

SELF REGULATION SELECT COMMISSION

Venue: Town Hall, Moorgate
Street, Rotherham.

Date: Thursday, 19th February, 2015

Time: 3.30 p.m.

A G E N D A

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

For Decision:-

7. Minutes of the previous meeting held on 8th January, 2015 (herewith) (Pages 1 - 11)

For Monitoring:-

8. Revenue Budget Monitoring for the period ending 31st December 2014 (Pages 12 - 25)
 - Strategic Director of Resources and Transformation to report.
9. RMBC "Facing the Cuts, Delivering Rotherham's Priorities" 2015/16/2016/17 - Public/Employee Consultation Findings (Pages 26 - 32)
 - Strategic Director of Environment and Development Services to report.
10. Date and Time of Next Meeting - Thursday, 26th March, 2015 at 3.30 p.m.

SELF REGULATION SELECT COMMISSION
8th January, 2015

Present:- Councillor Currie (in the Chair); Councillors Cutts, Ellis, McNeely, Reeder, Sharman, Wallis, Whelbourn and Wyatt.

Apologies for absence:- Apologies were received from Councillors Johnston, Rushforth and Smith.

36. DECLARATIONS OF INTEREST

Councillors Currie Cutts, Ellis, McNeely, Reeder, Sharman, Wallis, Whelbourn and Wyatt declared personal interests in Minute No. 44 (Housing Rent Increase) on the grounds that they were or had family or friends who were Council tenants.

37. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

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

38. COMMUNICATIONS

The Chairman advised the Select Commission that Council had personally thanked those involved in the Scrutiny Review of Standing Orders.

The continuing work into the Constitution would, going forward, be led by Councillor Wyatt, who had replaced Councillor Watson on the Select Commission.

39. MINUTES OF THE PREVIOUS MEETING HELD ON 23RD OCTOBER, 2014

Consideration was given to the minutes of the previous meeting held on 23rd October, 2014.

Reference was made to Minute No. 32 (Previous Minutes) and Councillor Whelbourn sought clarification whether paper based complaints forms were still in existence. It was confirmed that complaints forms were available for relevant officers to print when required and a link to the complaint form would be circulated with the minutes.

Councillor Whelbourn asked if the Virement Policy had been circulated to Select Commission's Members as per Recommendation (4) of Minute No. 3 (Revenue Budget Monitoring) and was informed that the Virement Policy was part of the Financial Regulations documentation and a link to the relevant document would be circulated with the minutes.

Questions raised by Councillor Ellis relating to the savings within Adult Services and the attendance of the Director of Health and Wellbeing at the meeting would be addressed within the Revenue Budget Monitoring report on this agenda and the recommendation of the Chairman later in the meeting for a Sub-Committee of the Select Commission to consider some issues in more detail.

Councillor Ellis also made reference to Minute No. 34 (Capital Programme Monitoring) and the occupancy rate of the Borough's business investment units and was informed that this figure would be obtained and forwarded on.

However, it was noted that, following the request for additional information on the Government's requirement to provide universal Free School Meals to all infant aged school children, the purchase of different equipment had led to an increased number of school meals being supported since the commencement of the school year. It was anticipated that all equipment by schools would be purchased and installed within the budget of £600,000. It could not be confirmed at this stage where all the purchases for equipment had been made and if they were from local companies. However, this did coincide with a piece of work undertaken as part of a Scrutiny Review, but not yet completed, into commissioning and procurement which could provide some valuable information to the review of the commissioning framework and it was suggested that an early draft of the report be circulated.

The Chair reminded the Commission that Scrutiny Officers had been focussed on preparations for scrutiny of child sexual exploitation action plans and other priorities that had arisen since the review was undertaken. Given the team had limited resources, in order for the work on child sexual exploitation to take place, he had agreed that the procurement/commissioning review would take a lower priority and would be revisited when capacity allowed.

Resolved:- (1) That the minutes of the previous meeting held on 23rd October, 2014 be agreed as a correct record for signature by the Chairman.

(2) That the links to the complaints form and Virement Policy and information requested on the occupation rate be circulated with the minutes.

40. CORPORATE PLAN OUTCOMES

The Chairman welcomed Jan Ormondroyd, Interim Chief Executive, to the meeting and invited her to give an update on the Corporate Plan Outcomes.

The Interim Chief Executive advised the Commission on the reason for the delay in the report being presented.

The complexities of the data were such that this needed to be considered in light of other information coming forward and, therefore, needed further analysis to ensure the context of the report was as accurate as possible. The report would be submitted to the relevant meetings in the next few weeks.

Members of the Select Commission were satisfied with the information shared by the Chief Executive and were in agreement with the report being delayed to ensure the data was robust. However, it was pointed out that the correct route for the presentation of reports for scrutiny should be adhered to.

Resolved:- That the Interim Chief Executive be thanked for her explanation on the reason for the delay of the report.

41. REVENUE BUDGET MONITORING FOR THE PERIOD ENDING 31ST OCTOBER 2014

Further to Minute No. 105 of the meeting of the Cabinet held on 17th December, 2014 consideration was given to a report presented by Pete Hudson, Chief Finance Officer, which provided details of progress on the delivery of the Revenue Budget for 2014/15 based on performance for the first seven months of this financial year. It was currently forecast that the Council would overspend against its Budget by £2.976m (+1.4%); an improvement of £129k since the last report to Cabinet in October (August 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.

The moratorium on non-essential spend implemented on 2nd September was noted and would continue until the end of March, 2015. This would assist with reducing the forecast overspend.

Continued close management of spend remained essential if the Council was to deliver a balanced outturn and preserve its successful track record

in managing both its in year financial performance and its overall financial resilience.

The costs associated with the report undertaken by Professor Jay amounted to £102,000 in 2014/15. This represented only the cost of engaging Professor Jay and her external staffing support..

Costs associated with the Corporate Governance and Ofsted Inspections were currently being quantified and would be included in the next monitoring report, which was due to be presented to Cabinet on the 4th February, 2015.

It was hoped that the Council could deliver a balanced budget with the overspends being aligned. The Council's revenue reserves would have to fund any additional costs.

Councillor Ellis referred to the costs associated with the inspections and asked for a guestimate, but was informed it was impossible to put a figure on this at this stage as information was still be collated.. The Chief Executive had written to the Secretary of State about the costs to the Council, but had yet to receive a reply.

Councillor Ellis also referred to the Council being responsible for accrued deficits when schools converted to sponsored academies and was informed that Clifton Comprehensive was not included in the Children and Young People's Services section of the report on Page 13 as the school would not convert to an Academy in 2014/15.

The Deputy Leader pointed out that the predicted overspend of £1 million had been raised with the Strategic Director of Children and Young People's Services who had given Clifton Comprehensive until the end of January, 2015 to produce a spending plan to bring spending in line with the level of funding allocated. Only once the academy conversion took place would the Council be responsible for the deficit. There was no contingency fund to pick up these costs

The Select Commission noted the request for academy conversions along with child sexual exploitation to be added to the Corporate Risk Register.

Councillor Ellis also referred to Page 15 of the agenda pack and specifically asked for clarification of the £1.440 million which had been budgeted to be used from the Housing Revenue Account reserves and was informed the figure included vacancy management, carry forward from various projects and capital works.

The Select Commission noted the consultancy spend and suggested this be monitored closely as there was a potential risk for this to increase when expertise within the Council had been lost with staff retiring/leaving.

Councillor Ellis also referred to the cover arrangements and interim appointments within Children and Young People's Services and was

informed, when asking about whether these were cost neutral, that some of the additional costs would feature in the forecasted overspend for this financial year and only one salary cost for the Director of Safeguarding was being paid. All costs needed to be collated and would be documented in the revenue budget monitoring report to Cabinet, but details would be circulated to the Select Commission for information.

Councillor McNeely noted the numbers of looked after children requiring placements had increased by seven since the start of the financial year and asked if parents were paid to care for their own children and whether the figures included costs the Council was receiving from other Local Authorities' children's placements.

The Deputy Leader confirmed that work was ongoing with the Director of Safeguarding, Children and Families to look at the costs of out of authority placements, particularly in light of the Jay Recommendations.

The Chairman suggested that this be included in a piece of work by a sub-group of the Select Commission and sought nominations.

Resolved:- (1) That the current forecast outturn and the continuing financial challenge for the Council to deliver a balanced revenue budget for 2014/15 be noted.

(2) That a Sub-Group comprising Councillors Currie, McNeely, Reeder and Whelbourn look at various areas of concern, including out of authority placements and the Housing Revenue Account.

42. CAPITAL PROGRAMME MONITORING 2014/15 AND CAPITAL PROGRAMME BUDGET 2015/16 TO 2016/17

Further to Minute No. 105 of the meeting of the Cabinet held on 17th December, 2014 consideration was given to a report presented by Pete Hudson, Chief Finance Officer, which provided details of the current forecast outturn for the 2014/15 programme and enabled the Council to review the capital programme for the financial years 2015/16 and 2016/17.

The budget process that led to the original Capital Programme for 2014/15 to 2016/17 ensured that the Council's capital investment plans were aligned with its strategic priorities and vision for Rotherham.

In order to maintain that strategic link, and make best use of the capital resources available to the Council, it was important that this programme was kept under regular review and where necessary revisions made. This programme was last reviewed in September, 2014, and had now been the subject of a further review, the results of which were reflected in the Directorate summary table presented as part of the report. A detailed analysis of the programme for each Directorate was attached as part of

the report.

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

This updated programme had 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 was 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 a future capital receipt and a revenue saving.

The Chairman suggested that consideration be given to an all Member Seminar on the Corporate Plan Priorities and the Capital Programme and how the two married together.

Councillor Ellis referred to the Capital Strategy and the associated spend and asked that the Overview and Scrutiny Management Board give some consideration to review the extent of the delegation of powers to officers.

The Deputy Leader confirmed that consideration was being given to capital and the budget setting process with officers and in particular the Capital Strategy. Approvals were being put in place for capital projects and options available and this could be undertaken in conjunction with the Overview and Scrutiny Management Board.

Councillor Whelbourn referred to the Forward Plan of Key Decisions and how it did not appear to be working as effective as it should be. Discussion had taken place at other meetings as to how it was being under-utilised and this was confirmed by the Deputy Leader who reiterated the powers of the Chairman of the Overview and Scrutiny Management Board as part of the Access to Information Rules.

Councillor Ellis requested additional information for the report moving forward to identify which projects were on time and on budget. Officers confirmed this could be incorporated into future reports.

Councillor Ellis also sought further information on the detail of the new integrated housing management I.T. system and the programme for implementation of Phases 1 and 2 were outlined. This complex project had taken six dedicated staff to implement and once complete would give significant improvement to all systems for rents, repairs, estate management and integrated financial data. It was envisaged that all phases would be complete by the end of 2015.

Services were being delivered by the current system, but there was limited control of rent data. The implementation of the new system would completely replace the current system. A short briefing paper on the new I.T. system and where there may be gaps of information would be provided as per the request by Councillor Ellis.

Resolved:- (1) That the contents of this report be noted.

(2) That the updated 2014/15 to 2016/17 Capital Programme be noted, in particular the following major additions to the Capital Programme and supplementary approvals to existing schemes:-

- New Central Primary School, Eldon Road. (Additional cost of £1.050m, Minute F5 Cabinet Member for Children and Education Services, 16th September 2014).
- Rawmarsh St. Mary's PRU (Cost of £0.069m. Works approved by the former Strategic Director of Children and Young People's Services, Joyce Thacker, 23rd July 2014).
- Thrybergh Country Park Phased Improvements (Cost of £0.136m. Works approved by the Director of Internal Audit and Asset Management, Colin Earl, 5th November 2014 and reported to CSART, 27th November 2014).
- Aston, Aughton and Swallownest Phase 2 Drainage Works (Cost of £0.145m. Grant funding allocated by the Environment Agency.).
- Bailey House Renovation project (Additional cost of £0.034m approved by CSART, 23rd October 2014. Original project approval, Minute C34 Cabinet, 21st July 2010).

Where not funded by grant or by the service, the revenue implications from these schemes has been built into the Council's MTFS assumptions.

(3) That an all Member Seminar be arranged in due course looking at the Corporate Plan Priorities and the relationship with the Capital Programme.

(4) That Overview and Scrutiny Management Board give some consideration to review the extent of the delegation of powers to officers.

(5) That additional information be incorporated into the report identifying which projects were on time and on budget.

(6) That a briefing note be provided on the new integrated housing management I.T. system.

43. 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 (as amended March, 2006) (information

relating to financial and business affairs of any particular person).

44. HOUSING RENT INCREASE 2015-16

Consideration was given to a report presented by Dave Richmond, Director of Housing and Neighbourhood Services, and Mark Scarrott, Finance Manager, which detailed the proposed housing rent, new build rents, garage rent and communal facilities increases for 2015/16 to go forward for consultation, and subject to the outcome of that consultation to be presented at Cabinet for decision.

It was noted that wherever possible the Council had sought to restrain annual charge increases and Rotherham rents still ranked as some of the lowest in the country. Since 2002/03 DCLG had, however, required all local authorities to use a prescribed formula to calculate each tenants rent and to apply annual increases to actual rents to achieve the Formula Rent (Formula Rent was the rent set under rent restructuring). The formula rent from April 2015 had been revised and would now be linked to Consumer Price Index (CPI) which was consistent with other inflation measures used in policy by the Government including benefits and pensions. Applying this new formula for 2015/16 produced an average rent increase for Council tenants of 2.2%.

The Government expected that all similar properties in the same local area would have equitable rent levels, even if properties were owned by different social landlords. This process was known as 'rent convergence'. The Government set a target for authorities to achieve rent convergence by 2015/16. However, changes to the rent formula had removed the flexibility to increase rents by an additional £2 above the increase in formula rent where rent was below convergence, therefore, 2014/15 was the final year to achieve full convergence. Rents in Rotherham would not have reached full convergence.

The average rent for 2014/15 was £72.79 over 52 weeks. The proposed 2015/16 average weekly rent using the new Government formula, collected over 52 weeks would rise to £74.39, an average increase of £1.60 per week.

Total housing rent income generated through the proposed revised weekly rents was estimated to be £79.558m in 2015/16 assuming 120 Right to Buy sales, and voids and rent adjustments at 1.8%.

The Council completed the building of 132 new energy efficient properties in 2011/12. For these dwellings, the funding model assumed that rents would be aligned to the Council's existing rent structure based on these dwellings having a higher property value (than existing stock). These rents were assumed to be fully converged and were, therefore, set higher than those of the existing Council stock. Consequently the proposed average rent to be charged across these properties would be £96.40 over 52 weeks based on the new rent formula an increase of £1.93 per week.

Councillor Whelbourn, in considering the detail provided, expressed his concern at how rents for two similar properties could be different following tenant turnover and was advised that this was a recommended approach by Government following a property becoming vacant.

Councillor Ellis asked if any penalties could be imposed by the Government for not reaching convergence following the revising to the formulae and it was pointed out that the purpose of self financing determination was to give local authorities the resources, incentives and flexibility they needed to manage their own housing stock for the long term and give tenants greater transparency and accountability as to how the rent collected was spent on the services provided.

Councillor Ellis also asked if the thirty year business plan detailed any further strategic acquisitions to add to the Council house stock or if there was any way the new properties could be exempt from the right to buy scheme.

The Director of Housing and Neighbourhoods confirmed the receipt of two right to buy applications, but the conditions of sale were such that the capital expenditure on properties were to be recouped within a set timeline. Rotherham had not considered any options to transfer its housing stock to a housing trust like the model used in Selby, but it may well be something to consider for the future.

Councillor McNeely pointed out that the shortfall in housing rent could significantly alter/affect the thirty year business plan and was informed that the thirty year business plan had been refreshed to take into account the changes to the rent formula and investment plans to give indicative income and expenditure for the short, medium and long term. Key to the original Business Plan was the requirement to ensure that rents converge by the Government's target by 2015/16 and increase in line with national guidelines. Changes to the formula rent from April 2015 would mean that the Council would now not meet rent convergence which would result in lower levels of income and, therefore, impact on the investment plans within the HRA Business Plan.

Due to historical decisions to limit rent increases, Rotherham's rents were not scheduled to reach full convergence until 2016/17 on the existing formula. Under the new formula, Rotherham would receive approximately £4m less income than planned under the convergence process. This shortfall would obviously be compounded over future years within the 30 year Business Plan, and would have a significant effect on the previously predicted surpluses within the plan. Government guidance stated that where properties have not reached formula rent by April 2015 it was expected that the rent is moved up to formula rent when the property was re-let following vacancy. On average 1800 properties were re-let each year, adopting this policy would generate additional income of approximately £172k in 2015/16 and the Council were keen to look at this.

Councillor Reeder also asked about the right to buy rules for new properties and was informed that any tenant had the right to submit an application. There were no plans to buy back former Council houses from former tenants.

Resolved:- That the recommendations to the Cabinet Member on Monday, 12th January, 2015 be noted:-

- An average dwelling rent increase of 2.2% in accordance with Central Governments (DCLG) Rent Formula which results in an average increase of £1.60 per week collected over 52 weeks.
- An average rent of £96.40 for new build (energy efficient) council properties.
- That rents are set at formula rent when the property is re-let after vacancy.
- An increase in line with the Consumer Price Index of 1.2% for garage rents, communal facilities and the cooking gas charge.
- Note the draft Housing Revenue Account Budget for 2015/16.

(Councillors Currie Cutts, Ellis, McNeely, Reeder, Sharman, Wallis, Whelbourn and Wyatt declared personal interests on the grounds that they were or had family or friends who were Council tenants)

45. DISTRICT HEATING SCHEME CHARGES 2015-16

Consideration was given to a report presented by Dave Richmond, Director of Housing and Neighbourhood Services, and Mark Scarrott, Finance Manager, which detailed the proposed increase in charges for District Heating for 2015/16.

There were a range of heating schemes, but in general district heating charges were made up of two components, a weekly charge and a metered charge per kilowatt hour of heating used. Weekly charges for most schemes exceed the actual metered costs and hence 34% of all income received from weekly charges were returned to customers.

This report recommended an increase in kilowatt hour charges to more accurately reflect true costs. The impact of this on consumers of district heating was that some consumers would receive less of a rebate once actual personal charges have been calculated following individual meter readings.

The Chairman asked if there were any tenants suffering with fuel poverty and the Director of Housing and Neighbourhoods Services confirmed there were significant problems with rent and would come back with further information on this.

Resolved:- (1) That the recommendations to the Cabinet Member on Monday, 12th January, 2015 be noted:-

- That there be no increase in the weekly charge for a further year.
- That the various proposed increases to the kilowatt hour charges outlined in Section 7 of this report be approved as a means of achieving full cost recovery.
- That to assist tenants, increases in the kilowatt hour charge be phased, as agreed at Cabinet on 16th January, 2013 (Minute C131(3)) and be achieved by 2016/17.

(2) That further information be provided on the fuel poverty/rent difficulties being experienced by some Council tenants.

46. DATE AND TIME OF NEXT MEETING

Resolved:- That the next meeting of the Self-Regulation Select Commission take place on Thursday, 19th February, 2015, at 3.30 p.m. at the Town Hall.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1	Meeting:	SELF REGULATION SELECT COMMISSION
2	Date:	19th February 2015
3	Title:	Revenue Budget Monitoring for the period ending 31st December 2014
4	Directorate:	Resources on behalf of all Directorates

5 Summary

This report provides details of progress on the delivery of the Revenue Budget for 2014/15 based on performance for the first 9 months of this financial year. It is currently forecast that the Council will overspend 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 includes the costs of implementing recommendations from the Jay report and the Ofsted Inspection to the extent that they are known. This is an evolving picture – the proposed restructure of Children's Services is currently out to consultation. If recruitment to the final structure commences during February or March there are likely to be additional costs incurred which are not currently reflected within this report. Costs which will be borne by the Council in respect of the Corporate Governance Inspection are still unknown. The Chief Executive has written to Government asking for an estimation of the Inspection costs – a response is awaited.

The main reasons for the forecast overspend are:

- 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 (See Appendix 2)

The forecast outturn figure included in this report reflects staff cost savings for the 46 staff who have left the Council during 2014/15 through Voluntary Early Retirement or Voluntary Severance (VER/VS) and the savings accrued through the moratorium on non-essential spend implemented on 2nd September 2014 which will continue until the end of March.

Continued close management of spend remains essential if the Council is to deliver a balanced outturn and preserve its successful track record in managing both its in year financial performance and its overall financial resilience.

Recommendation

- **To note the referral to Cabinet to note the current forecast outturn and the continuing financial challenge for the Council to deliver a balanced revenue budget for 2014/15.**

7.1 Proposals and Details

This report presents details of spending against budget by Directorate covering the first 9 months of the 2014/15 financial year – April 2014 to December 2014 – and forecast costs and income to 31st March 2015.

7.2 The Overall Position

Directorate/Service	Annual Budget 2014/15	Projected Outturn 2014/15	Forecast Variance after Actions (over(+)/under(-) spend)	
	£'000	£'000	£'000	%
Children & Young People Services	43,799	48,143	+4,344	+9.9
Academy Conversions (Deficit)	0	310	+310	+100.0
Neighbourhoods & Adult Services	74,730	73,850	-880	-1.2
Environment and Development Services	46,309	45,854	-455	-1.0
Resources	14,859	14,533	-326	-2.2
Central Services	29,188	28,298	-890	-3.0
TOTAL	208,885	210,988	+2,103	+1.0
Housing Revenue Account (HRA)	82,509	80,376	-2,133	-2.6

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

Children & Young People's Directorate (+£4.654m forecast overspend)

The forecast overspend for Children's Services is largely due to pressures within the Children & Families Safeguarding Service. A further pressure (+£310k) relates to schools whose finances are in deficit when they convert to be a sponsored academy leaving the Council responsible for funding their accrued deficit. (Rawmarsh School: A Sports College and Swinton Brookfield Primary School).

A review of Abbey Special School is currently taking place. This school is currently forecasting a deficit outturn for this financial year (2014/15) which may be up to £361k. Depending on the outcome of this review there may be financial implications for the Council. This deficit is not included in the services forecast outturn.

The number of looked after children requiring placements at the end of December 2014 was 411, an increase of 16 since the start of the financial year.

Pressures on budgets for provision of Out of Authority Residential placements (+£3.184m) and the provision of independent Foster Care placements (+£342k) are the main service pressures. The cost of placements has increased as children are presenting with more complex needs. The service is looking at how they can find

suitable, alternative, increased value for money placements to meet the needs of these young people.

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

- Continued operation and challenge by the Multi-Agency Support Panel
- Successful work undertaken by the Commissioning Team which has resulted in the commissioning and re-commissioning of service provider contracts with significant cost reductions/cost avoidance of £800k to date in 2014/15.

Appendix 2 contains details of additional known costs for 2014/15 in respect of responding to recommendations arising from the Jay and recent Ofsted reports.

Environment & Development Services including Internal Audit, Asset Management, Communications & Marketing and Policy & Planning (-£455k forecast underspend)

The Directorate is currently forecasting an underspend of -£455k comprising pressures in Streetpride (+£29k), and Communications (+£55k), with Asset Management showing an improved position (-£228k). The Business Unit is now reporting a forecast underspend position (-£75k) as is Regeneration, Planning and Culture (-£236k). All budgets are continually being reviewed to ensure spend is of an essential nature.

The forecast underspend assumes that the Winter Pressures budget is sufficient to contain costs incurred over the Winter months (2014/15). It should however be noted this budget overspent by +£139k in the mild Winter of 2013/14.

Neighbourhoods and Adult Services including Public Health, Commissioning, Procurement, Performance & Quality and Cohesion (-£0.880m forecast underspend)

Overall the Directorate (including ring-fenced Public Health funded services) is forecasting an underspend of -£880k. Within this, Adult Services are forecasting a balanced outturn and Neighbourhood Services a forecast underspend of -£761k. Commissioning, Procurement and Performance & Quality services are forecasting a collective underspend of (-£119k). Key Directorate pressures include budget savings from previous years not being fully achieved in respect of additional continuing health care (CHC) funding, delays on achieving budgeted savings within Learning Disability services, plus recurrent pressures on demand for Direct Payments within Older People and Physical and Sensory Disability clients. These pressures are being offset by additional non-recurrent income and tight financial management including the impact of the moratorium on non-essential spend.

Public Health Services (ring-fenced funding) are currently forecasting a balanced Outturn.

The forecast position for Neighbourhoods and Adult Services is made up of a number of forecast under and overspends, detailed in Appendix 1.

Resources Directorate including ICT (-£0.326m forecast underspend)

Overall the Directorate is forecasting an underspend of -£326k. This is predominantly in respect of reduced costs and additional income generation with HR and Payroll services, additional Housing Benefits income and a contribution from Public Health grant towards the costs of the Policy team.

The forecast position for the Resources Directorate is made up of the forecast under and overspends, detailed in Appendix 1.

Corporate & Central Services (-£0.890m forecast underspend)

There are currently two key pressures within Central Services. Rotherham's share of the pension deficit in respect of winding down Local Government Yorkshire & Humber (LGYH) (£80k) and Rotherham's share of the costs for the Economic Regeneration Team within the Sheffield City Region Combined Authority (£188k).

Additionally the Council has two key corporate pressures.

- The 2014/15 costs directly associated with the Professor Jay investigation into Child Sexual Exploitation (CSE) amount to £102k. (Costs in 2013/14 were £37k).
- Costs which are being incurred to respond to recommendations included in the Jay Report and the Ofsted Report. These are detailed in Appendix 2 to this report. It should be noted that further costs beyond those included in Appendix 2 will be incurred. The nature of these additional costs is included at the base of Appendix 2. These costs are not currently quantifiable.

There are a number of forecast savings within Central Services which offset the above pressures and contribute to the wider directorate pressures:

- £480k tax saving through efficient tax management;
- £443k representing the reduced provision required to settle the South Yorkshire Trading Standards liability;
- £575k accrued volume rebates & discounts received from suppliers;
- £152k budget underspends: (Camera Partnership (£26k), External Audit Fee (£37k), Integrated Transport Authority underspend (£70k) and Audit Commission rebate (£19k)); and
- £43k additional New Homes Bonus top-slice funding. (Rotherham's share of a national underspend reallocated by Central Government)

7.3 Housing Revenue Account (HRA) (Forecast underspend -£2.133m)

The Housing Revenue Account is forecasting a £2.133m reduction in the transfer from reserves compared with the agreed budget. The HRA had budgeted to use £1.440m from reserves but current forecasts a contribution to reserves of £693k.

7.4 Agency, Consultancy and Non-Contractual Overtime Costs

Details of spend on Agency, Consultancy and Non-Contractual overtime costs are shown below. These costs are included within each Directorate's forecast outturn position.

Agency

Directorate	Outturn 2013/14	Cumulative to Dec. 2013	Cumulative to Dec. 2014
	£'000	£'000	£'000
Children & Young People's Services (CYPS)	830	603	735
Neighbourhoods & Adult Services (NAS)	345	286	210
Environment & Development Services (EDS)	558	493	549
Resources	134	102	99
TOTAL	1,867	1,484	1,593

Main reasons for spend:

CYPS: Cover for post of Interim Director of Safeguarding post; cover for vacant and long term sick Social Work posts, additional Social Worker and Manager posts implemented since the Ofsted report and employment of an interim Service Manager to oversee improvement in the LAC service.

NAS: Residential Care and Assessment & Care Management Social work Teams to maintain statutory levels of service, including cover for vacancies and sickness.

EDS: Cover for holidays and sickness absence mainly within Streetpride services.

Resources: Staff cover in Legal Services and ICT

Consultancy

Directorate	Outturn 2013/14	Cumulative to Dec. 2013	Cumulative to Dec. 2014
	£'000	£'000	£'000
Children & Young People's Services	274	161	206
Neighbourhoods & Adult Services	71	47	0
Environment & Development Services	173	125	61
Resources	23	23	23
TOTAL	541	356	290

Main reasons for spend:

CYPS: School Effectiveness Service which is predominantly grant funded and Special Education Needs & Disabilities (SEND) reform which is specific grant funded. The figure includes £66k Social Care consultancy costs.

EDS: Local Development Plan, Waste PFI, Transportation and Countryside Operations.

Resources: Legal services, Specialist ICT Support and support for Alexis Jay on the publication of the Jay Report.

Non-Contractual Overtime

Directorate	Outturn 2013/14	Cumulative to Dec. 2013	Cumulative to Dec. 2014
	£'000	£'000	£'000
Children & Young People's Services	121	96	81
Neighbourhoods & Adult Services	377	306	167
Environment & Development Services	501	399	327
Resources	149	109	125
TOTAL	1,148	910	700

Main reasons for spend:

CYPS: Provision of staff cover, mainly within residential units.

NAS: Maintaining statutory staffing levels in residential, home care, day care services and social work posts and represents cover for sickness and delays in recruiting to vacant posts.

EDS: Maintaining Streetpride services, facilities services, caretaking and cleaning.

Resources: ICT – Business Continuity (£21k), Revenues and Benefits – Income collection (£91k), Town Hall – Member services/support (£10k), Legal Services (£2k) and HR services (£1k).

7.5 Collection Fund

At this stage of the financial year it is forecast that the budgeted level of Council Tax and Business Rates will both be achieved.

8. Finance

The financial issues are discussed in section 7 above.

Children and Young People's Directorate is currently reconfiguring its service delivery and resources to ensure that it is best placed to respond effectively to the outcomes from the Professor Jay and Ofsted reports and meet the needs of its customers. In reconfiguring services, the Directorate is committed to identifying opportunities for reducing the cost and improving the efficiency of the services provided that could facilitate a future realignment of resources into the Service.

Management actions need to be identified and implemented across all Directorates to bring projected spend in line with Budget limits by the end of March 2015.

9 Risks and Uncertainties

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

priority if the Council is to deliver both its annual and medium term financial plans while sustaining its overall financial resilience.

As more detail about the costs associated with implementing recommendations from the Jay Report, the recent Ofsted Inspection and the ongoing Corporate Governance Inspection becomes available, this will be added to currently available information and included in future budget monitoring reports to Cabinet.

The overall number and likely cost of CSE claims is a further, likely significant, unquantified risk at present.

Although both Council Tax and Business Rates collection levels are currently on target there remains a risk that this could change during the remaining months of the year.

The current forecast assumes that costs associated with the Winter Pressures will be contained within budget. In 2013/14 these costs exceeded budget by £139k.

Should there be any financial consequence from the review of Abbey Special School, this is currently not included within the forecast outturn position. The forecast deficit to 31st March 2015 is currently £361k.

10. Policy and Performance Agenda Implications

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

11. Background Papers and Consultation

- Revenue Budget and Council Tax for 2014/15 Report to Council 5th March 2014.
- Strategic Directors and Service Directors of the Council

Contact Name: Stuart Booth, Interim Strategic Director of Resources & Transformation, ext. 22034

Stuart.Booth@rotherham.gov.uk

Budget Monitoring Period: Aprilto December2014 /15

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Academy Conversion Deficits	310		Write offs	Academy Conversion deficit write offs - Rawmarsh Comp £263k & Brookfield Primary £47k
Directorate Wide Costs	96		Staffing, supplies & services	£29k on legal cost for academy conversions, £8k for a Service Case Review, £3k contribution to the SY CSE Campaign, £84k Interim Directors, £30k additional staffing costs, £4k on supplies & services offset by -£62k underspend on pensions due to reduction in pensioner numbers
Schools and Lifelong Learning	2	-152	Income	Flexible use of one-off grant funding
Service Wide			Services	No budget for Yorkshire and Humber Education Challenge £3k partially offset by forecast underspends on room hire and car allowances -£1k
School Effectiveness		-50	Staffing & additional income	Delay in appointing Advisors and reduced use of consultancy in the School Effectiveness Service - £48k & an increase in room bookings at Rockingham PDC -£2k
Special Education Provision		-16	Staffing, supplies & services, income & placements	£35k Complex needs placements costs exceeding budget, £2k Education Psychology cost of locums, -£8k Learning Support Service due to delays in recruitment, -£29k Children in Public Care delays in recruitment , £34k Education Welfare Unachievable income target as now unable to charge academies, -£39k SEN Assessment & Admissions additional income from SLAs, -£11k Parent partnership delays in recruitment
Early years Service		-130	Staffing, supplies & services	-£90K Children Centres & -£40k Early Years both due to staff not being in pension scheme, vacant posts & moratorium on spend
Integrated Youth Support Service		-70	Staffing, transport, supplies & services, income	Shortfall in income generation with the Outdoor Education service £68k offset by underspends in the rest of IYSS -£138k due to delays in recruitment, reduction in vehicle costs & a moratorium on spend
Safeguarding, C&F Service		-33	Staffing, supplies & services	£13k Interim Director, £10k additional posts in Business support offset by an underspend on Legal costs -£56k
Child Protection Teams	139		Staffing, income	£49k due to withdrawal of DSG from the schools & £90k on agency staff costs
Children in Need Social Work Teams	852		Staffing	Unbudgeted Agency staffing costs
Looked After Children	3,717		Placements, staffing, allowances, supplies & services, premises	£3.184m Out of Authority placements costs in excess of budget, £342k Independent Fostering placements costs in excess of budget, £77k additional in house Residential homes staffing/agency costs, £117k Fostering Allowances in excess of budget, £72k Child Arrangement Orders, £13k repairs at Nelson Street Unit, £194k LAC Service - agency costs & additional staffing, secure transport & a care package. These costs are partially offset by forecast underspends: -£45k Fostering Team due to not covering maternity leave & staff not in pension scheme, -£20k fostering equipment, -£15k Families Together packages, -£152k Adoption services mainly due to a reduction in purchases of inter agency placements & allowances, -£50k reduced LAC Transport costs
Disability Services		-11	Staffing	Vacant posts within the Outreach Team
Total	5,116	-462		
Net Under/Overspend	4,654			

Budget Monitoring Period:
 April
 to December
 2014 /15

Service	Forecast:		Nature of under/overspend:	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Adult Services				
Adults General		-164	Staffing and Contracted Services	Higher than anticipated staff turnover plus impact of moratorium on non essential spend on training
<u>Older People</u>				
Direct Provision Res Care		-202	Staffing and additional income	Vacant posts retained pending restructure & Winter pressures funding received
Independent Res Care	595		Contracted Services	Recurrent overspend from 2013/14 due to Continuing Health Care (CHC) money not being at the levels anticipated.
Enabling/Domiciliary Care		-231	Staffing, Contracted Services	Underspend on staffing as workforce reduced to a minimum following decision to stop health & wellbeing checks.
Rothercare/Telecare		-139	Supplies and Services	Forecast underspend on maintenance contract and energy costs plus Winter Pressures funding
Assessment & Care Mang't		-483	Staffing, income	Higher than anticipated staff turnover , additional Health and Winter Pressures funding
Direct Payments	334		Contracted Services	Increase in demand (net increase of 88 clients) since April
Carers		-33	Staffing	Staff vacancies being covered by other staff
Extra Car/Day Care		-33	Supplies and Services, income	Savings on supplies and services in respect of closure of EMI Elderly Day Services at Charnwood and Copeland plus additional income from self funding clients.
<u>Learning Disabilities</u>				
Residential Care SYHA	430		Contracted Services	Delay in reconfiguration of residential care to supported living with RDASH
Client Support	142		Contracted Services	Delays in termination of Employment and Leisure services due to extended consultation period
Supported Living		-77	Contracted Services & Income	New transitional placements from Children's Services into Supported Living, plus additional demand for Shared Lives is being offset by additional CHC and one off funding resulting in an overall forecast underspend
Residential Care		-18	Staffing and Contracted Services	Reduction in residential and nursing respite placements plus increased Continuing Health Care (CHC) and Free Nursing Care (FNC) on nursing schemes. In house residential homes incurring increased levels of sickness.
Day Care	155		Staffing and Contracted Services	Recurrent budget pressure on Transport costs and additional provision for 6 specialist placements partially reduced by health funding
Domiciliary Care	71		Contracted Services	Recurrent budget pressures but reducing in both numbers and cost of packages
Assessment & Care Mang't		-27	Contracted Services	Expected savings on RDASH administration contract.
<u>Mental Health</u>				
Independent Residential Care		-103	Contracted Services & Income	Reduction of 3 placements since April plus additional Public Health funding for substance misuse
Direct Payments		-33	Contracted Services	Review of Direct payment packages is reducing the average cost
Assessment & Care Man'gt & Community Support		-18	Staffing	Savings on revision to waking nights payments

<u>Physical & Sensory</u>				
Direct Payments	325		Client Services	Increase in demand for service - a net 45 new clients since April
Independent Res Care		-75	Contracted Services	One high cost package now being funded by another Local Authority
Domiciliary Care		-48	Contracted Services & Income	Reduction in client numbers due to migration to Direct Payments. Increase in CHC and Client income
Therapy & Equipment		-13	Contracted Services & Therapy	Higher than anticipated staff turnover.
Advice & Information		-18	Contracted Services	Contract efficiency savings on RNID & RNIB contracts
Day Care		-35	Contracted Services	Contract efficiency savings
Safeguarding		-146	Contracted Services & Income	
				The increase in demand for assessments under Deprivation of Liberty Safeguards (154 as at end of Dec compared to a total of 56 in 2013/14) is putting additional pressure on existing budgets This is being more than offset by non recurrent income and higher than anticipated staff turnover.
Supporting People		-156	Supplies and Services & Contracted Services	Efficiency savings on contracts due to reduced activity and underspends on supplies and services budgets due to the moratorium on non- essential spend.
<u>Neighbourhoods General Fund</u>				
Strategic Housing Investment	64		Staffing, Income	Lower income from Registered Social Landlords (RSL), write off of income outstanding on group repair scheme plus higher than anticipated staff turnover
Housing Options		-655	Staffing, supplies and services, income	Increased income from fees on Private Sector Adaptations, savings on Furnished Homes due to more cost effective procurement plus higher than anticipated staff turnover
Housing & Estate Services		-10	Supplies and Services	Savings on supplies and services due to moratorium on non-essential spend.
Business Regulation		-58	Staffing	Higher than anticipated staff turnover in Trading Standards
Safer Neighbourhoods		-35	Staffing	Higher than anticipated staff turnover in Community Protection
Central		-24	Staffing	Underspend on pension and insurance costs
Neighbourhoods Partnership & Engagement		-43	Supplies and Services	Underspend on transport and supplies and services within Area Assembly budgets due to the moratorium on non essential spend and forecast underspend on Members Leadership fund. (Any balance on this fund is usually requested for carry-forward as part of the Council's Outturn report).
<u>Matrix Managed</u>				
Procurement	3		Staffing	Lower than anticipated staff turnover
Commissioning		-27	Staffing	Higher than anticipated staff turnover
Performance & Quality		-95	Staffing	Higher than anticipated staff turnover
<u>Public Health</u>	0	0		forecast balanced budget
Total	2,119	-2,999		
Net Under/Overspend	-880			

Budget Monitoring Period: April to December 2014 /15

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Asset Management, Audit and Insurance				Service Total is £228k forecast underspend
Emergency Planning, Health & Safety	4		Supplies and Services, Staffing	There is no budget to fund unscheduled rallies or protests, these have cost £42k. There is a small under recovery of income on some training £5k, and some monies have been credited back which were not required to settle an employment tribunal. This small overspend is being reviewed. Building Cleaning is showing some pressure on staffing budgets costs £40k. There are a number of budgets across the service are showing some smaller pressures and some savings are reported, with a net pressure of £6k. Mainly due to reduced costs relating to Riverside House -£200k, and fee billing income -£50k. Further savings offered from Environmental Management is mitigating smaller pressures on some budgets (Community Buildings, Estates and Commercial Properties). Staffing cost pressure. Small savings due to the moratorium on non-essential spend. (Non staffing)
Management	5		Supplies and Services	
Facilities Services	46		Staffing, income	
Corporate Property		-286	Staffing, Supplies and Services, Income	
Internal Audit	8		Staffing	
School Crossing Patrol		-5	Supplies & Services	
Business Unit				Service Total is £75k forecast underspend
		-75	Staffing and supplies and services	Report now reflects reduced staffing costs within training budget, with the majority of the under spend being from a reduced training programme.
Communications and Marketing				Service Total is £55k forecast overspend
	55		Staffing	Due to inability to capitalise some staffing costs. This has been addressed for 2015/16.
Regeneration, Planning & Cultural Services				Service Total is £236k forecast underspend
Cultural Services		-226	Staffing, supplies and services and income	This is mainly due to holding vacant posts in Libraries whilst a staffing restructure was progressed and includes a £100k saving on the materials fund, and an over recovery of income from Theatres, mainly from the success of the pantomime. This is also due a vacant post and part of the staffing restructure This is mainly due to increased demand at contact centres and additional staff training requirements Small savings due to moratorium This is partially due to increased occupancy levels, but also due to being able to maximise some grant funding for staffing costs. This is mainly due to increased public liability insurance charges
Management		-32	Staffing	
Customer Services	28		Staffing and services	
Regeneration		-12	Staffing, supplies and services and income	
Managed Workspace (Business Centres)		-61	Income	
Management	12		Services	

Markets		-23	Supplies and services, income	Some expected charges will now not be incurred (-£16k)and small savings from the moratorium
Planning	70		Salaries and supplies and services	There is an expectation that there will be an underrecovery of income on planning applications. A further £40k has been added to an eisting provision for potential property litigation claims.
RIDO	19		Staffing and services	In the main this is due to needing to purchase a new IT package
Building Control		-11	Income	There has been a small increase in the number of building applications, this may not be recurrent.
Streetpride				Service Total is £29k forecast overspend
Network Management	118		Services and income	The key pressure is due to under recovery of income on Parking (+£220k), but there are some savings showing on Street Lighting energy costs and across other areas within NM totalling (-£100k).This projection does not include anything for winter maintenance.
Waste Management		-37	Supplies and services	Waste Collection is underspent by(-£-163k) mainly due to the WEEE Rebate, and also the impact of industrial action, reduced projected spend on HWRC sites and increased income on Bulky items and Commercial Waste. Waste Disposal has a pressure of (+£164k) as we await an outlet coming on line and have increased waste into Sheffield Erf. Waste PFI has a (-£38k) underspend relating to savings on professional advice required for the Waste PFI contract
Leisure and Green Spaces		-59	Staffing (agency), supplies and services and income	There are a number of small pressures on budgets from allotments and Country Parks due to agency cover costs and under recovery of income, however, these are being mitigated by savings across the service area, mainly due to vacant posts (-£42k) and reduced spend on non pay budgets due to the moratorium, but also from Tree Services and landscape design.
Community Services	55		Staffing, supplies and services and income	Across this service there are a number of pressures (+£64k) cleansing highways,(+ £11k) Dog Warden services on a revised contract and (+£15k) relating to staffing on an overhead account. Increased income from Pest Control services is contributing (-£12.5k) and grounds maintenance-(£18.6k).
Corporate Transport Unit		-58	Supplies and services	This is mainly due to the imposed moratorium on spend and the current levels of demand for transport services.
Transportation	8		Services and income	A pressure of (+£75k) from CCTV is being mitigated by (-£38k) over recovery of Highway Design income and savings from a vacant post (-£28k).
Corporate Accounts	2		Services	This small overspend is being reviewed.
Total	430	-885		
Net Under/Overspend	-455			

Budget Monitoring Period: April to December 2014 /15

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+ £'000	Underspend (-) £'000		
Finance		-5	Staffing	Staff vacancies & non-backfill of maternity leave - work re-prioritisation. Forecast housing benefits overpayments recovery Staff vacancies and additional income generation - predominantly from schools & academies
Revenues & Benefits		-80	Income	
HR & Payroll		-185	Staffing, Income	
Legal Services	40		Staffing	Staff cost pressures and delays in achieving 2014/15 budget savings Public Health funding contribution to Policy Team Forecast balanced outturn
Policy Team		-96	Staffing	
ICT				
Total	40	-366		
Net Under/Overspend	-326			

2014/15 COSTS ASSOCIATED WITH IMPLEMENTING RECOMMENDATIONS FROM THE JAY & OFSTED REPORTS

Corporate Costs

Service	Forecast to 31/03/15 £'000	Budget/Funding Available £'000	Unfunded Balance £'000	Reason(s) for forecast under/overspend
Cost of Interim Chief Executive	155	75	80	Cost of interim appointment in excess of previous postholder (taking into account overlap of payment for notice period)
Chief Executive support	25		25	Executive support and policy advice to the Interim Chief Executive (ICX)
Additional support for the Communications & Media Team	30		30	Provision of strategic support to the ICX in terms of external and internal communications.
Additional Legal Services Support	88		88	3 FTE Solicitors, 1 FTE Locum and 2 Band E FOI Business Support staff
Recruitment Costs	80		80	Recruitment services for a new Chief Executive, other senior posts and work on Organisational Development
Review of Senior Management involvement in CSE	50		50	Independent investigation into senior management roles in respect of historic CSE as raised by the Jay Report and in response to the CLG committee report. (Estimated £50k cost in 2014/15 and £50k cost in 2015/16)
Interim Strategic Director of Resources & Transformation	12		12	Cost differential from Director to Strategic Director for 3.5 months in 2014/15. (6 months in total)
HR Investigation by Consultants	65		65	Review of Social Care processes and practice
External Audit Review	3		3	Quality assurance of internal and external investigation work in respect of missing files and minutes.
Total	508	75	433	Unfunded costs included within Central and Corporate services forecast outturn

Children & Young Peoples Directorate

Service	Forecast to 31/03/15 £'000	Budget/Funding Available £'000	Unfunded Balance £'000	Reason(s) for forecast under/overspend
Interim Strategic Director CYPS	47		47	Cost of interim appointment in excess of previous postholder (taking into account overlap of payment for notice period)
Directorate Wide Costs	74		74	Cost of 2 Interim Directors
Integrated Youth Support Service	48	48	0	Post abuse support & counselling
Safeguarding, C&F Service Wide	108		108	Strategic Director support, Safeguarding consultant, MASH & CART Manager, additional Business Support
Child Protection Teams	245	120	125	CSE & Safeguarding Board additional support, post abuse counselling services
Children in Need Social Work	717		717	Additional Agency Team Managers & Social Workers
Looked After Children	72		72	Agency social workers & In house residential consultancy
NSPCC Helpline	20		20	
Total	1,331	168	1,163	Unfunded costs already included in CYPS forecast outturn

TOTAL	1,839	243	1,596
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NOTE: The above forecast costs exclude a number of costs as these are as yet unknown:

1. Cost of the Corporate Governance Inspection team - the Chief Executive has written to Government asking for a cost estimate (response awaited).
2. The proposed CYPS restructure is out to consultation. If appointments to the new structure commence in 2014/15 there are likely to be some additional costs.
3. Additional resources required to respond to the CGI report recommendations when published (if in excess of above).
4. The potential costs of CSE claims is unknown and is therefore excluded from this report.
5. Actions which are in train which will incur costs which are not yet quantifiable.

ROTHERHAM METROPOLITAN BOROUGH COUNCIL – REPORT TO MEMBERS		
1.	Meeting:	Self Regulation Select Commission
2.	Date:	19 th February 2015
3.	Title:	RMBC “Facing the cuts, delivering Rotherham’s priorities” 2015/16/2016/17 – Public/Employee Consultation findings
4.	Directorate:	EDS

5. Summary

This report provides key headlines from the recent ‘Facing the cuts, delivering Rotherham’s priorities’ consultation that took place to help inform the Council’s Budget for 2015/16 and 2016/17. The consultation has been active since 1st November 2014 and was completed on 31st December 2014.

6. Recommendations

That the Self Regulation notes and comments on the referral to Cabinet to:-

- Note the headline messages arising from the analysis of the Budget consultation.
- Consider how the consultation findings align with and can / should influence the Council Budget for 2015/16 and 2016/17
- Support the development of a communications plan to ensure that the Council is proactive in communicating both the results and the impact on decision making to the public and employees.

7. Proposals and Details

The Council has historically undertaken a major consultation exercise to help inform the development of the annual budget. The broad aims of these public and employee consultation exercises have been to:

- Identify the views of residents on their spending priorities for the Council.
- Raise awareness of how the Council sets and agrees its spending priorities.
- Demonstrate to citizens that the Council wants to listen to their views.
- Inform Council decision making.

7.1 Methodology

Public Consultation

The consultation exercises have been undertaken through input from a number of teams across the council including Corporate Finance, Housing & Neighbourhood Area Partnerships and Engagement Service, and Communications and Marketing.

Rotherham residents and partner organisations were asked to give their views on how Rotherham Borough Council's budget should be spent – and where reductions should be made.

The consultation took place during November and December and the Council proposed three priority areas for the budget over the coming year:

1. Protecting our most vulnerable children and adults
2. Getting people into work and making work pay
3. Making our streets cleaner and better

Within these 3 priorities, the council asked people which areas they should focus on within these priorities. And how do we support communities to help themselves.

We also asked whether people would support an increase in council tax.

The consultation invited members of the public and partners to go online at www.rotherham.gov.uk/budget which provided more information and how people can get involved and contribute to the online forum.

- A flyer was produced to promote the online consultation and circulated appropriately and displayed in public buildings.
- It was promoted on screens in Riverside and GP surgeries.

The **Online Forum** went live on November 10th and below is an update on the progress so far.

- We have had 49 posts and 1756 views.
- Our main priorities (30 posts)
- Helping people and communities to help themselves (5 posts)
- Budget Saving Ideas (14 posts)

The Community Engagement Team has been moderating the Forum during the day, evenings and weekend. On a couple of occasions, posts have been deleted where they have been discriminatory or abusive. When there have been queries, we have responded promptly and where appropriate have asked services for the information. The Forum will be a useful sustainable tool for the Council to use for future consultations providing it is moderated successfully. A few individual suggestions have also been submitted too.

Consultation with Partners.

A successful consultation workshop took place with the VCS hosted by the Deputy Leader at Voluntary Action Rotherham on 15th December with 19 organisations represented.

There was attendance at Area Assembly, Area Housing Panel Meetings, Rother Fed Board Meeting and Parish Council Network meetings to promote the consultation and take views from the attendees.

Staff Consultation

As part of the budget and priorities consultation Corporate HR undertook an internal exercise to engage employees in the process. This ran from 13 November 2014 until 31 December 2014. The questions for this consultation mirrored those asked of the public on the online forum. The internal consultation took the form of a questionnaire via an online survey tool which allowed us to customise the link and only make it available to employees. Promotion of the consultation was via employee briefings, bulletins and the intranet homepage.

Findings

7.2 Summary of findings (Public Consultation)

Online Forum

Priorities

- Review Member Allowances to make savings
- Improve the Town Centre for example, through addressing cleanliness and appearance, and its image as a visitor and shopping destination.
- Rebrand Rotherham's image
- Address poor civic leadership
- Publicise what savings we have made so far?
- Provide more information on how the public can contribute to priority 2 – "Getting people into work and making work pay".

Helping people and communities to help themselves

- Encourage volunteer community clean up campaigns
- Provide free local skips to reduce fly tipping, save clean up and enforcement costs, and promote a sense of self-help and local pride

Increase in Council tax

- A rise in Council Tax in line with inflation would be acceptable provided detail was given on how the extra money raised would be used.

Budget Saving Ideas

- Asked for Top 10 spend areas to contribute more effectively towards the consultation.
- How often do we renegotiate with our energy providers?
- Staffing - encourage over 55's to take redundancy
- Staffing – any vacancies should be filled by internal candidates through skills matching against the jobs
- Use google maps and street view when dealing with applications for drop kerbs instead of a site visit

Email suggestions/comments

- Prioritise the roads
- LED and dim lighting is dangerous
- Need more investment on country footpaths
- Why are we wasting money on a 'Dead' Town centre

7.3 Summary of findings (Partner Consultation)

These are some of the comments and suggestions that have been made by Area Housing Panels, Area Assemblies, and Rother-Fed:

Priorities

- Why have green bins at terrace houses without gardens, people just fill them with household waste which never gets picked up and left on streets.
- Should only maintain walking areas, should let some grass areas blossom especially where flowers look nice.
- Worried about the impact the cuts will have on vulnerable and disabled people who are becoming more isolated.
- Would like more information about the budget saving proposals to enable them to influence any decisions.
- Need more detail on how we will make work pay?
- Priority area 2 – “Getting people into work” is the responsibility of the DWP and Job Centre Plus. We should leave it to them to address as we don't have the expertise to make a meaningful difference.
- Need to ensure people are skilled appropriately to take up jobs.
- Need to assess what we are legally obliged to provide.
- Need to have a clear vision for the council and make it a flagship council for good practice again by taking risks if necessary.

Helping people and communities to help themselves

- Would welcome the opportunity for us to help communities help themselves e.g. volunteers running services such as libraries following good practice in Sheffield and America.

- Affluent communities tend to be more skilled to volunteer and run services; we need to do more in deprived areas where skills and capacity are short.
- Need to outsource some services to the private sector and voluntary sector.
- Need to help entrepreneurs with business start-ups to get more investment into Rotherham.

Increase in Council tax

- Some would agree with a rise in council tax if budgets became further reduced.

7.4 Summary of the findings from the consultation with the VCS

The emerging themes from the wider voluntary and community sector were to prioritise:

- Increase Town Centre regeneration
- Promote Volunteering and enable community self-help
- Review the councils approach to commissioning services to make it fairer, less bureaucratic, and more user friendly
- Promote and actively engage voluntary sector as an equal partner
- The voluntary and community sector is very creative so use the sector to scrutinise and suggest solutions for saving money.

Overall, there were no voices of dissent regarding our Council proposed priorities.

7.5 Summary of findings (Consultation with Employees)

203 responses were received in total with the summary findings below.

Question 1: The Council's main priorities have been revised as follows. Do you agree or disagree with these? The ratings were:

- Protecting our most vulnerable children and adults – **99% agree**
- Getting people into work and making work pay – **88% agree**
- Making our streets cleaner and better – **78% agree**

Question 2: Within the three priorities outlined above, which areas do you think we should focus on?

The majority of respondents chose to focus on the priority they deemed as the most important.

- More than half of these stated that protecting our most vulnerable children and adults should be the top priority (95 responses).
- 25 respondents thought getting people into work and making work pay should be the top priority,
- 13 respondents thought making our streets cleaner and better should be most pertinent.
- 10 respondents stated they thought all three priorities should be of equal importance.

The remaining responses focused on areas they thought were important to bring the priorities to life. Common areas of response included roads maintenance and repairs, and a focus on education and training, both within schools and communities.

Question 3: If you disagree with the priorities or would like to add to them please comment below:

- 4 respondents gave more information on the focus they thought was important for protecting vulnerable children and adults.
- 6 comments were around getting people into work.
- 20 comments were around making our streets cleaner and better.
- A further 20 comments received gave other ideas for priorities such as housing, customer services and education.

Question 4: How can we support individuals, families and communities to help themselves?

- The main areas of focus included methods of educating and training the community, more community involvement and engagement initiatives to encourage communities to look after themselves in terms of street cleaning, signposting and making more support available in the first instance and more staff and visibility in the locality areas.

Budget Savings Suggestions

The budget saving suggestion initiative was promoted at the same time as the employee consultation. The initiative was introduced by the previous Chief Executive and Leader a few years ago as an addition to the Employee Suggestion Scheme, and has been continued to be maintained. Since September 2014 we have received 28 suggestions – some examples of ideas received are:

- Claim VAT back for mileage – this is being investigated and it is hoped can be implemented subject to HMRC requirements
- Change from electing by thirds to four-yearly cycle – this has been previously considered and discounted
- Provide social workers with iPads – this is already being addressed as part of CYPS work streams
- Review of sickness policy – this is reviewed regularly as part of budget saving proposals, in conjunction with trade union representatives

Relevant officers are contacted for their views on the feasibility of implementing the suggestion and the responses are scrutinised by Phil Howe, Director of Human Resources. A response is then sent to the person who submitted the suggestion. Following this it is posted on the intranet page for others to see and add any further comments.

8. Finance

The costs of this consultation exercise have been approximately £500 which has been met from existing sources.

Officer time has been required to carry out the consultation utilising officers from a number of teams across the authority as part of a council wide approach.

9. Risks and Uncertainties

All consultation has inherent risks that impact on the findings for example:

- The different methods proposed in the consultation did produce some disagreement about priorities.
- Public views vary depending on personal situation and characteristics, and also the amount of consideration given to the priorities.
- The views of interest groups can disproportionately affect results.
- Consultation done during busy Christmas period.

The impact of the above will 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 supports the consultation exercise.

Moving forward all services will be encouraged to use the online forum as an integral part of their public consultation to ensure the momentum from the last two years is maintained. This will ensure that the response rate rises and improves as the some momentum was lost between the last two budget consultation exercises when the online forum was closed down.

10. Policy and Performance Agenda Implications

We currently have revised priorities and Budget principles which provides detail of the key priorities we aim to deliver. We therefore need to ensure that funding is aligned to the priorities. This consultation is also intended to inform the budget for 2015/16 and 2016/17.

11. Contact Names:

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