E

### **Walk-In Centre**

- The maximum activity target for the Service was 1,000 per week – attendances had fallen just below this from July, 2014
- The fall in referrals was the result of a range of demand management initiatives that had been introduced by Care UK with the support of Rotherham Clinical Commissioning Group
- Rotherham Clinical Commissioning group had also recently realigned the contract removing incentives for Care UK to generate additional activity

## NHS111

- The number of calls had increased by 37% probably due to the transfer of GP Out-of-Hours calls to NHS 11 that took place in 2014
- The proportion of calls transferred to a clinical adviser dropped by 1.7%
- Proportion of call backs within 10 minutes had reduced by 7.6%
- Proportion of calls being diverted to A&E or 999 had reduced by 1.4% compared to 2013/14
- A larger proportion of calls were being diverted to the GP Out-of-Hours Service

## Yorkshire Ambulance Service

- Continued struggle with performance on Red call-outs
- Good Governance Institute recently conducted a review of performance detailing a number of recommendations for both Commissioners and the Service:-
  - Commissioners should design a 3 year service model for urgent and emergency care
  - Commissioners needed to clarify the lines of accountability for the Service and indicate whether and in what circumstances a locality approach should be taken outside of the overall Yorkshire and Humber approach
  - The Service needed to consolidate senior leadership team and appoint a Director of Operations to strengthen leadership
  - The Service was to understand a thorough review of middle management arrangements
  - A large scale cost and efficiency approach should be considered to support future service models
  - Develop a sustainable workforce strategy that addressed the sickness rate and overtime costs
- A Recovery Plan recently implemented aimed at reversing the trajectory on Red calls
- Despite this the Ambulance Service unlikely to achieve the 75% required performance for 2014/15
- Compares relatively favourably with other ambulance services
- Nation-wide issue
- Rotherham Clinical Commissioning Group had requested assistance from NHS England

## Care Co-ordination Centre

- The number of patients managed by the Service continues to rise

Summary of Remedial Actions agreed by the System Resilience Group to improve performance on A&E waiting times and Yorkshire Ambulance Service 999 response times



## A&amp;E Waiting Times

- Targeted work with GP practices who have high rates of A&E attendance
- Extend opening hours for GP practices during the Winter period
- Ensure that clinical reviews of patients at A&E are carried out by senior doctors before decision to admit
- Explore strategies for joint working with the Walk-in Centre and GP Out-of-Hours Service
- Implement supported discharge care pathways to improve patient flow
- Introduce regular MDT meetings for medical wards and long stay patients

## Yorkshire Ambulance Service 999 Response Times

- Introduction of an urgent Care Practitioner Service in Rotherham during the Winter period
- Increased clinician support for NHS 111 to reduce the number of calls transferred to the 999 Service
- Effective case management of high intensity users of the 999 Service
- Development of the Yorkshire Ambulance Service Pathfinder Programme which is successfully diverting patients from A&E

Discussion ensued with the following issues raised/clarified:-

- The current category 8 target (very serious cases – seen within 8 minutes) was 75% - Rotherham's performance was in the very low 60s. There was analysis which showed that every minute after the 8 minutes the majority were seen within 15 minutes. There was assurance that patient harm had not been increased as a result of the performance targets
- In the last 3 months there had been more elderly people and people with Dementia going to A&E
- The Trust had put a huge amount of effort in during the last 4 weeks to manage the through flow at the hospital. There was a consistent story that they were elderly dependent multi-condition patients that the hospital struggled to discharge which then had a knock on effect onto A&E. This was a reflection of how successful services had been in keeping people alive longer during the periods of ill health who then returned to hospital 2/3 times and was a demographic pressure that was not being kept up with
- The Trust needed to plan for next year's additional burden rather than just meeting the current year's demand. There was more joined up care to be done particularly with Social Services and Intermediate Care, not actually focussing on the patient but more on the needs of the system to get patients out of hospital as well as co-ordination and personalisation

- Creative solutions needed to be considered and discussions held with voluntary sector organisations as there were some really effective discharge schemes. It was about looking at wider partner involvement and working with the Trust to support people when they got home and putting that initial support in which was not medical related but something that if it was not done it would affect their medical condition
- There was no planning from the moment a patient comes into hospital when there should be a clear idea of where the patient would be going once their condition had been treated
- Concern regarding the Ambulance Service's performance and the demands on the Police Service in transporting people to hospital on a regular basis
- Issues regarding people being discharged from hospital, early help and prevention, stopping people from getting into hospital experienced in Rotherham may be worth contributing to the national debate. The Local Government Association had been very critical about cuts in Adult Social Care and was now starting to see the impact of such
- The Government had announced funding for Social Care and Discharge from Hospitals for 68 authorities but Rotherham had not been contacted so it was felt unlikely it would be receiving any of the money. Those local authorities that had significant issues regarding delayed discharges had been selected which was an area Rotherham was performing relatively well in
- Wakefield was the lead commissioner for the 23 Clinical Commissioning Groups. The Care Quality Commission had had a review of the Ambulance Service and Rotherham had commissioned the Good Governance Institute which had given a partial reassurance that the Service would fulfil the action plan. It was believed that the plan was fit for purpose but no assurance that Rotherham would meet the 75% target as would nowhere else in the country. It was not known whether nationally the target figures would be redefined as they were not fit for purpose or change the tariff. There were also issues with the Trade Unions to resolve. The significant industrial action over the last 6 months had harmed performance
- The Board could assist in communicating to the public about accessing the Ambulance Service appropriately

Resolved:- That the report be noted.

**S63. PHARMACEUTICAL NEEDS ASSESSMENT**

Dr. Tony Baxter, Interim Director of Public Health, presented the Pharmaceutical Needs Assessment (PNA) which had been subject to a 60 days public consultation and was submitted for ratification by the Board.

The Board was legally bound to publish its PNA BY 1<sup>st</sup> April, 2015.

Rotherham was a relatively deprived population which was well provided with community pharmacies. The overall coverage for access to medicines in and out of hours had increased since 2010 with the number of pharmacies per 100,000 population greater than the national average. Access to community pharmacies across Rotherham was well provided for during core and supplementary opening hours with access to 8 100 hour pharmacies 1 of which was open 365 days a year.

The document would be reviewed in a year or sooner if necessary to ensure progress was being taken or should there be any significant changes in Legislation or commissioning intentions.

Resolved:- (1) That the Pharmaceutical needs Assessment be approved.

(2) That an annual review of pharmaceutical developments against the current Pharmaceutical Needs Assessment recommendations be undertaken and where there were any changes to current Services, notifications (supplementary statements) should be made available on the Council's Pharmaceutical Needs Assessment website page.

(3) That where any changes were considered significant, a full review and rewrite of the Pharmaceutical Needs Assessment would be required following the Regulatory Framework.

(4) That the Director of Public Health be delegated the responsibility for the ongoing management of the document who would submit the necessary updates to the Board.

**S64. DATE OF NEXT MEETING**

Resolved:- That a meeting of the Health and Wellbeing Board be held on Wednesday, 18th February, 2015, commencing at 11.00 a.m. in the Rotherham Town Hall.

**PLANNING BOARD  
29th January, 2015**

Present:- Councillor Atkin (in the Chair); Councillors Godfrey, Kaye, Middleton, Roche, Roddison, M. Vines and Wallis.

Apologies for absence were received from Councillors N. Hamilton, Pitchley, Turner, Tweed and Whysall.

**T64.       DECLARATIONS OF INTEREST**

Councillor Wallis declared a personal interest in application RB2014/1690 (Application to vary Conditions 02, 07, 08, 09, 11, 13 and 14 imposed by RB2012/1500 at Aldwarke Weir, Aldwarke Lane, Aldwarke for UK Hydro Ltd.) on the basis that, prior to her membership of the Planning Board, Councillor Wallis had been contacted by the applicant, in her capacity as a Ward Councillor for the area in which this application site is situated. At that time, Councillor Wallis had indicated her support for this application and therefore declared her personal interest and took no part in the Planning Board's consideration of the matter at this meeting.

**T65.       MINUTES OF THE PREVIOUS MEETING HELD ON 8TH JANUARY, 2015**

Resolved:- That the minutes of the previous meeting of the Planning Regulatory Board held on Thursday 8<sup>th</sup> January, 2015, be approved as a correct record for signature by the Chairman.

**T66.       DEFERMENTS/SITE VISITS**

Resolved:- That consideration of application RB2014/1296 be deferred pending a visit of inspection, requested by Ward Councillors Beck, Watson and Whysall, to enable the Planning Board to consider the scale of this proposed development and its impact on neighbouring properties, with the Chairman and Vice-Chairman approving arrangements.

**T67.       DEVELOPMENT PROPOSALS**

Resolved:- (1) That, on the development proposals now considered the requisite notices be issued and be made available on the Council's website and that the time limits specified in Sections 91 and 92 of the Town and Country Planning Act 1990 apply.

In accordance with the right to speak procedure, the following person attended the meeting and spoke about the application listed below:-

Diversion of goit and erection of single storey and two storey restaurant/public house (Use Class A3/A4) with ancillary residential accommodation at first floor and associated external play area, together

with means of access, car parking, landscaping and ancillary works at land off Phoenix Riverside, Templeborough for Ickles Development and Greene King Developments Ltd. (RB2014/1590)

Mr. D. Newton (on behalf of the applicant Company)

(2) That applications RB2014/1475, RB2014/1505, RB2014/1591 and RB2014/1690 be granted for the reasons adopted by Members at the meeting and subject to the relevant conditions listed in the submitted report.

(3) That application RB2014/1522 be granted for the reasons adopted by Members at the meeting and subject to the relevant conditions listed in the submitted report, with the amendment that condition number 1 shall be re-worded so that the three years' time period for implementation relates to the original approval date (as the current application is a variation of a condition on that original permission).

(4) That application RB2014/1590 be granted for the reasons adopted by Members at the meeting and subject to the relevant conditions listed in the submitted report, with the amendment that conditions numbered 8 and 12 shall be removed and all other conditions re-numbered accordingly.

(5) That consideration of application RB2014/1296 be deferred pending a visit of inspection, to enable the Planning Board to consider the scale of this proposed development and its impact on neighbouring properties.

(Councillor Wallis declared a personal interest in application RB2014/1690 (Application to vary Conditions 02, 07, 08, 09, 11, 13 and 14 imposed by RB2012/1500 at Aldwarke Weir, Aldwarke Lane, Aldwarke for UK Hydro Ltd.) on the basis that, prior to her membership of the Planning Board, Councillor Wallis had been contacted by the applicant, in her capacity as a Ward Councillor for the area in which this application site is situated. At that time, Councillor Wallis had indicated her support for this application and therefore declared her personal interest and took no part in the Planning Board's consideration of the matter at this meeting)

## **T68. UPDATES**

(1) Further to Minute No. T55(5)(b) of the meeting of the Planning Board held on 11th December, 2014, it was noted that the applicant Company has submitted an appeal against the enforcement notice served by the Council to secure the cessation of the importation of Mine Run-off Fines at the Maltby Colliery site, Tickhill Road, Maltby (RB2014/0581).

(2) Members of the Planning Board were reminded of the forthcoming site visit to the view Waverley development, including the Advanced Manufacturing Park, which will take place on Thursday, 26th March, 2015 (Members of the Planning Board are to meet on site).

(3) Rotherham town centre – arising from the scrutiny spotlight review of the Local Plan, it was noted that a report will be submitted to a future meeting of the Planning Board to facilitate Members' discussion of the Local Plan policies specifically affecting the development of the Rotherham town centre (Minute No. C44 of the meeting of the Cabinet held on 18th July, 2012 refers).

**PLANNING BOARD**  
**19th February, 2015**

Present:- Councillor Atkin (in the Chair); Councillors Astbury, Godfrey, Kaye, Middleton, Pitchley, Roche, Roddison, Rushforth, Turner, Tweed, M. Vines, Wallis and Whysall.

Apologies for absence were received from Councillor N. Hamilton.

**T69.       DECLARATIONS OF INTEREST**

(1) Councillor Godfrey declared her personal interest in application RB2014/1567 (Erection of 12 No. dwellings with associated private gardens and parking at land at Aston Close, Aughton for Strategic Team Maintenance Company Ltd.), because as Cabinet Member for Safe and Attractive Neighbourhoods she had supported the sale of this Council-owned land to the Housing Association and thus has an interest in the eventual development of this application site. During the Planning Board's consideration of this matter, Councillor Godfrey left the room, did not participate in the discussion on this application and did not vote.

(2) Councillor Middleton declared his personal interest in application RB2014/1629 (Application to vary Conditions 03, 11, 13, 15, 20 and 22 imposed by RB2014/1083 at Oakwood High School, Moorgate Road, Rotherham for Kier Construction), on the grounds of his very recent appointment as a member of the Governing Body of the School. Councillor Middleton did not participate in the discussion on this application and did not vote.

(3) Councillor Pitchley declared her personal interest in application RB2014/1567 (Erection of 12 No. dwellings with associated private gardens and parking at land at Aston Close, Aughton for Strategic Team Maintenance Company Ltd.), as a member of the Aston-cum-Aughton Parish Council; Councillor Pitchley stated that she had declared her interest when this application had been considered at the Parish Council meeting and had taken no part in the Parish Council's consideration of this application.

**T70.       MINUTES OF THE PREVIOUS MEETING HELD ON 29TH JANUARY, 2015**

Resolved:- That the minutes of the previous meeting of the Planning Regulatory Board held on Thursday 29<sup>th</sup> January, 2015, be approved as a correct record for signature by the Chairman.

**T71.       DEFERMENTS/SITE VISITS**

There were no deferrals nor site visits recommended.

**T72. VISITS OF INSPECTION - INCREASE IN ROOF HEIGHT TO FORM TWO STOREY DWELLING HOUSE INCLUDING SINGLE STOREY REAR EXTENSION AND FLUE TO SIDE (AMENDMENT TO RB2014/0809) AT 20 MANOR WAY, TODWICK FOR MR. S. WILKINSON (RB2014/1296)**

Further to Minute No. T67(5) of the meeting of the Planning Board held on 29th January, 2015, before the formal meeting of the Planning Board, Members of the Board made a visit of inspection to the above site (Ward representative Councillor Beck was also in attendance).

Consideration was given to the report of the Director of Planning and Regeneration Service concerning the application for planning permission to develop the Increase in roof height to form two storey dwelling house including single storey rear extension and flue to side (amendment to RB2014/0809) at 20 Manor Way, Todwick for Mr. S. Wilkinson (RB2014/1296).

In accordance with the right to speak procedure, the following people attended the meeting and spoke about this application:-

Mr. S. Elliott (on behalf of the applicant)  
 Mrs. M. Brassington (owner of the subject property)  
 Mr. and Mrs. Padgett (objectors - statement read out by Planning Officer)  
 Mr. I. Newbold (objector)  
 Mrs. C. Booth (objector - statement read out by Planning Officer)  
 Mr. D. Clarke (objector)  
 Mrs. S. Marsh (objector - statement read out by Planning Officer)  
 Mrs. S. Jeffrey (objector)  
 Mr. D. Wainwright (objector)  
 Mrs. E. Taime (objector)

Resolved:- That the Planning Board declares that it is not in favour of application RB2014/1296 for the following reason, with the Chairman and the Vice-Chairman being authorised to agree the final wording of the reason:-

The Council considers that the proposed development would have an overbearing impact on the occupiers of neighbouring properties and reduce natural light to the rear garden areas, particularly of 22 Manor Way, Todwick. As such, the proposed development would be contrary to the advice contained in the National Planning Policy Framework.

**T73. DEVELOPMENT PROPOSALS**

Resolved:- (1) That, on the development proposals now considered the requisite notices be issued and be made available on the Council's website and that the time limits specified in Sections 91 and 92 of the Town and Country Planning Act 1990 apply.



In accordance with the right to speak procedure, the following people attended the meeting and spoke about the applications listed below:-

Erection of 21 No. dwellinghouses with associated works at land at The Crescent, Thurcroft for Michael Dyson Associates (RB2014/1511)

Mr. Dyson (on behalf of the applicant Company)  
Councillor J. Swift (Borough Ward Councillor, speaking on behalf of objectors)  
Mrs. J. Garrow (objector)  
Mr. C. Stephenson (objector)  
Mrs. J. Dashwood (objector)  
Mr. W. Dashwood (objector)  
Mrs. T. Barrass (objector)  
Miss I. Grattan (objector)  
Mrs. A. Thompson (objector)

Erection of 8 dwellinghouses with associated works at land at Millicent Square, Maltby (RB2014/1513)

Mr. Dyson (on behalf of the applicant Company - statement read out by Planning Officer)  
Mr. T. Layden (objector)  
Maltby Town Councillor J. Kirk (objector, on behalf of the Town Council)

Erection of 12 No. dwellings with associated private gardens and parking at land at Aston Close, Aughton for Strategic Team Maintenance Company Ltd. (RB2014/1567)

Mr. D. Lilleywhite (objector - statement read out by Planning Officer)  
Mrs. C. Wilford (objector)  
Mrs. L. Clark (on behalf of the Great Places Housing Group, supporting the application)

(2) That applications RB2014/1591, RB2014/1629 and RB2014/1666 be granted for the reasons adopted by Members at the meeting and subject to the relevant conditions listed in the submitted report.

(3) That application RB2014/1511 be refused for the reason set out in the submitted report.

(4) That the Planning Board declares that it is not in favour of application RB2014/1513 and the reason for refusal, as contained in the report now submitted, shall be duly amended to read as follows:-

The site is allocated as Urban Greenspace on the adopted Unitary Development Plan (UDP) and the loss of the Urban Greenspace, which is not clearly surplus to requirements and is in an area where existing private garden areas are limited in size, would be detrimental to the local community and the applicant has failed to demonstrate a scheme

whereby equivalent or improved provision of Urban Greenspace would be provided within the locality. As such, the proposals are contrary to Core Strategy Policy CS22 'Green Spaces' and to 'saved' UDP Policy ENV5.1 'Allocated Urban Greenspace', as well as the guidance contained within the National Planning Policy Framework.

(5)(a) That, with regard to application RB2014/1567, the Council shall enter into a Legal Agreement with the applicant to secure the contribution of £4,200 towards improvements to existing Urban Greenspace in the vicinity; and

(b) That, subject to the signing of the Legal Agreement, planning permission be granted subject to the conditions set out in the submitted report.

(6)(a) That, with regard to application RB2015/0064, the Council shall enter into an agreement with the developer under Section 106 of the Town and Country Planning Act 1990 for the purposes of securing the same obligations as was previously secured through Planning Permission RB2014/1045; and

(b) That, consequent upon the satisfactory signing of such an agreement the Council shall grant permission for the proposed development subject to the conditions set out in the submitted report.

((i) Councillor Godfrey declared her personal interest in application RB2014/1567 (Erection of 12 No. dwellings with associated private gardens and parking at land at Aston Close, Aughton for Strategic Team Maintenance Company Ltd.), because as Cabinet Member for Safe and Attractive Neighbourhoods she had supported the sale of this Council-owned land to the Housing Association and thus has an interest in the eventual development of this application site. During the Planning Board's consideration of this matter, Councillor Godfrey left the room, did not participate in the discussion on this application and did not vote.

((ii) Councillor Middleton declared his personal interest in application RB2014/1629 (Application to vary Conditions 03, 11, 13, 15, 20 and 22 imposed by RB2014/1083 at Oakwood High School, Moorgate Road, Rotherham for Kier Construction), on the grounds of his very recent appointment as a member of the Governing Body of the School. Councillor Middleton did not participate in the discussion on this application and did not vote.

(iii) Councillor Pitchley declared her personal interest in application RB2014/1567 (Erection of 12 No. dwellings with associated private gardens and parking at land at Aston Close, Aughton for Strategic Team Maintenance Company Ltd.), as a member of the Aston-cum-Aughton Parish Council; Councillor Pitchley stated that she had declared her interest when this application had been considered at the Parish Council meeting and had taken no part in the Parish Council's consideration of this application)

**T74. UPDATES**

There were no items to report.