



CABINET/ COMMISSIONERS' DECISION MAKING MEETING

Tuesday, 23 February 2016

10.00 a.m.

**Council Chamber, Town Hall,
Moorgate Street, Rotherham. S60 2TH**

Cabinet Members:-

Leader of the Council – Councillor Chris Read
Deputy Leader of the Council – Councillor Gordon Watson
Councillor Saghir Alam – Corporate Services and Budgeting
Councillor David Roche – Adult Social Care and Health
Councillor Denise Lelliott – Jobs and the Local Economy
Councillor Kath Sims – Waste, Roads and Community Safety
Councillor Emma Wallis – Housing
Councillor Taiba Yasseen – Neighbourhood Working and Cultural Services

Commissioners:-

Lead Commissioner Sir Derek Myers – Apologies received.
Commissioner Julie Kenny – Apologies received.
Commissioner Mary Ney
Commissioner Malcolm Newsam

CABINET/COMMISSIONERS' DECISION MAKING MEETING

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

Date: Tuesday, 23rd February, 2016

Time: 10.00 a.m.

A G E N D A

1. Apologies for Absence.

To receive apologies of any Member or Commissioner who is unable to attend the meeting.

2. Declarations of Interest.

To invite Councillors and Commissioners to declare any disclosable pecuniary interests or personal interests they may have in any matter which is to be considered at this meeting, to confirm the nature of those interests and whether they intend to leave the meeting for the consideration of the item.

3. Questions from Members of the Public.

To receive questions from members of the public who wish to ask a general question.

Decisions for Cabinet:-

4. Revenue Budget Setting Report 2016/17 (report herewith) (Pages 1 - 264)

To note the outcome of the final Local Government Settlement and recommends to Council approval of the revenue budget for 2016/17, impact on the budget proposals in 2017/18 and 2018/19, investment proposals, use of reserves, comment and advice of the Interim Strategic Director of Finance and Customer Services in relation to reserves, the consultation feedback from the public and partners, the proposed use of Capital Receipts to fund the first £2m of severance costs and the increase in the basic amount of Council Tax.

Report of the Interim Strategic Director of Finance and Corporate Services
Cabinet Member – Councillor Alam
Commissioners: Myers/Ney (in advisory role)

5. Capital Programme Budget Setting Report - 2016/17 to 2020/21 (report herewith) (Pages 265 - 393)

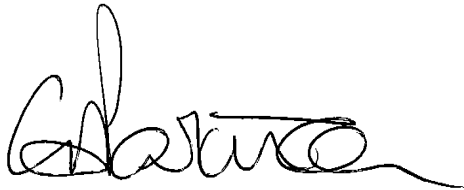
To consider and recommended to Council the new Capital Strategy and the proposed Capital Programme for the period 2016/17 to 2020/21.

Report of the Interim Strategic Director of Finance and Corporate Services
Cabinet Member – Councillor Alam
Commissioners: Myers/Ney (in advisory role)

6. Prudential Indicators and Treasury Management and Investment Strategy 2016/17 - 2018/19 (report herewith) (Pages 394 - 422)

To consider and recommend to Council approval of the prudential indicators and limits for 2016/17 to 2018/19, the Minimum Revenue Provision Policy Statement, Treasury Management Strategy for 2016/17 to 2018/19 and Investment Strategy 2016/17 to 2018/19.

Report of the Interim Strategic Director of Finance and Corporate Services
Cabinet Member – Councillor Alam
Commissioners: Myers/Ney (in advisory role)



CATHERINE A. PARKINSON,
Interim Director of Legal and Democratic Services.

Summary Sheet

Council Report

Title:

Revenue Budget Setting Report 2016/17

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Interim Strategic Director of Finance and Customer Services – Stuart Booth

Report Author(s) Pete Hudson – Chief Finance Manager

Ward(s) Affected: All

Executive Summary

This report proposes a Revenue Budget for 2016/17 based on the outcome of the Council's Financial Settlement, budget consultation and the consideration of Directorate budget proposals through the Council's formal Budget and Scrutiny process (Overview and Scrutiny Management Board).

It also sets out the estimated budget position for 2017/18 and 2018/19. This report should be read in conjunction with the HRA budget report (agreed at full Council on 27th January 2016), the Capital Strategy and the Treasury Management Strategy (included on this agenda). Although this report contains proposals to balance the revenue budget for 2016/17, significant further early work needs to be undertaken in the new financial year in order to bring forward further proposals for Member/Commissioner consideration to enable the Council to establish a clear and sustainable financial plan for addressing the estimated financial gap that remains over the next two years (2017 to 2019). It will also need to start longer term planning for the period up to 2020 given the Government's four-year settlement offer and the proposed fundamental changes in local government finance thereafter.

This report also provides feedback from both public and partners in relation to the budget proposals in the light of their recent publication on the Council's website for consultation until 12th February 2016, as well as the extensive programme of engagement on the public priorities for the Council during 2015 which informed the "Views from Rotherham" report (Appendix 3).

Recommendations

That Cabinet notes the outcome of the final Local Government Settlement and recommends to Council that it:

- Approves as set out in this report the proposals for a balanced revenue budget for 2016/17 and the impact of the budget proposals in 2017/18 and 2018/19
- Approves the investment proposals as set out in the budget report (Appendix 2) noting that some of this investment is required to address inherent budget pressures and some is required to provide scope for growth and improvement.
- Approves the proposed use of Reserves as set out in this report
- Notes and accepts the comments and advice of the interim Strategic Director of Finance and Customer Services (Section 151 Officer), 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.
- Notes the consultation feedback from the public and partners following publication of Directorate budget savings proposals on the Council's website for public comment through to 12th February 2016 (Section 5 of this report and Appendix 3)
- Approves the proposed use of Capital Receipts to fund the first £2m of severance costs arising from service reconfiguration to deliver efficiencies and improved outcomes for clients and residents. See Efficiency Strategy (Appendix 4)
- Approves:
 - An increase in the basic amount of Council Tax (i.e. the Borough's element excluding precepts) of 3.95% - this being comprised of a 2% precept for Adult Social Care services (a new precept announced in the provisional settlement in December 2015 for Authorities with Adult Social Care responsibilities) and a 1.95% increase in the Council's own basic level of Council Tax.
 - That Advisory Cabinet agree 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 2nd March 2016.

List of Appendices Included

Appendix 1 – Summary of Directorate Budget Savings Proposals 2016/17 – 2018/19

Appendix 2 – Summary of Investment Proposals 2016/17 – 2018/19

Appendix 3 – Feedback from the public and partners on the Budget Proposals 2016/17 to 2018/19.

Appendix 4 – Efficiency Strategy showing proposed use of Capital Receipts

Appendix 5 – Updated Outline Medium Term Financial Strategy 2016 – 2019

Background Papers

- Council Tax Base Report 2016/17 – Council 27th January 2016
- Housing Rents 2016/17 – Council 27th January 2016
- Final Local Government Financial Settlement – 8th February 2016

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board (OSMB) meetings – 23rd October 2015, 26th November 2015, 15th January 2016, 22nd January 2016, 12th February 2016.
Commissioner Manzie Decision Making meetings – including those on 30th November 2015 and 28th January 2016 (and letter dated 29th January 2016) considering the formal budget consideration reports of OSMB.
Full Council – 2nd March 2016

Council Approval Required: Yes

Exempt from the Press and Public: No

Title: Revenue Budget Setting Report 2016/17

1. Recommendations

That Cabinet notes the outcome of the final Local Government Settlement and recommends to Council that it:

- Approves as set out in this report the proposals for a balanced revenue budget for 2016/17 and the impact of the budget proposals in 2017/18 and 2018/19
- Approves the investment proposals as set out in the budget report (Appendix 2) noting that some of this investment is required to address inherent budget pressures and some is required to provide scope for growth and improvement.
- Approves the proposed use of Reserves as set out in this report
- Notes and accepts the comments and advice of the interim Strategic Director of Finance and Customer Services (Section 151 Officer), 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.
- Notes the consultation feedback from the public and partners following publication of Directorate budget savings proposals on the Council's website for public comment through to 12th February 2016 (Section 5 of this report and Appendix 3)
- Approves the proposed use of Capital Receipts to fund the first £2m of severance costs arising from service reconfiguration to deliver efficiencies and improved outcomes for clients and residents. See Efficiency Strategy (Appendix 4)
- Approves:
 - An increase in the basic amount of Council Tax (i.e. the Borough's element excluding precepts) of 3.95% - this being comprised of a 2% precept for Adult Social Care services (a new precept announced in the provisional settlement in December 2015 for Authorities with Adult Social Care responsibilities) and a 1.95% increase in the Council's own basic level of Council Tax.
 - That Advisory Cabinet agree 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 2nd March 2016.

2. Background

Introduction

- 2.1 Following the serious findings of the Professor Jay, Ofsted and Corporate Governance Inspection (CGI) reports, and with the support of Government appointed Commissioners, Rotherham Council is one year into recovery.

- 2.2 During 2015, extensive consultation has taken place with the Rotherham public, businesses and partners, led by the Leader of the Council and Lead Commissioner Sir Derek Myers, to determine what matters most to the people of Rotherham. The feedback from these widespread consultation events, which engaged around 1,800 people in total, has resulted in both a reshaped Vision for the Council and a refreshed set of key priorities (see paragraph 2.14 below).
- 2.3 A programme of activity has been focused on improving the Council following the appointment of Commissioners. Many of the key actions which were set out in the corporate “Fresh Start” Improvement Plan, published on 26th May 2015 have been achieved. In February 2016 the Council saw a partial return of powers allowing it to again directly manage a number of Council functions. The key exceptions to this where executive decision making powers still sit with the Government-appointed Commissioners, are Children’s and Adults Social Care where there is still much work to do to fully address the remaining recommendations from the Jay, Ofsted and CGI reports.
- 2.4 The refresh of the Council’s Vision and priorities and the need to undertake further work within the statutory services of Children’s and Adult Social Care has inevitably led to an extensive review of working practices. In some service areas additional investment is required in order for the Council to be able to respond positively to the recommendations in the Jay, Casey and related Ofsted reports; and ultimately become a Council meeting its best value duties.
- 2.5 Alongside this need for additional high performing investment, significant Government funding reductions at a national level in public spending as part of central Government’s deficit reduction strategy, mean that in 2016/17 and subsequent years the financial climate for the Council will continue to be extremely challenging. It is imperative that, for the Council to move forward, our strategic priorities are clear, as is the need to focus on them within our decision-making processes.
- 2.6 This report sets out the proposed Budget for 2016/17 based on available resources, feedback from communities and partners, and is in response to the final Local Government Finance Settlement for the Council issued by the Government on 8th February 2016.

Background

- 2.7 On 9th December 2015 Full Council approved an outline Medium Term Financial Strategy (MTFS) for 2016/17 to 2018/19. At that time the outline MTFS included estimated funding gaps in each of the next three years of £19.6m, £12.2m and £9.2m respectively.
- 2.8 This report recommends implementation of budget proposals which will allow the Council to set a balanced budget for 2016/17 and start to make a significant contribution to address the funding gaps for 2017/18 and 2018/19 respectively. The MTFS has been updated to reflect these budget proposals and attached as Appendix 5 to this report. Work to identify options for addressing the remaining funding gap for 2017-19 will continue over the coming months and will be

provided to Members for their consideration. The aim is to have a clear, sustainable financial plan during 2016.

- 2.9 Over the last 5 years (2011/12 to 2015/16) 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 5 year period, the Council has addressed a cumulative funding gap of £117m.
- 2.10 For 2016/17 the Council is required to address a further £21m funding gap (which increased from the £19.6m referenced in paragraph 2.7 to address the provisional finance settlement for the council, include essential investment requirements, and reflect additional corporate savings). This report contains the budget proposals to meet that significant challenge in 2016/17 and set the direction for further savings beyond this through to 2018/19. The proposed Directorate savings contribute £11.9m towards meeting this funding gap and are set out in paragraph 3.18 in summary and in more detail at Appendix 1.
- 2.11 In addition, since April 2013, local Councils have been 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.
- 2.12 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. For councils with Adult Social Care responsibilities, however, the Government has increased this threshold by a further 2% from 2016/17 to encourage Authorities to generate further local funding in recognition of the significant funding challenges facing this particular service area.
- 2.13 In meeting the year on year significant financial challenges presented, the Council has demonstrated a successful track record in delivering its financial plans. 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.

Refreshing the Council Vision and Priorities

- 2.14 During 2015 extensive consultation and engagement took place with the residents, businesses and wider partners across the borough. A significant programme of 'consultation roadshows' were led by the Leader of the Council and Lead Commissioner Sir Derek Myers, which engaged around 1,800 people across Rotherham. Feedback from these events has been brought together in the "Views from Rotherham" report and has been used to shape a new vision and set of headline priorities for the Council to develop the new outline Corporate Plan as follows:

"Rotherham is our home, where we come together as a community, where we seek to draw on our proud history to build a future we can all share. We value

*decency and dignity and seek to build a town where opportunity is extended to everyone, where people can grow, flourish and prosper, and where no one is left behind. To achieve this as a council **we must work in a modern, efficient way**, to deliver sustainable services in partnership with our local neighbourhoods, looking outwards, yet focused relentlessly on the needs of our residents.*

To this end we set out four priorities:

- **Every child making the best start in life**
- **Every adult secure, responsible and empowered**
- **A strong community in a clean, safe environment**
- **Extending opportunity, prosperity and planning for the future.**

- 2.15 The Council is now working to finalise its new Corporate Plan for the next Municipal Year (following the first version approved by Full Council on 9th December 2015) structured around the delivery of this new vision, so that it can be embedded in all the Council does.
- 2.16 The proposed revenue budget for 2016/17 as set out in section 3 below similarly aligns with this new Vision and will be integral to delivering the Council's corporate priorities.

3. Key Issues

Final Local Government Settlement 2016/17

- 3.1 The table below shows the Final Local Government Settlement for the Council announced on 8th February 2016 and shows no change to the Provisional Settlement issued on 17th December 2015.

| | Final Settlement |
|--|-------------------------|
| | £'000 |
| Revenue Support Grant | 39,405 |
| Business Rates Top Up | 22,817 |
| Retained Business Rates | 35,930 |
| Settlement Funding Assessment (SFA) | 98,152 |

- 3.2 The Settlement figures include the Government's estimate of what it believes a Council will have by way of Retained Business Rates resource. Council's will, where appropriate, substitute their own estimate of a realistic level of retained business rates funding. The difference between the Government's and the Council's own estimate of retained business rates is only £8k for the year. (Government estimate £35.938m, Council estimate £35.930m)
- 3.3 In addition to the Settlement Funding Assessment above, other sources of Government non-ringfenced grant funding is also available to support the budget. The 2016/17 allocations are set out in the table below:

| Funding Source | £'000 |
|--|--------------|
| | |
| New Homes Bonus | 5,999 |
| New Homes Bonus – Top Slice Refund (Estimated) | 100 |
| Business Rates: Section 31 Grants | 1,618 |
| Business Rates: Renewable Energy | 159 |
| Business Rates: Enterprise Zone | 305 |
| | |
| TOTAL | 8,181 |

- 3.4 The total level of Government non-ringfenced grant available to support the budget in 2016/17 is £106.333m (SFA £98.152m plus non-ringfenced grants £8.181m).

Proposed Increase in Council Tax

- 3.5 The Council is proposing to increase its own Council Tax (ie excluding Parish, Fire and Police precepts) by a total of 3.95%. This consists of two elements:
- A 1.95% increase in respect of contributing towards the Council's overall budget position; and
 - A further 2% increase specifically in respect of a precept for Adult Social Care services (following a Government announcement encouraging Authorities with Adult Social Care responsibilities to generate an extra 2% income by applying this new precept).
- 3.6 A 3.95% increase on the tax levied in 2015/16 would mean a **Band D Council Tax (for the Council only) of £1,328.20** and would mean a Band A Tax of £885.47, a Band B Tax of £1,033.05 and a Band C Tax of £1,180.63 per year. **86% of properties in Rotherham are classed as Band A (54%), Band B (19%) or Band C (13%).**
- 3.7 The planned level of Council Tax also takes account of a planned use of £4m (net) surplus on the Council's Collection Fund (Council Tax and Business Rates) as at 31 March 2016. This is a direct result of 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 £67 per property, which is one of the lowest levels for a Metropolitan Council).
- 3.8 The proposed increase in Council Tax is not recommended lightly. The alternative was to further reduce valued, frontline services at a time when demand for these services by vulnerable children and adults is increasing and the Council, alongside the Sheffield City Region, are proactively looking to stimulate the economy to bring about jobs and prosperity in the borough and city region which will bring about an increase in the future resources available to the Council.

- 3.9 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 2nd 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 its precept by £5 per annum (for a Band D equivalent property). The proposed increase for the Fire and Rescue Authority is 1.97% as confirmed at its meeting on 15th February 2016.
- 3.10 The Council meeting on 27th January 2016 approved Rotherham's Council Tax Base for 2016/17 of **67,149.57 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.
- 3.11 Based on the number of properties in the Tax Base and the proposed increase in Council Tax by 3.95%, this will generate a total Council Tax of **£89.188m** available to support the Council to fund services in 2016/17.

Financing the Proposed 2016/17 Revenue Budget

- 3.12 The table below shows the total available (non-ringfenced) resources to support the proposed revenue budget of £199.521m for 2016/17:

| | £'000 |
|---|----------------|
| Settlement Funding Assessment | 98,152 |
| New Homes Bonus (including top-slice refund) | 6,099 |
| Business Rates: Section 31 Grants, Renewable Energy and Enterprise Zones | 2,082 |
| Use of Collection Fund Balance | 4,000 |
| Which will leave to be raised from Council Tax – a 3.95% increase on the Council Tax levied in 2015/16 | 89,188 |
| Funding Total | 199,521 |

Proposed Use of Reserves

- 3.13 The Council's outline Medium Term Financial Strategy approved by Council on 9th December (and updated as Appendix 5 to this report) includes the planned use of the Council's Transformation Reserve to specifically contribute to the funding of Children's placements over the next three years:- £3m in 2016/17, £2m in 2017/18 and £1m in 2018/19 respectively. This additional funding is factored into the proposed Directorate Cash Limit Budgets shown in the table below in section 3.15.

- 3.14 This proposed budget also assumes use of £2m from the General Grant Reserve for 2016/17, in part utilising the grant one-off secured by Commissioners from the Department for Communities and Local Government (DCLG) in November 2015.

Proposed Directorate Budgets 2016/17

- 3.15 Set out below is the proposed Net Revenue Budget for 2016/17 including the Directorate Cash Limit Budgets utilising the funding resources set out in section 3.12 above, and assuming implementation of the proposed budget savings included within this report and detailed at Appendix 1:

| Directorate | Proposed Budget 2016/17 |
|---|--------------------------------|
| | £'000 |
| Adult Care & Housing | 68,873 |
| Children & Young People's Service | 55,877 |
| Regeneration & Environment Services | 44,972 |
| Finance, Customer Services and Corporate Services | 16,023 |
| Central Services | 13,776 |
| TOTAL NET REVENUE BUDGET | 199,521 |

- 3.16 The proposed Central Services budget (£13.776m) shown in the table above includes the following key budgets:

- Integrated Transport Authority Levy and other levies (£15m)
- Capital Financing and PFI adjustments (£2.5m)
- Use of reserves and DCLG grant (see 3.14 & 3.15 above) (-£5m)
- Voluntary severance budget (£1m)
- Supplier discounts and dividends (-£0.8m)
- Local Taxation Collection (Grants and recovery of court fees) (-£0.6m)

It also includes the following 'unallocated' investments and savings:

- A contingency budget ring-fenced for Social Care (Adults and Children) to meet any unforeseen increases in demand for services. Allocations from this contingency will be formally considered by Commissioners during the course of the forthcoming year (£1m);
- Budget to fund the equivalent of a 1% pay award. This will be allocated to budgets later in the year once pay negotiations have been finalised (£957k);
- Budget to fund staff increments (£808k);

- Public Health savings to be allocated to General Fund services that deliver Public Health outcomes (-£555k); and
- Budget saving proposed to be delivered from the renegotiation of staff terms and conditions of employment, effective from October 2016. (-£1m) (Full year effect £2m).

3.17 The table below shows the proposed movement in Directorate budgets from 2015/16 to 2016/17:

| Directorate | (Adjusted) Budget 2015/16 | Less: Net Savings Proposals for 2016/17 | | Investment | | Proposed Budget 2016/17 | Change 2015/16 to 2016/17 | |
|---|---------------------------|---|------------------|---------------------------|--------------|-------------------------|---------------------------|-------------|
| | | Approved 2015/16 | Proposed 2016/17 | Growth / Funded Pressures | Inflation | | £'000 | % |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | % |
| Adult Care & Housing | 69,937 | 2,226 | -5,045 | 492 | 1,263 | 68,873 | -1,064 | -1.5 |
| Children & Young People's Services | 43,913 | 131 | -1,388 | 12,037 | 1,184 | 55,877 | +11,964 | +27.2 |
| Regeneration & Environment | 46,310 | -934 | -2,754 | 403 | 1,947 | 44,972 | -1,338 | -2.9 |
| Finance, Customer Services & Corporate Services | 16,828 | 90 | -2,114 | 792 | 427 | 16,023 | -805 | -4.8 |
| TOTAL | 176,988 | 1,513 | -11,301 | 13,724 | 4,821 | 185,745 | +8,757 | +4.9 |

3.18 The proposed Directorate budget savings are shown in Appendix 1. The summarised position is shown in the table below:

| Directorate | 2016/17 | 2017/18 | 2018/19 |
|---|---------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| Children & Young People's Services (including Early Help) | 1,388 | 555 | 375 |
| Adult Care & Housing (including Furnished Homes) | 5,045 | 3,931 | 2,154 |
| Regeneration & Environment (including Property rationalisation) | 2,620 | 799 | 514 |
| Finance, Customer Services & Corporate Services | 2,007 | 996 | 1,214 |
| Additional Directorate Voluntary Severance savings (not already included in budget proposals) | 241 | -99 | 0 |
| Sub Total | 11,301 | 6,182 | 4,257 |
| Public Health | 555 | 294 | 199 |
| TOTAL | 11,856 | 6,476 | 4,456 |

- 3.19 The impact of these budget proposals on the number of staff employed by the Council and its services is shown in section 9.1.
- 3.20 The above savings also include additional savings which can be delivered as a result of voluntary severance applications which have been supported in-year where the loss of the post(s) is not already included in savings proposal which have been subject to public comment. In 2016/17 this amounts to £241k.
- 3.21 Other key corporate savings proposals contributing to closing the Council's 2016/17 funding gap include:
- Reviewing and updating MTFs planning assumptions (including proposed 3.95% increase in Council Tax) : £3.2m
 - Realising benefits from re-profiling the cost of servicing Council capital investment loans and reviewing the cost of the Council's Private Finance Initiative (PFI) arrangements: £7.5m
 - Planned review of staff terms and conditions of employment - to be implemented from October 2016: £1.0m (£2m full year effect)
 - Reduction of the Council's budget for Voluntary severance budget: £2.0m
- 3.22 The £2m reduction to the Voluntary severance budget above is predicated on the first £2m of costs associated with staff leaving the Council in 2016/17 through reconfiguration of services to deliver improvement and efficiencies, being funded through the use of Capital Receipts. This is a new flexibility announced by the Government in the last Autumn Statement (Guidance issued under the Local Government Act 2003). More detail is shown in the Efficiency Strategy at Appendix 4.

Impact of the proposed 2016/17 Revenue Budget

- 3.23 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 preventative work with vulnerable young people;
 - progress the ongoing transformation of the Council's Adult Social Care Services to provide better services enabling more vulnerable adults to live independently, safely and improve their quality of life;
 - enable the Council to continue 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 of service for the citizens, businesses and stakeholders of the Borough that is fully aligned to the Borough's new Community Strategy and the Council's Corporate Plan priorities; and
 - Continue to reduce management, administration and support costs as far as is sensible to do so.

3.24 The key impact of the proposed budget on each Directorate is shown below:

Children and Young People's Services

- 3.25 Investment of £12m is proposed to both meet current and forecast levels of demand for services and to fully respond to the recommendations in the Jay, Casey and Ofsted reports. Details of these proposed investments are to both address an historic underfunding of the looked after children placements budget, recognise the more recent increase in demand for services and to provide a much needed increase in Social Worker and Leadership capacity to reduce caseloads to safe levels that enable the needs of the child to be sufficiently assessed and met.
- 3.26 The proposed reshaping of the Early Help offer will see a more targeted approach to the provision of Youth Services in support of the work to help identify, assess and meet the needs of vulnerable children at an earlier stage preventing escalation. The availability of universal provision will continue through other services such as leisure and support to the community and voluntary sector.

Adult Social Care

- 3.27 The Council has recently published a new Vision and Strategy for improving our Adult Social Care Services, with the ambition that adults with disabilities and older people and their carers will be supported to become independent and resilient so they can live good quality lives and enjoy good health and well-being.
- 3.28 A programme of changes has been started to ensure that the Council delivers its services in a manner that puts individuals needing support at the centre of plans, and that services are:
- Customer focused rather than service led with better collaborative working between different parts of the Council, the NHS and other partners;
 - Changed from being reactive to preventative with earlier intervention, better support for carers maximising resilience;
 - Offering a simpler customer journey so that people can get help as quickly as possible;
 - More accessible especially in the evening and at weekends;
 - Making greater use of a wider range community assets, services and resources and of alternatives such as supported living extra care scheme and Shared Lives to minimise the use of residential and nursing care; and
 - Focussed on improving outcomes for customers and carers.
- 3.29 Nationally there has been significant and rapid change in the way adult care is delivered and Rotherham wants to implement good practice. The Council has placed more people in residential care and in traditional community services compared to other authorities. Homecare has not been used effectively and

the current customer journey and referrals process are not operating as effectively as they need to. Our Strategy and Vision will ensure the Council's Adult Care Services are delivered efficiently and in line with those of other councils to achieve better outcomes for people at lower cost.

- 3.30 At a time when the Council is having to save money and demonstrate real improvements in the value for money it offers, the transformation of Adult Services is a key element to achieving this. However, in doing this the Council recognises that Service has a number of significant cost pressures and is therefore looking to invest about £1.8m in 2016/17 to help offset these pressures, which will be funded from the proposal to take up the 2% Adult Social Care Precept.
- 3.31 The 2% Adult Social Care precept will generate an additional £1.716m income to support the Adult Social Care budget.
- 3.32 The 2% Adult Social Care precept will be utilised to support Adult Social Care services as shown in the table below:

| Use of Adult Social Care Precept | £'000 |
|---|--------------|
| Meeting additional costs of social worker and other related staffing costs | 1,094 |
| Increased cost of Adult Social Care contracts with care providers | 637 |
| Meeting the cost of assessment for Deprivation of Liberty Safeguards (DOLS) Regulations | 100 |
| General (non-contract) inflation | 11 |
| TOTAL | 1,842 |

- 3.33 In addition to the above budgets supported by the 2% precept, a £1m Social Care contingency budget has been created (Paragraph 3.26) and will be allocated, subject to demand, to Adults and Children's social care during the course of 2016/17.

Regeneration and Environment

- 3.34 There is significant growth potential in the Borough and the wider Sheffield City Region. Continuing to restore business confidence and making Rotherham a place for 'doing business' will help attract much needed inward investment and will be integral to Rotherham's future economic ambition. Rotherham has ambitious targets in the Local Plan for new housing, with a need for 958 new homes a year. It also has a jobs target of 1,000 a year and 750 net new businesses over the next 5 years. This correlates to the growth ambitions set out in the Sheffield City Region (SCR) Strategic Economic Plan and more locally with the Council's Growth Plan. The Council also has a major role to play in helping drive this growth and enterprise, both as a facilitator and also in terms of a potential deliverer, as a major land and property owner. The Council working with the SCR, through the proposed devolution deal, will now be in a fairly unique position to drive growth and

investment in the region. The Council will look to maximise the opportunities created by connecting residents and businesses with skills and employment opportunities and supporting the inward investment in housing and in transportation and highways infrastructure.

- 3.35 The key investments in this Directorate represent replacement of lost grant funding with revenue budget to support the Rotherham Investment Development Office (RIDO) – a service critical for attracting inward investment into the borough if it is to grow and thrive (£160k).

Finance, Customer Services and Corporate Services

- 3.36 The budget proposals from these Directorates reflect the overall current and future planned downsizing of the Council, improvements and efficiencies through streamlining operations, improving systems and a reduction and re-prioritisation of support for frontline services.
- 3.37 The key budget growth items for these Directorates represent the additional costs of the new corporate management structure (£356k) and additional one-off costs for the Borough's all-out elections in May 2016 (£72k) and one-off costs for the Statutory Local Plan Inquiry (£100k).

Specific Grant Funding

- 3.38 The Council also receives a number of specific grants. The 2016/17 specific grants that have been confirmed and their value are set out below:

| Specific Grants | 2016/17 £'000 |
|---|--------------------------|
| Public Health | 17,157 |
| PFI: Education (Revenue) | 6,223 |
| PFI: Leisure (Revenue) | 1,811 |
| PFI: Waste (Revenue) | 1,781 |
| Housing Benefit Administration Grant | 1,183 |
| Local Council Tax Support Administration Subsidy | TBC |
| Special Educational Needs and Disability Reform Grant | 169 |

- 3.39 Public Health Grant: The confirmed allocation for 2016/17 is £17.157m and is £1.319m less than the 2015/16 allocation (when adjusted for the in-year effect of transferring funding for 0-5 years Children's services). The service did have

a £1.011m in-year reduction in 2015/16. The £1.319m reduction represents a 7.14% loss of grant, or £308k (1.67%) additional loss of grant in 2016/17. Rotherham's 2016/17 grant reduction of 1.67% compares well with many Authorities who have seen a reduction of 2.3%, and the national average being a 2.2% reduction. The grant will reduce further in 2017/18 to £16.734m; a further reduction of £423k (2.5%). The Public Health Grant is currently ring-fenced and carries conditions on how it can be used. The Government has confirmed that the ring-fence will stay in place for the next two financial years 2016/17 and 2017/18.

- 3.40 Private Finance Initiative (PFI) Grants: the Council receives an annual fixed grant in respect of each of its three PFI schemes. This grant is used to help fund the monthly contract payments to the individual contractors. As such, this grant is not available to support the wider Council budget.
- 3.41 Housing Benefit Administration Grant and Local Council Tax Administration Subsidy: Grant and subsidy towards the administration costs of the Housing Benefit and Council Tax Support schemes.

Schools Funding

- 3.39 Dedicated Schools Grant (DSG) – The DSG rates per pupil for the Schools Block and the Early Years Block for 2016/17 are £4,836.65 and £3,870.32 respectively. The rates remain the same as they were in 2015/16. The funding for the High Needs Block continues to be the 2014/15 baseline plus additional funding for placements and top-up funding for both 2015/16 and 2016/17 less direct funding of places by the EFA to academies and independent providers..
- 3.40 The School's Pupil Premium is additional funding provided to schools, the value of which is based on 3 elements:
- The 'Disadvantaged Premium' will continue to be £1,320 per pupil for Primary School children and £935 for Secondary School children, the same as in 2015/16. 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 (referred to as Pupil Premium Plus), will be £1,900 per eligible pupil, the same value as in 2015/16.
 - The Service Child Premium which funds children of Armed Services personnel remains at £300 per pupil.
- 3.41 Year 7 Literacy and Numeracy Catch-up Premium is an additional resource for schools directed at additional literacy and numeracy catch-up support during Year 7. In 2015/16 schools were allocated £500 for each pupil not achieving level 4 at Key Stage 2 in reading and/or maths. The rate per eligible pupil is to be confirmed early 2016.

- 3.42 Devolved Formula Capital funding for Schools is estimated at £459k for 2016/17. The allocation for 2015/16 was £556k.
- 3.43 Sixth form funding from the Education Funding Agency (EFA) is yet to be confirmed. (2015/16 was £3.115m).

Developing the Medium Term Financial Strategy

- 3.44 The Council's budget strategy has been to limit, as far as possible, the impact of funding cuts on front line services – particularly on our most vulnerable residents, whilst looking to grow the local economy to maximise future income generation potential.
- 3.45 The climate of continued funding cuts from Government and the pace of growth in the local economy has made this strategy difficult to maintain. More will be done to review how we can further transform services to deliver further savings and to look for opportunities for joining up or rationalising service arrangements where this is sensible to do so and will reduce costs. However, the further planned government funding cuts over the period to 2019/20 mean that it is inevitable that some of the future savings the Council will have to deliver will inevitably impact on frontline services.
- 3.46 This report proposes a balanced budget for 2016/17, however more work is to be done to address the estimated funding gaps in the MTFS of £6m and £9.5m for 2017/18 and 2018/19 respectively.
- 3.47 The above funding gaps also exclude a number of cost pressures in the system which need further consideration in future iterations of the MTFS. These include:
- Any need for additional investment in Children's Social Care;
 - Demographic pressures in Adult Social Care;
 - The impact of the Pensions Triennial Revaluation which will impact from April 2017;
 - The impact of the new 0.5% Apprenticeship Levy which will also fall on the Council from April 2017; and
 - Implementation of the National Living Wage both for Council Staff and particularly by Contractors and Clients.
- 3.48 The updated MTFS reflecting the latest financial information included in the Final Local Government Settlement announced on 8th February 2016 is attached as Appendix 5 to this report.

4. Options considered and recommended proposal

- 4.1 These are set out in Section 3 above.

5. Consultation

- 5.1 In addition to the extensive public and partner consultation roadshows which took place during 2015 for the public to provide feedback on Council services and what was most important to them, consultation on the specific Directorate budget proposals has also taken place with the closing date for comments being 12th February 2016. The feedback from the budget consultation is summarised at Appendix 3 of this report.
- 5.2 A total of 57 responses were received to the corporate consultation exercise by the deadline (5.00pm Friday 12th February 2016), including 23 via an online form on the council website, 26 by email, and 8 in writing. These 57 responses do not reflect any responses that have been sent directly to the service concerned. Specifically, the Leisure and Green Spaces Service has received an additional 9 responses on the proposal linked to the biological records centre, including a petition submitted by Yorkshire Naturalists' Union. It should be noted that this proposal would not take effect until 2017/18 and the service is committed to engaging with respondents to consider alternative options.
- 5.3 The school crossing patrol proposals, particularly at Laughton Junior and Infants School, have also attracted additional representations, with at least six people contacting the service directly and other feedback channelled via the school(s). An officer has visited Laughton school to discuss the proposals and dialogue continues in relation to all affected crossings. In light of comments and feedback received the final proposed budget for 2016/17 focusses on an approach where the Council works collaboratively with schools and other local partners as appropriate to develop shared funding models. This means that the Council will now not progress in 2016/17 a savings proposal for the value of £25k. (i.e. Ceasing funding for low risk crossing sites).
- 5.4 The Council's Overview and Scrutiny Management Board (OSMB) has closely reviewed and challenged the budget proposals included in this report. The budget process has included the referral of outline savings proposals to OSMB for its formal consideration as part of the Council's budget scrutiny process. OSMB has held formal sessions to consider these savings proposals (2nd October, 23rd October and 26th November 2015, 15th and 22nd January and 12th February 2016 with the associated information placed in the public domain), as well as the potential financial implications of the Adult Social Care Development Programme.
- 5.5 Commissioner Manzie wrote to the chair of OSMB on 29th January setting out her responses to a number of specific questions and queries raised by members. Following a final budget scrutiny meeting on 12th February it was recommended that the proposal relating to the potential closure of the Visitors Centre should be deferred as further work was needed on the wider implications on other Council services using the building. E.g. Theatre Box Office.
- 5.6 A number of the service specific budget proposals require further consultation and this will take place over the forthcoming months and in accordance with relevant statutory requirements. These specific proposal references are:

- CYP57 B – Safeguarding children and families: review of internal residential care provision
- EDS5 B - Libraries and customer services: closure of mobile library service
- EDS5 D - Libraries and customer services: replace face-to-face cashiers with payment kiosks at Riverside House
- EDS5 E - Libraries and customer services: introduce online benefit claims and risk-based verification at Riverside House
- EDS5 F - Libraries and customer services: introduction of online benefit claims in joint service centres
- EDS5.1 H - Libraries and customer services: retain library provision in all existing locations; moving to single staffing in 7 libraries; extending self-serve; supporting further partner/ community involvement
- EDS7 B – Registrars: removal of registration of births and deaths at Rotherham General hospital
- EDS7 C – Registrars: move service delivery from face-to-face to more telephony and online for “tell us once” bereavement
- EDS26 C option b - Streetpride: Leisure and green spaces: withdraw free parking for blue badge holders at Rother Valley country park on weekdays
- CYP5: Review of Early Help offer
- Adult Social Care Development Plan: All proposals

6. Timetable and Accountability for Implementing this Decision

- 6.1 The Council is required to set its annual budget by no later than 10th March each year. Strategic Directors are responsible for ensuring the delivery of savings proposals within their Directorate Cash Limit approvals.
- 6.2 Where appropriate, detailed Implementation Plans will be drawn up and maintained, to ensure close monitoring of savings delivery or providing early warnings if there is a potential for the savings target not to be achieved. In this instance this will provide maximum opportunity to identify potential remedial actions to be identified and implemented to maintain spend within the approved budget limit.

7. Financial and Procurement Implications

- 7.1 The financial implications are set out in detail in Section 3 above.
- 7.2 In summary, the report recommends **a 3.95% increase in Council Tax** (excludes precepts other than the Adult Social Care precept) **and a 2016/17 General Fund Revenue Budget for the Council of £199.521m.**
- 7.3 It should be noted that the proposed budget includes:
- A 1% increase for staff pay awards

- 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.

Four Year Offer

- 7.4 The Government is allowing Councils until 14th October 2016 to decide if they wish to take up the four year funding offer. Work will take place over the coming months and Members will be advised of the implications of taking up this offer, as more detail is released by Government.
- 7.5 The proposals in this report enable the Council to set a balanced budget for 2016/17, however, an estimated funding gap exists for 2017/18 and 2018/19 of £6m and £9.5m respectively, as set out in the Medium Term Financial Strategy. (Appendix 5)

8. Legal Implications

- 8.1 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 detail of the analysis of the budget proposals undertaken so far is described in section 11 below. 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.
- 8.2 In coming to decisions in relation to the revenue budget and Council Tax the Council has various legal and fiduciary duties. The Council is required by the Local Government Act 1992 to make specific estimates of gross revenue expenditure and anticipated income leading to the calculation of the council tax requirement and the setting of the overall budget and Council Tax. The amount of the council tax requirement must be sufficient to meet the Council's legal and financial commitments, ensure the proper discharge of its statutory duties and lead to a balanced budget.
- 8.3 In exercising its fiduciary duty the Council should be satisfied that the proposals put forward are a prudent use of the Authority's resources in both the short and long term; that the proposals strike a fair balance between the interests of Council Tax payers and ratepayers on the one hand and the community's interests in adequate and efficient services on the other; and that they are acting in good faith for the benefit of the community whilst complying with all statutory duties. Officers have addressed the duty to strike a fair balance

between different elements of the community and the interests of Council Tax and Business Rate payers in developing the budget proposals set out in this report.

9. Human Resources Implications

- 9.1 The expected impact of the budget proposals within this report on the number of Full Time Equivalent (FTE) staff/posts to be lost is shown in the table below:

| 2016/17 | 2017/18 | 2018/19 |
|---------|---------|---------|
| FTE | FTE | FTE |
| 346.6 | 180.6 | 69.7 |

- 9.2 During 2015/16 146 staff (120 FTE) left the Council through Voluntary Severance or Voluntary Early Retirement.
- 9.3 Since 2010 the Council has reduced its headcount by over 1,500. The current headcount is 5,669 (4,085 full-time equivalent posts).

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 See sections 3.25 to 3.33 above.

11 Equalities and Human Rights Implications

- 11.1 All budget savings proposals have had an Equalities Assessment, most of which were not required to be detailed due to the nature of the proposals. However, some proposals did require full, detailed Equalities Assessments – these are:-

| Savings Proposal Reference | Summary of proposal | Status | Further Comments |
|--|---|---|--|
| Regeneration & Environment Services | | | |
| EDS 05 B | Closure of mobile library service (B) | EA underway and Service Manager scoping detailed consultation | Consolidation of book link service and delivery van |
| EDS 05 D | Libraries and customer services: Replace face to face cashiers with payment kiosks at Riverside House | EA underway | |
| EDS 05 E, F | Libraries and customer services: Introductions of online benefit claims and Risk based verification | EA complete | i.e. at Riverside house (E) and within Joint service centres (F) |

| Savings Proposal Reference | Summary of proposal | Status | Further Comments |
|---|--|---|---|
| EDS 05.1 H | Libraries and customer services: retain library provision in all existing locations; moving to single staffing in 7 libraries | EA underway and detailed consultation being planned | |
| EDS 07 B, C | Registrars: removal of registration of births and deaths at Rotherham General hospital; and channel shift from face-to-face to telephony/online for "tell us once" bereavement | EA underway | |
| EDS 22 | Parking charges - proposed increases | EA complete | |
| EDS 26 C | Rother Valley Country park – blue badge parking charges | EA complete | Increase car park charges Withdraw free parking for blue badge holders on weekdays |
| Finance & Customer Services | | | |
| RES 19 A | Town Hall catering | EA complete | |
| RES 21 B | Legal services - increase income and top slice supplies and service budgets | EA complete | |
| Children and Young People's Services | | | |
| CYPS 7 B | Safeguarding children and families: review of internal residential care provision | EA underway | |
| CYPS 11A | All saints public toilets | EA complete | Saving to be achieved by implementing a turnstile facility. |
| CYPS 15 | School crossing patrols | EA complete | |
| Public Health | | | |
| PH01 A | 1.8% efficiencies in integrated sexual health services | EA complete | |
| PH02 B | 1.8% efficiencies in alcohol and drugs treatment contracts | EA complete | |

12. Implications for Partners and Other Directorates

- 12.1 These are set out in the savings proposals at Appendix 1 and in the Equalities Assessments.

13. Risks and Mitigation

Report of the Interim Strategic Director of Finance and Customer Services (the Council's Responsible Financial Officer)

- 13.1 The Responsible Financial Officer of an Authority (in Rotherham Council's case the Interim Strategic Director of Finance and Customer Services) 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.
- 13.2 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.
- 13.3 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 £21m savings following delivery of almost £117m savings in the previous five years presents a significant challenge (to all Councils) in formulating a robust and sustainable budget and preserving a financially resilient overall financial position whilst seeking to ensure that vital public services continue to be available to those in our community that are most in need of them.
- 13.4 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.
- 13.5 As the Chief Financial Officer for the Council, I consider that the budget proposals and estimates included within the proposed Budget are robust. Work will continue over the coming months to identify further savings options for Member consideration with an expectation that proposals to deliver a sustainable financial plan for 2017/18 and 2018/19 can be identified and planned for during 2016.

Reserves

- 13.6 The Council holds a level of uncommitted reserves that could be drawn on, if required, to support the 2016/17 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.

- 13.7 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 2016/17.
- 13.8 The Council's reserves, based on the latest monitoring, are expected to be £84.115m at 31st March 2016.
- 13.9 When reporting the development of the Medium Term Financial Strategy in July 2015 it was indicated the Council reserves as at 1st April 2015 were £118.113m in total. Within this amount was a sum of £34.783m arising from the approved amendments to the Council's Minimum Revenue Provision (MRP) profile for pre 2007/08 debt. This amount was earmarked to cover the equivalent future cost which would eventually arise from this re-profiling in later years. Working with its External Auditors, the Council has evaluated whether any of the sum set aside in the reserve could be prudently released early. In concluding this evaluation the Council's External Auditors indicated that the sum held in the earmarked reserve should no longer be held in a reserve in the Balance Sheet but retained in the Capital Adjustment Account, and could be released over a period of time by taking an annual MRP holiday. This proposed revised disclosure and change in accounting policy has been reflected in the Council's MRP Policy Statement that was approved by Council on the 27th January 2016 and is also affirmed in the Council's Treasury Management and Prudential Indicators 2016/17 to 2018/19 report that is presented on this Advisory Cabinet/Commissioner Agenda.
- 13.10 The estimated net impact of this change in disclosure as at 31st March 2016 means that £20.165m of the MRP Adjustment Account is to be transferred to the Capital Adjustment Account with the balance £14.618m retained in the Reserve initially for the purpose set out above. Further proposals on the future purpose of this reserve are intended to be presented to Members within the 2015/16 Revenue Outturn report.
- 13.11 This change in disclosure of £20.165m together with the planned use (£8.394m) of the Transformation reserve in 2015/16 has contributed to the reduction in the estimated reserves now reported.
- 13.12 The majority of earmarked reserves (£72.836m) are mostly held as ring fenced:
- to particular statutory services including Schools (£1.200m) and Housing Revenue Account (£23.325m);
 - to meet long term contractual PFI obligations (£12.261m);
 - subject to the above, to meet future MRP charges (£14.618m); and
 - to hold grant income received and committed to future years in line with the terms and conditions of the funding (£8.794m).
- 13.13 Within the balance (£12.638m), is a sum of £8.457m held within the Transformation Reserve. The balance on this reserve is committed to support the Revenue Budget (specifically Looked-After Children placements) over the

next three years, using £3m in 2016/17, £2m in 2017/18 and £1m in 2018/19 respectively. Whilst the balance of £2.457m on the Transformation reserve has not been specifically earmarked it is recommended that this is retained as reserve funding recognising both the ongoing improvement programme in particular council services, and other financial pressures on the Council's revenue budget.

13.14 A further sum of £2.101m is held in the Furnished Homes reserve. The balance on this reserve together with surpluses generated in future years is committed to support the Revenue Budget.

13.15 The remainder (£2.080m) has been generally earmarked for specific purposes or schemes by services.

13.16 Subject to the final outturn for 2015/16, this means that approximately £11.279m (5.75% 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 continuing speed of government funding and policy changes over last 5 years and the very significant financial challenges facing local government and more specifically this 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.

14. Accountable Officer(s)

Approvals Obtained from:-

Interim Strategic Director of Finance and Customer Services:- Stuart Booth

Interim Assistant Director of Legal Services:- Catherine Parkinson

This report is published on the Council's website or can be found at:-

<http://modern.gov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

Savings by Directorate

| Directorate | | 2016/7 £,000 | 2017/18 £,000 | 2018/19 £,000 | Total over 3 years £,000 | FTE | FTE | FTE | FTE |
|---------------------------------------|---|-----------------|------------------|------------------|-----------------------------------|---------------|--------------|-------------|---------------|
| Children's & Young People Services | Enclosed savings | 967 | 134 | 375 | 1,476 | 5.0 | 1.5 | 0.7 | 7.2 |
| | Early Help Savings Proposal | 421 | 421 | 0 | 842 | 17.2 | 0 | 0 | 17.2 |
| | Children's & Young People Services Sub Total | 1,388 | 555 | 375 | 2,318 | 22.2 | 1.5 | 0.7 | 24.4 |
| Environment & Regeneration | Enclosed savings | 2,385 | 799 | 514 | 3,698 | 48.1 | 15 | 6.5 | 69.6 |
| | Property rationalisation | 235 | 0 | 0 | 235 | 0 | 0 | 0 | 0 |
| | Environment & Regeneration Sub Total | 2,620 | 799 | 514 | 3,933 | 48.1 | 15 | 6.5 | 69.6 |
| Finance & Corporate Services | Enclosed savings | 2,007 | 996 | 1,214 | 4,217 | 34.54 | 14.1 | 25.3 | 73.94 |
| Public Health | Enclosed savings | 555 | 294 | 199 | 1,048 | 0 | 0 | 0 | 0 |
| Neighbourhoods & Adult Social Care | Neighbourhoods - Enclosed savings | 250 | 100 | 100 | 450 | 0 | 0 | 0 | 0 |
| | Neighbourhoods - Furnished Homes | 1,500 | 0 | 0 | 1,500 | 0 | 0 | 0 | 0 |
| | Enclosed Savings: Adult Social Care - Forecast Financial Implications of Development Programme 2016-2019) | 3,295 | 3,831 | 2,054 | 9,180 | 241.8 | 150 | 37.2 | 429 |
| | Neighbourhoods & Adult Social Care Sub Total | 5,045 | 3,931 | 2,154 | 11,130 | 241.8 | 150 | 37.2 | 429 |
| TOTAL | | 11,615 | 6,575 | 4,456 | 22,646 | 346.64 | 180.6 | 69.7 | 596.94 |

ASR REF NO: CYPS-01

CURRENT SERVICE SUMMARY : School Catering

| | | |
|--------------------------------------|-------------|---|
| Directorate: | EDS | Brief description of service: The core business is the provision of meals for schools, pupils and parents in Rotherham. The outcomes achieved by the service extend beyond the provision of lunch time meals with breakfast and mid-morning services provided to schools. By the provision of health and nutritious food, contributing to the key areas of academic achievement and reducing obesity and malnutrition. The service is proactive in minimising the number of packed lunches supplied from home and improving the take up of school free meals which is a key priority in the School Food Plan. The Catering service recognises its duty of care for citizens and is active through the Health Eating & Obesity agenda assists in the provision of nutritionally balanced meals which comply with The Education (Nutritional Standards and Requirements for School Food) (England) Regulations 2007 (amended). The overall objective of Catering Services is to ensure that a customer focused, value for money service is provided which meets the priorities and objectives of the Councils corporate planning and strategic direction. Alternative commercial providers will have a profit-based focus which experience shows (returning customers and PFI contract interaction) that additional charges are made for activities which previously were negotiated rather than charged to the customer. Fixed contracts with commercial companies will reduce the overall flexibility of this workforce to react to council requirements from an operational, economic and strategic perspective. |
| Advisory Cabinet Portfolio: | Cllr Watson | |
| 2015/16 Budget (£'000 Gross): | 8710 | |
| 2015/16 Budget £'000 Income: | -9268 | |
| 2015/16 Budget (£'000 Net): | 558 | |
| 2015/16 Budget FTE: | 231 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Traded account – requirement to increase surplus target to achieve saving proposal | Traded agreement with surpluses re-invested into the service. Hence, impact may result in reduction in investment available for the service and on the financial viability going forward to compete. Potential long term effect: reduction in investment (equipment, new processes, cashless system) with result in reduction in contracts as the operations become dated, uneconomical and not commercially viable, which may reduce the income available to achieve surplus – the impact could increase year-on-year. There may be environmental compliance issues to consider, which force the investment at potentially a higher cost; and potential health and safety issues as a result of reduced investment. RAG Status: Amber | 83 | | | | | | 83 | |
| B | Traded | Traded agreement with surpluses re-invested into the service. Hence, | | 40 | | | | | 40 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | account – requirement to increase surplus target to achieve saving proposal | impact may result in reduction in investment available for the service and on the financial viability going forward to compete. Potential long term effect: reduction in investment (equipment, new processes, cashless system) with result in reduction in contracts as the operations become dated, uneconomical and not commercially viable, which may reduce the income available to achieve surplus – the impact could increase year-on-year. There may be environmental compliance issues to consider, which force the investment at potentially a higher cost; and potential health and safety issues as a result of reduced investment. RAG Status: Amber | | | | | | | | |
| C | Traded account – requirement to increase surplus target to achieve saving proposal | Traded agreement with surpluses re-invested into the service. Hence, impact may result in reduction in investment available for the service and on the financial viability going forward to compete. Potential long term effect: reduction in investment (equipment, new processes, cashless system) with result in reduction in contracts as the operations become dated, uneconomical and not commercially viable, which may reduce the income available to achieve surplus – the impact could increase year-on-year. There may be environmental compliance issues to consider, which force the investment at potentially a higher cost; and potential health and safety issues as a result of reduced investment. RAG Status: Red | | | 40 | | | | 40 | |
| | TOTAL | | 83 | 40 | 40 | 0 | 0 | 0 | 163 | 0 |

COMMENTS ON ABOVE PROPOSALS:

The number of schools moving to Trust and Academies has resulted in many choosing an alternative model for school meal provision. The council decision to move to the Living Wage has had a significant impact on the cost of the service provision. The government policy for the provision of Universal Infant Free School Meals has had a significant impact on meal numbers provided and positive economies of scale. Labour profiles are determined by an agreed staffing scale based on an average meal uptake per month, adjustments are made monthly to reflect the change in meal numbers which follow seasonal patterns. This process ensures effective costing, performance and achieves the levels of health and safety and risk assessment required for the catering environment. The RAG status is based on this trend continuing, however, the extent of take up cannot be guaranteed and the Living Wage impact may be more apparent in customer decisions on alternative models by 2018/19. The management levels have been reduced significantly as the Manager is now shared between Catering and Facilities Services. Any further reductions will result have a major impact on customer service, compliance monitoring and staff welfare.

ASR REF NO: CYPS-03

CURRENT SERVICE SUMMARY *Early Years and Childcare*

| | | |
|--------------------------------------|-------------|---|
| Directorate: | CYPS | Brief description of service: The Early Years and Child Care Service provides statutory services to Early Years settings, childminders, schools, both in the maintained, private and voluntary sector and for parents and children. The main focus of the work is with children under five, in order that children from the age of birth to five have the very best start in life by accessing high quality education and childcare provision. This is a crucial stage for children, if we get it right at this stage with communication and language development, basic literacy and numeracy skills it enables children to achieve later within the school system. There are 15,000 children under the age of 5 in Rotherham. The EPPE (Effective Provision of Pre-school Education) national research study found that the quality of a child's pre-school experience has lasting effects on their ability to achieve in education as they get older and a chance to escape poverty and have improved life chances. The work of the service ensures the Council meets its statutory duties with regard to the Childcare Act 2006 (sections 6,7,9,12,13, 31 to 38, 39 to 48, 49 to 98). This includes:- the LA's responsibility for the educational outcomes of all children by the age of 5; LA to secure sufficient childcare provision across the Borough; secure good quality (as measured through Ofsted inspection) Early Education places for children; provide information and advice to parents and carers about childcare and services for children up to the age of 19 (25 for young people with a disability); secure provision for training for all early years and childcare providers; offering 1 to 1 support to all potential new providers to meet Ofsted registration requirements; provide support and challenge to any settings, including schools where the quality of provision for children is less than good. If a setting is providing inadequate provision the LA has a duty to withdraw early education funding; statutory duty to moderate the accuracy of the Early Years Foundation Stage Profile assessment of children at the end of the reception year on an annual basis. Required to complete an annual moderation visit to at least 25% of the total number of schools completing the Profile and to provide training to all practitioners administering the Profile. The Early Years and Childcare service supports approximately 500 providers across Rotherham - in both the school and private and voluntary sector who deliver early education and childcare to children between the ages of birth to five. These providers include pre-schools; childminders; day nurseries, out of school clubs (up to the age of 8) and all schools with children under the age of 5. |
| Advisory Cabinet Portfolio: | Cllr Watson | |
| 2015/16 Budget (£'000 Gross): | 613 | |
| 2015/16 Budget £'000 Income: | -47 | |
| 2015/16 Budget (£'000 Net): | 566 | |
| 2015/16 Budget FTE: | 19.5 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Management saving – A senior manager (Band H) to reduce | Minimal impact anticipated – no direct impact to the public. Some impact on more senior management staff who may need | 15 | 0 | 0 | 0.4 | 0 | 0 | 15 | 0.4 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | hours by 2 days RAG status Green | to pick up any urgent issues which arise on the two non working days. Some impact on more senior management staff who may need to pick up any urgent issues which arise on the two non working days. Increased workload pressure on another member of staff who will take on some data analysis tasks within their current role. Savings equate to a 3% management reduction through staff loss. | | | | | | | | |
| C | An increased contribution to the salaries of 4.2 FTE staff within the Early Years and Child Care Service - to be paid from the DSG Early Years block, instead of revenue budget, This is an approach that other local authorities already take and is acknowledged by the Government that a small element of EY DSG block can be used for centrally retained spending. An element of the 4.2 FTE staff's work, enables the LA to continually meet its duties around ensuring there are sufficient numbers of children taking up their early education places, and the 'pass-porting' of DfE funding from the DSG | At present 0.1% (95k) of the total EY DSG block (12.9m) is used to contribute to the salary costs of 4.2 FTE staff in the Early Years and Child Care service. Their work results in the LA meeting its duties around 'pass-porting' Early Education funding to Early Years providers and also eligibility checking of children aged 2, 3 and 4. This involves pass porting funding to approximately 168 PVI providers and 3,558 children each term. The proposal is to increase the salary contribution towards 4.2 FTE staff from 95K to 147K, an increase from 0.1% to 1.1% of the total EY DSG block, releasing 52K from revenue. If the early education funding is not appropriately managed and administered 2, 3 & 4 year olds will not be able to access their early education place across the borough. The 2 year old children are the most vulnerable children. Based on the EY DSG block funding formula implemented in 2014/15, this budget generates a small surplus. The 2014/15 surplus was approved against a | 52 | | | | | | | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | EY's block for 2, 3 and 4 year old children to schools and early years providers in the private and voluntary sector, including childminders. | <p>'one off' activity. In future years the surplus would cover the cost of the additional 52K required from 2016/17 onwards</p> <p>However, an amber risk has been identified due to the fact the ChildCare Bill 2015, is at present going through Parliament. This may have implications for the way in which the EY DSG funding formula is calculated in the future, , which may affect the amount that can centrally retained and also how hourly rate is distributed to all providers</p> <p>Also agreement from the schools forum would be required for centrally retained spending from the EY DSG block</p> <p>This means that 52K could be saved from the small surplus from the EY DSG block 2015/16, and could be used against the revenue saving for 4.2 staffing costs in 2016/17, if agreed by the Schools Forum.</p> <p>The risk is whether this can be sustained in 2017/18 onwards, due to unknown outcome of the Child Care Bill 2015, plus seeking annual agreement from the schools forum.</p> <p>RAG: AMBER</p> | | | | | | | | |
| D | Early Years and Childcare Service funding to reduce further through continued efficiency savings and finding smarter ways of working | <p>Minimal impact anticipated – limited impact on public.</p> <p>Managers and all early years staff will take responsibility to further reduce resources and work more efficiently. No new IT / phone equipment will need to be purchased over the next 2 years.</p> | 18 | 27 | 0 | 0 | 0 | 0 | 45 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | RAG status Green | Reductions in the promotional materials used to promote the two year early education places as we already have a high take up compared to national levels. This has a potential impact on the public as some new parents may not become aware that their child could access this provision, however alternative lower cost methods will be used. | | | | | | | | |
| E | Income generation from delivering training to Private, Voluntary and Independent (PVI) Early Years providers RAG status Green | This is reliant on Ofsted registered childcare and early education providers, including Childminders, buying our training and on our ability to deliver training whilst also delivering services to meet our Statutory Duties. Providers already pay for training that is provided and a slight increase in charges should achieve this saving. | 0 | 3 | 0 | 0 | 0 | 0 | 3 | 0 |
| TOTAL | | | 85 | 30 | 0 | 0.4 | 0 | 0 | 115 | 0.4 |

COMMENTS ON ABOVE PROPOSALS:

The above details the 21.5% savings which the Early Years Service proposes to make in 2016/17 and 2017/18. This meets the 15% management reduction target. However, in order to save £52K of revenue from staffing costs in 2016/17 whose roles and functions are around the early education systems and processes, this will need to be covered from the DSG block. The rules of allocation of Early Education funding within Rotherham's Early Years DSG blocks is permitted for usage to cover staff costs who are undertaking this function. The DfE are at present reviewing the amount given in the LA Early Years block and have a shown a commitment to increase this. In order for this to occur, this proposal would need to be presented at Schools Forum, and ultimately the Strategic Director of CYPS to make a final decision.

It is proposed that in 2017/18 further savings are met through income generation from training and the annual Early Years conference.

ASR REF NO: CYPS-04

| CURRENT SERVICE SUMMARY – School Planning, Admissions and Appeals, School Improvement | | |
|--|---|--|
| Directorate: | CYPS | <p>Brief description of service: School Planning, Admissions and Appeals</p> <p>All functions are statutory: School Improvement statutory function including knowing all schools performance, intervention in underperforming schools, work with Governors, moderation and Elective Home Education. Processing school admissions applications for both Maintained Schools and as a traded Service with Academies. Provision of an Admission Appeals Service, Provision of a Fair Access protocol for Primary and Secondary Schools. Monitoring and tracking Children not on roll at a school and referral to Children Missing Education function in Education Welfare Service and other bodies as appropriate. Forward planning of school places, securing of capital for future education provision eg basic need, Section 106, CIL, targeted basic need, leading on statutory consultations such as annual admissions consultation, school prescribed alterations, annual report to the schools adjudicator, maintaining and refreshing catchment area information, school calendar setting, contingency for pupil growth funding allocations etc. Risk Management – coordination of health and safety procedures for schools, Emergency Planning Directorate Lead, Business Continuity Directorate Lead, Insurance Claims Directorate Lead, Strategic Register Directorate Lead. Following restructure of Education and Skills the Service is now responsible for the LAs statutory duty to ensure the safe moving and handling of children with disabilities in education in the Borough through management of a Paediatric Physiotherapist seconded from NHS Rotherham.</p> |
| Advisory Cabinet Portfolio: | Cllr Watson | |
| 2015/16 Budget (£'000 Gross): | £2,623,720 | |
| 2015/16 Budget £'000 Income: | £1,662,635 | |
| 2015/16 Budget (£'000 Net): | £2,623,720 | |
| 2015/16 Budget FTE: | 36.38 FTE (13.15 Revenue 23.28 Traded 0.95 Grant 0.5 Early Years) 11 x School Planning Admissions & Appeals 1 x Apprentice until 31.12.15 1 x Moving & Handling Coordinator from August 2015 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Renewal of existing 2 year SLAs with Academies due WEF September 2016 to include financial uplift in Risk Management offer to include Manual Handling service as part of standard offer. Implement SLE offer to | Competitive uplift in cost to include manual handling consultation and training as part of standard offer and inclusion of a training charge to schools to 'off set' revenue costs. RAG: Amber Dependant on successful consultation and negotiations with schools. | 20 | 0 | 0 | 0 | 0 | 0 | 20 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | maintained schools for manual handling services. | | | | | | | | | |
| B | 2016/17 projected income profile is £146k for existing traded services based on current Academy level (assuming current buy back rate maintained). | This increased income profile would further reduce the revenue costs to the Council. RAG: Amber Dependant on successful renegotiation of offer to Academy Trusts. | 146 | 0 | 0 | 0 | 0 | 0 | 146 | 0 |
| | TOTAL | | 166 | 0 | 0 | 0 | 0 | 0 | 166 | 0 |

COMMENTS ON ABOVE PROPOSALS:

School Place Planning, Admissions and Appeals statutory functions, Children Missing Education cross service post, Directorate Lead on Health and Safety, Risk Management, Emergency Planning, Business Continuity and Insurance Claims, Manual Handling Assessment, advice, guidance, support, training and care planning.

The School Planning, Admissions and Appeals Service has a lower total expenditure and staffing profile than statistical neighbours and has a low financial profile compared to regional and national counterparts. Our Service is a comparator for Admissions and Appeals service but has a much wider remit than comparators – also including school Organisation, Risk Management and Paediatric Manual Handling service in our portfolio.

The Service processes 10,000+ admissions applications annually, presents over 400 admissions appeals annually, has a historic 90% + profile for 1st preference applications for a reception / Y7 school place during the normal admission round and has a positive DfE school place planning basic need score card – delivering above the national average new places in good or outstanding schools and being below national average on cost of new places.

Given the diversity of our portfolio we have been able to embark on a program of ‘up skilling’ staff to provide contingency cover in depth. We increasingly offer traded services as schools convert to Academy status although even if schools do not ‘buy back’ there is a minimum level of service that the LA must statutorily provide in relation to Admissions, Appeals, Fair Access and Risk Management. Other areas of the Service eg School place planning, statutory returns to Schools Adjudicator, School Capacity and Planning (SCAP) returns, Admissions consultations, prescribed alterations, additional infrastructure, Contingency for pupil growth allocations etc remain that of the LA and the Council cannot pass these costs on to schools via traded service.

With the DfE’s ‘coasting schools’ agenda there are likely to be more schools converting to Academy Status over the next 1 – 5 years. This would mean more opportunities to expand traded services income, further reducing reliance on revenue to fund posts.

Difficult to project number of Academy conversions and timeline as this is for Governing Bodies and DfE to determine, however Academies SLA financial contributions to the Service are applicable from date of conversion.

RAG: Currently it is not possible to identify the impact of the recently announced government policy.

ASR REF NO: CYPS-07

CURRENT SERVICE SUMMARY – Safeguarding, Children & Families

| | | |
|--------------------------------------|-------------|--|
| Directorate: | CYPS | Brief description of service: Statutory Children’s Social Care Services including Multi-Agency Safeguarding Hub, Duty and Assessment Teams, Evolve Team (CSE), Looked After Children including residential care provision, fostering and adoption, Care leavers. |
| Advisory Cabinet Portfolio: | Cllr Watson | |
| 2015/16 Budget (£’000 Gross): | £30.8m | |
| 2015/16 Budget £’000 Income: | £1.2m | |
| 2015/16 Budget (£’000 Net): | £29.6m | |
| 2015/16 Budget FTE: | 343.95 FTE | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £’000 | 17/18 £’000 | 18/19 £’000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £’000 | TOTAL FTE |
|--------------|-----------------------------------|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Children’s Social Care Management | Review of management’s spans of control following delivery of savings predicated on benefits in reduced demand along a continuum resulting from Early Intervention and Prevention and secured service improvements for Children and Young People. RAG Status: Green | 0 | 0 | 300 | 0 | 0 | TBA | 300 | TBA |
| B | Residential Care Provision | Review of internal Residential Care Provision assuming 1 st April Financial Year end. Efficiencies achieved from integration of management. RAG Status: GREEN | 515 | 0 | 0 | TBA | 0 | 0 | 515 | TBA |
| Total | | | 515 | 0 | 300 | TBA | 0 | TBA | 815 | TBA |

ASR REF NO: CYPS-9

CURRENT SERVICE SUMMARY – Early Help

| | | |
|--------------------------------------|-------------|---|
| Directorate: | CYPS | Brief description of service: Children’s services are developing an integrated, borough wide, early help offer targeting early help services to prevent the need for high cost social care intervention and secure better outcomes for Children, young people and their families. Through early identification of need in universal settings we can intervene early to prevent identified needs escalating into complex and costly interventions at a later point. Work is structured across 3 geographical areas (North, South and Central) and x9 Locality Teams. |
| Advisory Cabinet Portfolio: | Cllr Watson | |
| 2015/16 Budget (£’000 Gross): | £10.5m | |
| 2015/16 Budget £’000 Income: | £4.1m | |
| 2015/16 Budget (£’000 Net): | £6.4m | |
| 2015/16 Budget FTE: | 261.76 FTE | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £’000 | 17/18 £’000 | 18/19 £’000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £’000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| E | Rationalisation of management as FRP outreach staff move into locality teams. (Removal of Family Recovery Programme Team Manager) | Family Recovery Programme (FRP) outreach staff will be managed by Early Help team managers. This will ensure consistent support is in place post FRP Manager exit. FRP outreach staff being based in locality teams will provide quality intensive family support to vulnerable, complex need families. Intelligence gained through locality working will support intensive outreach interventions. | 44 | 0 | 0 | 1 | 0 | 0 | 44 | 1 |

| | | | | | | | | | | | |
|---|--|--|-----------|----------|----------|----------|----------|----------|-----------|----------|--|
| | | FRP outreach staff are confident and assertive practitioners who will be able to model and support other EH staff to provide effective interventions for families. Basing FRP outreach staff in localities will further strengthen partnership working. FRP outreach staff already co-ordinate support across adult's and children's services; through a move to locality model, there is likely to be minimal impact in terms of delivering to FRP model. RAG Status: Green | | | | | | | | | |
| F | Reduce travel of staff to deliver outreach support to families. Current budget for mileage (car allowances) is £14,000 | Move to locality teams will reduce the travel requirements for outreach staff. Based in localities, staff will reduce mileage claims through no longer having to cover borough wide caseloads. This will have no impact of levels of service available to clients and will increase available case time per worker. RAG Status: Green | 6 | 0 | 0 | 0 | 0 | 0 | 6 | 0 | |
| G | Review of family support services | Reviews of family support to inform remodelling and transformation of Early Help targeted family support model. RAG Status: Green | 30 | 0 | 0 | 1 | 0 | 0 | 30 | 1 | |
| | | | 80 | 0 | 0 | 2 | 0 | 0 | 80 | 2 | |

REF NO: CYPS-15

CURRENT SERVICE SUMMARY – SCHOOL CROSSING PATROLS

| | | |
|--------------------------------------|-----------------------|---|
| Directorate: | CYPS | <p>Brief description of service:</p> <p>The provision of school crossing patrols is a discretionary service. It is not a legal requirement, although where a patrol exists there is a legal requirement for the council to manage them.</p> <p>This is a highly regarded public service which forms part of the road safety activities to help children get safely to and from school.</p> <p>The patrol times are generally 35 minutes each, morning and afternoon, which span the start and finish of the school day.</p> <p>There are constant requests for additional patrol points for the schools not currently covered, although there are difficulties in recruiting to the existing posts.</p> <p>There is a nationally agreed process for surveying a site to ascertain if it meets the criteria set out by RoadSafetyGB for a patrol point.</p> |
| Advisory Cabinet Portfolio: | Cllr Watson/Cllr Sims | |
| 2015/16 Budget (£'000 Gross): | 195 | |
| 2015/16 Budget £'000 Income: | 0 | |
| 2015/16 Budget (£'000 Net): | 195 | |
| 2015/16 Budget FTE: | 12.72 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| B | New income targets set for the service to develop collaborative funding arrangements for continuing crossing | The Council currently provides the funding for all School Crossing Patrol Points in Rotherham – 74 in total - at both local authority and Academy related sites. | 5 | 15 | 15 | - | - | - | 35 | - |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|----------------------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | points (i.e. medium & high risk) | <p>This proposal would require the service to enter into collaborative (either shared or fully externally funded) Service Level Agreements with schools to provide more stable and sustainable future arrangements.</p> <p>Delivery of this proposal will depend on the willingness and financial ability of schools – both Academy and Local Authority maintained - to enter into such arrangements, as well as ensuring the necessary legal compliance.</p> <p>RAG Status: Red</p> | | | | | | | | |
| | TOTAL | | 5 | 15 | 15 | - | - | - | 35 | - |

COMMENTS ON ABOVE PROPOSALS

ASR REF NO: EDS-11 (Service now managed CYPS)

CURRENT SERVICE SUMMARY Building Cleaning & Toilets

| | | |
|--------------------------------------|---------------------------|---|
| Directorate: | EDS & Neighbourhoods | <p>Brief description of service: The core business is the provision of cleaning services for Rotherham schools, civic building, community provision (HRA), Cross agency agreements with NHS Rotherham for Breathing Space and Maltby Joint Service Centre and commercial trading agreements (Rotherham PFI Schools Partnership with Cofely) In addition All Saints Square Toilets are managed as part of the trading account management cost but provide a degree of income from customers to cover the operational cost of the attendance and the cleaning activity. School cleaning accounts for 64% of the service contracts and provides clean and healthy schools for 70% or 87 schools in the Borough. This ensures that in these schools the pupils are learning in a clean and healthy environment, monitored to British Institute of Cleaning Science (BiCS) for an educational site. A further 22% of the service contracts are office accommodation used by the public of the borough, which ensure the cleanliness of these areas, giving civic pride in the buildings. Finally 11% of the service contracts are engaged with the neighbourhoods to ensure an effective, timely and caring response is given to requests for assistance with social service cleans for members of the public who, generally through illness are finding it difficult to maintain a healthy and hygienic home environment. These contracts also include the timely turnaround of emergency housing within the furnished homes environment, VOIDS properties to ensure they are back available for retail as soon as possible and the weekly cleaning of the communal areas of council flats and wardens centres.</p> |
| Advisory Cabinet Portfolio: | Cllr Lelliott/Cllr Watson | |
| 2015/16 Budget (£'000 Gross): | 5,224 | |
| 2015/16 Budget £'000 Income: | -5,162 | |
| 2015/16 Budget (£'000 Net): | 62 | |
| 2015/16 Budget FTE: | 266 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Conversion to an un-manned facility at All Saints Public Toilets (1.6 x Band A – four staff affected) | <p>All Saints Toilets has one attendant on duty through-out the day responsible for the collection of entry charges. The facility is open Monday to Saturday, 9am to 5pm and currently has 65,000 visits per year.</p> <p>The conversion to an un-manned facility would remove the requirement for an attendant and leave only the cost of the daily cleaning of the unit. This would be £1,040 per annum.</p> <p>Cost of the conversion</p> | 6 | | | 1.6 | | | | 1.6 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | The cost of conversion would include installation of a turnstile and installation of CCTV, conversion of UV lighting and emergency telephone line. The cost of such works would be £12,841. RAG Status: Amber | | | | | | | | |
| B | Removal of supervisory post (0.5 x Band G) | The support post currently monitors the suppliers and contractors involved in the provision of the cleaning services, particularly the PFI contract. RAG Status: Red | | 15 | | | 0.5 | | | 0.5 |
| TOTAL | | | 6 | 15 | 0 | 1.6 | 0.5 | | 21 | 2.1 |

COMMENTS ON ABOVE PROPOSALS:

ASR 11A –

All Saints Toilets has been subsidised by the trading account for a number of years. There is a risk that an unmanned facility may result in an increase in misuse and anti-social behaviour. Mitigations are being put in place around CCTV cameras and regular checks by neighbourhood services.

ASR 11B –

If the reassigning of the work is not successfully transitioned there is a risk that penalties on contracts may be incurred. Work will be reassigned across the service. The workloads for existing operations team members will increase along with movement of staff responsibilities. Management of this impact will be achieved by planning the process now for 2017/18. The operational supervisory team will be reduced by 9%.

ASR REF NO: EDS 12 (Now CYPS)

| CURRENT SERVICE SUMMARY Caretakers | | |
|--------------------------------------|---------------------------|---|
| Directorate: | CYPS | Brief description of service: This service is the maintenance of the day-to-day Health and Safety of civic community and some school buildings. This includes fire alarm testing, legionella related activity and security. 24/7 call-out responsibilities for civic and NHS buildings including responsibilities within the Borough Emergency Plan. In addition, all the deliveries to Riverside, contractor receipt and monitoring and implementing emergency protocol building shut-down during office and out-of-hours. All the caretaking services are front-line, face-to-face provision which is funded via whole or part income generation. |
| Advisory Cabinet Portfolio: | Cllr Lelliott/Cllr Watson | |
| 2015/16 Budget (£'000 Gross): | 631 | |
| 2015/16 Budget £'000 Income: | -289 | |
| 2015/16 Budget (£'000 Net): | 342 | |
| 2015/16 Budget FTE: | 22.6 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Reduction of office accommodation caretaking staff (1 x Band C – equates to 10% of staffing levels) | Reduced maintenance regime (because of reduced staffing numbers). Major issues regarding the ability to maintain an effective call-out rota and response to daytime and out-of-hour emergencies, due to reduced staffing numbers. Significant increase to cost of Facilities Management (EDS) due to work not being completed by the caretakers and having to engage contractors. The FM (EDS) budget has identified savings in previous years by caretakers undertaking additional work. There are significant contract implications which will be effective with NHS (Breathing Space and Joint Service Centre) this is likely to result in a breach of contract and penalty implementation. RAG Status: Red | 25.5 | | | 1.0 | | | 25.5 | 1.0 |
| B | Remove the service supervisor | Significant risk to overall co-ordination of service and | | 32 | | | 1.0 | | 32 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | and directly manage by M2 manager (1 x Band G – equates to 100% supervision of staff) | impact on income generation. The current role is responsible for overall health and safety, method statements, customer liaison and quotation. There would be a major impact on ability to meet these standards and achieve the current income level. RAG Status: Amber | | | | | | | | |
| C | Further reduction of office accommodation caretaking staff (0.5 x Band C – equates to 25% reduction in staff over 3 year period) | Maintenance of office accommodation would be reduced due to staffing numbers. Major issues regarding the ability to maintain an effective call-out rota and response to daytime and out-of-hour emergencies due to reduced staffing numbers. Significant potential increase to cost of Facilities Management (EDS) due to work not being completed by the caretakers and having to engage contractors. The FM (EDS) budget has identified savings in previous years by caretakers undertaking work – this can only take place if the staffing levels enable this health and safety completion. There are contract implication to consider which will be effective with NHS (Breathing Space and Joint Service Centre). RAG Status: Red | | | 20 | | | 0.7 | 18 | 0.7 |
| TOTAL | | | 25.5 | 32 | 20 | 1.0 | 1.0 | 0.7 | 77.5 | 2.7 |

COMMENTS ON ABOVE PROPOSALS:

The caretaking budget is largely made up of office accommodation (60%) with other elements being traded services with school/youth service (28%) and Community Caretaking (11%).

Any change to the traded service will remove the income generated by that service and customers would have to look elsewhere for provision – the traded

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |

service is successfully and contributes to the overall income generation.

The Community Caretaking Budget is already linked to a saving agreed in 2014/15 with a 2015/16 impact. The saving has not been implemented as no decision has been taken on the closure of Community Buildings. This should be cross-referenced with the Major Projects ASR on Buildings.

Savings therefore can only be achieved through the reduction of office accommodation caretakers and are subject to a health and safety risk assessment in taking this action, along with the subsequent cost increase to Facilities Management through having to employ contractors to undertake activity to comply with legislation - hence the RAG rating.

ASR REF NO: EDS-14 (Now CYPS)

CURRENT SERVICE SUMMARY (Hospitality)

| | | |
|--------------------------------------|-----------------------|--|
| Directorate: | EDS & Neighbour hoods | Brief description of service: The account is a traded service to provide a catering (Café) outlet for Riverside House, along with the hospitality for use by officers within the building for meetings. Both areas of the service emerged as a direct result of WorkSmart survey information to staff as part of the WorkSmart implementation program. |
| Advisory Cabinet Portfolio: | Cllr Lelliott | |
| 2015/16 Budget (£'000 Gross): | 227 | |
| 2015/16 Budget £'000 Income: | 223 | |
| 2015/16 Budget (£'000 Net): | 4 | |
| 2015/16 Budget FTE: | 5 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Review of the hospitality arrangement and re-assignment of salary cost | Availability of emergency hospitality will be reduced. Management of the capacity has been difficult due to differing interpretations of the policy on hospitality provision. RAG Status: Green | 1 | | | | | | 1 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|--------------|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| B | Review of service to improve the traded position of the cafe | <p>The merging with education school catering has resulted in the adaption of similar working practices.</p> <p>Main impact: continued adaptation of commercial activity may result in complaints from RMBC staff who continue to request café discounts for employees which conflicts with commercial practice and achievement of income targets.</p> <p>Living wage salary scales have had a impact of commercial viability.</p> <p>RAG Status: Green</p> | | 2 | | | | | 2 | |
| TOTAL | | | 1 | 2 | 0 | 0 | 0 | 0 | 3 | 0 |

Environment & Regeneration

ASR REF NO: EDS 1

CURRENT SERVICE SUMMARY – Business Unit

| | | |
|--------------------------------------|----------------------|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: Very small unit with 2.1 FTE's, includes training budget. (Corporate costs, Strategic Director post and past pension costs excluded) |
| Advisory Cabinet Portfolio: | Councillor Read | |
| 2015/16 Budget (£'000 Gross): | 354 | |
| 2015/16 Budget £'000 Income: | -23 | |
| 2015/16 Budget (£'000 Net): | 331 | |
| 2015/16 Budget FTE: | 3.1 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Reduction of 0.5 FTE Workforce development post | Less investment in staff re: reduced training budget RAG Status: Green | 22 | | | 0.5 | | | 22 | 0.5 |
| B | Reduce non-pay budgets further | Total Non-Pay Budget = £129k which is largely made up from a central Directorate training budget. There is a small impact on printing and general office running expenses (which was a larger budget but has been reviewed and adjusted because each section/Department manages their own costs). The majority of this saving would be taken from the Training budget which would however affect the delivery of training within the Directorate. The training budget is £129K which helps fund 5 apprentices and 1 intern (for Libraries) in EDS costing £31,700 This is for a 12 month contract but some didn't start until later in the financial year so they will spill over to next financial year (approx. £7,000). | 34 | 0 | 0 | 0 | 0 | 0 | 34 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--------------|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | RAG Status: Amber | | | | | | | | |
| | TOTAL | | 56 | 0 | 0 | 0.5 | 0 | 0 | 56 | 0.5 |

ASR REF NO: EDS 2

CURRENT SERVICE SUMMARY : Economic Development and Business Retail Investment teams (RiDO)

| | | |
|--------------------------------------|----------------------|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: Inward Investment, Business Support, Business Start-up Advice, Business Incubation, Business centres Operation and Management, Town Centre Inward Investment and Business Support, Markets Operation and Management, Economic Strategy, Partnership working with LEP and SCR, Physical Development, development and delivery of Economic Growth Plan, external funding and the Visitor Centre |
| Advisory Cabinet Portfolio: | Cllr Lelliott | |
| 2015/16 Budget (£'000 Gross): | 1,165 | |
| 2015/16 Budget £'000 Income: | -702 | |
| 2015/16 Budget (£'000 Net): | 463 | |
| 2015/16 Budget FTE: | 49 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| B | Merge the RiDO Economic Development and Business retail and investment teams, to create one team with joint management. | This is achievable and would closer align the work of the two teams. Would mean a reduction of one senior post which will impact on RiDO and Economic Development work and impact. RAG Status: Amber | 60 | 0 | 0 | 1.0 | 0 | 0 | 60 | 1.0 |
| D | Increase rental charges for clients in the Council's Business Centres by 2% year on year | Potentially there could be a loss of tenants, - charges are currently set at £11.50 - £14.64 per sq. ft. which is significantly above the general market rate for workshops and offices in Rotherham but reflects the added value of the Business Centre offer. RAG Status: Green | 9 | 9 | 9 | 0 | 0 | 0 | 27 | 0 |
| TOTAL | | | 69 | 9 | 9 | 1 | 0 | 0 | 87 | 1 |

ASR REF NO: EDS 3

CURRENT SERVICE SUMMARY- PLANNING SERVICE

| | | |
|--------------------------------------|----------------------|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: Planning Service - covering the statutory functions of Planning Policy (producing and implementing the Local Plan) Development Management (providing advice on and processing all planning applications) and Local Land Charges (property addressing and searches) production of Local Land Charges Searches, Street naming and numbering and Land and Property Gazetteer. |
| Advisory Cabinet Portfolio: | Councillor Lelliott | |
| 2015/16 Budget (£'000 Gross): | 1,579, | |
| 2015/16 Budget £'000 Income: | -1,080 | |
| 2015/16 Budget (£'000 Net): | 499 | |
| 2015/16 Budget FTE: | 34 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Restructure of Planning Policy to remove 1x senior planner post | <p>The service has also been considerably reduced through both natural wastage and a previous restructure. 2 FTEs were removed from the establishment in 14/15 however it is considered that the current structure is top heavy and the loss of a senior planner post – while likely to have an impact on ability to meet timescales for Local Plan preparation and is a risk if early review of the plan is triggered – it is considered that the reduction can be accommodated.</p> <p>The post would be a management saving and would equate to 9% of the team.</p> <p>RAG status: Green</p> | 45 | | | 1.0 | | | 45 | 1.0 |
| B | Restructure of Local Land Charges (LLC) Section to create a £27,000 saving | LLC is a small service of just 4FTE's but efficiency savings have reduced down workload. The responsibility within the section for the Councils mapping system | | 27 | | | 1.0 | | 27 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>should be removed by improvements by corporate I.T and once implemented the saving can be made. The status is red due to delays in ICT implementation. A restructure would be required to reallocate tasks and responsibilities to enable the saving to be made. The saving of 1 post would be a 25% saving from the team</p> <p>cannot achieve in 16/17 as new IT mapping system not in place – advised by IT to put in 17/18 savings</p> <p>RAG status : Red</p> | | | | | | | | |
| C | Reduce Planning policy budget (inc. £10K subscription to Limehouse – on line consultation portal) | <p>Staff reductions have meant that consultants have been required to complete work where there is either not the capacity in house or the expertise to complete projects. As further elements of the Local Plan are adopted the workload will reduce, however there is a risk that one off projects will still be required or that if an early review of the plan is triggered that the budget will not be sufficient to complete the work. Cancelling subscription to Limehouse will require an in-house alternative to be provided.</p> <p>RAG status: Green</p> | 15 | 22 | | | | | 37 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|--------------|--|---|------------|-----------|-----------|----------|------------|----------|------------|------------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| D | Restructure of enforcement staffing levels to create a £20,000 saving | Development Management have reduced staff to a level which is not sustainable and, other than existing I.T contacts for on-line work, have no other spend budget. Recent recruitment to a full time enforcement post will result in the ability to reduce existing resource once new working arrangements have been implemented. Enforcement team would be 1.5FTE and the proposal is to reduce by 0.5FTE i.e. 33% reduction. RAG status: Green | 0 | 20 | | | 0.5 | | 20 | 0.5 |
| E | Increased planning fees | When the Local Plan is adopted and attractive sites are released to the market planning fees will increase. RAG status : amber | | | 18 | | | | 18 | 0 |
| F | Merge Building control and Planning to create one team. Joint managed | Combining the management structures to release savings is achievable, and would assist closer working between the two teams. 50% saving at M3 level which would require management of the function to be brought within the remit of one M3 manager instead of two. RAG Status: Green | 55 | | | 1.0 | | | 55 | 1.0 |
| TOTAL | | | 115 | 69 | 18 | 2 | 1.5 | 0 | 202 | 3.5 |

COMMENTS ON ABOVE PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--------|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
|------|--------|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|

Staffing has previously been reduced to a level that is no longer sustainable therefore savings have been made from other budgets however the staffing savings that have been proposed are mainly at managerial level.

Enforcement is an issue that members have strong links to and they may not approve the reduction in enforcement resource however the priority should be the statutory elements of planning and enforcement is not a statutory function.

The reason behind the red/amber status for B and E is that these elements are outside of our direct control

E - Planning fees are difficult to predict however in the year 18/19 all the new sites from the Local Plan will be released as development sites which should have a direct impact on planning fees as applications increase, it would be unreasonable to make further staffing savings as this period of high workload approaches, therefore this is planning for a known event.

ASR REF NO: EDS 4

CURRENT SERVICE SUMMARY – Building Control

| | | |
|--------------------------------------|----------------------|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: To ensure compliance with Building Regulations, which are minimum standards for the design and construction of buildings to ensure the health and safety for people in or around those building's. They also include requirements to ensure the conservation of fuel and power and that facilities are provided for people, including those with disabilities, to access and move around inside buildings. Building Control also as controls regarding health and safety aspects of demolitions, dangerous structures and provides advice to licencing and of events and sports grounds. |
| Advisory Cabinet Portfolio: | Councillor Lelliott | |
| 2015/16 Budget (£'000 Gross): | 504 | |
| 2015/16 Budget £'000 Income: | -394 | |
| 2015/16 Budget (£'000 Net): | 110 | |
| 2015/16 Budget FTE: | 11.5 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Increasing number of applications and incidental fees, and review fees and charges – additional income | Over the past four years this has been seen to be is the best line of action to increasing fee income to meet costs and thus reducing the Building Control Sections take on Rotherham Council's and EDS's budget. Local Authority Building Control (LABC) Partnership Scheme is a nationwide scheme where an individual Authority can partner with a major company to undertake all building control services throughout England & Wales. | 25 | 20 | 0 | 0 | 0 | 0 | 45 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------------|--|-----------|-----------|----------|----------|----------|----------|-----------|----------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>For example Rotherham Building Control is partnered with national companies such as 'SofaWorks' – (as in the TV advert), and the Construction side of 'Kier Group'.</p> <p>We are also partnered with numerous local and regional Architectural practices and developers.</p> <p>Outcome:</p> <p>We continue to strive very hard at providing an excellent and cost effective service to these and the people of Rotherham, and are continuously on the lookout for new customer bases and ways of extending our existing services.</p> <ul style="list-style-type: none"> • Increase income • Excellent reputation <p>RAG Status: Green</p> | | | | | | | | |
| | TOTAL | | 25 | 20 | 0 | 0 | 0 | 0 | 45 | 0 |

ASR REF NO: EDS 5

CURRENT SERVICE SUMMARY - Libraries and customer services

| | | |
|--------------------------------------|--|--|
| Directorate: | EDS & Neighbourhoods | <p>Brief description of service: Rotherham has transformed its library and customer services offer in recent years through the merger of customer services with the library service. The library function within the service is statutory. It is the overall statutory duty of the authority to provide a 'comprehensive and efficient library service for all persons desiring to make use thereof.' The duty arises in relation to people who are residents, work in or are in full time education in the borough (Public Libraries and Museums Act 1964). There are 15 community libraries across the borough. 6 of these libraries have been merged with Customer Services and joint service provision is offered. Staff members are generically trained in library and customer services processes at these sites. In addition there is a mobile library service, a "booklink" vehicle which supports vulnerable adults who are housebound or in residential care and a Schools Loan Service which is a service offering resources to support schools.</p> <p>The service is provided to anyone living, working or studying in Rotherham. The service promotes a love of reading and helps to improve literacy. It provides children and young people with a safe, inspiring place to learn, explore their creativity and find their talent.</p> <p>It provides spaces where adults can engage in informal learning develop skills and improve their lives. It supports businesses and contributes to the sustainability and regeneration of our local communities. It bridges the digital divide and provides an essential point of access to online resources, including council services. It offers information, reading and support services that can improve the health and wellbeing of customers.</p> <p>The following customer activity is delivered by the service: (Library only) Free access to books, e books and other reading material including spoken word and large print, ICT classes and courses, supported access to the internet, work clubs - support for employment, adult and children's reading groups, children's summer reading challenge, class visits, rhyme time sessions, activities for children and families, performances, events and exhibitions, books on prescription, CD and DVD hire and local history sessions; (Additional face to face customer services delivered at joint service sites) - customer enquiries, payments, applications, appointments, eligibility assessments and requests for services relating to housing benefits and council tax reduction, revenues (including Council Tax, Business Rates, Former Tenant Arrears, Free School Meals), housing, planning and building control, blue badge and concessionary travel, electoral register searches, licensing, streetpride, land searches and drainage searches.</p> |
| Advisory Cabinet Portfolio: | Neighbourhood working and Cultural Services (T. Yasseen) | |
| 2015/16 Budget (£'000 Gross): | 4,112 | |
| 2015/16 Budget £'000 Income: | -459 | |
| 2015/16 Budget (£'000 Net): | 3,653 | |
| 2015/16 Budget FTE: | 121.3 | |

SAVINGS PROPOSALS: Option 1

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| A | Creation of a centralised team - merger of Schools Loan Service, Stock, Libraries on the Go and the Customer Access team to gain economies of scale | Impact on capacity and skills development. Staffing review required Reduction in posts: c 2FTE RAG status: Green | 37 | | | 2.0 | | | 37 | 2.0 |
| B | Closure of mobile service (consultation required) | Estimated potential number of affected customers = 473 (274 aged 0-17, 40 aged 18-49 and 159 aged 50+). Service could be replaced with a range of alternative service delivery models, including "deposit collections" within communities, "click and collect/click and delivery" services, home delivery service, e-readers for loan. Potential impact on customer satisfaction if alternative service offer is felt to be inadequate. Potential challenge to statutory nature of comprehensive and efficient service. Savings included would require closure of service. Public consultation required (14 community locations). Equalities analysis required. Staffing review required Reduction in posts: c. 3FTE RAG status: Red | 57 | 25 | | 3.0 | | | 82 | 3.0 |
| C | Consolidation of booklink service and delivery van (consultation required) | Changes to services delivered to nursing homes, residential homes, sheltered accommodation, day care and customers in their own homes who are unable to access services in other ways. Customers would no longer be able to visit the Booklink vehicle, but would receive items chosen by/for them based on preferences. Would implement alternative service delivery models, including e-readers for loan. Impact on the frequency of delivery. Potential impact on customer satisfaction if | 23 | | | 1.0 | | | 23 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>alternative service offer is felt to be inadequate. Potential challenge to statutory nature of comprehensive and efficient service.</p> <p>Public consultation required. Equalities analysis required. Staffing review required Reduction in posts: c1FTE</p> <p>RAG status: Red</p> | | | | | | | | |
| D | Replace face to face cashiering service with payment kiosks at Riverside House | <p>Closure of the cashiering facility at Riverside House and move to alternative service offer of payment kiosks, in line with locality services at Aston, Rawmarsh, Swinton, Dinnington and Maltby. Provide "floor walker" to assist customers in making payments via the kiosks. Continuation of paypoint, post office, direct debit, recurring card payments and online payment methods. May impact on customer satisfaction for those who prefer paying face to face.</p> <p>Public and partner consultation required. Equalities analysis required. Staffing review required Reduction in posts: c2FTE</p> <p>RAG status: Amber</p> | 22 | 22 | | 1.0 | 1.0 | | 44 | 2.0 |
| E | Introduction of online benefit claims and Risk Based Verification at Riverside House | <p>Impacts on customers applying for Housing Benefit and Council Tax Reduction at Riverside House. Will reduce the need for face to face interaction with many customers. Will simplify the benefit application process, removing the need to see original verification evidence for approximately 50% of customers. An appointment based service will be introduced for those customers who do need to speak to a customer service officer face to face. An assisted digital process will be implemented to support those customers who need extra help. Impact on other services - Revenues and Benefits (who have been consulted on the proposal).</p> | 21 | 80 | | 8.0 | | | 101 | 8.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>Partner consultation required. Equalities analysis required. Staffing review required Reduction in posts c 8FTE. Savings profiled on assuming staffing levels are reduced in September 2016</p> <p>RAG status: Amber</p> | | | | | | | | |
| F | Introduction of online benefit claims and Risk Based Verification - Joint Service Centres | <p>Impacts on customers applying for Housing Benefit and Council Tax Reduction at Joint Service Centres. Will reduce the need for face to face interaction with many customers. Will simplify the benefit application process, removing the need to see original verification evidence for approximately 50% of customers. An appointment based service will be introduced for those customers who do need to speak to a customer service officer face to face. An assisted digital process will be implemented to support those customers who need extra help. Impact on other services - Revenues and Benefits (who have been consulted on the proposal).</p> <p>Public and partner consultation required. Equalities analysis required. Staffing review required Reduction in posts c 1.5FTE. Savings profiled on assuming staffing levels are reduced in September 2016</p> <p>RAG status: Amber</p> | 31 | 22 | | 1.5 | | | 53 | 1.5 |
| G | Relocation of services from Maltby library (Consultation required) | <p>Impacts on the council's assets. Relocation of library services from the current building into the adjacent Joint Service Centre, offering a revised service and merged staffing in line with locality services at Aston, Dinnington, Swinton and Rawmarsh. Relocation of Schools Loan Service to Bailey House. Relocation of Library vehicle parking to Bailey House. Potential impact on customer satisfaction if relocated services are felt to offer a reduced range of facilities and activities. Could involve temporary closures and withdrawal of services during changes. Requires capital</p> | | 29 | | | 2.0 | | 29 | 2.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | investment. Public and partner consultation required. Equalities analysis required. Staffing review required Reduction in posts c2FTE. RAG status: Amber | | | | | | | | |
| H | Alternative service delivery - community supported model | Retains library provision in all existing static locations. Moves to single staffing in 7 libraries across the borough. Would extend library self service facilities. Would extend some customer service provision to Mowbray Gardens and Wath libraries. Would encourage and support further community/partner involvement in services, including internships, student placements, apprentices and volunteers and Parish & Town Councils. Public and partner consultation required. Equalities analysis and assessment of need required. Staffing review required Reduction in posts c5FTE RAG status: Red | 59 | | 46 | 3.0 | | 2.0 | 105 | 5.0 |
| TOTAL | | | 250 | 178 | 46 | 19.5 | 3.0 | 2.0 | 474 | 24.5 |

COMMENTS ON ABOVE PROPOSALS: The options look to work within the existing Library and Customer Access strategies and is in line with the 2012/3 assessment of need, impact assessment, equalities analysis and consultation. This looks to retain provision in communities across Rotherham whilst implementing alternative service delivery models. This option was considered by members as part of the budget setting process for 2015-16. At that time, year 1 of a three year model was agreed for implementation. This option would continue that process.

REF NO: EDS 6

CURRENT SERVICE SUMMARY - Advocacy & Appeals

| | | |
|--------------------------------------|----------------------|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: Provides specialist welfare benefit and debt advice. This includes assessment of entitlement to benefits, assessment of “merit of an appeal” and assistance during submission of appeal, including representation. In addition the service provides benefit advice at all levels to those suffering from long term illnesses, their carers and families. The service currently receives external funding from Macmillan to do so. The service provides advice, advocacy and court representation on debt issues, including bankruptcy and housing repossession. The service works in partnership with other advice providers, notably Citizens Advice Bureau. |
| Advisory Cabinet Portfolio: | Councillor Yasseen | |
| 2015/16 Budget (£'000 Gross): | 330 | |
| 2015/16 Budget £'000 Income: | -116 | |
| 2015/16 Budget (£'000 Net): | 214 | |
| 2015/16 Budget FTE: | 8.9 | |

SAVINGS PROPOSALS: Option 3a

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| A | To maintain the current service definition with a contribution from the Housing Revenue Account (HRA), predicated on the level of support provided to Council | Maintains provision of specialist service, recognising the likely local impact of welfare reform changes. Would need to be based on an annual service level agreement, including measures to capture the impact in terms of reduced rent arrears and evictions. | 80 | - | - | - | - | - | 80 | - |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------------|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | tenants | This proposal is supported by the Business Development and Commercial Manager in NAS. RAG status: Amber | | | | | | | | |
| | TOTAL | | 80 | 0 | 0 | 0 | 0 | 0 | 80 | 0 |

COMMENTS ON ABOVE PROPOSALS:

There is no statutory requirement to deliver a specialist welfare rights and money advice service. However the service does support the Council in delivery of its statutory responsibilities e.g. within the Equalities Act.

The service is currently required to have dedicated staff to deliver the Macmillan Welfare Rights service in order to receive funding from Macmillan Cancer Support.

ASR REF NO: EDS 7

CURRENT SERVICE SUMMARY – Registrars

| | | |
|--------------------------------------|--|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: Delivery of all statutory and non-statutory Registration Services, including registration of births and deaths; notice, registration and delivery of ceremonies related to civil partnerships and marriages. Delivery of citizenship, naming and renewal ceremonies. Production and amendment of certificates. Service delivered on behalf of General Register Office. Ensures compliance with the Immigration Act. |
| Advisory Cabinet Portfolio: | Neighbourhood working and Cultural Services (T. Yasseen) | |
| 2015/16 Budget (£'000 Gross): | 455 | |
| 2015/16 Budget £'000 Income: | -280 | |
| 2015/16 Budget (£'000 Net): | 175 | |
| 2015/16 Budget FTE: | 12.1 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| B | Removal of Registration of Births and Deaths at Rotherham General Hospital | <p>No onsite facility for customers at Rotherham General Hospital (RGH) to register Births and Deaths that occur at the Hospital; therefore would have to travel to Riverside House. There is no legal obligation to register births and deaths outside of the Register Office.</p> <p>It is envisaged that this would not be a popular option for NHS partners who deliver Bereavement Services at RGH as this is a valued service. The number of registrations would not reduce but it would increase the flexibility and efficiency of staff to deliver a range of services from one location.</p> <p>A more effective use of resource provides potential to improve performance against Key Performance Targets.</p> <p>External consultation required Staffing review required</p> <p>RAG status: Red</p> | 25 | | | | | | 25 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| C | Channel shift from Face to face to Telephony /Online for Tell Us Once Bereavement | <p>Telephony and online channels are currently available but there is less than 5% take up; the majority of bereaved customers opt for the face to face transaction.</p> <p>Some essential face to face service provision is envisaged to remain, but a reduction in the face to face offer would decrease transaction time for appointments, resulting in the ability to offer additional appointments for statutory services.</p> <p>This is a non-statutory service that the authority has no legal obligation to deliver. Reducing transaction times would allow for an increase in the number of appointments available and an improvement against Key Performance Targets (KPT).</p> <p>Consultation required</p> <p>RAG status: Red</p> | 13 | | | | | | 13 | |
| TOTAL | | | 38 | 0 | 0 | 0 | 0 | 0 | 38 | 0 |

COMMENTS ON ABOVE PROPOSALS: Local authorities are required to resource their registration service to a level that performance targets can be met and are required to sign an annual assurance statement to General Register Office that there is a commitment to do this. The service is in an ongoing position of failing to meet Key Performance Targets (KPT) against statutory services. Should this continue General Register Office (GRO) could issue a directive to deliver the service in a way that meets KPT. Statutory fees are set by GRO. It is a requirement that Registration fees are set on a cost recovery basis only.

ASR REF NO: EDS 8

CURRENT SERVICE SUMMARY - Contact centre

| | | |
|--------------------------------------|--|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: Corporate contact centre, delivering telephony services on behalf of a wide range of Council services, including Housing, Streetpride, Licensing and Children & Young People's Services. Deals with customer enquiries, requests for services, applications, payments, appointments and eligibility assessments. Delivers corporate switchboard service. Open 8am-8pm Mon-Fri and provides 24/7/365 emergency service. 696,778 customer calls were received in the contact centre in 2014/15. In addition 41,758 emails were managed within the service. |
| Advisory Cabinet Portfolio: | Neighbourhood working and Cultural Services (T. Yasseen) | |
| 2015/16 Budget (£'000 Gross): | 1,231 | |
| 2015/16 Budget £'000 Income: | -860 | |
| 2015/16 Budget (£'000 Net): | 371 | |
| 2015/16 Budget FTE: | 45.3 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Reduce waste service customer demand by 10% by encouraging customers to use Your Account or webchat to find information and report faults | If demand is not reduced Key Performance Indicators (KPIs) will not be achieved and customers will have to wait longer for us to respond to their contact. Staff/related service consultation required Reduction in posts - 1.5 Band D RAG status: Red | 11 | 22 | | 0.5 | 1.0 | | 33 | 1.5 |
| B | Restructure Operations Manager and Team Leader roles | The restructure will equalise the levels of responsibility at management level. Staff consultation required Reduction in posts - 1 Band J, 0.5 Band H RAG status: Green | 45 | | 17 | 1.0 | | 0.5 | 62 | 1.5 |
| C | Improve and streamline the way customers can report Street pride | If demand is not reduced KPI's will not be achieved and customers will have to wait longer for us to | | | 22 | | | 1.0 | 22 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | problems online and encourage them to do so. This will mean that fewer telephone calls are received in the contact centre and less staff time will be required to input information into Streetpride administration systems. | respond to their contact. Staff/related service consultation required Reduction in posts - 1 Band D RAG status: Red | | | | | | | | |
| | TOTAL | | 56 | 22 | 39 | 1.5 | 1.0 | 1.5 | 117 | 4.0 |

ASR REF NO: EDS 9

CURRENT SERVICE SUMMARY - Theatre Services

| | | |
|--------------------------------------|--|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: Delivery of full range of theatre services from Rotherham's Civic Theatre. Whilst the programming is increasingly "commercial", delivered with professional producers, the service continues to work with a wide range of local organisations to deliver a varied and popular programme. Around 70,000 customers - the majority from Rotherham - attended shows during 2014-15. |
| Advisory Cabinet Portfolio: | Neighbourhood working and Cultural Services (T. Yasseen) | |
| 2015/16 Budget (£'000 Gross): | 478 | |
| 2015/16 Budget £'000 Income: | -349 | |
| 2015/16 Budget (£'000 Net): | 129 | |
| 2015/16 Budget FTE: | 10.5 | |

SAVINGS PROPOSALS: Option 1

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Increase prices for pantomime tickets by £1 (general) or £0.50 (schools) | Potential to impact on ticket sales, though we believe that this is unlikely. The increased income proposed takes account of any contractual arrangements. Consultation required with external producer of pantomime. RAG status: Amber | 12 | | | | | | 12 | |
| B | Additional income due to Cultural Exemption on VAT | This is currently an estimate, as 2015-16 is the first year of implementation. The increased income takes account of any negative impact of VAT on theatre hire Staff consultation required RAG status: Amber | 20 | 10 | 10 | | | | 40 | |
| TOTAL | | | 32 | 10 | 10 | 0 | 0 | 0 | 52 | 0 |

COMMENTS ON ABOVE PROPOSALS: The above increased income proposals reduce the net budget of the service to £77,000 by 2018/19. However, we believe this may be a conservative estimate which will be reviewed following the first year of the changes to VAT. The service has been very successful in reducing its net budget year on year by increasing income and its **ambition is to operate at a net £0 as soon as is possible within the above timeline.**

SAVINGS PROPOSALS: Option 2

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Service to become self-financing within 2 years | Service to become self-financing within 2 years through additional income generation and cost reduction. RAG status: Red | | 77 | | | | | 77 | |
| | | | 0 | 77 | 0 | 0 | 0 | 0 | 77 | 0 |

COMMENTS ON ABOVE PROPOSALS: Option 2 is in addition to Option 1 i.e. the total savings released would be £129,000

ASR REF NO: EDS 10

CURRENT SERVICE SUMMARY - Heritage Service

| | | |
|--------------------------------------|--|--|
| Directorate: | Environment & Development Services | Brief description of service: Heritage Services includes the strategic development of and delivery of services from: Clifton Park Museum, which also incorporates the York and Lancaster Regimental Museum, Archives and Local Studies, Boston Castle, 5 additional historic buildings (built heritage) and 2 outstores for the museum, archives and local studies collections. The service delivers a programme of exhibitions and events, formal and informal learning for all ages, services to schools, an enquiry service, professional advice and guidance to individuals, community groups and organisations within the area. It makes available information under key pieces of legislation, including the Freedom of Information Act, Data Protection Act and the Environmental Information Regulations. It operates as the Place of Deposit for records from public bodies in the locality as set out in the Public Records Act. The authority's statutory celebratory services are delivered through the Museum. The Archives and Local Studies Service is a statutory service. |
| Advisory Cabinet Portfolio: | Neighbourhood working and Cultural Services (T. Yasseen) | |
| 2015/16 Budget (£'000 Gross): | 666 | |
| 2015/16 Budget £'000 Income: | -133 | |
| 2015/16 Budget (£'000 Net): | 533 | |
| 2015/16 Budget FTE: | 19.4 | |

SAVINGS PROPOSALS: Option 1

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Frontline staffing: 2016/17: Consolidate frontline staffing to integrate delivery of Boston Castle and achieve economies of scale. Benefit from Creative Employment Programmed funded by Arts Council England to work with an intern. 2017/18: Continue to move to Clifton Park Museum being community supported and increase work with volunteers to provide contact with members of the public | Will reduce capacity of frontline services to respond to unanticipated staffing situations resulting in ad hoc closures of Clifton Park Museum, Boston Castle and the Archives and Local Studies searchroom - in turn impacting on the public and achievement of KPIs. Will reduce capacity to respond to enquiries within corporate guidelines. Potential impact on Accredited status due to potential delay in documenting collections. Staff/partner consultation required Reduction in posts - 1.7 Band C RAG status: 2016-17 Amber, 2017-18 Red | 20 | 12 | | 1.0 | 1.7 | | 32 | 2.7 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| B | Streamline non-pay budgets: reduce archives and local studies conservation budget, reduce exhibition/events budget, reduce vehicle hire budget | Will reduce ability to conserve archive and local studies material limiting amount of material members of the public can use. By 2017-18 all remaining budget has been removed. Reducing exhibitions and events programme may lead to declining number of visits (KPI). Limits ability to move collections between stores and museum for display/conservation purposes RAG status: Amber | 6 | 1 | | | | | 7 | |
| C | Increase income through delivery of additional school activity sessions and by undertaking external conservation work. | Relies on stable market, ability to market/promote services and reinvestment. Ability to offer service to external customers, including other museums and heritage services. RAG status: Green | 3 | 6 | 8 | | | | 17 | |
| D | 2016/17: Utilise Heritage Service's reserve budget to contribute to salary costs of key members of staff (one year only) 2017/18: Resultant pressure of utilising reserve budget for salaries | The release and use of this budget as determined by an insurance claims needs to be agreed. This proposal would give capacity for detailed increased income targets to be developed. RAG status: Amber | 24 | -24 | | | | | 0 | |
| | TOTAL | | 53 | -5 | 8 | 1 | 1.7 | 0 | 56 | 2.7 |

COMMENTS ON ABOVE PROPOSALS: Figures above do NOT take into account income which could be generated in partnership with Clifton Park. Initial estimates indicate income during this time could be approximately £80,000, generated through e.g. improving catering provision, increased room hire, increased sales from kiosks, café and museum shop, improved marketing of park games and achieving efficiencies through shared resources. The Services have recently jointly recruited a Commercial manager who is developing a 3 year business plan which would identify further opportunities for income generation. The above proposal would enable the service to develop this plan and put forward alternative proposals during 2016/17.

Note; additional work is also taking place with the lead Advisory Cabinet member on potential options for additional income generation, e.g. through wider wedding package options.

ASR REF NO: EDS 16

CURRENT SERVICE SUMMARY Corporate Property Unit (Excluding Corporate Landlord Property)

| | | |
|--------------------------------------|----------------------|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: Property management, creation, acquisition and disposal including: Statutory compliance, health and safety, gas safety, electrical safety, fire safety, energy/ carbon management, environmental adaptation, property resilience and recovery, asset strategy, repair and maintenance, acquisition, disposal, commercial estate, worksmart, schools maintenance, schools basic need, academy school conversions, schools PFI, terrier service, valuation, right to buy, compulsory purchase, asset transfer leases, construction design and management, YORBuild framework. Managing 644 properties. Service FTE already reduced by 47%. No tradespersons, so all construction and maintenance is outsourced. |
| Advisory Cabinet Portfolio: | Councillor Lelliott | |
| 2015/16 Budget (£'000 Gross): | £3,941 | |
| 2015/16 Budget £'000 Income: | £3,966 | |
| 2015/16 Budget (£'000 Net): | -£25 | |
| 2015/16 Budget FTE: | 68.2 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Increase income on existing Commercial estate | Market Rent increases for commercial tenants. RAG Status: Green | 3 | 5 | 5 | 0 | 0 | 0 | 13 | 0 |
| B | Review of Corporate Property Staffing Establishment. Probable | A Reduction in construction capacity and fee earning staff. This requires an ongoing review alongside the Capital Strategy to | 95 | 0 | 0 | 4.6 | 0 | 0 | 95 | 4.6 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | <p>result being an establishment change of:-</p> <ol style="list-style-type: none"> 1) Environmental Team 0.6 Band G Revenue Funded. 0.6 Redundancy. 2) Trading Account – Overhead - Merge Corporate Project Team (CPT) & Building Design Team (BDT) Managers posts – 1 Band L Manager Redundancy. 3) Trading Account CPT Overheads – Band D Technical Support Officer - Vacancy 4) Trading Account CPT Project Manager Posts 2 x Band J - Vacancies 5) Trading Account CPT 1 Structural Engineer Band G – Vacancy. 6) A new revenue post in Facilities Management (FM) Band J Building Officer to enable statutory compliance and address a capacity shortfall. | <p>ensure capacity exists to deliver the programme.</p> <p>Increase in Span of Control of 1 Band L from 3 to 5 direct reports. No Impact on customer or any other stakeholder.</p> | | | | | | | | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------------|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>Increased capacity to fill capacity deficit in facilities management to deliver multiple property management improvements and to improved standards of statutory compliance and safety of public buildings.</p> <p>Staff consultation required.</p> <p>RAG Status Green</p> | | | | | | | | |
| | TOTAL | | 98 | 5 | 5 | 4.6 | 0 | 0 | 108 | 4.6 |

ASR REF NO: EDS 17

CURRENT SERVICE SUMMARY (*Business Regulation*)

| | | |
|--------------------------------------|----------------------|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: This is a borough wide service Enforcement and regulation in relation to food hygiene, food standards, health & safety at work, animal health & welfare, trading standards and licensing (taxis, Licensing Act, Gambling Act etc.). Also management of contract between Dignity Funerals Ltd and Rotherham MBC (for the provision of bereavement services in Rotherham). |
| Advisory Cabinet Portfolio: | Cllr Sims | |
| 2015/16 Budget (£'000 Gross): | 57 | |
| 2015/16 Budget £'000 Income: | 1340 | |
| 2015/16 Budget (£'000 Net): | - 1156 | |
| 2015/16 Budget FTE: | 184 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Reduce maintenance budget in relation to retained cemetery assets (historic chapels, walls, gates etc.). | The maintenance of Victorian chapels in four of the district cemeteries, the Lych Gate at Maltby Cemetery and cemetery boundary walls in the 8 district cemeteries; these are outside of the Dignity contract. The buildings are falling into disrepair, and all of them require significant investment in order to bring them back to a usable condition. Alternative options have been considered, however none have been taken forward (e.g. use for commercial or community purposes). As the buildings | 14 | 7 | 2 | 0 | 0 | 0 | 23 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>haven't been in use for over 2 decades there will be no loss of amenity to the community, however the buildings being in a poor state of repair will damage the general cemetery environment. This proposal will see the maintenance budget in relation to retained assets reduce to £5,000 over a three year period. There will be no impact on partners, other directorates, staff or KPIs - however should the assets deteriorate to a dangerous condition then the assets will need to be demolished / receive significant investment in order to bring them into an acceptable condition.</p> <p>RAG rating: RED</p> | | | | | | | | |
| B | Cease payment of churchyard maintenance grants to Parochial Church Councils. | <p>Payments are currently made to Parochial Church Council to assist with the maintenance of churchyards. These are not closed churchyards, therefore they are outside of the council's control. The grants range in value from £49.70 per annum to £568.00 per annum and are paid following a council decision in 1988. Ceasing with this payment will require a change to a council decision, and may lead to a detrimental impact on the aesthetic nature of some churchyards. There will be no direct impact on customers, partners of other council departments as</p> | 8 | 0 | 0 | 0 | 0 | 0 | 8 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | a result of this proposal. RAG rating: Green | | | | | | | | |
| C | Reduce food safety sampling budget. | There will be no detrimental impact on customers as a result of reducing this budget. The remaining budget of £4,929 (after the reduction of £4,722) will be supplemented by funding which is routinely available from Central Government for specified sampling programmes. The reduction of this budget will not have any impact on partners, KPIs or other council departments. RAG rating: Green | 0 | 0 | 5 | 0 | 0 | 0 | 5 | 0 |
| D | Fixed amount increase from Bereavement Services Contract (assume 1.5% annual increase). | The council's contract with Dignity Funeral Services Ltd requires Dignity to pay RMBC a 'fixed amount' each year - this figure is index linked to inflation and increases by the RPIx in February of each year. The average increase of the RPIx over recent years is around 1.5%, this proposal is based on this figure however the actual increase cannot be forecast with absolute accuracy. RAG rating: Green | 7 | 7 | 7 | 0 | 0 | 0 | 21 | 0 |
| E | Self-service applications for certain licences. | Many licence application functions could be made available online only – this would be particularly appropriate in relation to | 0 | 19 | 0 | 0 | 1.0 | 0 | 19 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>vehicle licensing (where no assessment of fitness is required).</p> <p>Significant development of current systems and processes would be required in order to deliver this as a viable savings option. There would also need to be an element of consultation and testing of the system. As a result, any savings are unlikely to be realised until 2017/18.</p> <p>It is estimated that in moving all vehicle licensing matters onto an online portal, approximately one FTE licensing support officer will be released.</p> <p>However, it should be noted that any reduction in expenditure in the Licensing budget will need to be matched with a corresponding reduction in income (the licensing service must not generate a profit).</p> <p>RAG rating: AMBER</p> | | | | | | | | |
| F | Review administrative processes within Business Regulation. | There are 2.5 FTE admin staff within the Business Regulation service – these undertake a wide range of administrative duties including customer telephone contact and processing written | 0 | 10 | 0 | 0 | 0.5 | 0 | 10 | 0.5 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>reports on behalf of Environmental Health Officers (EHOs).</p> <p>It is proposed that the telephony function is transferred to Rotherham Connect, and the process of issuing written reports is reviewed. It is estimated that this will require the transfer of 0.5 FTE to Rotherham Connect, with a further 0.5 FTE being offered as a saving.</p> <p>Reducing the number of admin staff in the team may result in higher graded staff undertaking administrative duties should any of the remaining 1.5 FTE be unavailable for work (such as annual leave / sickness).</p> <p>RAG rating: AMBER</p> | | | | | | | | |
| G | Licensing administration function to migrate from Lalpac to Civica APP. | <p>The authority currently uses Lalpac for the administration of licence applications. This package has been used since 2009.</p> <p>The current subscription that is paid to Lalpac amounts to approximately £14,000.</p> <p>The authority already subscribes to Civica APP (it is used by</p> | 0 | 0 | 14 | 0 | 0 | 0 | 14 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>many teams within the council) – the addition of the licensing modules to the current system would not increase the subscription amount. Therefore, switching from Lalpac to Civca APP for licensing purposes would realise a saving of £14,000.</p> <p>The council is currently contracted to Lalpac until April 2018 – therefore any saving will be realised in 2018/19.</p> <p>The Civica APP system has been reviewed by the Business Regulation Manager and the Licensing Manager, and whilst it has the advantage of being used by a number of departments within the council (including licensing enforcement, environmental health and trading standards – which work closely with licensing administration), it compares less favourably in terms of ease of use and functionality.</p> <p>However, it should be noted that any reduction in expenditure in the Licensing budget will need to be matched with a corresponding reduction in income (the licensing service must not generate a profit).</p> <p>RAG rating: AMBER</p> | | | | | | | | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------------|---|-----------|-----------|-----------|----------|------------|----------|------------|------------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | TOTAL | | 29 | 43 | 28 | 0 | 1.5 | 0 | 100 | 1.5 |

COMMENTS ON ABOVE PROPOSALS:

Reductions in licensing expenditure must be met with corresponding reductions in income received (i.e. the council cannot make a profit via the administration of licensing). Proposals G should be considered with this in mind.

Further work must be undertaken in relation to proposal E before it can be considered as a viable savings option (hence the year 2 proposal).

Overall staffing reduction is 5%

ASR REF NO: EDS 18

CURRENT SERVICE SUMMARY (Waste PFI)

| | | |
|--------------------------------------|-----------------------|---|
| Directorate: | EDS & Neighbour hoods | Brief description of service: This budget provides for the Operational Management of the Sub Regional Waste Facility on behalf of Barnsley Doncaster and Rotherham (BDR) under the terms of a Public Finance Initiative (PFI) Project. It currently covers for overheads including for staff costs and the provision of any independent external Legal, Technical and Financial advice that may be necessary by BDR officers to support contract decisions and / or dispute resolution. |
| Advisory Cabinet Portfolio: | Councillor Sims | |
| 2015/16 Budget (£'000 Gross): | £111 | |
| 2015/16 Budget £'000 Income: | | |
| 2015/16 Budget (£'000 Net): | £111 | |
| 2015/16 Budget FTE: | 4 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Currently there is a vacant post within the Structure. It is proposed not to fill this post | There would be no implication upon Corporate Priorities/ Outcomes from failing to fill this post. This issue will be subject to discussion with our BDR partners. This post is at an Administration level. The Contract is currently managed by 3 FTEs with any necessary support from officers across Barnsley, Doncaster and Rotherham. | 7 | 0 | 0 | 1.0 | 0 | 0 | 7 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|---|--|---|-----------|----------|----------|------------|----------|----------|-----------|------------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | RAG Status - Amber | | | | | | | | |
| B | Remove the contingency from the Budget | The plant is now fully operational; therefore the necessity for a contingency has reduced. The contingency was there to allow for unusual events during the build process and to potentially support initiatives where savings greater than costs could be realised. RAG Status - Green | 32 | 0 | 0 | | | | 32 | 0 |
| C | Reduction of the Budget for External Technical Consultants | It is considered that the requirement for independent technical advice on “snagging items related to the Waste Plant” will reduce over the next 12-18 months. There will be no implications upon Corporate Priorities RAG Status - Green | 0 | 5 | 0 | | | | 5 | 0 |
| | TOTAL | | 39 | 5 | 0 | 1.0 | 0 | 0 | 44 | 1.0 |
| <p>COMMENTS ON ABOVE PROPOSALS: This proposal has now been agreed with the BDR partners at a consultation meeting.</p> <p>Staffing reduction is 1 FTE (vacant post) – 25% of the establishment</p> | | | | | | | | | | |

ASR REF NO: 19

CURRENT SERVICE SUMMARY (*Waste Treatment*)

| | | |
|--------------------------------------|--------------------------------------|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: Waste Treatment and Disposal covers the contractual arrangements for dealing with the treatment and disposal of domestic waste; the treatment of green waste, dealing with waste at our 4 Household Waste Recycling Centres; the haulage of skips from these sites, service costs for Recycling Banks; the disposal of special waste streams (hazardous clinical waste, asbestos) and the receipt of income from kerbside recycling operations and bring sites. Waste Services have a statutory duty and a duty of care to manage waste from Council operations and ensure that all the waste and recyclates produced are treated and disposed of through outlets that hold the relevant environmental permits. |
| Advisory Cabinet Portfolio: | Councillor Sims | |
| 2015/16 Budget (£'000 Gross): | £1,180 | |
| 2015/16 Budget £'000 Income: | £579 | |
| 2015/16 Budget (£'000 Net): | £602 | |
| 2015/16 Budget FTE: | 0 Included in Waste Coll. ASR | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| A | Dispose of carpets and mattresses through the Sub | It is cheaper to dispose of mattresses and carpets through disposal rather than through recycling outlets. This will affect | 105 | | | | | | 105 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|----------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | Regional Waste Plant | recycling performance by approximately 1.16% RAG Status - Green | | | | | | | | |
| | TOTAL | | 105 | 0 | 0 | 0 | 0 | 0 | 105 | 0 |

COMMENTS ON ABOVE PROPOSALS:

With the current pricing structure that we have in the Sub Regional Waste Plant for disposal of waste at Band 2 (£13.68 per tonne); from the economic perspective it is cheaper to undertake disposal than to attempt to increase recycling. The saving proposed relates to all the carpets and mattresses disposed of through the Councils four Household Waste Recycling Centres.

ASR REF NO: 20 Waste Collection

CURRENT SERVICE SUMMARY (Waste Collection)

| | | |
|--------------------------------------|--------------------------------|--|
| Directorate: | EDS & Neighbour hoods | Brief description of service: This is a borough wide service provide to every household Waste Management undertakes the provision of all waste collection services (Black Bin, Green Bin, Blue Box and Bag), bulky item collections, bin delivery and the management of the contract for four Household Waste Recycling Centres across the Borough. The Council has a Statutory Duty to collect Household Waste as defined in the Environmental protection Act 1990 |
| Advisory Cabinet Portfolio: | Cllr Sims | |
| 2015/16 Budget (£'000 Gross): | £5,223k | |
| 2015/16 Budget £'000 Income: | £980k | |
| 2015/16 Budget (£'000 Net): | £4,243k | |
| 2015/16 Budget FTE: | 122.6 including 12 staff posts | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| A | Rationalisation of the Staff Structure | Will meet the 15% requirement for staff savings; there would need to be a rationalisation across the Management Structure for the service, the loss of 2FTEs represents a 17% reduction in terms of management/supervisory posts; this may impact upon service resilience in terms of lost expertise, and in the | 20 | 20 | 20 | 1.0 | 1.0 | 0 | 60 | 2.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | knock-on to service performance . RAG Status: Amber | | | | | | | | |
| C | Fleet Renewal – Change the type of Vehicle used to support the kerbside collection of dry recyclables | The current fleet of vehicles have come to the end of their lease. It is considered that the type of vehicle used at present, be changed to a conventional split bodied refuse vehicle. This type of vehicle will speed up the operation and allow for a reduction in the fleet of one vehicle and crew. The Waste Management establishment would be reduced by 3 posts It is considered there would be no impact upon the delivery of the service to residents RAG Status: Amber | 164 | | | 3.0 | | | 164 | 3.0 |
| G | Revert to an alternate week collection on domestic refuse at Christmas / New Year; we | The Council currently provides a weekly collection of black bins over the Christmas / New Year period when the service is in | 30 | | | | | | 30 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | currently provide a weekly collection for the 10 days when the service is in a backlog situation | <p>backlog; this is a period of approximately 10 working days.</p> <p>It is considered that initially there would be an adverse public reaction as the frequency between collections would be extended at a time of year when the waste produced increases.</p> <p>It will take longer to get the service back on a regular collection frequency; however 3 Saturdays will be worked to assist in minimising the disruption in collection frequencies.</p> <p>It has been agreed that the Household Waste Recycling Centres will remain open on all days during the period that the service is in backlog. These sites will be closed on Christmas Day, Boxing Day and New Year's Day</p> <p>RAG Status: Amber</p> | | | | | | | | |
| | TOTAL | | 214 | 20 | 20 | 4 | 1 | 0 | 254 | 5 |

COMMENTS ON ABOVE PROPOSALS:

Staffing reductions amount to 11% of the total establishment

ASR REF NO: EDS 21

CURRENT SERVICE SUMMARY (Transportation & Highways projects)

| | | |
|--------------------------------------|----------------------|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: This is a borough wide service Discharge of the statutory functions of Road Safety and Traffic Management through the delivery of transportation projects from concept through feasibility, design and implementation. Primary functions of the service are Transportation Policy, Traffic Management, Road Safety, Highways Development Control, Traffic Signals and Urban Traffic Control, Highways Design, and Highway Bridges. |
| Advisory Cabinet Portfolio: | Cllr Lelliot | |
| 2015/16 Budget (£'000 Gross): | 2,624 | |
| 2015/16 Budget £'000 Income: | 1,816 | |
| 2015/16 Budget (£'000 Net): | 808 | |
| 2015/16 Budget FTE: | 32.0 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Remove Engineer post from Transportation Unit | Vacant Post - funding was to be used to develop RMBC public realm work, identifying a consistent and efficient approach to street design, street furniture and materials, realising immediate benefits in improving our approach to street design and medium to long term asset management efficiencies. This work will now not be undertaken. 1 FTE is 16% of the team. RAG Status: Green | 34 | | | 1.0 | | | 34 | 1.0 |
| B | Reduce CCTV budget in light of new maintenance contract and new communications contract | Reduction in CCTV budget will retain the CCTV service but reflect the new lower maintenance and comms costs that will be in place in 2016/17. RAG Status: Green | 50 | | | | | | 50 | |
| C | Reduce graffiti cleansing budget | Reduction in the graffiti cleansing budget reflects the level of operational cleansing activity undertaken in 2014/15. The reduced budget could potentially result in an inability to remove | 10 | | | | | | 10 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>graffiti and undertake cleansing of subways.</p> <p>Agreed with the proviso that offensive graffiti be dealt with within 24 hours</p> <p>RAG Status: Green</p> | | | | | | | | |
| D | Restructure of the Highway Structures Team resulting in the loss of 1 post | <p>Loss in a post will result in a reduced capacity to undertake the development, design and management of RMBC's highway structures assets. Increased risk that our annual inspection regime could not be undertaken with the remaining resource resulting in greater risk of asset condition not being accurately monitored and assessed. Failure to appropriately manage our highway structure assets could lead to asset failure. There is the potential that a pressure may be created in terms of fee income generated.</p> <p>1FTE is 28% of the team</p> <p>RAG Status: Amber</p> | 25 | | | 1.0 | | | 25 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| E | Reduce CCTV budget - Invest to save to deliver an RMBC owned Fibre Communications Network | <p>The saving in 17/18 relates to the potential to introduce an RMBC owned fibre communications network in the Town Centre, which would require an invest to save business case to be developed.</p> <p>RAG Status: Green</p> | | 15 | | | | | 15 | |
| G | Restructure of the Transportation Policy Team resulting in the loss of 1 post | <p>Loss of a post will result in a reduced capacity leading to: reduced ability to develop and write effective bids for external funding, with the risk that RMBC receives less funding than at present to deliver its Transportation and Highways initiatives, which will result in an inability to meet the aims of our transport strategy and those corporate plan ambitions related to road safety, active travel, and effective network performance; reduced ability to advise on transport policy issues affecting planning policy and advice; reduced capacity to deliver our Sustainable Transport schemes and initiatives.</p> <p>1 FTE is 50% of the team</p> <p>RAG Status: Red</p> | | 40 | | | 1.0 | | 40 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| H | Restructure of the Traffic Management and Road Safety Teams resulting in the loss of 1 post | <p>Loss of an Engineer post will result in a lack of capacity to develop schemes and prepare external funding bids ultimately leading to a decline in the level of funding for our annual programme declining, which will result in an inability to meet the aims of our transport strategy and those corporate plan ambitions related to road safety, active travel, and effective network performance. Reduced capacity will have to result in either fewer general revenue enquiries and requests being investigated / responded to or the target for investigating / responding to enquiries significantly increasing. The capacity to promote revenue funded initiatives such as the appraisal of available routes to school, which supports Corporate Transport, and the promotion of waiting restrictions and disabled parking bays will be significantly compromised.</p> <p>1 FTE is 30% of the team</p> <p>RAG Status: Red</p> | | | 40 | | | 1.0 | 40 | 1.0 |
| TOTAL | | | 119 | 55 | 40 | 2.0 | 1.0 | 1.0 | 214 | 4.0 |

REF NO: EDS 22

CURRENT SERVICE SUMMARY - *Parking Services*

| | | |
|--------------------------------------|--|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: The service is mainly focused on Rotherham Town Centre, but does cover parking enforcement right across the borough. Responsible for managing and enforcing on and off street parking to encourage sensible and safe parking and reduce congestion. The role of the team is not restricted to parking enforcement; the team also act as ambassadors for the town, helping customers whenever possible. |
| Advisory Cabinet Portfolio: | Cllr Lelliott | |
| 2015/16 Budget (£'000 Gross): | £826,314 | |
| 2015/16 Budget £'000 Income: | (£1,301,761) | |
| 2015/16 Budget (£'000 Net): | (£475,447) | |
| 2015/16 Budget FTE: | 15 - £410,332 (funded through income generation) | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Amend parking charges in the town centre to generate additional income in order to help ensure a more self-financing Parking Service: | An increase in parking charges could potentially reduce the number of visitors to the town centre which could then impact on economic regeneration ambitions. A reduction in medium and long stay tariffs may mitigate this. There were 680,000 paid parking activities in the town centre | | | | | | | | |

| | | | | | | | | | |
|---|--|--------------|---|---|---|---|---|--------------|---|
| <p>On-street:</p> <ul style="list-style-type: none"> - 30mins, 50p to £1 - 60mins, £1 to £1.50 - 120mins, £2.50 to £3 <p>Off-street:</p> <ul style="list-style-type: none"> - 120mins, £1.20 to £1.50 - 240mins, £2.80 to £2 - All day, £6.50 to £3.50 <p>Option 1 = £130,000 additional income</p> <p>Option 2 = £75,000 additional income and free (off street) Saturday parking.</p> | <p>during 2014/15. A reduction of 10%, for example, would equate to 68,000 fewer visits. The Council's Transportation Unit collect data on vehicle occupancy and 68,000 vehicular visits to the town centre could equate to around 200,000 potential customers. This could impact on the economic regeneration of the town centre; however, it is partially mitigated by the 'free parking' offer on Forge Island.</p> <p>Although parking charges have not increased in the last 6 years, the proposals are based upon the perceived maximum price increases when considering the tariffs being offered by local private competitors and neighbouring Local Authorities (see Comments section below).</p> <p>At a Rotherham Voice meeting on 8/10/15, chaired by Commissioner Kenny, town centre businesses indicated support for tariff increases only on the basis that this could fund free Saturday parking.</p> <p>Option 2 is based on the same amended charges as per Option 1, but providing free off-street parking on Saturdays, lowering the estimated income generated as a result. A comparison with free parking arrangements in neighbouring local authority areas is included in the Comment section below.</p> <p><i>Note: there is an underlying budget pressure in the service of £137,000 – hence the £130,000 additional income at Option 1 above results in a net £7,000 pressure on the service; Option B results in a net £62,000 pressure on the service. Neither option</i></p> | 130 | 0 | 0 | 0 | 0 | 0 | 130 | 0 |
| | | (-7 net) | | | | | | (-7 net) | |
| | | 75 (-62 net) | 0 | 0 | 0 | 0 | 0 | 75 (-62 net) | 0 |

| | | | | | | | | | | |
|---|--|---|---|----|---|---|-----|---|----|-----|
| | | <i>meets the budgeted income target fully.</i> | | | | | | | | |
| | | RAG Status: Red | | | | | | | | |
| B | Restructure Appeal Team This will result in loss of posts: 1 x Band G | A reduction in staffing would have to be made from the back office / Appeals Team because the Enforcement Team is already regarded as under resourced. This would reduce the appeals team size by 27%. Management spans of control would not be a significant issue. The impact of the reduction in staffing would result in some vulnerability to achieve deadlines set by the Traffic Management Act with regard to the answering of correspondence and / or the issuing of official documents. RAG Status: Amber | 0 | 31 | 0 | 0 | 1.0 | 0 | 31 | 1.0 |
| | | | 0 | 31 | 0 | 0 | 1.0 | 0 | 31 | 1.0 |

COMMENTS ON THE ABOVE PROPOSALS:

A comparison with neighbouring Local Authorities' on-street tariffs is in the table below:

| Neighbouring Local Authorities On Street Charges | 30 minutes | One hour | Two hours |
|--|------------|----------|-----------|
| Sheffield | £1.00 | £2.00 | £4.00 |

| | | | |
|---------------------------|--------------|--------------|--------------|
| Doncaster | £1.00 | £2.00 | £4.00 |
| Barnsley | £0.70 | £1.40 | N/A |
| Rotherham current | £0.50 | £1.00 | £2.50 |
| Rotherham proposed | £1.00 | £1.50 | £3.00 |

In terms of free weekend parking provision on Saturdays, neighbouring Local Authorities in South Yorkshire currently offer:

| Neighbouring Local Authority | Free parking provision arrangements on Saturdays |
|------------------------------|---|
| Sheffield | Free Saturday Parking for 3 weeks up to Christmas after 2:00pm for on and Off-Street |
| Doncaster | Extra Hour Free (all year) in one 900 space car park. Free on and Off-Street parking between 24/12 - 29/12 and 31/12 - 03/01 and Easter weekend |
| Barnsley | Free Saturday Parking Off-Street only (all year) |
| Rotherham current | Free Saturday Parking for 6 weeks up to Christmas for on and Off-Street |

ASR REF NO: EDS 24

CURRENT SERVICE SUMMARY (Highway Maintenance)

| | | |
|--------------------------------------|--------------------------|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: This is a borough wide service The Highway Network Management Team's role is to ensure that highways are in a safe and well maintained condition, (Roads, Footpaths, Public Rights of Way, including Drainage, Street Lighting, Streetworks Coordination, and Highway Inspections, Highway Assessment & Design and the delivery of highway works) |
| Advisory Cabinet Portfolio: | Cllr Sims | |
| 2015/16 Budget (£'000 Gross): | £7,324,176 | |
| 2015/16 Budget £'000 Income: | (£2,276,825) | |
| 2015/16 Budget (£'000 Net): | £5,047,351 | |
| 2015/16 Budget FTE: | 127 (21% Revenue funded) | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| B | Generate additional income: Option 1: additional income from external customers | Further income could be achieved from Sponsored Roundabouts and increased charges for Cesspool emptying, Drainage works for Housing and Schools. Highway Licences, skips, scaffolds Section 38 income. RAG Status: Amber | 32 | 28 | 28 | | | | 88 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| C | <p>Restructures in Service Teams:</p> <p>Street Lighting will result in loss of posts: 1 x Band J (Senior Engineer) and 2x Band G (Electricians).</p> <p>Drainage Team will result in loss of posts: 1 x Band E (Technician) and 1x Band D (Operative).</p> | <p>Advances in technology and design have reduced the need for a senior Street Lighting Engineer and two Electricians posts. This would reduce the team size by 13%. Management spans of control would not be a significant issue.</p> <p>The drainage operative and technician posts could be absorbed within the wider delivery team. The impact will reduce the team's ability to deliver scheduled routine maintenance on time and respond and react to flooding emergencies such as; internal flooding to properties and highways. This would reduce the team size by 10%.</p> | 45 | 47 | 19 | 2 | 2 | 1 | 111 | 5 |
| D | Prudential Borrowing Repayment Savings | The £3m highway capital investment between 2011-2014 was funded by prudential borrowing. Due to improved borrowing rates achieved by the Council and a change in the payback period that the borrowing was based upon, it has been possible to reduce the repayment from £300k to £200k per annum. | 100 | 0 | 0 | 0 | 0 | 0 | 100 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---------------------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>The £100k saving can be taken without any impact on highway maintenance meeting its prudential borrowing repayments. However, the £100k surplus is currently used to support the highway maintenance revenue repairs budget, if it is removed there will be less budget available to maintain the highways, potentially leading to the risk of them deteriorating faster (e.g. potholes).</p> <p>RAG Status: Green</p> | | | | | | | | |
| E | Street Lighting LED replacement | <p>The service is at an early stage of testing advances in LED technology that could enable the remaining 15,000 street lights to be upgraded which would enable significant energy savings. The proposal would be to only replace the internal electronics and to recycle the existing lantern body. If the tests are successful then a capital investment of around £800,000 to £1m would be required. After capital repayments are accounted for energy saving of £100,000 could be achievable.</p> <p>RAG Status: Red (trials may prove unsuccessful)</p> | | 25 | 75 | | | | 100 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------------|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | TOTAL | | 177 | 100 | 122 | 2 | 2 | 1 | 399 | 6 |

COMMENTS ON ABOVE PROPOSALS:

Excluding the additional £5m investment over the next two years the funding available for highway maintenance which provided through Government's Capital and RMBC revenue will be approximately £3.5m. The highway network requires £6m spending on it annually to maintain its current condition.

A consequence of significantly reducing highway maintenance funding would be roads deteriorating further and the associated costs to keep them safe would increase along with complaints and potential insurance claims. Currently the highway teams have an excellent repudiation rate for highway claims which is cited as best practice by the Council's insurers and solicitors; settlement costs are significantly better than Barnsley's and Doncaster.

From 2016/17 the Government is introducing new methodology for allocating capital Maintenance funding. If the Council's strategy is based on reduced revenue funding, it is probable that DfT funding will be significantly reduced, and the condition of the highways will deteriorate further.

ASR REF NO: EDS 25

CURRENT SERVICE SUMMARY - Streetpride: Grounds Maintenance

| | | |
|--------------------------------------|--|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: This is a borough wide service which covers Grass cutting including Highway Verges, Public Open Spaces and Urban Parks. Weed killing on adopted highway. Maintenance of shrub beds, highway hedges and rural verges, and landscaping work for internal and external clients (e.g. Schools, Parish Councils etc). Off Road Motor Vehicle budget to support cost of prevention works on Council land |
| Advisory Cabinet Portfolio: | Cllr Sims | |
| 2015/16 Budget (£'000 Gross): | 2,426 | |
| 2015/16 Budget £'000 Income: | -1,097 | |
| 2015/16 Budget (£'000 Net): | 1,329 | |
| 2015/16 Budget FTE: | 48 (plus 31 seasonal staff – variable) | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | <u>Option 1</u> Purchase 2 Reform Metrac (specialised grass cutting equipment) at £54,000 each. Annual purchase cost estimated at £24,000 over 5 years. Current annual hire cost for 2 | NO IMPACT: 1) Saving is achieved by reducing annual cost of hire 2) Could be risk of contractual penalties RAG status: Green | 41 | 0 | 0 | 0 | 0 | 0 | 41 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | Reforms is £72,800. | | | | | | | | | |
| J | Internal operational savings i. Use contact weed killer around street furniture rather than barrier residual weed killer. ii. Remove Supervisors Van – currently hired and used by several officers | LOW IMPACT (Whole Borough) 1) Using contact weed killer may mean increased work load as more sprays will be needed but saving proposal takes account of this. 2) Removal of vans will require officers to provide own vehicle for work related journeys and claim car mileage (change of contract). 3) Removal of vans is not consistent with other Streetpride services RAG status: Green | 9 | 0 | 0 | 0 | 0 | 0 | 9 | 0 |
| K | Increase charges to PARISH COUNCILS by 1% above inflation – current annual income is £121,000 | LOW / MEDIUM IMPACT (Parishes) 1) Currently provide service for 21 Parish Councils 2) Possible risk that clients will engage alternative contractor and savings proposal will not be achieved RAG status: Amber | 4 | 0 | 0 | 0 | 0 | 0 | 4 | 0 |
| L | Remove the Off Road Motor Vehicle Prevention Budget | MEDIUM IMPACT (Whole Borough) 1) Significantly reduced capacity to carry out / support schemes to reduce / prevent off road vehicle nuisance. | 37 | 0 | 0 | 0 | 0 | 0 | 37 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------------|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | 2) Likely to result in increase in complaints and requests for service THIS SPEND CAN BE CAPITALISED AND WILL BE CONSIDERED AS PART OF THE CAPITAL PROGRAMME | | | | | | | | |
| | TOTAL | | 91 | 0 | 0 | 0 | 0 | 0 | 91 | 0 |

ASR REF NO: EDS 26

CURRENT SERVICE SUMMARY - Streetpride: Leisure & Green Spaces

| | | |
|--------------------------------------|--|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: This is a borough wide service covering 3 country parks, 11 urban parks, 14 recreation grounds, public open spaces, allotments, children's play areas, sports and games facilities, countryside sites, woodlands, closed churchyards, project development, Ecology and Biological Records, public rights of way maintenance, support to Planning Policy and Development Management functions, Sports Development Service, Herringthorpe Athletics Stadium, Landscape Design, Trees Service and Admin Team (also support Community Services Team). |
| Advisory Cabinet Portfolio: | Neighbourhood working and Cultural Services (T. Yasseen) | |
| 2015/16 Budget (£'000 Gross): | 4,453 | |
| 2015/16 Budget £'000 Income: | -1,855 | |
| 2015/16 Budget (£'000 Net): | 2,598 | |
| 2015/16 Budget FTE: | 57.7 (plus 15.2 seasonal / temporary staff) | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Continue to raise allotment rents above inflation to remove subsidy by 18/19 | <p>LOW / MEDIUM IMPACT (Whole Borough - users from many areas)</p> <p>1) Implementation would be subject to completion of Allotment Service Review</p> <p>2) Risk of complaints, opposition and legal challenge</p> <p>3) Could lead to reduced demand</p> <p>4) Possible health impact</p> <p>Service consultation required</p> <p><i>Note: officers are also exploring options for a potential Trust model for allotments</i></p> <p>RAG status: Amber</p> | 5 | 5 | 4 | 0 | 0 | 0 | 14 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| B | Rother Valley Country Park - i. Remove 2 x Senior Ranger (Band G) and increase Rangers (Band F) from 2 to 3. ii. Remove Administrator (Band G) and create Admin Asst post (Band E) | MEDIUM IMPACT (Whole Borough - users from many areas) 1) Reduced capacity to cover for sickness etc especially during summer season 2) Slower response to incidents 3) Lower site maintenance standards 4) May impact on major events 5) Increased workload for Operations Managers 6) Will be easier to achieve with continued automation (e.g. EPOS, Broadband link to speed up RMBC admin.) Staff consultation required Reduction in post – 1 FTE Band G Senior Ranger RAG status: Amber | 43 | 0 | 0 | 1.0 | 0 | 0 | 43 | 1.0 |
| C | Rother Valley Country Park - i. Increase car park charge from £3.50 to £5.00- first increase in five years ii. Withdraw free parking for blue badge holders on weekdays (following previous withdrawal at weekends) | MEDIUM IMPACT (Whole Borough - users from many areas) 1) Possible adverse customer and tenant reaction and some loss of custom Service consultation required RAG status: Amber At 26th November meeting OSMB recommended a 50p per year increase. | 90 | 2 | 0 | 0 | 0 | 0 | 92 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| D | Rother Valley Country Park - Shorten Water sports operating season, focussing on most profitable times. Remove permanent Water sports Supervisor (Band G) and operate with a seasonal/casual post at slightly lower band. | <p>MEDIUM IMPACT (Whole Borough as users from many areas)</p> <ol style="list-style-type: none"> 1) 50% staffing reduction 2) Shortening of season will mean a part loss of service 3) Possible adverse customer reaction. 4) Reduced capacity to undertake seasonal maintenance of centre 5) Reduced continuity in knowledge of systems and procedures <p>Service consultation required Staff consultation required Reduction in post – 1 FTE Band G Water Sports Supervisor</p> <p>RAG status: Amber</p> | 36 | 0 | 0 | 1.0 | 0 | 0 | 36 | 1.0 |
| F | Thrybergh Country Park - Reduce Rangers (Band F) from 3.2 to 2.6 | <p>HIGH IMPACT (Whole Borough - users from many areas)</p> <ol style="list-style-type: none"> 1) 19% staffing reduction 2) Leaves a very small team with reduced capacity to cover for sickness etc especially during summer season 3) Slower response to incidents 4) Lower site maintenance standards at TCP, UCP and countryside sites 5) May impact on site security <p>Staff consultation required Reduction in post – 0.6 FTE Band F Ranger</p> <p>RAG status: Red</p> | 0 | 17 | 0 | 0 | 0.6 | 0 | 17 | 0.6 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| G | Thrybergh Country Park - Increased income from café, soft play etc. | <p>LOW IMPACT (Whole Borough - users from many areas)</p> <p>1) Assumes continued investment in the park e.g. café, marketing etc.</p> <p>RAG status: Green</p> | 0 | 10 | 4 | 0 | 0 | 0 | 14 | 0 |
| H | Countryside Operations - Reduce Countryside Operatives (Band D) from 1.6 to 1 | <p>HIGH IMPACT (Countryside sites, significant parts of the Borough)</p> <p>1) 38% staffing reduction 2) May restrict range of work that other operative can do, and on capacity to do PROW work 3) Lower site maintenance standards at TCP, UCP and countryside sites</p> <p>Staff consultation required Reduction in post – 0.6 FTE Band D Operative</p> <p>RAG status: Red</p> | 0 | 12 | 0 | 0 | 0.6 | 0 | 12 | 0.6 |
| I | Discontinue hosting of or seek alternative financing arrangements for Rotherham Biological Records Centre - remove 0.6 Records Officer (Band G) | <p>MEDIUM / HIGH IMPACT (Whole Borough)</p> <p>1) NO SERVICE 2) 100% staffing reduction 3) Biological Record database will become of limited use over time, with possible impact on planning 4) May draw criticism from Natural England and other external bodies 5) Loss of valuable volunteer input</p> <p>Service consultation required Staff consultation required Reduction in post – 0.6 FTE Band G Officer</p> <p>RAG status: Amber</p> | 0 | 19 | 0 | 0 | 0.6 | 0 | 19 | 0.6 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| J | Clifton Park - Restructure and reduce management. Remove Manager (Band I) and Horticultural Officer (Band G) and introduce Site Supervisor (Band G) on rota with Band F Rangers. | <p>HIGH IMPACT (Whole Borough - users from many areas)</p> <p>This means that the duties currently undertaken by the park manager will be shared between the Urban Green Spaces Manager who is already responsible for all urban parks, sports pitches, allotments and children's play and will not always be on site, and a proposed new site supervisor who will be responsible for day to day operations on the ground. The site supervisor will also have responsibility for functions currently carried out by a more specialist Horticultural Officer. This proposal brings management structure more into line with existing arrangement at Thrybergh Country Park.</p> <ol style="list-style-type: none"> 1) 13% staffing reduction 2) Reduced capacity to manage people, facilities and budgets, leading to increased workload for other staff 3) May impact on speed of development of new businesses 4) Brings management structure more into line with existing arrangement at Thrybergh Country Park 5) Requires continued admin support at least at current levels to ensure effective business operation <p>Staff consultation required</p> <p>Reduction in post – 1 FTE Band I Officer</p> | 40 | 0 | 0 | 1.0 | 0 | 0 | 40 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | RAG status: Red | | | | | | | | |
| K | Clifton Park - Replace one Gardener (Band D) with Team Leader (Band E) reporting to Site Supervisor. | <p>LOW IMPACT (Whole Borough - users from many areas)</p> <p>1) Mitigates impact of loss of Horticultural Officer Staff consultation required</p> <p>RAG status: Green</p> | -3 | 0 | 0 | 0 | 0 | 0 | -3 | 0 |
| L | Clifton Park - Reduce Ranger team from 3 to 2 (remove Band D post) | <p>HIGH IMPACT (Whole Borough - users from many areas)</p> <p>Current staffing levels allow regular ranger presence in all of the key areas of the park. The savings proposal could mean that at particular times and circumstances (e.g. an accident in another area of the park) we may not be able to have a ranger presence in all necessary areas (e.g. the children's play area and water play). Partially mitigated by creation of new Band G Supervisor post on rota.</p> <p>Taken together the proposals will result in a reduced capacity to cover for sickness etc. especially during summer season, a slower response to incidents, and reduced site security.</p> <p>1) 33% staffing reduction 2) Reduced capacity to cover for sickness etc. especially during summer season 3) Slower response to incidents 4) Reduce site security 5) Partially mitigated by creation of new Band G Supervisor post on rota</p> | 23 | 0 | 0 | 1.0 | 0 | 0 | 23 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>Staff consultation required</p> <p>Reduction in post – 1 FTE Band D Ranger</p> <p>RAG status: Red</p> | | | | | | | | |
| M | Clifton Park - Reduce repair and material budgets | <p>MEDIUM / HIGH IMPACT (Whole Borough - users from many areas)</p> <p>1) Possible impact on visitor numbers and income 2) Park begins to look less well maintained. 3) Facilities remain unusable for longer after faults develop 4) More difficult to replace maintenance equipment</p> <p>RAG status: Amber</p> | 12 | 6 | 6 | 0 | 0 | 0 | 24 | 0 |
| N | Clifton Park - Increase car park, kiosk and room hire income targets based on further growth in visitor numbers and increased margins | <p>LOW IMPACT (Whole Borough - users from many areas)</p> <p>1) Assumes any other savings which may ultimately be approved do not impact significantly on the image and popularity of the park</p> <p>Service consultation required</p> <p>RAG status: Green</p> | 12 | 6 | 6 | 0 | 0 | 0 | 24 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| O | <p>Urban Parks</p> <p>i. Reduce urban park ranger team from 3 to 2 (remove vacant Band F post)</p> <p>ii. Stop paying utility and other bills for occupiers of pavilions at Wath Sports Centre (Cricket and Bowls clubs)</p> <p>iii. Stop paying utility and other bills for bowls clubs operating greens in parks</p> | <p>MEDIUM IMPACT (Whole Borough - users from many areas)</p> <p>1) 33% staffing reduction</p> <p>2) Prevents proposed reallocation of budget to address current deficiencies in play area inspection and repair</p> <p>3) Not paying utility bills will be opposed by clubs</p> <p>4) May lead to some clubs abandoning greens and their lease agreements to maintain the greens – possible health impact</p> <p>Staff consultation required Reduction in post – 1 FTE Band F Ranger</p> <p>RAG status: Amber</p> | 27 | 3 | 0 | 1.0 | 0 | 0 | 30 | 1.0 |
| R | <p>Sports Development</p> <p>i. Removal of budgets currently used to match external funding for two projects when they come to an end by March 2017:-</p> <p>a. <i>Disability Project</i>, originally funded until July 2016, now expected to be extended to March 2017 (underspend within the project) with Sport England approval. No further match funding needed for extended period.</p> <p>b. <i>Active Communities</i>,</p> | <p>MEDIUM IMPACT (Whole Borough)</p> <p>1) Reduces ability to bid for external funding. For example, if the proposed saving is taken then we would not be able to make a further bid to continue or replicate the current Active Communities project.</p> <p>Both current projects were designed with sustainability in mind, upskilling clubs and communities to continue the work when projects complete (March 2017).</p> <p>Discussions have already been held with Public Health, and it has been confirmed that further match funding from them would not be available currently as</p> | 2 | 11 | 7 | 0 | 0 | 0 | 20 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | currently funded until March 2017. Further bids may be submitted to Sport England to continue or deliver a similar project in a different community, but only subject to alternative match funding being found. ii. Reduce Sports Development non-salary costs by 75% over 3 years | they contribute heavily to Sports Development in other areas. 2) Overall health impact - reduced capacity of team to promote physical activity focused on target communities and groups. Service consultation required. RAG status: Amber | | | | | | | | |
| S | Reduce LCS Admin Team Leader post (Band E) to 0.5 | LOW IMPACT 1) 13% staffing reduction 2) Service has managed with 0.5 post for the last 12 months Staff consultation required RAG status: Green | 0 | 0 | 10 | 0 | 0 | 0.5 | 10 | 0.5 |
| T | Reduce Project Development Post (Band K) to 0.5 | LOW IMPACT 1) 50% staffing reduction 2) Service has managed with 0.5 post for the last 12 months RAG status: Green | 0 | 0 | 24 | 0 | 0 | 0.5 | 24 | 0.5 |
| U | Remove Project Development budget | MEDIUM IMPACT 1) By 2018/19 removes all capacity to support / match fund | 0 | 0 | 26 | 0 | 0 | 0 | 26 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--------------|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | internal and external development projects RAG status: Green | | | | | | | | |
| | TOTAL | | 287 | 91 | 87 | 5 | 1.8 | 1.0 | 465 | 7.8 |

COMMENTS ON ABOVE PROPOSALS:
Total proposed FTE reduction is 7.8, which is 13.5% of the total number of staff in the service (57.7FTE)
There are Green Spaces throughout the borough, all of which would be affected to some degree by the reduction in service. Green Spaces also have a significant contribution to the Public Health agenda as they provide parks and facilities for active sport, as well as the Sports Development function.
Although a saving in the expenditure budget of £252k is shown at reference Q, this service is procured from the Grounds Maintenance service. As such it will result in a reduction to Grounds Maintenance income and create a pressure for that budget (shown in EDS - ASR - 25).

ASR REF NO: EDS 27

CURRENT SERVICE SUMMARY - *Streetpride: Street Cleansing*

| | | |
|--------------------------------------|--|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: This is a borough wide service covering scheduled litter picking and litter bin emptying - on designated sections of highway. Snow / ice clearance during winter service. Town Centre cleansing team and wardens. Specialist cleansing – fly tip, graffiti, mechanical sweeping, rapid response team - highway cleansing issues (e.g. road traffic collisions, dead animals, etc.) Snow / ice clearance during winter service. Pest Control Service. Dog Wardens Service (collection and processing of dogs straying in the borough, help and advice to dog owners, fines for dog fouling offences, events such as dog chipping for the public) |
| Advisory Cabinet Portfolio: | Cllr K.Sims - Waste, roads and enforcement | |
| 2015/16 Budget (£'000 Gross): | 2,299 | |
| 2015/16 Budget £'000 Income: | -241 | |
| 2015/16 Budget (£'000 Net): | 2,058 | |
| 2015/16 Budget FTE: | 56 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Pest control - currently no charge for Rats service, propose £20 call out fee (increase income by £30,000. based on 1500 jobs pa. (2014/15 - 1900 rat jobs.) | MEDIUM IMPACT (Whole Borough) 1) Possible health and safety implications if residents don't take up service because of charge 2) Income may not be achieved if residents don't take up service because of charge 3) Could result in increased complaints | 30 | 0 | 0 | 0 | 0 | 0 | 30 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>Service consultation required</p> <p>RAG status: Amber</p> <p>OSMB on 26th November asked officer to explore a £50 call out fee.</p> | | | | | | | | |
| C | Graffiti removal – reduce the team from 2 to 1 operative | <p>MEDIUM IMPACT (Whole Borough)</p> <ol style="list-style-type: none"> 1) 50% staffing reduction 2) Reduces capacity to meet targets: remove offensive graffiti within 1 working day (to be retained); remove other graffiti within 4 days (may be 5 or more days or longer given need to retain offensive graffiti removal priority). 3) Will need to cease service to private property where visible from the highway because of reduced capacity. 4) Overall impact on the appearance of the borough 5) Likely to attract further graffiti 6) Likely to result in increased complaints 7) Reduce service resilience – will need to train other staff to act as temporary cover for leave / sickness (cost implications) <p>Staff consultation required</p> <p>Reduction in post - 1 FTE Band B Operative</p> <p>RAG status: Amber</p> | 21 | 0 | 0 | 1.0 | 0 | 0 | 21 | 1.0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---------------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | IN DELIVERING THIS PROPOSAL THERE WILL BE A NEED TO CONTINUE TO PRIORITISE THE REMOVAL OF OFFENSIVE GRAFFITI WITHIN ONE DAY | | | | | | | | |
| F | Supervisor's Van - remove | <p>LOW IMPACT</p> <p>1) Will require officer to provide own vehicle for work related journeys and claim car mileage – will require change of contract.</p> <p>2) Not consistent with other Streetpride services</p> <p>Staff consultation required</p> <p>RAG status: Green</p> | 0 | 5 | 0 | 0 | 0 | 0 | 5 | 0 |
| | TOTAL | | 51 | 5 | 0 | 1.0 | 0 | 0 | 56 | 1.0 |

ASR REF NO: 28

CURRENT SERVICE SUMMARY (Health & Safety)

| | | |
|--------------------------------------|--|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: This is largely an internal support service but it covers activities across the whole borough. Key tasks and functions on behalf of the whole Council include providing direct H&S expertise, advice and support (either by telephone or via email) on a range of H&S topics to all directorates and schools; liaison with enforcing authorities (HSE; Fire Authority); training provision for all directorates through a calendar of events or bespoke to individual service needs or requirements; pro-active inspections / audits of Council buildings / sites / equipment / risk assessments etc. with production of comprehensive reports for senior management (where appropriate); accident / ill health investigation with production of associated reports with mitigation measures identified; lead responsibility for reporting and investigating RIDDOR incidents to the enforcing authority (HSE) on behalf of all directorates / schools / academies; produce and maintain corporate H&S related policies / procedures (available via intranet); accident / violence to staff report database maintenance and production of statistical reports based on accident / ill health rates etc. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam)☐ | |
| 2015/16 Budget (£'000 Gross): | 324 | |
| 2015/16 Budget £'000 Income: | -84 | |
| 2015/16 Budget (£'000 Net): | 240 | |
| 2015/16 Budget FTE: | 4.9 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|-------------------------------|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Reduced Contracted Services – | Occupational health surveillance for hand arm vibration (HAV's) and noise for employees in potentially high risk | 5 | | | | | | 5 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|----------------------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | Occupational Health Surveillance | occupations could result in an increase in insurance claims against the council and vulnerable to prosecution by the enforcing authority (HSE) RAG Status: Amber | | | | | | | | |
| B | Reduced Training Budget | Reduction in professional development of officers will have a detrimental effect on the service delivered to directorates; a reduced ability to keep up to date with new legislation / guidance and the subsequent briefing of SLT and other concerned parties. RAG Status: Amber | 8 | | | | | | 8 | |
| C | Team Restructure | De-establish M3 Emergency and Safety Manager Post and instigate a team re-structure. Significantly reduced capabilities and capacity of the team and increased workload on officers to meet statutory obligations. A team that is already smaller than comparable authorities will be further reduced. RAG Status: Red | 17 | | | 0.5 | | | 17 | 0.5 |
| D | Reduction of core budget | Negotiations are currently underway on obtaining income | 30 | | | | | | 30 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|-----------------------------|--|-----------|----------|----------|------------|----------|----------|-----------|------------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | generation funds in respect of H&S work on RMBC housing stock. Whilst it is anticipated that the funding will be secured, it is uncertain at this time as to the level of funding that will be available. A failure to secure such funding will necessarily lead to reductions in the staff establishment, given that much of the non-staff budget is for fixed costs. RAG Status: Amber | | | | | | | | |
| E | Reduction of non pay budget | Reflection of underspends across a number of detail codes in 14/15. RAG Status: Green | 12 | | | | | | 12 | |
| | TOTAL | | 72 | 0 | 0 | 0.5 | 0 | 0 | 72 | 0.5 |

COMMENTS ON ABOVE PROPOSALS: The Management of Health and Safety at Work Regulations require employers to put in place arrangements to control health and safety risks, as well as seeking competent H&S advice and support. In addition, the Health and Safety at Work Act places a duty on employers to ensure, as far as is reasonably practicable, the health, safety and welfare of their employees or anyone that could be affected by their acts or omissions. Any further reduction in staff (from existing levels) would potentially see the Council vulnerable to prosecution, fines and associated reputational damage should any H&S legislation be breached and / or major injury / fatality was to occur. Staff reduction proposed is 10%

ASR REF NO: EDS 30

CURRENT SERVICE SUMMARY– Depot, Stores & Business Support

| | | |
|--------------------------------------|----------------------|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: The service covers the management of the main depot at Hellaby including the central stores and business support to Streetpride’s front-line services |
| Advisory Cabinet Portfolio: | Cllr Read | |
| 2015/16 Budget (£’000 Gross): | 1,015 | |
| 2015/16 Budget £’000 Income: | -592 | |
| 2015/16 Budget (£’000 Net): | 423 | |
| 2015/16 Budget FTE: | 21.1 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £’000 | 17/18 £’000 | 18/19 £’000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £’000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| B | Procurement savings (pass through to services) | Low impact - savings derive from lower than expected unit costs delivered by consortium supply contracts. RAG Status: Green | 100 | 0 | 0 | 0 | 0 | 0 | 100 | 0 |
| | TOTAL | | 100 | 0 | 0 | 0 | 0 | 0 | 100 | 0 |

CURRENT SERVICE SUMMARY *Home to School Transport*

| | | |
|--------------------------------------|-----------------------|---|
| Directorate: | EDS & Neighbour hoods | Brief description of service: This service is provide to children across the borough The Home to School transport team undertakes the statutory duties to provide free transport assistance to eligible learners in accordance with section 508B of the Education Act 1996 (Amended by the Education & Inspections Act 2006) |
| Advisory Cabinet Portfolio: | Councillor Sims | |
| 2015/16 Budget (£'000 Gross): | 2,637 | |
| 2015/16 Budget £'000 Income: | -137 | |
| 2015/16 Budget (£'000 Net): | 2,499 | |
| 2015/16 Budget FTE: | 4.8 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---------------------------------|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| C | Retendering of expensive routes | 14 H2S mini-bus routes are considered to be expensive, A retendering exercise is now complete and this saving is confirmed. RAG Status: Green | 80 | | | | | | 80 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| D | Develop 'in-house' option to provide transport, taking pupils out of taxis into mini-buses | May be dependent on changes to Adult services transport arrangements, i.e. different attendance time at day centres. RAG Status: Red | | 80 | 80 | | | | 160 | |
| | TOTAL | | 80 | 80 | 80 | 0 | 0 | 0 | 240 | 0 |

COMMENTS ON ABOVE PROPOSALS:

This is a demand-led service which is already operating at the legal minimum, these proposals will not impact on these duties. All discretionary elements of the service have been previously removed. Demand is based on referrals from CYPS and eligibility assessed by the Home to School transport team. Transport is currently provided by external transport operators.

ASR REF NO: EDS 32

CURRENT SERVICE SUMMARY Corporate Transport & Plant

| | | |
|--------------------------------------|----------------------|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: The CTU Fleet Management Team is responsible for the management of the core and hired vehicle fleet and associated transport functions including training and compliance to enable safe operation of the Councils Vehicle Operators Licence |
| Advisory Cabinet Portfolio: | Cllr Read | |
| 2015/16 Budget (£'000 Gross): | 751 | |
| 2015/16 Budget £'000 Income: | -465 | |
| 2015/16 Budget (£'000 Net): | 286 | |
| 2015/16 Budget FTE: | 6.1 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Undertake Taxi Driver Licensing and Driving Licence Checks on behalf of Taxi Licensing | Taxi Test income is dependent on the number of applicants for taxi driver licences. New taxi drivers have the option of undertaking a practical driving competence test with the Driver & Vehicle Standards Agency @ £79.66 [up to 6 weeks waiting list] or an identical test with a DVSA approved instructor within CTU at a cost of £60.00 [1 week waiting list] Existing taxi drivers who are renewing their taxi licence and have endorsements on their driving licence have to retake and pass a practical driving test either with DVSA or CTU within 21 days of issue of taxi licence. Rag Rating: Amber | 8 | 2 | | | | | 10 | |
| C | Driver Training | Training income is dependent on external training requests. The main income streams are minibus driver training and disability [MIDAS]. Drivers have to undertake refresher training every 4 years. This is an approved qualification for school and voluntary groups whose drivers do not need to hold a vocational minibus driving licence. All organisations have to pay for the MIDAS training. Driver CPC training [35 hours of training has to be completed every 5 years] is perceived to increase from 16/17 as refresher training for the 1st batch of existing training which ended in September 2003 needs to be completed by 2018/19. Traditionally external driver CPC training is slow in the early years and increases as drivers realise the deadline for | 8 | 2 | 2 | | | | 12 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---------------------------------------|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | completion of training is becoming closer. Rag Status: Red | | | | | | | | |
| D | Bus Service Operators Grant (BSOG) | The BSOG grant is not confirmed beyond next financial year. The rate and eligibility is determined by the Department for Transport. RMBC are only eligible whilst operating passenger vehicles for community duties [NAS Passenger Transport Fleet] or similar future provision. Rag Status: Red | 20 | -20 | | | | | 0 | |
| E | Hire of Parking bays | Partnership working with hire company to reduce hire delivery charges. CTU currently charges £1k per month to an external vehicle hire company for the provision of 6 parking spaces within Hellaby Depot. This initiative reduces hire vehicle delivery charges as the vehicles are on site. Rag Status: Red | 12 | | | | | | 12 | |
| F | Deletion of post of Technical Officer | Deletion of band H post, would require some back-filling to cover duties but this would be done by replacing with increased business support capacity and utilising Purchase to Pay for hire company invoicing and recharging to individual departments. Rag Status: Green | 14 | | | 1.0 | | | 14 | 1.0 |
| | TOTAL | | 62 | -16 | 2 | 1.0 | 0 | 0 | 48 | 1.0 |

COMMENTS ON ABOVE PROPOSALS:

Staff savings have been identified by deleting 1 FTE (band H) and backfilling with a band D (Business Support) post.

ASR REF NO: 33

CURRENT SERVICE SUMMARY (*Buildings Major Project*)

| | | |
|--------------------------------------|-------------------------|---|
| Directorate: | EDS & Neighbour hoods | Brief description of service: Streetpride M3 Management structure Streetpride employs 6 FTE managers at M3 level across a range of services: Highways network management, Transportation, Leisure and Community Services, Business Regulation, Emergency Planning, Corporate Transport and Waste Management Note: Budgets for management posts are contained within service cost centres |
| Advisory Cabinet Portfolio: | Cllr Sims Cllr Roche | |
| 2015/16 Budget (£'000 Gross): | | |
| 2015/16 Budget £'000 Income: | | |
| 2015/16 Budget (£'000 Net): | | |
| 2015/16 Budget FTE: | 6.0 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Reduction of M3 manager posts by consolidating service groups (see below for details) | No direct impact onto service delivery, but this does reduce the management capacity and resilience within the Structure, and will require some backfilling at a lower level. Loss of 2 FTE posts at M3 level, and recruitment of one new | | | | | | | | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | post at band J | | | | | | | | |
| B | Deletion of post of LCS Manager and combining Grounds Maintenance, Street Cleansing and Green Spaces with Highways Network Management to create a new post of <i>Community Environmental services Manager</i> | Significantly extends the span of control for the remaining M3 Manager across quite distinct service areas. RAG status: Amber | 70 | | | 1 | | | 70 | 1 |
| C | Deletion of post of Corporate Transport Manager and combine with Waste Service to create new post of <i>Waste and Transport Manager</i> . Home to School Transport to transfer to Business Regulation Unit | Increase span of control of M3 Manager, and will require back-filling with a Fleet/contract manager at scale J. Extends span of control of Business Regulation Manager. Note: this post also has responsibility for (Taxi) Licensing RAG status: Amber | 17 | | | | | | 17 | |
| | TOTAL | | 87 | 0 | 0 | 1 | 0 | 0 | 87 | 1 |

Finance & Corporate Services

ASR REF NO: RES-1 & 2

CURRENT SERVICE SUMMARY – Finance (Including Schools Traded Service)

| | | |
|--------------------------------------|---|---|
| Directorate: | Resources | Brief description of service: Key Services include: Preparation of Statutory Accounts and MTFs, development of Financial Strategy, Budget Setting and Monitoring, Completion of Statutory Returns, Finance support for operational Directorates, developing Business Cases, Financial systems, Accountancy and Treasury Management functions, provision of creditors, debtors, income and taxation functions, external funding. Traded financial support service to maintained schools and academies. Services provided include the production of statutory accounts, financial systems support, budget forecasting and a comprehensive training programme. |
| Advisory Cabinet Portfolio: | Leader – Cllr Read/Corporate Services and Budgeting (S. Alam) □ | |
| 2015/16 Budget (£'000 Gross): | £3,580 | |
| 2015/16 Budget £'000 Income: | -£1,396 | |
| 2015/16 Budget (£'000 Net): | £2,184 | |
| 2015/16 Budget FTE: | 85 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Option 1: Refocus and significantly reduce the financial services resources prioritised to supporting budget holders / Budget Managers in managing, monitoring and reporting their monthly financial forecasts | Introduction of a risk based approach to monitoring operational revenue and capital budgets. Currently the service actively supports all budget holders / budget managers on a standardised approach which accounts for approximately 30% of time spent on business partnering teams. The proposed move will re-prioritise financial services resources to focus on high and medium risk budgets which account for approximately 10%-15% of budgets. Other budgets (deemed low risk) will receive lower level support from a small, generic help desk support service. This will not include personalised 1:1 support for budget holders and it is expected that all budget holders/managers will complete timely and reasonable forecasts in line with financial regulations. Recent budget holder submission rates are just over 60%. A move towards this position would need to be discussed and agreed with Directorates but would be in line with Financial Regulations and Job / Person Specifications. | 317 | 22 | 0 | 14 | 0 | 0 | 339 | 14 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | <p>Continue to reduce the number of transactional business processes e.g. number of journals, service recharges and further use of business intelligence / analytics reporting</p> <p>Through reprioritising and realigning workloads reduce Finance Manager numbers by 1FTE to promote succession planning and future service development</p> <p>Option 2: As above, plus further reduction of FTEs reflecting expected Public Service Reform (PSR) implications across Sheffield City Region (SCR)</p> | <p>Potential positive resource impact on service areas by reducing business need for low value, transactional activities</p> <p>Succession planning: The service has an age / qualification profile imbalance – it is proposed to disestablish a Finance Manager post and use the funding to create 2 new Apprentice posts (one graduate and one A2 level school leaver) to allow for service development and succession planning. The intention is that these posts will become fully qualified CCAB finance professionals.</p> <p>Actions proposed above will result in a reduction of 14 FTE posts: 6 FTEs (M3 to Band I); 5 x Band F and 3 x Band D (a 16% reduction in staffing)</p> <p>RAG STATUS: AMBER</p> <p>As above, plus reduced resource requirement resulting from reduction in workload as services/functions and funding are integrated across the Sheffield City Region.</p> <p>Additional proposed action could result in a further reduction of 5 FTEs (Band J to F) – this is clearly dependent on the extent and timing of any PSR across the SCR. This increases the reduction in staff by 19 in total (a 22% staffing reduction)</p> <p>RAG STATUS: RED</p> | 0 | 0 | 171 | 0 | 0 | 5 | 171 | 5 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| B | Business Development - Additional income from providing tailored financial services support packages (including absence insurance agency support services) to support both new academies and other maintained schools located both in the Borough and in other South Yorkshire areas | No adverse impact; potential opportunity to generate additional income and take advantage of the service being well placed in the market to provide such services on a more expansive basis. RAG STATUS: AMBER | 62 | 6 | 6 | 0 | 0 | 0 | 74 | 0 |
| C | Ongoing service improvement target to reduce debtor days to improve income collection figures leading to a reduction in the provision for bad debt that has to be set aside in accordance with accounting standards. Continue to seek out opportunities to minimise the Council's taxation liability working within HMRC Regulations | No potential adverse impact; potential opportunity through new ways of working to continue to improve collection rates, reduce debtor days leading to a reduction in the council's bad debt provision No adverse impact as any identified opportunity would be within HMRC Regulations RAG STATUS: AMBER | 25 | 25 | 25 | 0 | 0 | 0 | 75 | 0 |
| D | Packaged Savings: Flexible use of New Burdens Grant funding to meet additional finance work primarily related to business | No adverse impact – reprioritisation of existing resources to meet additional financial reporting requirements | 20 | 0 | 0 | 0 | 0 | 0 | 20 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | rates localisation Reduction to service Training and software budgets | No adverse impact - £5k reduction in training budget to reflect reduced staff numbers and significant investment in staff development over last few years as part of systems investment initiatives. Rationalisation of licencing and support and maintenance arrangements (£20k) for financial systems linked to programme of systems development RAG STATUS: GREEN | 25 | 0 | 0 | 0 | 0 | 0 | 25 | 0 |
| | TOTAL | | 449 | 53 | 202 | 14 | 0 | 5 | 704 | 19 |

COMMENTS ON ABOVE PROPOSALS:

Savings proposals are aligned to:

- The ongoing rationalisation of business partnering - this is in line with vision for Financial Services linked to recent systems development initiatives and ongoing reporting analytics capabilities that now provide budget holders / budget managers with greater self-service functionality enabling them to more independently perform budget management, monitoring and reporting – this would be done adhering to clearly defined risk assessment principles whereby Financial Services would reprioritise support resources towards those budgets which are considered significant in value, complexity, volatility
- The ongoing programme of streamlining underlying business processes to enable further efficiencies in transactional and financial reporting activities
- The ongoing commercial approach being taken to generating income from third parties e.g. academies and maintained schools and improving collection rates in order to maximise council revenues

The proposed savings generate more than a 15% reduction in management / supervisory posts – 11 posts out of the 19 proposed FTE reduction are from Band I or above

ASR REF NO: RES-03

CURRENT SERVICE SUMMARY (PROCUREMENT)

| | | | | | | | | | | | |
|---------------------------------------|--|---|--|---------------|---------|------------------------|-------|-------|------------------------|-------|-------|
| Directorate: | Resources | Brief description of service: | | | | | | | | | |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam) □ | The Procurement Service is responsible for procuring all bought in goods and services on behalf of the Council. It is managing over 250 contracts across the Council. The Service helps the Council to deliver cashable savings across all services. Additionally, the service is leading on and managing a large proportion of collaborative agreements on behalf of Rotherham MBC and other Authorities on a national, regional and sub-regional basis. For example, the service now manages the YORtender e-tendering system on behalf of the Yorkshire and Humber region which comprises 24 Authorities. The service is also responsible for managing all of the Council's e-ordering and e-invoicing activity. The accounts payable function is benchmarked nationally each year as part of the CIPFA benchmarking club and the latest data available shows performance is in the upper quartile of the 40 authorities who returned data on the following. | | | | | | | | | |
| 2015/16 Budget (£'000 Gross): | 1,124 | | | | | | | | | | |
| 2015/16 Budget (£'000 Income): | 0 | | | | | | | | | | |
| 2015/16 Budget (£'000 Net): | 1,124 | | | | | | | | | | |
| 2015/16 Budget FTE: | 33.5 | | | | | | | | | | |
| | | <table border="0"> <tr> <td></td> <td style="text-align: center;">Rotherham MBC</td> <td style="text-align: center;">Average</td> </tr> <tr> <td>Total Cost per Invoice</td> <td style="text-align: center;">£1.52</td> <td style="text-align: center;">£2.38</td> </tr> <tr> <td>Staff Cost per Invoice</td> <td style="text-align: center;">£0.73</td> <td style="text-align: center;">£1.53</td> </tr> </table> | | Rotherham MBC | Average | Total Cost per Invoice | £1.52 | £2.38 | Staff Cost per Invoice | £0.73 | £1.53 |
| | Rotherham MBC | Average | | | | | | | | | |
| Total Cost per Invoice | £1.52 | £2.38 | | | | | | | | | |
| Staff Cost per Invoice | £0.73 | £1.53 | | | | | | | | | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Procurement and negotiation of a new Telephony Contract. This settlement involves a recently negotiated £80,000 per year saving on the telephony contract. It is in lieu of credits generated when taking out new services from the contract – e.g.: crudely, each time the Council | No impact – this is a simple cash transaction that does not impact upon services. RAG status – Green. Note: COMPLETED: the contract amendment has already been agreed. | 80 | 0 | 0 | | | | 80 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | buys a new handset it receives a credit on its account to use for new services. Procurement has negotiated the credit as an adjustment to the contract cost. | | | | | | | | | |
| B | Yorkshire Purchasing Organisation – YPO has consistently delivered a higher dividend to the Council than budgeted. It is proposed to increase the budgeted income figure to provide a more reasonable value. | Limited risk and limited impact. A realistic and prudent assessment has been made of the level of additional dividend that could be budgeted for. RAG status – Green | 40 | 0 | 0 | | | | 40 | |
| D | Housing Renewal Account (HRA) Increased funding contribution Recharge of procurement costs to Housing (HRA) to reflect an increase in procurement support for the New Housing Delivery Programme 2015 - 2018 (involving 150 residential development sites). | Very limited impact. It is planned to absorb the work within existing resources at no additional cost. RAG status – Green | 20 | 0 | 0 | | | | 20 | |
| E | Increase in volume rebates. The procurement Service has consistently delivered a higher | Limited risk and limited impact. A realistic and prudent assessment has been made of the level of additional dividend that could be budgeted for. | 40 | 0 | 0 | | | | 40 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | level of rebates than budgeted. It is proposed to increase the budgeted income figure to provide a more reasonable value. | RAG status - Green | | | | | | | | |
| F | Reduce the P2P Service by 3x Band B | A reduction in the processing and payments function could result in a delay in paying suppliers and local businesses on time, as the workload would be distributed between remaining staff, increasing their own 'caseloads'. The integration and linking of processing and payments staff and category managers helps facilitate a good flow of information about potential future savings opportunities (for example processing staff can see trends in 'non-contracted' spending). A reduction in p2p resources could reduce the scope to identify potential savings opportunities. For these reasons RAG status = Amber . | 0 | 20 | 40 | 0 | 1 | 2 | 60 | 3 |
| G | Reduce the Service by 1x Procurement Officer - Band H 0.5 FTE - (£20k) | A reduction in the expertise and capacity within Procurement may affect the ability to maintain and deliver new cashable savings and generate increased income back to the authority. It may reduce the level of support provided to SMEs and local businesses though training and advice on the e-tendering portal and tendering processes and continued support to the region in the development of YORTender system to the region. RAG status – Amber | 0 | 20 | 0 | 0 | 0.5 | 0 | 20 | 0.5 |
| I | Reduce the Service by 1x Category Manager - Band I 0.8 | A reduction in the expertise and capacity within Procurement could affect the ability to maintain and | 0 | 35 | 0 | 0 | 0.8 | | 35 | 0.8 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | FTE (£33k) | <p>deliver new cashable savings and generate increased income back to the authority.</p> <p>There has been a change in culture which has seen an increase in challenges from unsuccessful tenderers. For all Procurement let agreements we protect Rotherham MBC from legal challenge for contracts of all values by complying with strict EU and UK Government legislation and RMBC standing orders and financial regulations. The Procurement Service manages supplier performance and monitors their financial stability mitigating contractual risk. A reduction in capacity may increase the risk of challenge through loss of expertise and capacity</p> <p>RAG status – Red</p> | | | | | | | | |
| J | Reduce the Service by 1x Category Manager - Band I 1 FTE (£41k) | <p>A reduction in the expertise and capacity within Procurement may affect the ability to maintain and deliver new cashable savings and generate increased income back to the authority.</p> <p>There has been a change in culture which has seen an increase in challenges from unsuccessful tenderers. For all Procurement let agreements we protect Rotherham MBC from legal challenge for contracts of all values by complying with strict EU and UK Government legislation and RMBC standing orders and financial regulations. The Procurement Service manages supplier performance and monitors their financial stability mitigating contractual risk. A reduction in capacity may increase the risk of challenge through loss of expertise and capacity.</p> | 0 | 0 | 42 | 0 | 0 | 1 | 42 | 1 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--------------|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | RAG status – Red | | | | | | | | |
| | TOTAL | | 180 | 75 | 82 | 0 | 2.3 | 3 | 337 | 5.3 |

COMMENTS ON ABOVE PROPOSALS:

These proposals include reductions in resources for managing the Council's procurement activity, which is centralised, efficient and effective. Benchmarking confirms it is lower quartile cost. As well as reducing resources, the Services continues to take on board additional work, dealing with, for example, contract s relating to the former RBT arrangement, Public Health and an increased level of housing related contracts (formerly residing with the ALMO). Therefore, the combination of additional demand and lower resources will place extra pressure on the service and jeopardise its current good performance in making payments on time (for example to local SMEs within 10 days) and securing volume discounts. Any further reductions could lead to 'false economies'

All directorates will be reliant on procurement expertise to explore alternative delivery options in order to meet their respective savings proposals and the medium term financial strategy (MTFS).

The Procurement Service has delivered £392k of staff savings during the period 2012-2014, with an additional £20k through vacancy management for 2015/16.

The service has 4 managers with a cost of c£200k on overall a 1:8 ratio of managers: staff. The proposals contain no reductions in managers as the ratio would continue at 1:6 if proposals laid out above are agreed.

ASR REF NO: RES-4

CURRENT SERVICE SUMMARY (REVENUES, BENEFITS AND PAYMENTS SERVICE)

| | | |
|--------------------------------------|-----------|--|
| Directorate: | Resources | Brief description of service: The billing and collection of Council Tax (£100m), Non Domestic Rates (£76m), Housing Benefit Overpayments (£3.7m), Former Tenant Arrears (£3.4m) The assessment and payment of Housing Benefit (£91m), Council Tax Reduction (£21m)) and DHP (£564k) Assessment of client contributions for social care, the payment of providers (£54m) and the collection of client contributions (£7m) |
| Advisory Cabinet Portfolio: | Leader | |
| 2015/16 Budget (£'000 Gross): | 4,395 | |
| 2015/16 Budget £'000 Income: | 2,661 | |
| 2015/16 Budget (£'000 Net): | 1,734 | |
| 2015/16 Budget FTE: | 147.54 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| A | <p>Move of Benefit Fraud team to DWP new Single Fraud Investigation Service (SFIS)</p> <p>Disestablishment of 5 posts on the Benefit Fraud team</p> <p>4fte Band G Fraud Officer 1fte Band D Fraud Assistant</p> <p>Staff saving equates to 100% of the current Fraud team</p> <p>RAG Status: AMBER</p> | <p>Any residual and new DWP referral work will be picked up by the Benefits team from within existing resources</p> <p>Residual work will involve increased reviewing of claims not dealt with by DWP SFIS being claims for Council Tax Reduction (CTR) where there is no Housing Benefit (HB) claim</p> <p>The main new burdens will be the new "Single point of contact" role (SPOC) dealing with the provision of information to DWP from councils benefit records. This new burden will fall on Technical Officers within Benefits and may adversely impact time taken to address reconsiderations and revisions (measure RB13) and appeals (target RB14). Additionally the increased workload may also increase in delays in the processing of Discretionary Housing Payments (DHP) applications.</p> <p>The negative impact of this new burden may be extended by an increase in HB revision requests, appeals and DHP applications as the latest round of welfare reform is rolled out. The adverse impact on the public may be delays in decisions being made on revisions, appeals and DHP applications. Any impact will be borough wide.</p> | 147 | 0 | 0 | 5 | 0 | 0 | 147 | 5 |
| B | Move of Benefit Fraud | Impacts as above in A | 40 | 0 | 0 | 1 | 0 | 0 | 40 | 1 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | <p>team to DWP new Single Fraud Investigation Service (SFIS)</p> <p>Disestablishment of Management post on the Benefit Fraud team</p> <p>1fte Band I Team Leader</p> <p>RAG Status: AMBER</p> <p>From a management perspective this post responsibilities lie solely with the Fraud team which is being disestablished completely</p> | | | | | | | | | |
| C | <p>Disestablishment of vacant Band C post in Scanning and Indexing team</p> <p>1fte Band C Support Officer</p> <p>RAG Status: GREEN</p> | <p>Any increase in workload volumes could result in delays in scanning and indexing which could potentially reduce performance in time based measures around assessment of benefit entitlement (targets RB3, RB4, RB13, RB14) and the billing of Council Tax (target RB16)</p> <p>Any such delays in processing could increase levels of benefit overpayments (targets RB9, RB10)</p> <p>It is unlikely that customers will be adversely affected by delays for</p> | 20 | 0 | 0 | 1 | 0 | 0 | 20 | 1 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | decisions regarding their benefit entitlement as workloads are not expected to increase. Should there be any impact it will be borough wide | | | | | | | | |
| D | Printing Savings from increased "Your Account" take up for managing a customer's Council Tax Account RAG Status: GREEN | Year on year increases in take up should reduce requirement for printing of bills and benefit notifications Assumed take up is as follows <u>CTax - Ebills</u> 30% take up 2016/17 35% take up 2017/18 40% take up 2018/19 <u>Benefits – Enotifications</u> 50% take up 2016/17 60% take up 2017/18 65% take up 2018/19 There would be no adverse impact on customers | 35 | 3 | 5 | 0 | 0 | 0 | 43 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| E | <p>Increased year on year utilisation of advanced SMS functionality to replace outgoing letters</p> <p>RAG Status: GREEN</p> | <p>The replacement of the current SMS functionality with a more advanced model will allow us to substitution increasing levels of letters with SMS.</p> <p>Where used appropriately there is no detriment to the customer as SMS can speed up some processes such as chasing information with regard to benefit entitlement and may also contribute to increasing income levels</p> <p>Increasing Email/SMS replacement of letters by 10,000 each year from 16/17 onwards from current level of 90k in 14/15</p> <p>There would be no adverse impact on customers</p> | 5 | 5 | 5 | 0 | 0 | 0 | 15 | 0 |
| F | <p>Establishment of 1fte Band F Debt Recovery Visiting Officer post in Account Management</p> <p>RAG Status: AMBER</p> | <p>Reintroduction of visiting officer role to tackle the growing HBOP (£3.7m) and cumulative Council Tax (£6.8m) issue for more serious cases and also CTR claimants now required to pay</p> <p>To look at generating additional payments, arrangements for payment, information to allow recovery and to try to engage with debtors to try to get them out of the cycle of non-payment</p> <p>Additional income expected of a minimum £100k per year</p> <p>There would be no adverse impact on customers other than they</p> | 72 | 0 | 0 | 0 | 0 | 0 | 72 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | will be pursued more for payment of outstanding debt | | | | | | | | |
| G | Reduction in membership fees post SFIS RAG Status: GREEN | Membership no longer required following fraud function moving to SFIS There would be no adverse impact on customers | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| H | Disestablishment of Council Tax and Non Domestic Rates visiting officer posts 1.4fte Band F RAG Status: RED Staff saving equates to 32% of the current Visiting Officers | Use of advanced SMS to replace some visits and a review of the frequency of visits. In the event of sickness or for vacancy periods the service will have to utilise resource of the proposed new debt visiting officer or external providers Phoenix who we work with now for surplus visits although this will reduce projected savings. Additionally proposed changes to empty property discounts may reduce the level of visits required from a Council Tax collection perspective although not necessarily from a New Homes Bonus perspective. The risk is that if the new initiatives do not prove successful this could result in delays in new, occupied, and altered properties being discovered. Such delays would have a detrimental impact on income collection in both Council Tax and Non Domestic rates as well as reducing New Homes Bonus There would be no adverse impact on individual customers though overall there may be a reduction in income levels which will adversely affect all customers borough wide | 0 | 15 | 36 | 0 | 0.4 | 1 | 51 | 1.4 |
| I | Disestablishment of 1fte Band G post in Technical / Training Officer role - Band G RAG Status: AMBER | There will be an increased need for teams within Revs and Bens to self-serve in areas such as reporting and training. It is expected that this can be sufficiently built into procedures across the service by 17/18 to minimise effect on performance however should this not prove successful there will inevitably be | 0 | 32 | 0 | 0 | 1 | 0 | 32 | 1 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | Staff saving equates to 20% of the current Technical / Training Officers | <p>an impact on performance across the service in both time related and income collection targets.</p> <p>It is expected that there would be no adverse impact on customers</p> | | | | | | | | |
| J | <p>Disestablishment of 4fte posts in Benefits</p> <p>16/17 2fte Band C Benefit Officer 1fte Band E Assistant Benefit Officer</p> <p>17/18 1fte Band E Assistant Benefit Officer</p> <p>RAG Status: RED</p> <p>Staff saving equates to 8% of the current Benefit Officers and 36% of the current Assistant Benefit Officers</p> | <p>The introduction of Universal Credit (UC) is expected to reduce HB claims and as such workload of benefits team over time though initial reductions will be small and must be remembered that CTR still has to be assessed and therefore in the majority of cases it will only be a part of the process (rent payment) that is saved</p> <p>The danger is that the migration of claims over to UC does not result in sufficient workload savings which will result in a reduction in performance around time based benefit assessment targets (targets RB3, RB4, RB11) appeals and revisions (targets RB13, RB14) a potential increase in Housing Benefit Overpayments debt levels and write off (targets RB10, RB12) which could put some DWP subsidy in danger if increases in HBOP levels are large (target RB9)</p> <p>Additionally with significant changes due around welfare reform, much of the detail of which is unknown, it is anticipated that the impact on workloads could be significant which will not be helped by a reduction in resources and will have a negative impact on performance across all benefit targets.</p> <p>Performance in nationally published figures in for 2013/14 showed Rotherham as high performing being 7th best Met for new claims and 7th best Met for changes in circumstances</p> <p>The adverse impact on the public, which it anticipated will be</p> | 0 | 63 | 24 | 0 | 3 | 1 | 87 | 4 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | small, will be increased delays in benefit decisions being made. Any impact will be borough wide and it is anticipated that Rotherham will retain its position as a high performing Met | | | | | | | | |
| K | Disestablishment of 2fte posts in Revenues and Payments 1fte Band F Visiting Officer 1fte Band D Admin Assistant RAG Status: AMBER Staff saving equates to 22% of the current Visiting Officers and 14% of the current Admin Assistant | Introduction of Liquid Logic as the social care system is expected to introduce processing efficiencies within Revenues and Payments by the reduction in the numbers of assessments required, the collation of some required information in another location and a reduction in paperwork required Should those efficiencies not transpire the loss of the roles could result in a decline in performance across the team, while a reduction in the frequency of financial assessments would be required Additionally changes brought about by the care act may increase workload in some areas The adverse impact on the public may be delays in the assessment and notification of client contributions as well as potential delays in payments to suppliers | 0 | 0 | 58 | 0 | 0 | 2 | 58 | 2 |
| | TOTAL | | 320 | 118 | 128 | 7 | 4.4 | 4 | 566 | 15.4 |

COMMENTS ON ABOVE PROPOSALS:

Savings Rationale

The budget savings proposals have been developed with the aim on maintaining performance across Revenues, Benefits and Payments which ensuring income is maximised and costs minimised.

Proposed savings can be divided into those achieved by:

- the digital engagement of our customers (proposals C,D, E and I)
- an anticipated change in customer demand (A,B, H & K)

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |

- performance improvements across the service and costs savings (proposals G, J and L)
- invest to save proposal which would increase income collection (proposal F)

Management savings

The proposed management savings only equate to 8% of savings target as the service has relatively low numbers of managers and in most cases are single managers in a particular area. It is felt that further reductions in management levels would adversely impact service performance above an acceptable level.

Further details on RAG assessment

A & B - RAG Status is shown as AMBER as although it is considered by the service that additional burdens can be absorbed on the team, with minimal reduction in what is already good performance, the change along with the impact of welfare reform may substantially increase customer demand above levels that are sustainable without substantial decrease in performance. The impact of welfare reform on demand levels are hard to assess, although previous welfare reform programme saw massive increases it is anticipated that the current round will not have as significant impact.

F - RAG Status is shown as AMBER as service estimates that returns of £100k per year are achievable however visiting for debts such as CTR claimant arrears has not previously been tried and therefore estimates are at present an estimate

H - RAG Status is shown as RED as there is a risk that if we are unable to achieve a reduction in required visits, though automation and changes to empty property charging, we could be at risk of losing income through new assessments, changes to properties and New Homes Bonus particularly if sickness of vacancies occurred at specific times of the year. Additionally a reliance on external support would incur additional cost which would reduce proposed savings

I - RAG Status is shown as AMBER as changes will require the building in of substantial self-serve before 16/17 to allow the post to be disestablished without a negative impact across the service

J - RAG Status is shown as RED as changes are reliant on a substantial move of customers onto UC and also the impact on any future welfare reform measures not having a major impact on the Benefit teams workload. Low migration and significant increases in workload due to welfare reform will increase processing times and overpayments and could risk subsidy payments

K - RAG Status is shown as AMBER as changes are reliant on anticipated efficiency savings from Liquid Logic and impact of Care Act. Savings are factored in for 15/16 to allow implementation of Liquid Logic and development of new processes to introduce efficiencies

ASR REF NO: RES-06

CURRENT SERVICE SUMMARY (HR SERVICE CENTRE)

| | | |
|--------------------------------------|--|---|
| Directorate: | Resources | Brief description of service: The HR Service Centre provides Transactional HR and Payroll Services under a Shared Services Agreement for RMBC, DMBC, Schools, Academies, St Leger Homes Ltd., Doncaster Children's Services Trust and other organisations. Services include: Resourcing & Recruitment; Payroll; Customer Services; Training administration; Establishment Control; Payroll Reconciliation; Year End Compliance and System Management & development. The Shared Service Agreement runs until 31 March 2020 and is currently under a separate joint review. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam) □ | |
| 2015/16 Budget (£'000 Gross): | £2,914k | |
| 2015/16 Budget £'000 Income: | £2,243k | |
| 2015/16 Budget (£'000 Net): | £671k | |
| 2015/16 Budget FTE: | 93.3 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Delete post of Operations Manager following the merger of the Operations and Systems Teams | Requires confirmation of existing temporary arrangements, including the deletion of a vacant post, re-allocation of duties to existing staff, along with resultant regradings and changes to spans of control. No impact should result outside of the Service Centre. RAG Status: Green | 35 | 0 | 0 | 1 | 0 | 0 | 35 | 1 |
| B | Delete one post of Operations Senior and reduce Operations Teams from 4 to 3 | Requires confirmation of existing temporary arrangements, including the deletion of a vacant post, re-allocation of duties to existing staff, along with resultant regradings. The combined teams will increase the number of direct reports from 6 to 11 for the remaining Operations Senior. No impact should result outside of the Service Centre. RAG Status: Green | 14 | 0 | 0 | 1 | 0 | 0 | 14 | 1 |
| C | Further Review of Management Structure. | Requires a restructure of senior management arrangements, resulting in the deletion of a management | 38 | 0 | 0 | 1 | 0 | 0 | 38 | 1 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | post. Likely to be a necessary VER or Severance to achieve the post reduction. No impact should result outside of the Service Centre. RAG Status: Amber | | | | | | | | |
| D | Reclaim VAT on mileage | Requires system changes to HR Portal to collect necessary additional information. RAG Status: Green | 50 | 0 | 0 | 0 | 0 | 0 | 50 | 0 |
| E | Other savings will be realised from ongoing work to automate processes, reduce paper based processes, and to enforce the use of electronic processes where available | Where possible, savings not impacting on service delivery will be taken. RAG Status: Red | 0 | 50 | 0 | 0 | 2 | 0 | 50 | 2 |
| F | Continuation of efficiency savings as set out above. A further 2 fte savings would be required. | Continuation of efficiency savings as set out above. RAG Status: Red | 0 | 0 | 50 | 0 | 0 | 2 | 50 | 2 |
| TOTAL | | | 137 | 50 | 50 | 3 | 2 | 2 | 237 | 7 |

COMMENTS ON ABOVE PROPOSALS:
Under the Shared Services Agreement with Doncaster, any savings creating “in year underspends”(ie. the difference between costs and fees) in respect of the shared services will be split on the basis of 60:40 (Rotherham:Doncaster).

Savings proposals C, E, and F, may involve a Compulsory Redundancy process if suitable vacancies do not arise, and if VER or Severance is not offered.

Savings proposals E and F have been ragged as Red because there are a number of dependencies, these include: enforcing the use of electronic processes (where available) requires senior management support and buy-in in respect of Rotherham Directorates, the agreement of Doncaster Council in respect of their Directorates, and the co-operation of external organisations such as Academies, St Leger Homes (Doncaster’s Housing ALMO), and Doncaster Children’s Services Trust. These may also require further System development work and additional IT equipment procurement.

ASR REF NO: RES-07

CURRENT SERVICE SUMMARY: CORPORATE HUMAN RESOURCES

| | | |
|--------------------------------------|--|---|
| Directorate: | Assistant Chief Executive's | Brief description of service: The service ensures the organisation complies with current employment legislation through the provision of specialist Human Resources advice, guidance and support on matters relating to Corporate HR Policy, Performance, Organisational Development, Employee Relations, Disciplinary, Grievance, Capability, Sickness, Restructures, TUPE, Trade Unions and Employee Engagement/Involvement. This entails production of whole Council policies/strategies which support the internal management of the Council, Human Resources advice, guidance and support on matters relating to policy, strategies, targets and objectives including developments in employment law and relevant legislative changes, managing resolution of disputes and conflicts. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam)□ | |
| 2015/16 Budget (£'000 Gross): | 1306 | |
| 2015/16 Budget £'000 Income: | 361 | |
| 2015/16 Budget (£'000 Net): | 945 | |
| 2015/16 Budget FTE: | 24.7 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Increase income from salary sacrifice schemes | Dependant on continued take up by employees and increased marketing RAG Status: Green | 100 | 0 | 0 | 0 | 0 | 0 | 100 | 0 |
| B | Utilise Housing Revenue Account funding to offset employability salaries | Risk if Housing revenue Account funding is restructured. RAG Status: Amber | 25 | 0 | 0 | 0 | 0 | 0 | 25 | 0 |
| C | Increase income from Schools HR Consultancy | Increase in fees risks loss of Schools buying back the service, so this approach will need to be tested with Schools prior to implementation. RAG Status: Amber | 15 | 10 | 0 | 0 | 0 | 0 | 25 | 0 |
| D | Further increase in income from Schools HR Consultancy | It is considered that the increase for 2018/19 carries a high risk in that the level may make the service | 0 | 0 | 10 | 0 | 0 | 0 | 10 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | uncompetitive and Schools may choose to buy the service from alternative suppliers. RAG Status: Red | | | | | | | | |
| E | Reduction in management development budget | Assumes a reduction in intense level of activity beyond year 1 of the Improvement Plan. Rag Status: Amber | 0 | 10 | 10 | 0 | 0 | 0 | 20 | 0 |
| F | Reduction in staffing of 1 x Band H post in the HR Consultancy Team. | Proposal is based on lower demand for support due to reduced number of employees expected in reshaped organisation in 2018/19. This will reduce capacity for direct support to management on employment relations case work, sickness absence management and restructuring exercises. Rag Status: Amber | 0 | 0 | 37 | 0 | 0 | 1 | 37 | 1 |
| G | Further reduction in staffing 1 x PO16 Consultancy HR Business Partner and 0.5 x Band H/I post from across the service | This proposal is based on an assumption that there will be a significant reduction in the size of the organisation which will lead to a substantial reduction in the demand for professional HR support. The loss of these posts is likely to have a significant impact on the level of support able to be delivered both on operational and organisational development activity and may increase the risk of employment relations issues. Staffing savings are unable to be achieved before year 3 as the service is experiencing an unprecedented demand on the Corporate and Consultancy elements of the HR service. Rag Status: Red | 0 | 0 | 80 | 0 | 0 | 1.5 | 80 | 1.5 |
| H | 25% Reduction in Trade Union Secondment budget | The reshaping of the organisation and anticipated reduction in employees working for the Council over the coming years is anticipated to allow for a future review and reduction of | 0 | 0 | 35 | 0 | 0 | 1 | 35 | 1 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--------------|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>Trade Union secondment time.</p> <p>Risks are in relation to the employment relations which would exist if the workforce, and as a consequence Union membership, does not reduce to the degree that reduces correspondingly the need for secondment time.</p> <p>Given the scale of savings proposals across the organisation, however, this level of reduction of the secondment budget is seen as reasonable to anticipate.</p> <p>Rag Status: Red</p> | | | | | | | | |
| | TOTAL | | 140 | 20 | 172 | 0 | 0 | 3.5 | 332 | 3.5 |

COMMENTS ON ABOVE PROPOSALS: Since 2010 the staffing establishment for the service has reduced by 33% (12 FTE) placing pressure on the ability to deliver the Organisational Development activity and Consultancy Services expected. The Improvement Plan places significant emphasis on Corporate HR in relation to delivery of actions and changes at Service level, both in terms of the Improvement Plan and the outcomes of All Service Reviews, will generate further activity. This is in addition to the increased workload faced as organisational change has gathered pace in response to the outcomes of the Jay report and OFSTED and CGI inspections. It has been identified that this will require a temporary increase in resources over the next 2 years.

Management level savings proposed for year 3 represent 35% of the total savings target.

ASR REF NO: RES-8

CURRENT SERVICE SUMMARY: ICT

| | | |
|--------------------------------------|---|--|
| Directorate: | Finance and Corporate Services | Brief description of service: The ICT Service is responsible for delivering ICT services in all Council facilities across the whole of the Borough (i.e. including service centres, libraries, care homes etc.). It manages the infrastructure that supports and maintains all the systems that the Council operates, including: <ul style="list-style-type: none"> • The development of new systems and databases, including web based systems. Current major systems developments include new social care, and integrated housing management systems. • Training for systems users. • Provision of an ICT service desk that takes in excess of 70,000 calls per year and includes technicians resolve technical problems. • Server, data storage and network infrastructure support services, email and telephony systems. ICT supports services to introduce new technologies to improve the services they provide to the Public and to improve efficiency. The service also ensures all Government security standards are complied with through effective change Management, IT and data security, compliance with government legislation, test management, business continuity. It also manages all ICT contracts. There is a Schools Connect team which provides bespoke IT services to schools on a traded basis. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam)☐ | |
| 2015/16 Budget (£'000 Gross): | (5,928) | |
| 2015/16 Budget £'000 Income: | 2,713 | |
| 2015/16 Budget (£'000 Net): | (3,215) | |
| 2015/16 Budget FTE: | 97.4 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | The Council currently hosts many of the systems it uses in its own data centre at Riverside House. The in-house costs of hosting systems includes expensive servers (hardware) on which systems are held and operate, back-up and senior technical staff to maintain the systems. | This will have a very limited impact on the provision of services, since it reduces 'back office' ICT support resources currently required to maintain systems hosted on the Council's own networks. There may be a very small amount of disruption when systems are 'switched' to the Cloud although any changeovers would be scheduled for quiet periods (e.g. weekends) and system owners would be consulted on the scheduling in advance to ensure any impact on service users could be avoided / minimised.. | 40 | 40 | 40 | 1 | 1 | 1 | 120 | 3 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | <p>Suppliers are increasingly offering hosted solutions whereby they hold the systems and data and users access this via 'the Cloud'. Moving to supplier hosted solution can achieve savings although this has to be assessed on a case by case basis.</p> <p>This proposal is to move towards supplier hosted solutions where it is economically advantageous to do so. This will reduce the equipment in our data centre and associated support resources required to maintain systems on local infrastructure.</p> <p>There will also be financial benefits from reduced energy usage and licence fees.</p> | RAG status – Green. Achievable in a managed way over time, with little impact on services | | | | | | | | |
| B | The Council's data centre at Riverside House meets the highest standards of security. It was originally configured by the RBT strategic partnership and provided an asset that contains spare capacity which, because of the level of security it provides, is attractive to | <p>This will have limited / no impact on Council services. The Council will need to market and sell the space (it is likely to be better to use a business partner to do this) and will need to set up the appropriate security arrangements – this latter requirement is not expected to be onerous.</p> <p>RAG status – Amber (1) There is a risk that no/limited market exists to take up the spare capacity, although our</p> | 50 | 100 | 100 | | | | 250 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | <p>others requiring space to store their systems.</p> <p>A current review confirms there is a market for secure data facilities, and this proposal is to sell spare capacity that exists within the data centre.</p> | <p>initial research indicates demand does exist. (2) The arrangement would be unusual for the Council and would, therefore, have to be given due care when set up.</p> | | | | | | | | |
| C | <p>An initial financial review has indicated ICT services currently provided to schools are at a net cost to the Council because there has not been a full apportionment of management and other overheads.</p> <p>This proposal is to charge schools fully for the cost of ICT support they receive.</p> | <p>This would have no impact on Council services, but would result in schools paying marginally more for the ICT services they receive.</p> <p>RAG status – Green. There is some risk of a negative reaction from schools, but the increase is fairly modest (<£1,000 per school on average). The proposal places the provision onto a break-even financial footing.</p> <p><i>An alternative would be to increase rates over two years, which would provide savings of £20k in 2016/17 and a further £20k in 2017/18</i></p> | 40 | | | | | | 40 | |
| D | <p>As with home computing systems, the Council's systems require regular updates, upgrades and fixes. This work is known as 'patching' work. Currently, 'patching' work is done during evenings and/or weekends to minimise disruption to services</p> | <p>This would create a fairly significant impact on services.</p> <p>Most services, except any exempted from the proposed practice, would lose their systems for one half day per month to enable any system fixes / updates, which are currently done overnight or during weekends, to be carried out during normal working hours. Even though downtime would be scheduled, so that services would know when it would happen, this could still cause</p> | 30 | | | | | | 30 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | <p>and service users. ICT Technicians are paid overtime for carrying out this work out of normal hours.</p> <p>This proposal is to reduce overtime costs by carrying out some 'patching' work in normal working hours. Major systems could be excluded, with patching for these still done out of normal working hours.</p> | <p>disruption. This could create difficulties for any customer facing services / systems not exempted.</p> <p>There would also be a side-effect that the work ICT staff would be doing in normal time would be displaced by system updates / fixes.</p> <p>RAG status – Amber – Impact on services due to planned system downtime</p> <p>An alternative might be to seek to change contracts to include out of hours 'patching' work.</p> | | | | | | | | |
| E | <p>ICT currently provides 24/7 support, which is recognised for those staff who provide the support through 'stand-by' payments and overtime when they are called out to respond to any issues arising.</p> <p>This proposal would replace 24/7 support with extended support during weekdays (e.g. 7am to 7pm Monday to Friday).</p> | <p>There would be no cover provided to address any issues arising outside of the agreed periods. This could impact some significant services providing 24/7 cover themselves, including care and housing services. Eg if a problem arises during weekends or overnight in these areas it could mean the services would not be able to access their systems or data. It could also impact on Members who do use the out of hours service.</p> <p>RAG status – Amber – Potential impact on services where problems arise out of agreed cover periods</p> | 15 | | | | | | 15 | |
| F | As the Council restructures / reduces in size, it reduces its | There will be no impact. The proposal involves applying better housekeeping and contract management to the Council's | 20 | 20 | 10 | | | | 50 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | telephony requirements, including the number of lines it requires. ICT will rationalise telephony provision to reflect changing requirements and savings imperatives and cancel obsolete phone lines | telephony requirements. RAG status – Green. | | | | | | | | |
| G | An initial financial review has indicated ICT services currently provided to housing (the Housing Revenue Account) are at a net cost to the Council's General Fund because there has not been a full apportionment of management and other overheads. This proposal is to charge housing (the HRA) fully for the cost of ICT support the service receives. | This would have no impact on Council services, but would result in the Housing Revenue Account paying more for the ICT services it receives. RAG status – Green. Requires confirmation of the availability of HRA funding | 40 | | | | | | 40 | |
| I | There are an increasing number of web-based office tools available for data storage and use. Adoption of such tools in a secure way enables the Council | This would have very limited impact. Services would have slightly different means of accessing and using data but this would require minimal instruction. | | 50 | 50 | | | | 100 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | <p>to reduce its reliance on Microsoft Office systems on its laptops etc. (for which it requires annual licences).</p> <p>This proposal, for the medium term, is to use web-based tools as appropriate, and reduce current licence costs.</p> | <p>There would be no adverse impact on service users.</p> <p>RAG status – Green.</p> | | | | | | | | |
| J | <p>An initial review of the organisation design of the service indicates there are opportunities to streamline the vast array of core systems it uses (note – core infrastructure systems and not service systems) and the staffing resources required to maintain this infrastructure.</p> <p>This proposal would be to</p> | <p>This should have limited impact on services and ensure ICT provides better services at lower cost.</p> <p>Council services may have to adapt slightly, although any changes should be to improve systems and user experiences. Any significant changes would be subject to separate proposals and agreement.</p> <p>RAG status – Amber Significant piece of work, with precise ultimate outcomes not known</p> | 200 | 60 | 60 | 6 | 3 | | 320 | 9 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | complete a restructure that is supported by a more streamlined infrastructure and better meets the Council's needs. | | | | | | | | | |
| K | <p>An initial review of contracts indicates the Council has some systems / services or elements of systems / services that are unused and surplus to requirements. These are typically bought as part of broader bundles.</p> <p>It is proposed to reduce the scope of these contracts either through negotiation or over time as current contracts expire.</p> | <p>This will have only marginal impact and only where current premium ICT services are used. Any ICT services that are deemed to be essential will be retained.</p> <p>There is some uncertainty over the value of savings achievable as these are subject to negotiations and/or re-tendering, but the scheduled values, spread over 3 years, are considered to be reasonably prudent.</p> <p>RAG status – Green.</p> | 50 | 70 | 80 | | | | 200 | |
| TOTAL | | | 485 | 340 | 340 | 7 | 4 | 1 | 1,165 | 12 |

COMMENTS ON ABOVE PROPOSALS:

The options and savings above have been partly influenced by preliminary findings from a strategic review of the service. The Service was formerly outsourced as part of the RBT partnership and has made savings of 40% of its cost since returning into the Council in 2012. The Service has enquired about prospects for shared services across South Yorkshire but has found no appetite amongst colleagues in our neighbouring authorities. There are 13 management / team leader posts with a cost of c£650k. 15% of this equates to £97,500. It is anticipated that (at least) 2 manager level posts would be at risk mainly as a result of the organisation review which if resulting in the posts being dis-established would result in savings of c£100k. With an estimated 10 other posts at risk, there should be no significant changes in spans of control.

ASR REF NO: RES-09

CURRENT SERVICE SUMMARY (POLICY & PARTNERSHIPS)

| | | |
|--------------------------------------|---|--|
| Directorate: | Resources | <p>Provides policy advice, development and analysis, including around major legislation and specific corporate projects (e.g. Improvement Plan, welfare reform, local welfare provision, City Region). The team's role is to inform, motivate and support effective policy development across the Council. This involves working with the Senior Leadership Team, Directors/Senior Managers, Members and Commissioners to drive and challenge the adoption and implementation of high quality and effective policies.</p> <p>The team also provides dedicated secretariat support to Rotherham's Local Strategic Partnership - which brings together the main partner organisations across the borough (NHS, Police, Fire, Chamber of Commerce, Voluntary & Community Sector, Further and Higher Education etc.) to work more effectively in line with shared priorities. It has a specific responsibility to ensure the launch of a re-modelled and expanded Partnership from September 2015, followed by the production of a new Community Plan for Rotherham from 2016. The team therefore acts as a key liaison point with the Voluntary and Community Sector and other bodies; and also provides further policy and secretariat support to a number of the Partnership's support structures, particularly the Health and Wellbeing Board. Through this role it is also called upon to manage and lead community engagement exercises (e.g. the recent programme of community roadshows).</p> <p>The team's research and analysis capacity offers the councils main mapping, census/IMD data, IMD data and survey interpretation resources. It has a key role in producing Rotherham's "Joint Strategic Needs Assessment", which the council is required to undertake in partnership with health services to establish current and future health and social care needs of the population (and plan for better outcomes).</p> |
| Advisory Cabinet Portfolio: | Leader/Corporate Services and Budgeting (S. Alam) □ | |
| 2015/16 Budget (£'000 Gross): | £355k | |
| 2015/16 Budget £'000 Income: | £212k | |
| 2015/16 Budget (£'000 Net): | £144k | |
| 2015/16 Budget FTE: | 6.0 (1.6 "Partnership and 4.4 "Policy") | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Ending current annual budget "surplus" arising from staff member moving from 1.0 to 0.9 FT | None. "Green" rated. Could be delivered in year (2015/16) | 6 | 0 | 0 | - | - | - | 6 | - |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| B | Ending current team budget provision for "subscriptions" and adopting a new, shared corporate approach to relevant commitments - Note: budget line was unspent in 2014/15 and not expected to be drawn upon in 2015/16 | <p>None. "Green" rated</p> <p>Could be delivered in year (2015/16)</p> <p>However, this may compromise in part the possibility of funding the council's membership of the Local Government Information Unit (LGIU). There is no current budget for this c. £10k subscription, which generates a range of briefings and information utilised across the council (Policy, Performance, Scrutiny, Member Development, as well as Service Teams).</p> | 2 | 0 | 0 | - | - | - | 2 | - |
| D | Possible utilisation of Partnership contributions, which are currently funding an annual "surplus" of partners' funding against current support levels, to part-fund one existing team post and allocate this as a more formal "Assistant Partnership Manager". Partner contributions reflect a previous Assistant Manager post, which was not refilled. The Partnership CEO Group has already noted its support to utilise their funding surplus for a (part time) "Assistant". A specific proposition from the | <p>"Red" RAG rated as this is based on the use of the Partnership's funding and detailed consultation and discussion with Partners is yet to take place.</p> <p>This would mean an approx. 0.4 FTE loss in the current team's dedicated, core capacity on RMBC policy matters – taking the total FTE of direct RMBC policy support capacity down from 4.4FTE (on basis 1.6FTE posts in the team are Partnership focused) to 4.0FTE.</p> <p>This could, for example, lead to less policy support resource able to be dedicated to Sheffield City Region and/or Health and Wellbeing Board matters.</p> <p>While there is agreement amongst Partners to invest their joint funding into more dedicated support for the Partnership, formal consultation with staff and Partners has not yet taken place about this particular proposal.</p> | 20 | 0 | 0 | - | - | - | 20 | - |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | Council to Partners could therefore be for an existing P&P Team member to provide this formal Assistant role, on a part time basis, devoting their remaining time to core RMBC policy business. This would provide around £20k p.a. to offset approx. 2 days a week of a current officer post (Band J). This would reflect the fact that the wider Policy Team contributes to the Partnership at present without this additional contribution to RMBC costs, but would also put the arrangement on a more formal, open and transparent footing. | There could also be existing team members interested in such a role; or there may also be officers in other teams with an interest. This would therefore need to be handled carefully. RAG rating - Amber | | | | | | | | |
| E | Income target – additional Rotherham Partnership contributions from an expanded membership | Red RAG rated , as this will be entirely based on the success of the new Rotherham Together Partnership, which launched in September and holds its first substantive meeting in December 2015. By Year 3 (2018/19), the remodelled Rotherham Partnership will have been in existence, with an expanded membership (e.g. HE institutions) for around 3 years and will be looking ahead, no doubt, to refreshing its vision and Community Strategy. It is not | 0 | 0 | 5 | - | - | - | 5 | - |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--------------|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>considered realising in Year 1 (or indeed Year 2) of the new Partnership to request additional contributions from member bodies. Many of the new members will be there via invitation and should not be expected to pay a fee for their contribution from the start.</p> <p>However, by year three there should be demonstrable progress in the outcomes being achieved by the Partnership and more confidence in requesting the expanded membership (such as the two Sheffield Universities) for an additional contribution to the Partnership's work.</p> <p>In return there would need to be an explicit commitment to increase the support resource for the Partnership's work from with the current team – e.g. by further extending the role of the "Assistant" role at that stage.</p> | | | | | | | | |
| | TOTAL | | 28 | 0 | 5 | 0 | 0 | 0 | 33 | 0 |

COMMENTS ON ABOVE PROPOSALS:

Since the appointment of Commissioners, the small Policy Team has carried out a range of essential tasks on their behalf, from supporting the Improvement Plan and its implementation strategy, the programme of Consultation/Visioning Roadshows (and associated response analysis), review of the Health and Wellbeing Board and re-modelling of the Rotherham Local Strategic Partnership. It is also providing policy input to the Budget Planning Process and wider service review activity in support of Commissioner requirements. The measures noted above broadly meet the total funding reduction target, through-front loaded into year one. Given the key role of a strong policy resource in support of the corporate core of the organisation (post-CGI), as well as, specifically, to support the new Chief Executive and Assistant Chief Executive posts in due course, it is not being proposed to cut further what in effect amounts above to between 4.0 and 4.4FTE policy officers (with 1.6FTE posts providing the core support for the Partnership), depending on Member views with regard to action/proposal D above).

Note: income for the Team includes £82k from Partner contributions to the costs of the Partnership "secretariat"; and £127k via an SLA with Public Health reflecting the team's support to the Health and Wellbeing Board/Strategy, the Joint Strategic Needs Assessment (JSNA) and other statistical/analysis support. The Public Health SLA is currently agreed and in place until the end of 2016/17 – a formal commitment is required from Public Health about the continuation of this SLA support for the years after 2016/17 (though it is understood that current PH commitments such as this SLA are not being factored in to their saving proposals, full clarification will be required in due course).

ASR REF NO: RES-10

CURRENT SERVICE SUMMARY (INSURANCE)

| | | |
|--------------------------------------|---|--|
| Directorate: | Finance and Corporate Services | Brief description of service: The Insurance and Risk Team comprises 2.8 fte. It maintains the Council's insurance portfolio and deals with all insurance claims made against the authority (roughly around 800 per year) (including CSE). The Team also supports the preparation of the Council's statutory Annual Governance Statement, maintains the corporate risk register and provides advice and support on insurance and risk management matters. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam)□ | |
| 2015/16 Budget (£'000 Gross): | (81) | |
| 2015/16 Budget £'000 Income: | 351 | |
| 2015/16 Budget (£'000 Net): | 270 | |
| 2015/16 Budget FTE: | 2.8 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL L £'000 | TOTAL L FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|---------------------|-------------------|
| A | The Service has agreed proposals with the South Yorkshire Passenger Transport Executive to administer the Executive's | There will be no impact on services. | 15 | 0 | 0 | | | | 15 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL L £'000 | TOTAL L FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|---------------------|-------------------|
| | <p>insurance claims.</p> <p>This will reduce the Executive's external costs and provide income to the Council.</p> | <p>The SYPTTE has only a small number of claims (c30 per year) and the administration of these can be absorbed without detrimental impact on the Council or its resources (we receive c800 claims per year).</p> <p>RAG status – Green.</p> <p>The arrangement with the SYPTTE has already been agreed.</p> | | | | | | | | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL L £'000 | TOTAL L FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|---------------------|-------------------|
| B | <p>The Council's general claims record is exemplary and continues to improve year on year as a result of the general risk management arrangements in place within services for minimising the risk of claims. The impact of this is reduced premiums charged by insurers for the provision of insurance.</p> <p>This proposal is to reflect an anticipated reduction in the cost of insurance in the Council's budget.</p> <p><i>Note: This proposal is exclusive of any CSE related claims.</i></p> | <p>There will be no impact on services.</p> <p>Based on a general claims record (excluding CSE cases) we are anticipating modest reductions in the cost of insurance cover in each of the next two years. This is a simple adjustment to the current budget to more accurately reflect the likely cost of insurance cover.</p> <p>RAG status – Green.</p> <p>The assessment is based on the current level of claims that, with the exception of CSE cases which are exceptional and dealt with separately, is falling.</p> | 25 | 25 | 0 | | | | 50 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL L £'000 | TOTAL L FTE |
|--------------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|---------------------|-------------------|
| C | <p>Since the major terrorist attacks in New York and London, and subsequently other cities, local authorities have considered taking out terrorism insurance to cover the cost of damage to buildings (the scope of terrorism cover is limited to buildings). Around half of the local authorities in the region currently have terrorism cover, including Rotherham, and half do not. The current cost of cover is c£60,000 p.a.</p> <p>It is not recommended to withdraw Terrorism Cover completely at this time, but there is an option for the Council to save c£20,000 p.a. in the cost of cover by reducing the overall value of cover from £100m to £50m.</p> | <p>The proposal would result in a very small increase in overall risk to the Council. I.e. In crude terms, it would require several buildings exceeding the value of £50m* spread across the Council to be lost in the same incident. The likelihood of this is now significantly reduced following the town centre property rationalisation programme and the centralisation into Riverside House. It should be noted that the cost of replacing Riverside House does not fall within the Council's insurance arrangements, as cover is catered for with the property lease for the building.</p> <p>If an incident did occur which resulted in losses of between £50m and £100m, the reduction in cover would most probably (i.e. unless there would be any Government Aid) leave the Council covering any costs above £50m. However, our risk assessment is that this is a risk which we are able to take.</p> <p>* including the cost of provision to ensure business continuity</p> <p>RAG status – Green.</p> | 20 | 0 | 0 | | | | 20 | |
| TOTAL | | | 60 | 25 | 0 | 0 | 0 | 0 | 85 | 0 |

ASR REF NO: RES-11

CURRENT SERVICE SUMMARY (INTERNAL AUDIT)

| | | |
|--------------------------------------|--|---|
| Directorate: | Finance and Corporate Services | Brief description of service: The Accounts and Audit Regulations make it a statutory requirement to have an adequate and effective internal audit and to carry out sufficient work each year to issue an annual opinion on the Council's internal control environment The current Internal Audit Service carries out a programme of planned audits designed to assess whether the Council's significant risks are being effectively managed and its core financial systems are operating effectively and accurately. The Service also investigates any suspected fraud or other irregularities and provides advice to services on a wide range of control matters. This element of work provides crucial support to managers and is highly regarded by them. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam) □ | |
| 2015/16 Budget (£'000 Gross): | (463) | |
| 2015/16 Budget £'000 Income: | 64 | |
| 2015/16 Budget (£'000 Net): | (399) | |
| 2015/16 Budget FTE: | 8.4 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | <p>Internal Audit has reduced in size by 50% over the last 5 years, from 16.8fte in 2010/11 to 8.4fte in 2015/16 and has lost some specialist skills in the process (for example ICT audit capacity).</p> <p>In view of the savings already made and the requirement to achieve more, this would make the current service model unsustainable; there would be insufficient resources available internally to provide the range of expertise needed within the service.</p> <p>Consequently, following a strategic review of options, it is proposed to move to a mixed model of provision, where an in-house team continues to deliver general audit coverage while specialist audit requirements are commissioned externally.</p> | <p>Overall, the proposal should ensure sufficient audit coverage can be achieved in general areas, while enabling audit in specialist areas to be increased to an appropriate level to address risks in these areas. This should result in an overall positive impact from the proposed changes on the Service's effectiveness.</p> <p>RAG status – Amber. Requires agreement to move to a mixed model, involving a restructure and the loss of 2 posts</p> | 25 | | | 2.0 | | | 25 | 2.0 |
| TOTAL | | | 25 | 0 | 0 | 2.0 | 0 | 0 | 25 | 2.0 |

COMMENTS ON ABOVE PROPOSALS:

Service management costs are currently £180k (1x Chief Auditor, 1 x Audit Manager and 2 x Principal Auditors). Management Savings options relating to proposals A and B range from £50k to £90k (i.e. 13% to 23%). Because of reductions in the general staffing establishment, spans of control are not expected to be unmanageable.

Further strategic options available are to outsource the service entirely, although a mixed model of provision is thought to achieve the benefits of bringing in additional specialist expertise as required, while having a local in-house team on site to deliver planned work and address any urgent requirements.

ASR REF NO: RES-12

CURRENT SERVICE SUMMARY (BUSINESS SUPPORT)

| | | |
|--------------------------------------|--|--|
| Directorate: | Resources | Brief description of service: Centralised Business Support includes: - <ul style="list-style-type: none"> • Management Support: The provision of Personal Assistant and Management Secretarial support to Senior Management. • Riverside Business Support Team: The distribution of incoming mail throughout Riverside House, the design and production of ID Badges, mobile phone recharges, petty cash, ordering managed goods (paper and envelopes), restocking of Multi-Function Devices and administration of the Plan Printers in Riverside House. • N.B. The Corporate Mail Room and Corporate Print Unit based in Bailey House would normally be considered as part of Centralised Business Support Services however these are being considered as part of the 'Print and Post' All Service Review. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam)□ | |
| 2015/16 Budget (£'000 Gross): | £339 | |
| 2015/16 Budget £'000 Income: | £81 | |
| 2015/16 Budget (£'000 Net): | £258 | |
| 2015/16 Budget FTE: | MST 11.42 BST 1.81 + 1 x Apprentice | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | To implement an alternative Management Support operating | Additional Personal Assistant and Management Secretary posts are required in the short term in order to be able to meet | 0 | 27 | 55 | 0 | 1 | 2 | 82 | 3 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | <p>model that provides for shared management support and allows for the reduction of staff numbers by 1 x PA post (Band H) and 2 x Management Secretary posts (Band E).</p> <p>A reduction of 3 ftes is equivalent to a 25% reduction in staffing.</p> | <p>the support requirements of the new Chief Officer structure and the additional demands/workload being created by the Council's current improvement journey post the publication of the Jay and Casey reports, and allied to the work of Government Commissioners.</p> <p>Implementation of an alternative Management Support operating model i.e. shared management support is to be undertaken after the Chief Officer restructure and improvement plans are well embedded - this is therefore likely to take effect during years 2 and 3 of the 3 year saving programme.</p> <p>RAG Status : Green</p> | | | | | | | | |
| | TOTAL | | 0 | 27 | 55 | 0 | 1 | 2 | 82 | 3 |

ASR REF NO: RES-16

CURRENT SERVICE SUMMARY *ELECTORAL SERVICES*

| | | |
|--------------------------------------|---|---|
| Directorate: | Resources | Brief description of service: Electoral Services provides voter registration services and delivers elections and referendums. It is a frontline service and is impartial in serving electors' interests and supporting political parties and candidates in the electoral process. The service supports the Returning Officer/Electoral Registration Officer (usually the Chief Executive) in meeting his/her duties in the statutory office of Returning Officer and Electoral Registration Officer. Legislation governs the way in which services are delivered. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam)□ | |
| 2015/16 Budget (£'000 Gross): | 618 | |
| 2015/16 Budget £'000 Income: | 13 | |
| 2015/16 Budget (£'000 Net): | 605 | |
| 2015/16 Budget FTE: | 8 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | | | | | | | | | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| A | The introduction of All out Borough Council Elections every 4 years | A significant budget saving can be offered in 2017/18 as there will be no Borough elections taking place until 2020/21. There are no staffing implications associated with this saving. RAG Status : Green | 0 | 215 | 0 | 0 | 0 | 0 | 215 | 0 |
| | TOTAL | | 0 | 215 | 0 | 0 | 0 | 0 | 215 | 0 |

ASR REF NO: RES-17

CURRENT SERVICE SUMMARY COMMITTEE SERVICES

| | | |
|--------------------------------------|--|--|
| Directorate: | Resources | Brief description of service: Committee Services provides a full range of support to facilitate the effective governance of the Council, the Cabinet, Boards, Committees and Panels and Officer Meetings, including management and arrangements for the webcasting facility and the Education School Appeal process. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam) □ | |
| 2015/16 Budget (£'000 Gross): | 170 | |
| 2015/16 Budget £'000 Income: | 0 | |
| 2015/16 Budget (£'000 Net): | 170 | |
| 2015/16 Budget FTE: | 4 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Additional income through the charging of Academies for the servicing of School Admission Appeals. | Committee Services and the School Planning, Admissions and Appeals Service within CYPS have entered into a Service Level Agreement with Academies for the charging of servicing and administration of Admission Appeals. RAG Status : Green | 15 | 0 | 0 | 0 | 0 | 0 | 15 | 0 |
| | TOTAL | | 15 | 0 | 0 | 0 | 0 | 0 | 15 | 0 |

CURRENT SERVICE SUMMARY - TOWN HALL CATERING

| | | |
|--------------------------------------|---|---|
| Directorate: | Resources | Brief description of service: The Town Hall Catering Unit provides refreshments to Council and Officer meetings held at the Town Hall, lunchtime meals and sandwiches from the John Smith Room, 'Today's Special' for Riverside House café and catering for Mayoral and Civic functions. The Unit will also provide catering i.e. for meetings / events held in Riverside House or to private bookings. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam)□ | |
| 2015/16 Budget (£'000 Gross): | 105 | |
| 2015/16 Budget £'000 Income: | 78 | |
| 2015/16 Budget (£'000 Net): | 27 | |
| 2015/16 Budget FTE: | 3.4 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Reduction in the provision of Town Hall Catering | A reduction in demand prompted a review of the Town Hall Catering Unit and has determined that some services provided by the Unit could cease whilst others could be absorbed by other Council catering services. | 55 | 0 | 0 | 1.54 | 0 | 0 | 55 | 1.54 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>A number of short-term changes could therefore be made to reduce expenditure by over £55k. These are: -</p> <ul style="list-style-type: none"> • End the practice of serving hot lunches at the Town Hall and instead use Riverside House café. • Reduce staffing from 6 (3.4 fte) to 3 (1.86 fte). • Provision of the lunchtime special to Riverside House café to be provided from an alternative Council catering facility (Facilities Management to determine). <p>The £55k saving is based on a part closure of the Town Hall kitchen. Some services would be retained i.e. the provision of teas and coffees and a limited snack/lunch service e.g. sandwiches, whilst others duties would cease - i.e. the provision of hot meals at lunchtime.</p> <p>A more joined up approach with other Council catering services would allow some responsibilities to transfer to other Council catering facilities i.e. the provision of the Today's Special menu for Riverside House café.</p> <p>In addition the provision of two vending machines is also proposed – one for hot drinks and another for snacks – as an additional service to Members and staff.</p> | | | | | | | | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------------|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>There would remain occasions where catering will need to be bought-in, e.g. special events, from whichever provider is in-keeping with the current costs and nature of the event (e.g. silver service, sit down meal or buffet style).</p> <p>There are 6 posts (3.4fte) affected by this proposal. The proposal will require a reduction to 3 posts (1.86 fte). One member of staff retired in August therefore 2 members of staff would be considered for redeployment, into school catering or "Breathing Space", where there are known to be vacancies.</p> <p>RAG Status : Green</p> | | | | | | | | |
| | TOTAL | | 55 | 0 | 0 | 1.54 | 0 | 0 | 55 | 1.54 |

COMMENTS ON ABOVE PROPOSALS:

Catering across the Council is currently provided from across at least three separate management structures: -

- CYPS – schools catering, Riverside House café and Breathing Space
- EDS – Country Park cafes, the theatre and museum.
- Legal and Democratic Services – Town Hall catering

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |

A more strategic view of catering provision across the Council is required to determine the long-term, best practice operating model to deliver value for money. A fuller review of the overall catering services of the council is therefore to be undertaken to: -

- Make proposals for a single point of management, and
- Make arrangements on how efficiency could be improved, savings made and income generated.

A number of recent changes at the Town Hall have resulted in a reduction in the amount of work undertaken by the Town Hall Catering Unit and has prompted this review. The changes include: -

- The introduction of flasks in meetings to replace the waitress serving of drinks at Member meetings held at the Town Hall.
- A reduction in the order for 'Today's Special' meals for the Riverside House café.
- Fewer meetings now being held at the Town Hall.

ASR REF NO: RES-21

CURRENT SERVICE SUMMARY LEGAL

| | | |
|--------------------------------------|--|--|
| Directorate: | Resources | Brief description of service: The Legal Services Division provides professional, high quality, value for money, legal advice to ensure the Council achieves its aims and acts lawfully. The Legal Teams provides support in the following areas: - <ul style="list-style-type: none"> ▪ Contract and commercial issues (Procurement, contract terms, negotiation support) ▪ Property related transactions and issues including compulsory purchase orders, landlord and tenant ▪ Corporate governance – democratic processes, probity matters including changes to Standing Orders, Standards Committee investigations and the Confidential Reporting Code. ▪ Criminal and civil litigation matters, including arbitration, dispute resolution ▪ Social Care – Adults and Childcare ▪ Data protection, freedom of information and records management matters, including advice on exempt reports, reviewing Freedom of Information Act decisions and retention of information ▪ Employment matters including employment tribunals ▪ Highways advice, Traffic Regulation Orders, Traffic Management ▪ Forward Planning, Development Control, Enforcement and Planning Appeals ▪ Housing possession claims and subsequent enforcement ▪ Injunction applications, Anti-Social Behaviour Order applications, Defending housing disrepair claims ▪ Prosecutions, Applications for search warrants ▪ Licensing Board & sub-committees, Licensing appeals, Other appeals (e.g. Abatement Notices) ▪ Defending Judicial Review claims ▪ Complaints Panels & Ombudsman investigations • The Legal Business Support Team provides dedicated administrative support to the Legal Management Team and Legal Teams. • The Legal Service also manages the statutory costs account which covers the cost of statutory public notices and unanticipated corporate legal advice arising during the year. |
| Advisory Cabinet Portfolio: | Corporate Services and Budgeting (S. Alam) □ | |
| 2015/16 Budget (£'000 Gross): | 1,469 | |
| 2015/16 Budget £'000 Income: | 294 | |
| 2015/16 Budget (£'000 Net): | 1,175 | |
| 2015/16 Budget FTE: | 23.2 Legal 3.5 Business Support | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Legal Services Business Support Team – introduction of | The Legal Service has presented a shared case management solution to the SY Legal Departments. A | 0 | 9 | 40 | 0 | 0 | 1 | 49 | 1 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | shared case management for SYLAs leading to income generation and pooled business support. | proof of concept is to be developed by RMBC ICT and a pilot project is to be developed with Barnsley MBC. Charges for professional services and economies of scale relating to pooled administration (reduction of 1 x Business Support officer Band C to G) will achieve the savings target without compromising levels of support. (Post saving £31k, income £18k) RAG Status : Amber | | | | | | | | |
| B | Legal Services - increase income and top slice Supplies and Services budgets | The Service has reviewed current levels of income generation and has identified a number of opportunities to increase income (£104k) from external organisations i.e. Police and Crime Panel support charges, right to buy income and property related professional fees. In addition the Service will explore further top slicing of Supplies and Services budgets with a particular focus on print and post efficiencies (£7k). RAG Status : Amber | 111 | 0 | 0 | 0 | 0 | 0 | 111 | 0 |
| C | To liaise with Client Departments and introduce staff reductions of 4 FTE (2.5 x Solicitor Band K to L and above and 1.5 x Legal Officer/Paralegal Band E to J) to coincide with a reduction in demand for support. A reduction of 4 FTE is equivalent to a 17% reduction | This saving is entirely dependent on Legal Services working closely with Client Departments in order to identify and implement reductions in their demand for support from the Legal Team. It also aligns to the anticipated reduction in work due to early intervention measures being introduced within the CYPS Safeguarding Unit and also to allow time for sufficient support to be provided to Adult Social Care to achieve their £10m year 1 savings target. | 0 | 55 | 115 | 0 | 1 | 3 | 170 | 4 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|--------------|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | in staffing. | <p>In order to minimise the impact of losing 4 x FTE it is imperative that savings in Legal Services are aligned to a reduction in demand for support from client Departments otherwise they are not sustainable and will impact on the level of support that can be delivered at a critical time for the Council. In addition the saving will not be achieved if demand for support remains at current levels whereby the savings target would then become a budget pressure in Year 3.</p> <p>Also, to take staff savings in year 1 would jeopardise the plans to generate additional income in year 1 and also would compromise the Legal support required of Children's and Adult's Social Care Services.</p> <p>RAG Status : Red</p> | | | | | | | | |
| TOTAL | | | 111 | 64 | 155 | 0 | 1 | 4 | 330 | 5 |

COMMENTS ON ABOVE PROPOSALS:

A - RAG Status: Amber - Whilst some interest has been shown in a shared case management arrangement the Legal Business Support saving is entirely dependent on the appetite for sharing across the region. The saving has been offered in year 3 to allow the proof of concept and pilot to be fully implemented and shared administration to be properly developed.

B - RAG Status: Amber – Income generation in Legal Services may be compromised if client departments make savings in those areas of work that Legal Services can treat as fee earning i.e. sales, acquisitions etc. In addition the income target will rely on a buoyant right to buy market and the continuation of the servicing of the Police and Crime Panel. Income generation has been calculated taking into account client decisions where known.

ASR REF NO: RES-22

CURRENT SERVICE SUMMARY (CORPORATE COMPLAINTS TEAM)

| | | |
|--------------------------------------|-----------|---|
| Directorate: | Resources | <p>The team provides a standardised approach to handling all formal (and numerous informal) complaints made to the council, in line where necessary with statutory requirements - working with service managers to quality assure responses and ensure all statutory procedures are followed and met. A key focus of the team is to also ensure full and proper reviews of complaints so that services can benefit from learning and can support service improvement. The team works directly with customers - via phone, email and home visits - to make sure they are provided the best and most appropriate response to their concerns.</p> <p>In addition to formal complaints made to the council, the team also handle Local Government Ombudsman (LGO) matters; and MP and other "VIP" correspondence with Elected Members, Senior Officers and, now, Commissioners. It also manages service compliments.</p> <p>A further role of the team is to manage the 'eCasework' system that elected members use for ward surgery enquiries, providing support to Members in dealing with constituency matters.</p> <p><i>Note: £64k of income comes from the HRA, covering 100% of one 1.0FTE (Band I) post, who is dedicated to Housing Service complaints (£41k), and £22k towards the supervisory, admin support, holiday cover and wider team support costs associated with these Housing-related complaints.</i></p> |
| Advisory Cabinet Portfolio: | Leader | |
| 2015/16 Budget (£'000 Gross): | £194k | |
| 2015/16 Budget £'000 Income: | £64k | |
| 2015/16 Budget (£'000 Net): | £130k | |
| 2015/16 Budget FTE: | 5.3FTE | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| A | Minor reassessment and uprating of HRA contribution to the team – e.g. to 50% of Team Manager role | <p>“Amber” RAG Rated – will depend on wider review of HRA applicability. Detailed discussion not yet taken place.</p> <p>£64k of team income (33%) comes from the HRA, covering 100% of one 1.0FTE (Band I) post, who is dedicated to Housing Service complaints, and 46% of the Team Manager post (1.0FTE, Band K), but which reflects the support that the whole team provides to the dedicated housing complaints officer in terms of management supervision, admin support, holiday cover, and wider day-to-day assistance.</p> | 2 | 0 | 0 | - | - | - | 2 | - |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>Over 47% of all complaints received by the council last year relate to Housing issues. There may therefore be justification to reassess and uprate the contribution of HRA towards the team's work.</p> <p>While there are clearly important sensitivities over the use of HRA, a 4% further increase in contribution on the current basis would equate to £2k of additional income for the team (to £66k, or 34%) reflecting the level of HRA/Housing-related activity it is involved in.</p> | | | | | | | | |
| B | Admin savings from investment in automated IT system to support a more secure and efficient system of chasing and service-led processing/administration of complaints | <p>Subject to developing a Business Case, as yet unexplored – therefore “Red” RAG rated.</p> <p>Will depend on commitment within services to increase their direct admin/processing roles. Saving level theoretical at this stage, and the focus of potential IT investment is about a more secure and reliable system, rather than to offset staffing/ admin resource – i.e. a new system will still require a minimum level of effective administration. However, it might be reasonably assumed, subject to more detailed analysis, that some small admin resource efficiency saving is possible from the current 1.3FTEs (3x part time posts). There will also be opportunities to explore is more collaborative admin support with wider teams as part of the formation of the new Assistant Chief Executive's directorate.</p> <p>Would also require up-front investment in officer time and training to implement the new system, within current resources – hence any assumed savings are not anticipated prior to year 2.</p> | 0 | 4 | 0 | - | 0.2 | - | 4 | 0.20 |
| E | Setting the team a new income target – incentivising a new focus on income generation from the | <p>“Red” RAG rated – as this remains at concept stage and the detail of how any charging model would work in practice is yet to be determined.</p> <p>The team does, at present, provide services to schools through</p> | 0 | 5 | 25 | - | - | - | 30 | - |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | services the Team currently provide to schools – and to start to initiate potential shared service arrangements with other councils/ organisations. | <p>advocacy and advice on disputes with parents about school places; and has also provided associated training to schools and school governors. There is potential to put this on a more commercial footing, pending further consideration.</p> <p>It will be important to see these potential opportunities in conjunction with wider traded service proposals with schools – further discussions are needed on this.</p> <p>In addition, on the basis that the current RMBC structure for complaints – i.e. a small, more independent corporate team, rather than officers embedded in service teams - is one that other councils are now looking to implement (including, it's understood, Doncaster), there may be some shared service opportunities to explore and put in place, given the experience of the Rotherham Team in operating on this basis and overall effective performance in benchmark terms with national, regional and peer authorities.</p> <p>This is highly speculative, however, at this early stage; and on the basis the team would need to build its commercial credibility to provide such a traded service, the potential saving profile is back-loaded and tapered up towards year 3 – but this profile would need to be reassessed in the light of a detailed business case.</p> <p><i>Note: an alternative option would be to replace any income target with a cut-back in the size of the corporate team and a review as a result of the council's customer complaints standards – i.e. assessing whether longer timeframes for responses may need to be set.</i></p> | | | | | | | | |
| | TOTAL | | 2 | 9 | 25 | 0 | 0.2 | 0 | 36 | 0.2 |

COMMENTS ON ABOVE PROPOSALS:

The centralised complaint function within the Council was created in 2012, consolidating and reducing the numbers of officers dealing with complaints in service directorates, into a smaller team of 5.3FTEs. The current structure of the team, as a corporate, central resource, is one that a number of other councils are now looking to implement.

The last year has seen an upward trend in the number of complaints received by the council and handled by the team (a 3% increase to 693 from the 672 received in 2013-14). The team also experienced a 17% increase in Councillor Enquiries over the last year, reflecting increased use by elected members of the eCasework system, particularly by new Councillors (44% of Councillors are now using this system, i.e. 28 out of 63); and an 80% increase in MP cases (from 269 to 485).

Finally, it may be important to note that a core function of the team is to stop complaints escalating to more complex (and potentially more costly, e.g. compensation payment) stages. Current performance on this is good – despite an overall increase in complaints in 2014/15, the team worked to help ensure only the same proportion escalated to Stage 2 as the year before. There is a built-in incentive for the team to performance manage complaints so that they are dealt with quickly and to the required standards (at Stage 1) in order to avoid more complex investigations that they would need to lead personally.

Public Health

ASR REF NO: PH-1

CURRENT SERVICE SUMMARY Public Health: Sexual Health

| | | |
|--------------------------------------|------------------------------------|--|
| Directorate: | Public Health | Brief description of service: Local Authorities are mandated to ensure the provision of open access sexual health services including Sexually Transmitted Infection (STI) testing and treatment and contraception. The services provide STI testing and treatment, contact tracing, outbreak control and offer a full range of contraception including Long Acting Reversible Contraception (LARC) and Emergency Hormonal Contraception (EHC). The services manage locally based Chlamydia screening as part of the National Chlamydia Screening Program. The services also provide a range of advice and health promotion/education and support to prevent the spread of STIs, unintended pregnancy and Child Sexual Exploitation. As part of the open access mandate, Local Authorities also ensure that residents visiting out of area Genito Urinary Medicine (GUM) clinics are funded as part of the prevention agenda. |
| Advisory Cabinet Portfolio: | Public Health | |
| 2015/16 Budget (£'000 Gross): | 2,964 | |
| 2015/16 Budget £'000 Income: | | |
| 2015/16 Budget (£'000 Net): | 2,964 | |
| 2015/16 Budget FTE: | 1 FTE RMBC plus contracted Service | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Year on year 1.8% efficiency saving applied to the provider of the Integrated Sexual Health Service (TRFT) | <p>NHS Foundation Trusts. Public Health Services 3 Year Planned re - procurement programme 2016 – 2019. Over this period all of our services will be reviewed, re -specified and tendered. In addition the services commissioned from our 2 major NHS partners The Rotherham NHS Foundation Trust (TRFT) and Rotherham, Doncaster and South Humber NHS Foundation Trust (RDASH) will need to deliver cost efficiency savings during the intervening period (i.e. If they are not due for tender until 2018 then they will deliver up to that point, but after that the newly redesigned service model will deliver the efficiencies.</p> <p>NHS National cost efficiencies currently stand at 3.5% which is offset by an inflation of 1.9% for some services, and some local schemes to incentivise provider delivery. Therefore TRFT and RDASH will be making between 1.6 and 1.9% savings on the contracts they hold with NHS Commissioners. This model enables larger service</p> | 39 | 38 | 38 | | | | 115 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>providers to plan and manage the savings over a longer period and work with Public health to agree the impact of a programme of efficiency.</p> <p>Public Health propose 1.8% on the Alcohol and Drugs services from RDASH and 1.8% on the contracts with TRFT. For TRFT this is focused on the sexual health and children's programme areas, but with negotiation with the provider may be applied across a wider range of services when the full impact is considered.</p> <p>The savings have not been applied to Pharmacy and GP providers at this stage, as new savings models will describe any changes to this area of provision, and that these areas have had no inflationary uplift for over 6 years.</p> <p>RAG rating: Amber</p> | | | | | | | | |
| B | Review of out of area GUM payments and local prescribing payments | <p>The review of out of area GUM payments is being carried out across Yorkshire and Humber and will lead to providers being paid no more than the suggested National tariff (rate of payment per episode of care). At present providers are paid on invoice and some charge more than national tariff (which is not mandated) to reflect locally agreed rates. Providers are aware that this is being reviewed across the country. Local Authorities are mandated to ensure the provision of an open access sexual health service free to the end user of the service. This includes ensuring that any of our residents can receive Sexually Transmitted Infection testing and treatment outside of Rotherham. We are reviewing our payments in line with other Local Authorities across the country. This will not impact on the service delivered or the patient experience.</p> <p>RAG rating: Green</p> <p>We are looking in detail at the prescribing costs associated with the Public Health contracts with GPs for LARC and the Intrauterine contraceptive device (IUCD). The IUCD can be fitted for contraceptive purposes (cost attributed to Public Health under the PH contract) or for the treatment of</p> | 20 | | | | | | 20 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>heavy menstrual bleeding (cost attributable to the CCG). It is often difficult to decide which is the primary reason for fitting, as women can have the device fitted for both reasons. We are working with the GPs and the CCG to agree a process for when the CCG is charged and when RMBC is charged.</p> <p>We are also specifying that the LARC contract with GPs will cover the Sub-dermal implant only (rather than the full range of LARC). This is due to the evidence which supports this form of LARC being the most effective in reducing unplanned pregnancy. Our contracts with GPs are to enhance their service, over and above what they already offer.</p> <p>They will still offer the full range of contraception so that the patient experience will not change – the prescribing charges</p> <p>are still to be covered by the CCG and RMBC - but we anticipate this leading to a cost saving for us as the CCG will be covering the costs for other forms of LARC.</p> | | | | | | | | |
| C | Consolidation of contracts for HIV prevention/support | <p>Bringing the contracts for HIV prevention/support from Supporting People and Public Health together means that we can identify an efficiency saving with a new provider. Service delivery is not affected in terms of activity but it has moved from a model of 'support' to one that empowers people so the overall client experience will be more beneficial.</p> <p>RAG rating: Green</p> | 24 | | | | | | 24 | |
| D | Theatre & Health Education Support – Contract | Reduction in the budget is possible as the drama intervention for schools will be paid for in full from the 15/16 Public Health budget. Schools are being offered the Theatre in Education performances and workshops over a | 26 | 0 | | | | | 26 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---------------|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | Renegotiation | three year period. There will also be some performances directly aimed at looked after children and their carers. Public Health have agreed to finance this initiative which is being commissioned by the School Effectiveness Team in C&YPS. We are making the full amount available to the team in 15/16 and as this is a time limited intervention we are able to make a cost saving in the following year. RAG rating: Green | | | | | | | | |
| | TOTAL | | 109 | 38 | 38 | 0 | 0 | 0 | 185 | 0 |

COMMENTS ON ABOVE PROPOSALS: The 1.8% efficiency savings are RAG rates Amber as the full impact, including loss of front line staffing cannot be established until Public Health have dialogue with TRFT

ASR REF NO: PH-2

CURRENT SERVICE SUMMARY *Public Health: Drugs and Alcohol*

| | | |
|--------------------------------------|--|--|
| Directorate: | Public Health (Substance Misuse) | Brief description of service: Integrated health and social care system to provide services for drug and/or alcohol users (including use of all illegal drugs, prescribed drugs, New Psychoactive Substances 'legal Highs') to any adult or young person who normally resides in Rotherham. |
| Advisory Cabinet Portfolio: | Public Health | |
| 2015/16 Budget (£'000 Gross): | 4,829 | |
| 2015/16 Budget £'000 Income: | 154 PCC for Drugs Intervention Programme | |
| 2015/16 Budget (£'000 Net): | 4,675 | |
| 2015/16 Budget FTE: | | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Retender Floating Housing Support Service which provides support to substance users in tenancy agreements. | <p>To be retendered to allow for efficiency savings in the new contract which will be aligned with the Public Health Outcomes Framework.</p> <p>The opening of the new Substance Misuse Recovery Hub 'Carson House' will enable any future provision to be closely linked to other key partner support agencies, thus reducing the contract numbers and cost of any future provision. There will be a requirement to work closely with partner support agencies to deal with low risk clients, allowing for the service to address the needs of the medium/high risk clients</p> <p>There will be additional housing issues for the floating support service due to the introduction of the Universal Credit being rolled out in Rotherham later this year which will need to be taken account of.</p> <p>RAG status - Amber</p> | 40 | 0 | 0 | | | | 40 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| B | 1.8% Efficiency Savings on RDaSH Alcohol & Drugs Contract | <p>NHS Foundation Trusts. Public Health Services 3 year planned re -procurement programme 2016 – 2019. Over this period all of our services will be reviewed, re - specified and tendered. In addition the services commissioned from our 2 major NHS partners TRFT and RDaSH will need to deliver cost efficiency savings during the intervening period i.e. if they are not due for tender until 2018 then they will deliver up to that point, but after that the newly redesigned service model will deliver the efficiencies. NHS National cost efficiencies currently stand at 3.5% which is offset by an inflation of 1.9% for some services, and some local schemes to incentivise provider delivery. Therefore TRFT and RDaSH will be making between 1.6 and 1.9% savings on the contracts they hold with NHS Commissioners. This model enables larger service providers to plan and manage the savings over a longer period and work with Public health to agree the impact of a programme of efficiency.</p> <p>Public Health propose 1.8% on the Alcohol and Drugs services from RDaSH. The savings have not been applied to Pharmacy and GP providers at this stage, as new savings models will describe any changes to this area of provision, and that these areas have had no inflationary uplift for over 6 years.</p> <p>RAG status - Amber</p> | 48 | 47 | 46 | | | | 141 | |
| TOTAL | | | 88 | 47 | 46 | 0 | 0 | 0 | 181 | 0 |

COMMENTS ON ABOVE PROPOSALS: The 1.8% efficiency savings are RAG rates Amber as the full impact, including loss of front line staffing cannot be established until Public Health have dialogue with RDaSH

ASR REF NO: PH-4

CURRENT SERVICE SUMMARY Public Health *Obesity/Weight Management*

| | | |
|--------------------------------------|---------------------------------|--|
| Directorate: | Public Health | Brief description of service: Obesity programme. Comprises commissioned services: <ul style="list-style-type: none"> The Rotherham Healthy Weight Framework (HWF) is a tiered approach to weight management which supports adults and children to reduce and maintain their weight. People attend the tier of the service which is most suitable for their weight and height. The 6 services include: Tiers 2-4 children weight management, Tiers 2-3 adult weight management and a single point of access (telephone line to refer people to the correct service based on need). This is not included in the proposed savings detailed below. The Rotherham Ministry of Food is a partnership project which teaches cookery skills with a focus on healthy family meals. This is not included in the proposed savings detailed below. The community dietetics service is delivered by the dietetics department at Rotherham Foundation Trust. The service provides community based dietetic support to children in special schools, service users of children and adolescent mental health services (CAMHS) and to housebound clients who have special dietary needs. The service also provides a programme of 6 accredited training courses to develop food and diet skills for staff employed in Rotherham and the general public. |
| Advisory Cabinet Portfolio: | Public Health Adults & Children | |
| 2015/16 Budget (£'000 Gross): | £1,089 | |
| 2015/16 Budget £'000 Income: | £0 | |
| 2015/16 Budget (£'000 Net): | £1,089 | |
| 2015/16 Budget FTE: | | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Service review of community dietetics with a view to decommissioning service or to reduce and re-specify the existing contract | The service was inherited by RMBC as part of the transfer of Public Health from the Rotherham Primary Care Trust. A service review is required to understand the potential impact of a reduced or decommissioned service. The most likely impact will be on the community support offered to: children in special schools, service users of child and adolescent mental health services and housebound clients with special dietary needs. The service review would establish the impact of the reduced support on these populations. A reduction or decommissioned package of training, would impact on the numbers of front line professionals working in Rotherham, who can attend an accredited training course | | 70 | | | | | 70 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--------------|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>to develop their skills and knowledge on food and diet. It may be possible for primary care activity (e.g. support to special schools and housebound clients) to be covered through other contracted activity– this would be a focus of the proposed review.</p> <p>The review would also seek to establish how a reduced offer of training for front line professionals will affect the delivery of the healthy weight framework care pathway.</p> <p>RAG status: Amber</p> | | | | | | | | |
| | TOTAL | | 0 | 70 | 0 | 0 | 0 | 0 | 70 | 0 |

ASR REF NO: PH-5

CURRENT SERVICE SUMMARY Public Health Child Health Programme

| | | |
|--------------------------------------|--------------------------|--|
| Directorate: | Public Health | Brief description of service: The 0-19 Child Health programme area includes the 0-5 Child Health Programme (Health Visiting and Family Nurse Partnership) and School Nursing Service. The 0-5 Child Health programme is currently commissioned by NHS England and will transfer to RMBC with effect from 1 October 2015. Some elements of this programme area are mandatory for local authorities to provide (the health visiting services for all 0-5 year olds and the National Child Measurement Programme (NCMP), which weighs and measures all children in Reception and Year 6 annually to assess levels of childhood obesity). The Family Nurse Partnership (FNP) programme is an intensive home visiting service for vulnerable pregnant teenagers; the programme follows the mother and baby for 2 years. The School Nursing Service provides a range of services to children and young people aged 5-19 years attending a Rotherham school including health reviews on school entry, health improvement advice and support, delivering the NCMP, annual health reviews for looked after children and child safeguarding. |
| Advisory Cabinet Portfolio: | Public Health Children's | |
| 2015/16 Budget (£'000 Gross): | £4,227 | |
| 2015/16 Budget £'000 Income: | nil | |
| 2015/16 Budget (£'000 Net): | £4,227 | |
| 2015/16 Budget FTE: | Contracted Service | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Budget reduction for School Nursing Service reflecting equivalent funding for provision of immunisations now provided by NHS England | The funding for the delivery of immunisations and vaccinations by the school nursing service, previously provided by RMBC, is now being provided by NHS England. Therefore there should be no impact of reducing the RMBC budget by the equivalent amount as the service still receives this funding, just from a different source RAG status: Green | 176 | | | | | | 176 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|--------------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| B | 1.8% reduction to 0-19 budget applied over each of the next three years | <p>NHS Foundation Trusts. Public Health Services 3 year planned re -procurement programme 2016 – 2019. Over this period all of our services will be reviewed, re -specified and tendered. In addition the services commissioned from our 2 major NHS partners TRFT and RDASH will need to deliver cost efficiency savings during the intervening period (i.e. If they are not due for tender until 2018 then they will deliver up to that point, but after that the newly redesigned service model will deliver the efficiencies).</p> <p>NHS National cost efficiencies currently stand at 3.5% which is offset by an inflation of 1.9% for some services, and some local schemes to incentivise provider delivery. Therefore TRFT and RDASH will be making between 1.6 and 1.9% savings on the contracts they hold with NHS Commissioners. This model enables larger service providers to plan and manage the savings over a longer period and work with Public health to agree the impact of a programme of efficiency.</p> <p>Public Health proposes 1.8% on the Alcohol and Drugs services from RDASH and 1.8% on the contracts with TRFT. For TRFT this is focused on the sexual health and children’s programme areas, but with negotiation with the provider may be applied across a wider range of services when the full impact is considered.</p> <p>RAG status: Amber</p> | 104 | 102 | 100 | | | | 306 | |
| TOTAL | | | 280 | 102 | 100 | 0 | 0 | 0 | 482 | 0 |

COMMENTS ON ABOVE PROPOSALS: The 1.8% efficiency savings are RAG rates Amber as the full impact, including loss of front line staffing cannot be established until Public Health have dialogue with TRFT

CURRENT SERVICE SUMMARY *Public Health Tobacco Control*

| | | |
|--------------------------------------|------------------------------------|---|
| Directorate: | Public Health | Brief description of service: Tobacco control programme. Comprises commissioned services: <ul style="list-style-type: none"> • Yorkshire Smokefree (stop smoking service for Doncaster and Rotherham boroughs. Provider: South West Yorkshire Partnership NHS Foundation Trust). Provides face-to-face, telephone and online behavioural support and medications for people who want to stop smoking. • Stop Smoking in Pregnancy Service. (Provider: Rotherham NHS Foundation Trust). Provides behavioural support and medications for pregnant women, their partners and family members, who want to stop smoking. • Communications and Social Marketing Service for tobacco control (covers Rotherham, Doncaster and Sheffield authorities. Provider: Kenyon Fraser). Carries out customer insight and delivers social marketing campaigns in response to this intelligence, focused upon reducing tobacco use. • Activity to prevent young people starting smoking (Provider: RMBC Integrated Youth Support Service). Curriculum activity around tobacco issues, survey of young people's smoking behaviour, supporting young people to access stop smoking support. • Enhanced enforcement of cheap and illicit tobacco and underage sales (Provider: RMBC Trading Standards). Test purchasing, enforcement action and education around tobacco issues including changes in legislation. All services operate across the whole borough, therefore savings would have an impact Rotherham-wide. |
| Advisory Cabinet Portfolio: | Public Health | |
| 2015/16 Budget (£'000 Gross): | £1,142 | |
| 2015/16 Budget £'000 Income: | £268 | |
| 2015/16 Budget (£'000 Net): | £874 | |
| 2015/16 Budget FTE: | 1 FTE RMBC plus contracted service | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | 1.8% reduction to all tobacco control service contract values applied over each of the next three years | NHS National cost efficiencies currently stand at 3.5% which is offset by an inflation of 1.9% for some services, and some local schemes to incentivise provider delivery. Therefore TRFT and RDASH will be making between 1.6 and 1.9% savings on the contracts they hold with NHS Commissioners. This model enables larger service providers to plan and manage the savings over a longer period and work with Public health to agree the impact of | 16 | 16 | 15 | | | | 47 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--------------|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| | | <p>a programme of efficiency.</p> <p>Public Health proposes 1.8% reduction on all tobacco control services over each of the next three years.</p> <p>Potential reduced capacity within stop smoking services to support people wanting to quit. This is most likely to impact on the smoking in pregnancy service as it is a smaller service with less flexibility around service provision than in the Yorkshire Smokefree service. It would be easier for Yorkshire Smokefree to make efficiencies due to the different support options they provide (e.g. altering the balance between face-to-face support and telephone support).</p> <p>Other services do not provide direct client support, so the efficiencies required to meet the proposed cost saving should be relatively easy to realise.</p> <p>RAG status: Amber</p> | | | | | | | | |
| | TOTAL | | 16 | 16 | 15 | | | | 47 | |

ASR REF NO: PH- 13

CURRENT SERVICE SUMMARY *Public Health Directorate*

| | | |
|--------------------------------------|---|---|
| Directorate: | Public Health | Brief description of service: The Public Health team provides specialist advice and support and has a role in influencing spend of NHS and RMBC to improve health and reduce health inequalities. The team provides support to NHS Commissioners (Rotherham CCG and NHS England) through a Memorandum of Understanding. We are responsible for the commissioning and delivery of the mandated functions (including specified services), and for demonstration of the outcomes from the Public Health Outcomes Framework (PHOF). There are four teams who work under the 3 "pillars" of public health (the core functions defined by the Faculty of Public Health, which is the regulatory body for the PH workforce), Healthcare Public Health, Health Protection, Health Improvement. In addition, we have a team leading Drug and Alcohol Strategy and NHS Contracting (Primary Care and Acute Services). Our full team functions include professional advice, strategic leadership and development of strategies to address health inequalities, contracting, commissioning, policy/performance analysis, public health data analysis, research governance, partnership working, and payment of NHS contractors. |
| Advisory Cabinet Portfolio: | Cllr Roche | |
| 2015/16 Budget (£'000 Gross): | 881 | |
| 2015/16 Budget £'000 Income: | 0 | |
| 2015/16 Budget (£'000 Net): | 881 | |
| 2015/16 Budget FTE: | 16.1 The remaining 13 FTE are within the ASRs that link with the programme leads. | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Savings from revised salary for the Director of Public Health | Reduction in staff costs due to the recruitment of a Director of Public Health on a lower salary and RMBC Terms and Conditions, no expected impact on public health priorities. | 62 | 21 | 0 | 0 | 0 | 0 | 83 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | RAG Status: Green | | | | | | | | |
| B | As above plus a further savings from the delayed recruitment and changes to the Consultant in Public Health post in Healthcare Public Health. | Reduction in staff costs due to the planned recruitment of a Consultant in Public Health on a lower salary and RMBC Terms and Conditions, no expected impact on public health priorities. RAG Status: Green | | | | | | | | |
| | TOTAL | | 62 | 21 | 0 | 0 | 0 | 0 | 83 | 0 |

Neighbourhoods

ASR REF NO: NAS 11

CURRENT SERVICE SUMMARY - Neighbourhood Partnership & Engagement Service

| | | |
|--------------------------------------|--|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: |
| Advisory Cabinet Portfolio: | Neighbourhood working and Cultural Services (T. Yasseen) | Because of the complexity of the charging arrangements for this service the figures presented on the left hand side of this page do not include direct charges to the Housing Revenue Account (HRA). When such direct charges are included the financial position is as follows: |
| 2015/16 Budget (£'000 Gross): | £581 | Gross Expenditure £1,169,526 |
| 2015/16 Budget £'000 Income: | £244 | Income (HRA) (£787,234) |
| 2015/16 Budget (£'000 Net): | £337 | Net £382,292 |
| 2015/16 Budget FTE: | 21 FTE: | <p>Consequently the funding apportionment for this service is 67% HRA, 33% RMBC General Fund (GF).</p> <p>Included in these figures is:</p> <ul style="list-style-type: none"> • 66K Members Community Leadership fund (46k GF/20k HRA) • 30k tendered Voluntary Sector Advice Services. <p>The service was established in January 2015 following a review and the newly formed Neighbourhood Partnerships and Engagement Service, it delivers a number of interlinked objectives:</p> <p>(1) To Improve tenant & resident engagement as a key part of our "Local Offer" to tenants and residents living on council estates;</p> <p>(2) To lead on community development to enable communities to become more resilient and help themselves;</p> <p>(3) To coordinate and lead on neighbourhood working arrangements (including Area Assemblies) resulting in active ward councillors working within neighbourhoods (Commissioners Vision Statement and Article 12 RMBC Constitution);</p> |

| | |
|--|---|
| | <p>(4) To work with directorates and partners to tackle the “crime and grime” agenda especially in Rotherham’s most Deprived Neighbourhoods;</p> <p>(5) Parish Council liaison and development;</p> <p>(6) Management and Administration of Members Community Leadership Fund; and</p> <p>(7) Community liaison and engagement response to ongoing issues arising from Jay and Casey reports and recommendations, continuing protests, and support for communities of interest (women, BME, faith and inter-faith, disability, older people, LGBT, CSE community reference group, safeguarding strategy meetings).</p> <p>It should be noted that work area (7) is not specifically the responsibility of neighbourhoods and housing services but has required action at the request of SLT, Advisory Cabinet, and Commissioners due to its importance, and the absence of any other resource within the authority to action.</p> |
|--|---|

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|--------------|--|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| F | Housing & Neighbourhood Service wide saving (i) Apportioned saving Assistant Director between GF/HRA split (ii) Supplies and Services cut in HNS Man & Admin | <p>IMPACT</p> <p>1. Realigns true apportionment cost of Assistant Director (housing) to HRA and reduction in HNS Man & Admin supplies and services</p> <p>2. No adverse impact.</p> <p>RAG Status: Green</p> | 8 | | | | | | 8 | |
| TOTAL | | | 8 | 0 | 0 | 0 | 0 | 0 | 8 | 0 |

ASR REF NO: NAS-12

CURRENT SERVICE SUMMARY - Rotherham Furniture Solutions

| | | |
|--------------------------------------|--|--|
| Directorate: | EDS | Brief description of service: Rotherham Furniture Solutions (RFS) operates the Furnished Homes Scheme; it is part of the Housing Options Service within Housing and Neighbourhoods Service. The scheme was set up in May 2004. The objective of the scheme is to offer council tenants assistance to set up and sustain their home by offering a personalised furniture service. This service oversees the provision and management of furnished homes to 3,318 council tenancies. On average there are 6 new furnished tenancies per week after terminations. |
| Advisory Cabinet Portfolio: | Neighbourhood working and Cultural Services (T. Yasseen) | |
| 2015/16 Budget (£'000 Gross): | 735,820 | |
| 2015/16 Budget £'000 Income: | 3,435,820 | |
| 2015/16 Budget (£'000 Net): | -2,700,000 | |
| 2015/16 Budget FTE: | 15.85 | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Additional income generation by the Furnished Homes Scheme of £100k per annum for the period 2016-17 to 2018-19. This would be generated through continued expansion of the scheme. It also assumes reduction in service charge of 3% over the period following change in Social Rent Policy. | Impact – The scheme will continue to assist vulnerable tenants set up and sustain tenancies so reducing the cost of tenancy turnover to the HRA. RAG STATUS =AMBER | 100 | 100 | 100 | 0 | 0 | 0 | 300 | 0 |
| E | HNS wide saving (i) apportioned saving Assistant Director between GF/HRA split | (i) The Central General fund management apportionment savings will be achieved by changing the funding apportionment for Director of Housing, Asset Management and Neighbourhoods from 70% HRA/ 30% GF to 90% HRA/ 10% GF. This change in apportionment is justifiable given the re-focusing of this post to primarily housing in the senior management restructure. (ii) Reduction in HNS Management and Admin supplied and services | 19 | 0 | 0 | 0 | 0 | 0 | 19 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL L £'000 | TOTAL L FTE |
|------|--|---|----------------|----------------|----------------|--------------|--------------|--------------|---------------------|-------------------|
| | (ii) Supplies and services cut in HNS management and Admin | (19k) RAG status: Green | | | | | | | | |
| | TOTAL | | 119 | 100 | 100 | 0 | 0 | 0 | 319 | 0 |

COMMENTS ON THE ABOVE PROPOSALS:

The original Furnished Homes business plan proposed a reduction in turnover of 50% over the three year period due to introduction of Universal Credit. We now do not expect the majority of current claimants to have migrated to UC until around 2018, hence the increase in forecast income and subsequent additional surpluses the service will generate.

There are a number of risks facing the service going forward which are outlined below and justify the amber rating for the suggested increased income forecasts over the three year period.

- Welfare Reform and Universal Credit - risk of increasing arrears, which will result in higher bad debt provisions and reduction in annual surplus. There is also a risk that that regulations change and the furnished element of a tenancy is no longer beneficial.
- Possible changes to housing benefit entitlement for under 25s – may constrain growth of the scheme (fewer tenants taking up furnished home packages).
- Reduction in furnished homes charges by 1% per year for 4 years. This reduction is manageable and the scheme will still be in surplus even when these reduction to income are forecast.
- Re-tender of furniture supplier to the scheme is due to take place in October 2015. This may result in higher furniture costs and reduction in surpluses generated, a cost increase of 10% has been factored into this forecast.

ASR REF NO: NAS-13

CURRENT SERVICE SUMMARY – STRATEGIC HOUSING AND INVESTMENT SERVICE

| | | |
|--------------------------------------|--|--|
| Directorate: | EDS & Neighbourhoods | Brief description of service: The Strategic Housing and Investment Service is led by Tom Bell, Strategic Housing and Investment Manager and comprises three key service areas: <ul style="list-style-type: none"> • Strategic Housing (a significant proportion is funded by HRA) - this part of the service is responsible for both public and private sector housing strategy and policy development, leasehold services and co-ordinating the Council's responsibilities around the Right to Buy. • Housing Development (a significant proportion is funded by HRA) - a new team established to deliver housing growth (current delivery of new homes is circa 550 per year, our ambition is to deliver 1,000) affordable and specialist housing provision including new Council housing. • Council Housing Asset Management and Stock Investment (entirely funded by HRA so not part of this review) - responsible for stock investment decisions on our 21,000 Council homes, maintaining landlord compliance for asbestos, fire and legionella, stock surveying, maintaining the stock data base and developing planned work programmes e.g. re-roofing projects.. Overall, the service is reliant on the HRA for the majority of its funding (£1.36m), so for every £1 expenditure of General Fund the Service spends £7 of Housing Revenue Account funding. |
| Advisory Cabinet Portfolio: | Neighbourhood working and Cultural Services (T. Yasseen) | |
| 2015/16 Budget (£'000 Gross): | £195,523 | |
| 2015/16 Budget £'000 Income: | £57,200 | |
| 2015/16 Budget (£'000 Net): | £138,323 | |
| 2015/16 Budget FTE: | There are 36 FTE staff in the team, of which, 20 are entirely funded by Housing Revenue Account (HRA) funding, 15 posts are mixed funding General and HRA and 1 post is entirely funded by the general fund. The officer resources are split as follows: Manager x 1 FTE Strategic Housing Team 8.5 FTE Housing Development 6.5 FTE Council Housing Asset Management and Stock Investment Team 20FTE | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL L £'000 | TOTAL L FTE |
|------|--|--|----------------|----------------|----------------|--------------|--------------|--------------|---------------------|-------------------|
| A | Team Manager current salary split GF to HRA is 50/50. A new ratio can be justified at 20GF/80HRA which will result in a saving to the General Fund | The proposed change in ratio will proportionally increase Housing Revenue Account expenditure by £18,814 and have no other impact RAG Status: Green | 18 | 0 | 0 | N/A | N/A | N/A | 18 | |
| B | Housing Development Manager Current split is 50/50. A new ratio can be justified at 20GF/80 HRA which will result in a saving | This post will play a significant role in the development of the 150 identified HRA development sites. The proposed change in ratio will proportionally increase Housing Revenue Account expenditure by £15,266 and have no other impact | 15 | 0 | 0 | N/A | N/A | N/A | 15 | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL L £'000 | TOTAL L FTE |
|--------------|---|--|----------------|----------------|----------------|--------------|--------------|--------------|---------------------|-------------------|
| | to the General Fund RAG Status: Green | | | | | | | | | |
| C | Housing Enabling Officer current split is 50/50 and new ratio can be justified at 20GF/80HRA which will result in a saving to the General Fund RAG Status: Green | This post is taking on an increasing role in the developmental proposals for HRA sites. The proposed change in ratio will proportionally increase Housing Revenue Account expenditure by £9,229 and have no other impact | 9 | 0 | 0 | N/A | N/A | N/A | 9 | |
| D | Private Sector Housing Officer currently the post is 100% funded by the General Fund. A new ratio of 80/20 can be justified RAG Status: Green | This post primarily involves private sector activity, however the role also encompasses, elements of work on HRA disposals and affordable warmth programmes which benefit Social Housing tenants and the coordination of the empty homes policy implementation, hence the proposed apportionment is justified. The proposed change in ratio will proportionally increase Housing Revenue Account expenditure by £9,005 and have no other impact | 9 | 0 | 0 | N/A | N/A | N/A | 9 | |
| F | Housing and Neighbourhood Service wide saving (i) apportioned saving Assistant Director between GF/HRA split (ii) Supplies and services cut in HNS management and Admin RAG status: Green | The Central General fund management apportionment savings will be achieved by changing the funding apportionment for Director of Housing, Asset Management and Neighbourhoods from 70% HRA/ 30% GF to 90% HRA/ 10% GF. This change in apportionment is justifiable given the re-focusing of this post to primarily housing in the senior management restructure. The balance of savings will be generated by general reductions in management and administration expenditure. | 3 | 0 | 0 | N/A | N/A | N/A | 3 | |
| TOTAL | | | 54 | 0 | 0 | 0 | 0 | 0 | 54 | 0 |

ASR REF NO: NAS-14

CURRENT SERVICE SUMMARY *Safer Neighbourhoods (Community Protection)*

| | | |
|--------------------------------------|---|--|
| Directorate: | EDS & Neighbourhoods | <p>Brief description of the service:</p> <p>The Safer Neighbourhoods Service is involved in the inspection, enforcement, regulation and prosecution of a range of mandatory community protection functions including:</p> <ul style="list-style-type: none"> • private sector housing standards, • environmental protection regulation and enforcement, • noise and pollution control, statutory nuisance, anti-social behaviour (ASB), and enviro-crime enforcement. • air quality, closed landfill and contaminated land <p>The service operates Borough wide, receiving circa 9,000 service requests per year and the team works closely with South Yorkshire Police (SYP)'s local Safer Neighbourhood Teams. There is prioritisation of resources to the most deprived neighbourhoods to protect home and local environmental quality standards impacting on the health and safety of individuals and the community.</p> <p><i>* Budget figures include an apportionment of the Housing and Neighbourhood Service's Management & Administration cost centre (£91,828)</i></p> |
| Advisory Cabinet Portfolio: | <ul style="list-style-type: none"> • Cllr Sims; Waste, Roads and Enforcement • Neighbourhood working and Cultural Services (T. Yasseen) | |
| 2015/16 Budget (£'000 Gross): | £1,938,859 * (including the apportionment of departmental overheads) | |
| 2015/16 Budget £'000 Income: | <p>£ 682,899</p> <p>(Housing Revenue Account (HRA) (see Comment section), Fees, and Public Health Grant)</p> | |
| 2015/16 Budget (£'000 Net): | £1,255,960 | |
| 2015/16 Budget FTE: | 48.8 FTE (almost all of which are part funded General Fund (GF)/HRA) | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| H | Housing & Neighbourhood Services (HNS) overarching departmental level management and supplies & services saving | <p>The proposal:</p> <ul style="list-style-type: none"> • Realigns the true apportionment cost of Assistant Director (Housing) to the HRA (£9k). This will result in the Assistant Director's funding apportionment changing from 70% to 90% HRA with the residual 10% being borne by the GF. This change in apportionment is justifiable given the re-focusing of this post to primarily housing in the "Laying the Foundation Plan. • Reduces the HNS Management and Administration supplies and services budget (£17k) <p>RAG Status: Green</p> | 26 | 0 | 0 | 0 | 0 | 0 | 26 | 0 |
| | TOTAL | | 26 | 0 | 0 | 0 | 0 | 0 | 26 | 0 |

ASR REF NO: NAS-15

CURRENT SERVICE SUMMARY (ASB and Community Safety Unit)

| | | |
|--------------------------------------|---|---|
| Directorate: | EDS & Neighbourhoods | Brief description of service: <ol style="list-style-type: none"> 1. Coordination of Safer Rotherham Partnership activity and related community safety initiatives, including administration of funding streams such as the PCC Community Safety Fund allocation; 2. Anti-Social Behaviour case investigation and management, including operational links to Council tenancy enforcement and legal action, including Court attendance and eviction 3. Staffing contribution and operational links to the Vulnerable Persons Unit. 4. The budget also includes a range of other ad hoc costs such as communal cleaning and lighting costs to council housing properties |
| Advisory Cabinet Portfolio: | Waste, Roads and Enforcement (Cllr Sims) Neighbourhood working and Cultural Services (T. Yasseen) | |
| 2015/16 Budget (£'000 Gross): | £500, 365 (plus £20,452 apportioned) | |
| 2015/16 Budget £'000 Income: | £332,517 HRA Contribution | |
| 2015/16 Budget (£'000 Net): | £167,848 (plus £20,452 apportioned) | |
| 2015/16 Budget FTE: | 9.1 FTE comprising of 1 Band L Neighbourhood Crime and ASB Manager, 1x Band J Community Engagement Officer (Vulnerable Persons Unit) 5 x Band H ASB Officers 2.1 Admin support to Safer Rotherham Partnership and ASB Unit | |

SAVINGS PROPOSALS:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL L £'000 | TOTAL L FTE |
|------|---|---|----------------|----------------|----------------|--------------|--------------|--------------|---------------------|-------------------|
| A | HRA to meet full cost of communal services from 2016/17 | The full cost associated with the management of communal areas in Council (incl Right To Buy/leasehold occupiers) apartment blocks, to be fully met by the HRA from 2016/17. Currently there is a contribution from the General Fund reflecting the leaseholder residents in some apartment blocks. Impact to the HRA £35k. See HRA related comments below. This proposal will not impact on service delivery, as it is a financing adjustment. There are no staffing related issues. RAG Status: Green | 35 | 0 | 0 | 0 | 0 | 0 | 35 | 0 |
| D | Cancellation of the MESH Mediation Service Contract. | The current MESH Mediation Service contract is renewed annually and is funded roughly 50/50 between the Housing Revenue Account (HRA) and the General Fund. The service operates on a referral basis and provides an opportunity for independently delivered mediation between parties to a dispute, as part of case management and resolution processes. The HRA contribution is £9,447. It is considered that greater value for money could be obtained by reinvesting a large proportion of this budget into the Community Justice Panel (CJP), which will deal with case referrals similar to MESH referrals. The £2k saving referred to presents the residual saving, once the Community Justice Panel funding has been accounted for. The cancellation of the contract will require 6 months formal notice. RAG Status: Green | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 0 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|--------------|--|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| E | HNS wide saving (i) apportioned saving Assistant Director between GF/HRA split (ii) Supplies and services cut in HNS management and Admin | Re-aligns apportionment cost of Asst Director (Housing) from 70% HRA/ 30% GF to 90% HRA/ 10% GF. Reduction in HNS Management and Admin supplied and services RAG status: Green | 6 | 0 | 0 | 0 | 0 | 0 | 6 | 0 |
| TOTAL | | | 43 | 0 | 0 | 0 | 0 | 0 | 43 | 0 |

Adult Social Services

ADULT SOCIAL CARE DEVELOPMENT PROGRAMME

| | | |
|--------------------------------------|-------------------|--|
| Directorate: | Adult Social Care | Brief description of service: Adult Social Care provides care, support and safeguards for those people in our community who have the highest level of need and for their carers. Good care and support transforms lives, it enhances health and well-being, increases independence and offers choice and control. Adult Social care in Rotherham covers all care and support services for 18yrs and above across all service user groups i.e. Older people, Mental Health, Learning Disability and Physical and Sensory Disability. Services provided include: <ul style="list-style-type: none"> • Advocacy, information and advice • Social Work • Safeguarding including Mental Capacity, Deprivation of Liberty Safeguards, contract compliance, Domestic Abuse. • In House Enablement services including Intermediate Care • In-House Residential Care and Respite Care • In-House Day Care • Extra Care Housing • Commissioned services with the Independent Sector including Domiciliary care, Residential, Nursing, Respite care and Supported Living. |
| Advisory Cabinet Portfolio: | Cllr Roche | |
| 2015/16 Budget (£'000 Gross): | 105,561 | |
| 2015/16 Budget £'000 Income: | -36,155 | |
| 2015/16 Budget (£'000 Net): | 69,406 | |
| 2015/16 Budget FTE: | 806 | |

SAVINGS GENERATED BY SERVICE DEVELOPMENT PROGRAMME:

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 16/17 FTE | 17/18 FTE | 18/19 FTE | TOTAL £'000 | TOTAL FTE |
|------|----------------------------|--|----------------|----------------|----------------|--------------|--------------|--------------|----------------|--------------|
| A | Focused Enablement Service | Review existing in house provision and re-commission some or all of the service. Advice given is that TUPE would not apply therefore potential for up to 147 staff redundancies. Enabling is critical to reducing residential placements and large care packages and therefore has a positive impact on customers and these proposals will enhance the service while reducing costs through the | 500 | 500 | 0 | 92.1 | 0 | 0 | 1,000 | 92.1 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | | <p>reduction of "down time".</p> <p>45 days consultation with staff is required and 3 months to re-tender service.</p> <p>Dependent on successful negotiations with staff and independent providers.</p> <p>RAG Status – Amber consultation exercise underway and commissioning specification being developed.</p> | | | | | | | | |
| B | Develop alternative provision for In-house Learning Disability residential care and respite care | <p>Consultation is required as a proposal will be made to develop alternatives with better outcomes, including the expansion of shared lives and supported living schemes. Users will be reassessed to ensure their needs are met appropriately.</p> <p>RAG status- Amber due to consultation period and when key decision is made.</p> | 245 | 0 | 0 | 22 | 20 | 0 | 245 | 42.0 |
| C | Review all high cost Learning Disabilities residential care placements | <p>Review all high cost (including out of borough) residential care placements and re-negotiate fees with providers in line with regional average.</p> <p>RAG status- Amber</p> | 540 | 180 | 0 | 0 | 0 | 0 | 720 | 0 |
| D | Develop alternative community based services to Day Care | The proposal is to develop alternatives with better outcomes, including greater use of direct payments. Alternatives are dependent on the parallel development of community assets. Full year savings not achieved in year 1 | 251 | 84 | 0 | 31.3 | 0 | 0 | 335 | 31.3 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|---|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | for Older People. | due to need to review users' needs. RAG status- Amber | | | | | | | | |
| E | Increase capacity in local communities – review of all Supporting people contracts for the provision of housing related support) | Contracts with providers are awarded on a three year basis, including in-house provision and voluntary and community sector. Contracts have been awarded and therefore advice from legal is required as to how the to achieve savings in 2016/17. Impacts on decision on major projects i.e. Rothercare. RAG Status – Amber savings profiled over 3 years in line with contracts | 720 | 940 | 642 | 0 | 0 | 0 | 2,302 | 0 |
| F | Review Adult Services Management and reduce by two posts. Reduce Adults Training budget by 15% and review Assessment and Care Management teams. | No customer impact. Phase 1 – review of Adult Social Care management structures. Reduce Adults training budget by 15%. Phase 2 - requires a re-structure of assessment and care management once Phase 1 is completed. RAG Status - Green | 535 | 300 | 0 | 17 | 0 | 0 | 835 | 17.0 |
| G | Review in-house day care for Learning | Review existing in-house day centres and develop alternative forms of care including direct payments and investment in community assets/support to achieve better outcomes. This will also include a review of the provision of | 254 | 957 | 182 | 18 | 67 | 14 | 1393 | 99 |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|---------------------------|---|---|--------------|--------------|--------------|--------------|------------|-------------|--------------|------------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |
| | Disabilities | transport. Extensive consultation required with service users and carers, further investment required in community assets, staff redeployment/redundancies, potential disposal of land and buildings and reduced transport fleet. Delivery of savings will depend on timing of key decisions. RAG status- Amber due to consultation period and dependent on when key decision is made. | | | | | | | | |
| H | Review provision of in-house residential and intermediate care for Older People | Review existing in-house provision and develop alternative models of care with the independent/voluntary sector. Impact of national living wage on the cost of re-provision, capacity of the local care market to accommodate additional demand. Potential staff redeployment/redundancies, partnership working with Health, additional capital investment may be required. RAG status- Amber dependent on when key decision is made. | 250 | 870 | 1230 | 61.4 | 63 | 23.2 | 2,350 | 147.6 |
| | TOTAL | | 3,295 | 3,831 | 2,054 | 241.8 | 150 | 37.2 | 9,180 | 429 |
| COMMENTS ON ABOVE: | | | | | | | | | | |

| Ref: | Action | Impact Statement of proposals on Corporate priorities/Outcomes, Staff, Customers, Partners, Other Directorates/Services, Assets, initial equalities assessment, consultation requirements etc. | 16/17 | 17/18 | 18/19 | 16/17 | 17/18 | 18/19 | TOTAL | TOTAL |
|------|--------|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | £'000 | £'000 | £'000 | FTE | FTE | FTE | £'000 | FTE |

Proposal H – 2018/19 savings figure includes £420k anticipated to be realised in 2019/20.

Please note RAG status based on whether anticipated full year savings could be achieved in 2016/17 pending key decisions being made.

2016/17 – 2018/19 Budget: Investment to address Budget Pressures and Provide Growth: Overview by Directorate

| Directorate / Service | 2016/17 | 2017/18 | 2018/19 |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Children & Young People's Services | 12,037 | 10,881 | 9,881 |
| Adult Care & Housing | 192 | 352 | 352 |
| Regeneration & Environment | 403 | 411 | 420 |
| Finance & Customer Services | 792 | 546 | 480 |
| Central & Corporate Services | 125 | 5 | 5 |
| Social Care Contingency (Adults and Children's) | 1,000 | - | - |
| Total | 14,549 | 12,160 | 11,138 |

2016/17 – 2018/19 Budget: Investment to address Budget Pressures and Provide Growth

| | | 2016/17 | 2017/18 | 2018/19 |
|-----------------------------|---|------------|------------|------------|
| Directorate | Activity/Service Area | £'000 | £'000 | £'000 |
| Regeneration & Environment | Treatment and disposal of kerbside collected organic garden waste – “Green Bin” | 49 | 57 | 66 |
| Regeneration & Environment | Home to School Transport – statutory duty to respond to increased demand | 194 | 194 | 194 |
| Regeneration & Environment | RIDO – supporting the Rotherham Growth Plan and Sheffield City Region | 160 | 160 | 160 |
| | Sub total | 403 | 411 | 420 |
| Finance & Customer Services | All-out Elections 2016 (One-off) | 72 | 0 | 0 |
| Finance & Customer Services | Revenue Costs of New Social Care System (Liquid Logic) | 364 | 229 | 163 |
| Finance & Customer Services | New Corporate Structure | 356 | 317 | 317 |
| | Sub total | 792 | 546 | 480 |
| Adult Care & Housing | Adult Social Work staff - changes to contractual terms and conditions | 252 | 252 | 252 |
| Adult Care & Housing | Deprivation of Liberty Safeguards | 100 | 100 | 100 |
| Adult Care & Housing | Area Assembly development budget (One-off) | 140 | 0 | 0 |
| | Sub total | 492 | 352 | 352 |

| | | 2016/17 | 2017/18 | 2018/19 |
|------------------------------------|---|---------------|---------------|--------------|
| Directorate | Activity/Service Area | £'000 | £'000 | £'000 |
| Children & Young People's Services | Early Help: Education Welfare Income Target | 53 | 53 | 53 |
| Children & Young People's Services | Early Help: Children's Centres - loss of Public Health Funding | 230 | 230 | 230 |
| Children & Young People's Services | Children's Social Care & Safeguarding: Children's Social Worker & Heads of Service contractual terms and conditions changes | 1,353 | 1,623 | 1,623 |
| Children & Young People's Services | Children's Social Care & Safeguarding: Children's Social Care additional staffing requirement (in excess of £3m additional MTFS funding) | 745 | 469 | 469 |
| Children & Young People's Services | Looked After Children - Out of Authority Placements | 5,038 | 4,038 | 3,038 |
| Children & Young People's Services | Social Work Staff and Senior Leadership | 3,000 | 3,000 | 3,000 |
| Children & Young People's Services | Special Educational Needs and Disability/Inclusion Reform and Transformation - Coordinators and Officers | 150 | 150 | 150 |
| Children & Young People's Services | Special Educational Needs and Disability/Inclusion Reform and Transformation – Education Psychology Service | 99 | 99 | 99 |
| Children & Young People's Services | Special Educational Needs and Disability/Inclusion Reform and Transformation – Education, Advice & Support Service | 98 | 98 | 98 |
| Children & Young People's Services | Early Help: Additional staffing requirement | 51 | 51 | 51 |
| Children & Young People's Services | Children's Social Care & Safeguarding: Out of Hours Manager Post | 83 | 83 | 83 |
| Children & Young People's Services | Children's Social Care & Safeguarding: Principal Social Worker Post | 73 | 73 | 73 |
| Children & Young People's Services | Children's Social Care & Safeguarding: Additional Leadership | 194 | 44 | 44 |
| Children & Young People's Services | Inherent budget pressures in respect of partial non-delivery of Special Educational Needs and Disability review savings agreed in 2014/15 budget process (£800k) and loss of Dedicated Schools Grant to support revenue budget (£20k) | 820 | 820 | 820 |
| Children & Young People's Services | Child Sexual Exploitation: Welfare Support | 50 | 50 | 50 |
| | Sub total | 12,037 | 10,881 | 9,881 |

| | | | | |
|--|--|---------------|---------------|---------------|
| Central & Corporate Services | Local Plan Inquiry (One-off) | 100 | 0 | 0 |
| Central & Corporate Services | Town Centre events | 5 | 5 | 5 |
| Central & Corporate Services | Community Events Programme (One-off) | 20 | 0 | 0 |
| | Sub total | 125 | 5 | 5 |
| Adult Social Care and Children & Young People's Services | Managing Social Care demand (create Earmarked Reserve) (One-off) | 1,000 | 0 | 0 |
| | TOTAL | 14,549 | 12,160 | 11,138 |

Public and Partner Feedback on Budget Proposals 2016/17–2018/19

The table below provides a summary of all issues covered in the 57 consultation responses received. There are 75 comments listed in total as some responses covered multiple issues.

Table: Summary of issues raised via invitation for public and partner comments on the budget proposals

| Issue / topic | No. of comments |
|---|-----------------|
| Concern about closure of biological records centre . Suggestion that we should explore a South Yorkshire joint services agreement. Point made that we will still need to seek expert advice to meet the statutory duty and there will be costs associated with this. One of the responses is a letter signed by a wide range of individuals and organisations, including regional and national bodies. | 18 |
| Concerns about cuts to rangers in country parks – predominantly focused on Ulley | 8 |
| Need for fewer managers | 4 |
| Concerns about ceasing payment of utility bills for park pavilions / bowling clubs (specifically Greasbrough and Herringthorpe Valley) | 3 |
| Don't increase council tax | 3 |
| Reduce payments to / numbers of councillors | 3 |
| Adult social care : can't see how closing adult day centres will save money; need for consultation and impact assessment; concern that cuts to in-house learning disability / residential / intermediate care services will impact on the most vulnerable; issues with moving from day centres to direct payments or other provision, including need to consider impact on families/carers | 3 |
| End funding for the mayor's car | 2 |
| Concern about youth service cuts , including need for them to be consulted on | 2 |
| Concern that reductions to school crossing patrols – specifically at Laughton Junior and Infant School – risk child safety | 2 |
| Adult social care – response from service provider disagreeing with “recommended increase of between 2% and 4% (to) be applied by the Council to Adult Social Care Services this year” | 1 |
| Children and young people services – as the “failed part of the Council” - should be taken over by “a responsible outside party qualified to take over these duties” | 1 |
| Suggestion for more cost-effective home-to-school transport service | 1 |
| Libraries : better to close a few rather than diluting the whole service | 1 |
| Don't reduce street cleaning , especially in areas that are prone to litter and graffiti | 1 |
| Recycling centres could increase opening hours to help prevent fly-tipping | 1 |
| Establish more district councils with their own budget | 1 |
| Concerned about increased charges for undertaking maintenance work on | 1 |

| | |
|---|---|
| behalf of parish/town councils | |
| A call to end area assemblies as they are not a good use of scarce resources | 1 |
| Reduced revenues/benefits staff will impact on the poorest in society through increased benefit delays | 1 |
| Concern about proposed reductions to Clifton Park | 1 |
| Unhappy with road repairs | 1 |
| Unhappy with contracted out services / PFI | 1 |
| Need for a hostel to support homeless people , particularly (potential) suicide cases | 1 |
| Don't increase "admin charges" at Rother Valley | 1 |
| Stop putting money into (named area) of the Borough | 1 |
| Salaries for senior officers are too high | 1 |
| Don't reduce staff levels further – look at other options such as lighting at Riverside House | 1 |
| Comment about time-wasting staff | 1 |
| Use money held in reserves and investments | 1 |
| Good budget overall with savings identified in a number of areas with minimal impact | 1 |
| Support self-funding option for the theatre | 1 |
| Suggestion that providing 2 hours free parking per day would be cheaper than the proposed long stay reductions and more attractive to shoppers | 1 |
| Support for free Saturday parking | 1 |
| Support for school crossings to be funded by academy schools | 1 |
| As published, proposals are hard to navigate and fully understand from the public's perspective | 1 |
| Don't hire expensive consultants to review services | 1 |

Summary and responses to issues raised

1. Detailed responses to all 57 representations formally received are in the process of being provided by the relevant service.

2. The proposal to cease hosting the biological records centre has clearly attracted the most comments, followed by the proposals to reduce country park rangers. Taken together, they constitute over a third of the total comments (26 of 75). In response to the biological records proposals it should be noted that this relates to the council's budget for 2017/18 and, therefore, does not impact at this stage on the council's ability to set a balanced budget for 2016/17. In the light of public comment, therefore, the service will be assessing in detail all the feedback received, including any viable options that may exist to sustain a service through alternative means while also delivering savings.

3. With regard to the country park rangers proposals and five further responses related to parks (including three expressing concern about ceasing payment of utility bills for park pavilions / bowling clubs) the service is responding to explain how these will be delivered in due course in a way that can sustain a viable service in the face of the funding reductions faced.

4. There were four responses in total relating to adult social care proposals and five relating to a range of children's services, all of which are subject to further, service level consultations, as will be the case for a number of other proposals.

5. With regard to the proposals relating to school crossing patrols, the final Budget proposition has been amended in the light of public and partner feedback to focus on an approach where the Council works proactively in partnership with schools (and other local partners, where relevant) to provide shared, more collaborative future funding requirements. An original proposal to remove funding from 2016/17 for the lowest risk crossing points will not be progressed at this stage in order to provide more time to consult on alternative funding options and carry out a review prior to setting the final budget for 2017/18.

Efficiency Strategy 2016/17

1. Introduction

As part of the November 2015 Spending Review, the Government announced that it would introduce flexibility for the period of the Spending Review for local authorities to use capital receipts from the sale of non-housing assets to fund the revenue costs of service reform and transformation. Draft Guidance on the use of this flexibility was issued as part of the Provisional Local Government Finance Settlement on 17 December 2015.

2. The Draft Guidance

The Draft Guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act specified that:

- Local authorities will only be able to use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered. They may not use their existing stock of capital receipts to finance the revenue costs of reform.
- The expenditure for which the flexibility can be applied should be the up-front costs that will generate future ongoing savings and/or transform service delivery to reduce costs or to improve the quality of service delivery in future years. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.
- The key determining criteria to use when deciding whether expenditure can be funded by the new capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure.
- In using the flexibility, the Council will have due regard to the requirements of the Prudential Code and to the CIPFA Local Authority Accounting Code of Practice and
- The Council is also required to prepare an Efficiency Strategy before the start of the year to be approved by the Full Council – this is that Strategy.

As the Guidance is still in draft form the requirements may change.

3 The Council's Proposals

The Draft Guidance sets out examples of qualifying expenditure which included “funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation” and it is for this purpose that the Council is proposing to use £2m of Capital Receipts in 2016/17.

4. The Council's Draft Workforce Strategy recognises that people are key to the Council achieving improvement in its services and being representative of their communities. In order for the Council to deliver its Corporate Plan priorities, its Corporate Improvement Plan and its Medium Term Financial Strategy it is essential that the Council has the right people, with the right skills, right attitude, in the right place and at the right time to maintain and improve existing and future service outcomes.
5. The Council adopts a “whole organisation” strategy approach that optimises potential structural and operational efficiencies at a corporate level, whilst recognising that it is equally important to ensure quality workforce planning at a local level. And to also deliver organisational and workforce change around the specific service improvement areas identified by recent inspections and reports. This Strategy focuses on the workforce essentials of an “Effective Rotherham Council”.
6. Key workforce activities are:
 - Supporting achievement of budget savings targets for 2016/17 and later years through appropriate workforce interventions and the service reviews and health checks in the Fresh Start Improvement Plan; and
 - Responding to staffing pressures and remodelling the workforce corporately but also particularly in Children's Services, Adult Social Care and Regeneration & Environment.

7. 2016/17 Revenue Budget

The above priorities have been recognised in the Council's 2016/17 Revenue Budget and Outline Medium Term Financial Strategy (MTFS). These include both revenue efficiency savings from the restructuring and reconfiguring of the Council's Services to meet both current and forecast levels of demand for services, and reshaping of services such as Early Help and Adult Social Care to provide a more targeted approach to the provision of services that is focussed on improved customer outcomes.

8. To support this significant and continued reconfiguration of the Council's Services to deliver improvement and efficiencies, the current savings proposals will see a downsizing of the Council's workforce by almost 600 full time equivalent posts (15%) by 2018/19. Additionally, budget proposals to fully address the funding gap

for 2017-2019 are yet to be identified and agreed, but will inevitably further affect workforce numbers. It is therefore proposed that the first £2m of costs associated with staff leaving the Council in 2016/17 should be funded through the flexible use of Capital Receipts with any further costs up to £1m being met from the Revenue Budget which includes provision to fund these costs.

9. **Business Case for Voluntary Release** - when considering the business case for the release of employees on Voluntary Severance/Early Retirement, the Councils' approach is to ensure that the cost of the release of the employee concerned, including both redundancy and pension strain costs, should be recovered from salary savings within 3 years of the employee leaving. This reflects the term of the period covered by the Medium Term Financial Strategy. There is also a requirement that any release would also be subject to meeting 'business need' and thereby retain the right people with the right skills to deliver the required outcomes for customers.

10. **The Prudential Code**

The Council will have due regard to the requirements of the Prudential Code and the impact on its prudential indicators from implementing the proposed scheme within this Efficiency Strategy.

11. As transformation proposals develop and the cost of Voluntary Severance is determined, the expenditure to be incurred will be included in the Council's Capital Programme to be funded by capital receipts generated in the financial year. The capital expenditure prudential indicators will be amended and approved as appropriate. In line with Golden Rule 3 of the proposed Capital Strategy, the first call on capital receipts generated in the year will be utilised to meet the cost of voluntary severance. These receipts have not been earmarked as funding for any other proposed capital expenditure and therefore there is no anticipated additional impact on the Council's prudential indicators as set out in the Council's Treasury Management Strategy.

12. The Council will also have due regard to the Local Authority Accounting Code of Practice when determining and including the entries required from undertaking and funding this scheme within the 2016/17 Council's Statement of Accounts.

13. **Monitoring this Strategy**

This Strategy will be published in accordance with the draft guidance and will be monitored throughout the financial year alongside our financial reporting arrangements. The Strategy may need to be updated and replaced as proposals are developed and expenditure is incurred. Also, as the Guidance is still in draft form, changes may require a revision of this Strategy.

Outline Medium Term Financial Strategy 2016 to 2019

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Foreword by Leader

Our Medium Term Financial Strategy (MTFS) for 2016 to 2019 has been developed to help navigate the Council through this challenging time for Rotherham and all of local government. There has never been a more challenging time for the Council and the sector; our resource base has been reducing since 2010 and will continue to reduce as the Government seeks to continue its fiscal strategy to tackle the national deficit before the end of this Parliament. The way of funding local government has significantly changed over this period and the Government has recently signalled its intention to end its revenue support grant to local government. Equally, the policy environment is fundamentally changing whilst at the same time we are experiencing high levels of additional demand, in particular on our social care services. The time is therefore right to review our Financial Strategy.

Funding levels for local government are falling rapidly. Since 2010 alone, Councils have seen a reduction in core funding of around a third and we know this trend is set to continue over the next few years up to 2020. Reliance is increasingly being placed on local councils to grow their own local economy, to raise additional income from Business Rates and Council Tax as their core funding from Government is reduced year on year. Achieving this local growth is at the heart of the Sheffield City Region Devolution Proposal with Government to help 'kick start' the city

region economy, which is complemented by our ambitious Rotherham Growth Plan 2015 to 2025 that was recently approved by Council on October 21st.

The scale of the future reduction in funding is likely to be considerable and raises a number of questions about how local authorities will have to adapt how they will work with an ever decreasing capacity to spend. So far, most of the Council's response has been in the form of "efficiencies" and scaling back rather than stopping services. Although there will always be opportunities to continue to make further efficiencies in the way we deliver services, we know that these will no longer be enough to meet the scale of the challenge ahead. More difficult decisions are going to have to be made but having an effective Strategy should provide the space and time for these decisions to be considered and balanced recognising the needs and priorities of the communities we are here to serve.

Against the backdrop of significantly reducing resources there is growing upwards pressure on the money we are having to spend. Particular pressure points being in our Children's Service as we look to implement our new strategy for improving the way we look after those children and families that need our support to help them keep safe from harm, thrive and achieve their potential. The same is also true in Adult Social Care resulting from an aging population that will see increasing demand for services both in numbers and the complexity of care required.

This Financial Strategy sets out the framework for how we will approach these challenges by ensuring we put value for money at the heart of all we do and making sure that strong financial management is a key foundation for how this Council carries out its business. We do, however, accept that difficult choices will have to be made about where we spend our money but in doing so we will remain focussed on the priorities that you have been keen to tell us during the public consultation events held throughout the Borough over the last year, 2015. These are embedded in our new Vision for the Borough and will be at the heart of our decision-making.

Ensuring the Council has clear priorities and a Medium Term Financial Strategy is a prerequisite for progress towards ending the Government Intervention into the Council.

This Strategy has been brought forward whilst Commissioners have held executive authority but the Strategy should be adopted by the Council. Execution of the Strategy will pass to Councillors as Executive Authority is restored.

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Councillor Chris Read

Leader of Rotherham Council



Sir Derek Myers

Lead Commissioner

Purpose – What is this document for?

Rotherham MBC wants to plan more confidently for the future and wants to have a better grip on its priorities and to feel as though it has options in order to rise to the challenges it faces.

A Medium Term Financial Strategy (MTFS) sets out a framework for understanding the challenges the Council faces and looks at the options for how these challenges may be met. It should also support the authority's organisational aims and objectives and these in turn should support the Council's overall Vision for the area. The Council does not operate in isolation it works closely and together with its partners – the Strategy will be shared with these partners and it is based upon a good understanding of what local people have said is important to them during the public consultation events held during 2015.

During the summer of 2015, Senior Councillors and the Commissioners, supported by partners, met with over 1,400 people across Rotherham in 27 roadshow sessions, at the Rotherham Show, at the 'Chamber Means Business' event and in an online survey, in order to listen to their views and ask them to vote on their priorities for the future and to help to define a new Vision for Rotherham and a new Community Strategy for the Borough. The results of the consultation are reflected in this Strategy.

This Financial Strategy follows and updates the Council's last MTFS running from 2015/16 to 2017/18. That document served well to describe past budget reductions and to provide detailed budget assumptions and proposed ways forward. Nothing in that document is irrelevant but the Council needs wider ownership of an updated MTFS to inform future choices and decision making and ultimately drive improvement and change.



Executive Summary

This MTFS commits the Council to urgent and persistent work to:

- *Design and begin to implement a sustainable service to children and families, prioritising the most important interventions.*
- *Re-design its Adult Social Care services to make services more relevant to individual need and from this reduce expenditure on non-essential service costs.*
- *Work harder to get more value from the existing or modestly increased budgets for street and environmental services.*
- *Plan to increase housing, inward investment and jobs growth, to contribute towards income growth.*
- *Seek to work with partners and stakeholders to reduce our underlying cost base.*
- *Seek opportunities to generate more money responsibly, to replace lost government grant.*
- *Settle in 2016/17 on a new strategy for customer access using web access as much as possible to reduce transaction costs.*
- *Consider in 2016/17 a new plan to promote social cohesion and identify any resource requirements.*
- *Revise its 30 year HRA Business Plan in the light of new constraints.*
- *Consider a new Workforce Strategy.*
- *Utilise the 2015 public consultation results to ensure that our focus remains on our residents' priorities and that these are at the heart of informing decision-making.*
- *Spread understanding and ownership of the many other ways the Council has to adjust to less money and changing local circumstances.*

1 The Wider Context – the Challenges

Less Core Funding – Government Grant

Local Government has to change because the current Government wants to spend less and given it wants to protect the NHS, schools, defence spending and international aid, the rest of public sector expenditure will receive less grant support. Preparing for the November 2015 Spending Review, the Chancellor of the Exchequer indicated that unprotected departments, such as Local Government, should identify savings of up to 40% over the next three years. In the event; the Autumn Statement and Spending Review of November 2015 indicated that the Settlement Funding Assessment (SFA) paid to local authorities, will reduce by £6.7 billion by 2020, a reduction of around 32% – but this will depend on the level of Business Rates growth achieved.

However, these resource projections do not include the impact of several other announcements in the Spending Review, which will have significant and lasting implications for local government. In particular, the move to local authorities retaining of 100% Business Rates by the end of this Parliament - it is estimated that this would give authorities £13 billion of additional local tax revenues based on total Business Rates Revenues of £26 billion. This policy change is in line with the Government's stated intention to phase out government grant funding and move towards a more financially self-sufficient local government sector model as part of its ongoing devolution agenda. In the future this is likely to require local councils to fund spending plans solely from local income (Council Tax, Business Rates and fees and charges) generated within their area.

As part of this ongoing financial shift, the main local government grant – Revenue Support Grant (RSG) -worth £39.4m to Rotherham in 2016/17 will be phased out and additional responsibilities will be passed to local authorities, including potentially, responsibility for funding the administration of Housing Benefit for pensioners and also the transfer responsibility for funding Public Health and Attendance Allowance. The Government intend to engage with councils and to consult on the implementation of 100% Business Rates retention in the summer of 2016 but for the present the impact of this proposed change is not reflected in the published Spending Review and Settlement figures.

The Final Local Government Finance Settlement was issued on 8th February 2016. As with the Provisional Settlement released in on December 17th 2015, the Final Settlement included 2016/17 allocations and indicative funding allocations for 2017/18, 2018/19 and 2019/20.

As well as indicating funding allocations up to 2019/20, authorities were offered the option of negotiating a 4 year financial settlement with the Government. In order to qualify the Council would need to have an efficiency plan. As part of the Final Settlement the Secretary of State indicated that Authorities will have until the 14th October 2016 to respond to the offer, however further details of how the offer would work were not released.

The implications of accepting a 4 year settlement are being considered, but it is important to note that the offer is qualified, the final grant determinations for future years will still be subject to change:

- As the annual Business Rates multiplier changes;
- For future changes such as transfer of functions between national and local government;
- Due to the full localisation of Business Rates and phasing out of Revenue Support Grant by 2020 which will subject to consultation this summer; and
- Changes due to unforeseen events.

The Council's budget for 2016/17 reflects the Final Settlement, however the projections for later financial years have not been revised as yet – the next iteration of the MTFs, which will cover the period to 2019/20, will do this. The Settlement and Indicative Funding Allocations bear out the Council's working assumption that it will have to manage with reducing levels of Government resources over the life of this Parliament.

The financial projections in Rotherham's MTFs have been updated as the national policy and public spending picture has become clearer and as work on the Council's Budget has progressed. The previous working assumption, reported in July 2015, was that the gap between likely available resources and current spending expectations if rolled forward was £19.6m in 2016/17, building to at least £41.1m over the next 3 years. Building in additional service investments, chiefly in Children's Safeguarding to meet known pressures aligned to delivering the Children's

Improvement Plan, as well as assisting in the delivery of the Council's other priorities mean that the working assumption was of gap of £20.9m in 2016/17 rising to at least £48.1m for the next 3 years.

These figures more than likely will get worse – Children's Social Care expenditure is still increasing, the Adult Services' Budget is under pressure as people live longer, the figures do not include the results of the 2016 Triennial Pensions Revaluation which is beginning and there could be deterioration in the Council's ability to achieve its income expectations, some of which like business rates and car parking income are intrinsically linked to prevailing economic conditions. Equally, changes in national policy (e.g. the implementation of the national living wage, the Apprenticeship Levy) and the extent to which Government financial support is provided to the sector to help implement these will also be key factors.

Demography

The Council is not in control of who lives locally but we need to anticipate how the population will change. Firstly, the Borough has a lower churn than some other metropolitan areas, particularly London boroughs and large cities, which tend to attract young people and new arrivals into the country. The evidence is that inward migration into Rotherham is by people who are looking to settle and overall the Council should embrace population and jobs growth. The area has many natural attractions for the next generation of the local population and those moving in to enjoy a good life, with access to great early years centres and schools, affordable housing, an efficient road network and great countryside and is

likely to continue to become more diverse, as the migration pattern of the last decade continues.

The predicted population growth for the Borough over the next 6 years is 2.5 % or 6,500 and although the local economy, not the Council, has most of the levers to positively impact on this rate, if the Council were very proactive about promoting local economic and housing growth, then this figure could increase to 15,000 over ten years. In the 2015 consultation, local people voted by nearly 2-1 for more homes for sale and more homes to rent and 82 % supported more businesses locally and 94 % considered more jobs a priority, indicating a high level of support for housing development and business growth within the Borough. Overall demand for school places may not rise as the 5 to 15 age group has been in decline, although schools may provide more places for out of borough children.

Secondly, Rotherham's population is ageing. The population over 85 years old is forecast to increase by 3 % per annum so it is likely that there will be around 25 % more people over the age of 85 by 2021, where experience tells us there will be more demand for local health and social care services if individuals are not in a position to care for their own needs. Rotherham's population over 65 is also expected to rise by up to 2 % per annum which is above the regional average and of these residents, 15 % are more likely to be living in a care home. This pressure is likely to be compounded by the welcome news that more adults with a moderate or severe disability are living beyond 65 years of age.

Deprivation

Thirdly, the most deprived areas of Rotherham are becoming more deprived. The 2015 Index of Multiple Deprivation shows a slight deterioration in Rotherham's rank from 53rd to 52nd most deprived out of 326 districts in England. However, this underlying ranking does not show that the deprivation in the poorest 10 % of the Borough has increased significantly and on this measure, Rotherham is the 23rd most deprived district. 50,000 Rotherham residents (20 %) live in areas within the most deprived 10 % of England and nearly 9,000 of these residents (3.3 %) in Ferham, Eastwood, East Herringthorpe and Canklow are in the most deprived 1 % of England.

Regional and Government Policy

Arguably areas like Rotherham might become more attractive if the South East of England continues to overheat and access to affordable housing continues to be in crisis. This might cause employers to relocate out of the South East or other areas beyond the South East to become attractive relocation opportunities for individuals and families. The Government may also seek to relocate some Government functions.

The Government has committed to supporting "Fracking" as a potential new energy industry. Two thirds of Rotherham has been identified as potential exploration areas. Local planning permissions will be needed. The Council will need to consider carefully the balance between employment and other opportunities and environmental considerations.

Welfare Changes

Welfare changes are an ongoing experiment as part of the Government's overhaul of welfare policy. The Government believes they increase incentives to return to work, improve fairness and will save £20 billion in national expenditure by 2020 but many households will continue to see real decreases in income which are likely to further limit life opportunities, increase debt (including Council rent and Council Tax debt) and have other social implications. The Council will need to continue to understand the ongoing welfare changes and their effects on both residents and families and demand for Council services as the next phase of these (reduction in Tax Credits, implementation of Universal Credits) take hold. Tightening rules on benefit entitlement for migrants risks increasing expectations on the Council to act as last resort relief for those who are homeless, or need support.

Devolution

The Government Devolution Act was approved by Parliament in early February 2016. The Act contains opportunities for groups of local authorities to put forward a case for having expenditure decisions now taken by parts of Central Government devolved to regional or sub-regional areas. Rotherham is part of the Sheffield City Region which in October 2015 agreed an 'in principle' Devolution Deal worth at least an additional £900 million in funding to the region over the next 30 years. The Deal would also bring the region more control of spending on; affordable housing, economic investment, public transport, skills training and business support to help the city region to deliver economic growth in line with its agreed Strategic Economic Plan (SEP).

The 'in principle' agreement will require ratification by all the nine member authorities of the City Region by early March 2016. Rotherham is due to approve the Devolution Deal at the Full Council meeting on March 2nd 2016. This ratification follows a period of public consultation from December 2015 to January 2016.

Although some aspects of the Deal would be implemented in 2016/17, any ratified agreement will require further legislation to confirm the powers being transferred to any new Mayoral Combined Authority. This would be brought before Parliament in the summer of 2016 and would be agreed by the autumn for Mayoral elections to be planned for May 2017 with devolution taking full effect from that date.

The Borough will need to be thoughtful about how it exerts its influence in the City Region as there will be undoubtedly opportunities to use new and existing funds more effectively and some risks – aligned to increased financial independence from Government and additional managerial and administrative costs.

The Economic Cycle

Rotherham has had more than its fair share of changes in major industries and changes in world markets which have had very significant impacts for local employment prospects. The local economy is not now as reliant on single industries but Rotherham cannot ignore the recent difficulties in the steel industry and the retail and service sectors are still affected by consumer confidence and the nature of the local population. The Borough wants to support more, better, jobs and wants to encourage more local people to upgrade their own

skills so as to be able to improve their own standards of living and achieve their ambitions.

Any significant increases in the prevailing inflation and interest rates will increase returns on Council cash deposits but increase tensions from pay restraint and make contract cost rises and borrowing more expensive. The Council will need to keep abreast of changing economic conditions and model likely scenarios.

Over the course of this strategy period, there are also bound to be a number of new issues which require consideration, adjustment and new thinking. Some of these we might be able to anticipate but others may currently be unknown.

Technology

All of us, to varying degrees, now expect technology to be part of our lives and part of the way we do business. We need to make it easy for people to do business with the Council online whilst recognising that there will still be a proportion of the population

that will still want to do business on the telephone or indeed face to face. Simple transactions are cheaper to handle online and therefore this Strategy proposes the Council should move to a position where the lowest cost option for transacting business is always encouraged and/or non-essential services required.

Similarly new technology can enable staff to be more efficient and record keeping to be more purposeful. The Council can use data to better understand its own business. Using technology more often requires a capital investment. There should be a financial pay-back if there is a consequent reduction in staffing levels but the maintenance and replacement costs of Information Technology (IT) need to be planned in. Overall, as a proportion of its spend, the Council is likely to need to increase spending devoted to technology and modern communications.

Social Cohesion

The Council wants to see itself as a promoter and manager of place and that means we have to be thoughtful about the Council's



role in promoting a local climate which builds on Yorkshire’s proper reputation for friendliness. We want to ensure that all communities in of the population feel they have got a chance to prosper. The Council has duties under the Equality Act and will want to promote equality of opportunity and ensure there is no unlawful discrimination. The consequences of ignoring community tensions are likely to include disruption in local life and additional costs and, although, a more proactive set of Council ambitions need not be a major expense, it may well give rise to expenditure which is not currently planned in existing Council budgets.

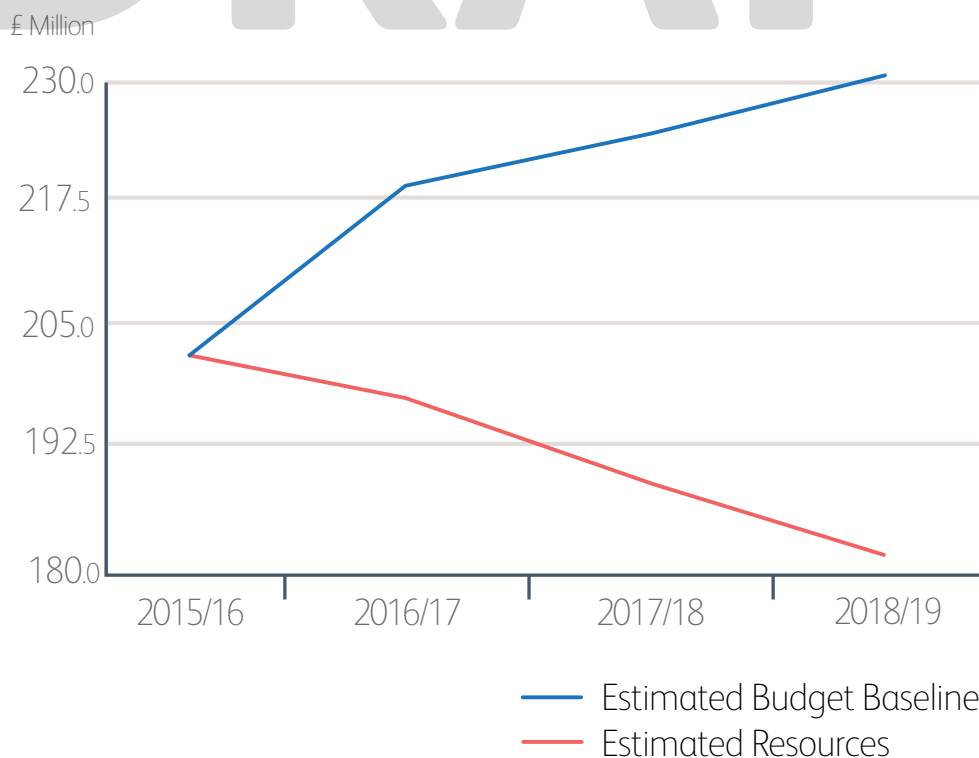
the resource reductions over the last five years largely by improving its efficiency track record. This of course becomes more and more challenging to achieve and therefore means we need to think, plan and deliver further and further forward. We do not have a strong track record in doing this, particularly in terms of putting in place clear plans allowing us to focus on the medium term position facing the Council. Doing this and projecting our financial planning assumptions forward over the next 3 years is essential to ensuring our success.

Working with the Local Government Association (LGA), the Council has established projections for its income and expenditure for the period 2016 to 2019. Chart 1 below shows these projections

Financial projections to 2019

The Council has navigated its way through

Chart 1: Projected Income vs. Expenditure 2016-2019



2 The Objectives of the Medium Term Financial Strategy

Objective One:

To ensure that we seek to protect the services on which our residents place most priority.

Key Themes

- **Vision for the Borough**
- **Political Ideas**
- **Being Clear on our Corporate Priorities and What is Not a Priority**
- **Urgent Issues to Address**

Ensuring priorities direct and drive our resources forms the key focus of this Financial Strategy, through this focus we will ensure that those resources are expended on the services and issues most important to the residents and businesses of the Borough. It is clear that we are now operating in a very different external environment than previous financial strategies, therefore the focus of this objective reflects the choices the Council will need to make about where reductions in expenditure are focused, thereby ensuring that those services most important to our residents and businesses are protected wherever possible.

Vision for the Borough

Rotherham is not “one place” and work over the summer has reconfirmed that many residents feel a great sense of local loyalty to the area that they have chosen to live in. Many people live in the Borough but work elsewhere. We have 20 % of our local population working in Sheffield and 19 % in other adjoining areas. In the east and south of the Borough, Sheffield may be a more

relevant area for them to shop or take their leisure, whereas in the north of the Borough there may be a similar association with Barnsley.

We recognise that Rotherham is a place of 10 significant places and 15 smaller settlements. We continue to think it efficient to organise Borough wide services and indeed, we are likely to want to discuss with neighbouring authorities whether or not we can jointly scale up some services to improve efficiency. There will be other services, particularly care of vulnerable adults and management of the local street scene, where we want to look at other opportunities for devolving responsibility for local priorities to administrative arrangements below the level of the Council. This might imply a different responsibility for the seven Area Assemblies and some Parish and Town Councils.

The Political Ideas Alive in the Country and Within Other Organisations that are Relevant to Rotherham

Currently the next General Election is set for 2020 but prior to this there will be a political debate about the UK's presence in Europe which could have economic impacts.

The ideas alive within the Labour Party may well influence a Labour administration in Rotherham.

The Council needs its financial strategy to be realistic and to take account of the challenges and constraints discussed above but also to serve the overall ambitions of the organisation.

During the summer of 2015, an exercise was held to consult local people both face to face and online. The 'Views from Rotherham' consultation was based on Council leaders, Commissioners and partners meeting people from businesses, the local workforce, primary schools, colleges, communities, political parties, the voluntary sector and faith groups and an online survey. Over 1,400 people responded. In light of the outcomes of this consultation with residents and employees and working with its partners, the Council has refreshed its 'Vision' for the local area

Being Clear on Our Vision and Corporate Priorities

Rotherham is our home, where we come together as one community, where we seek to draw on our proud history to build a future we can all share. We value decency and dignity and seek to build a town where opportunity is extended to everyone, where

people can grow, flourish and prosper and where no one is left behind.

To achieve this as a Council we must work in a modern, efficient way, to deliver sustainable services in partnership with our local neighbourhoods, looking outwards, yet focused relentlessly on the needs of our residents. To this end we set out four priorities:

- Every child making the best start in life,
- Every adult secure, responsible and empowered,
- A strong community in a clean, safe environment; and
- Extending opportunity and planning for the future.

Plus a commitment to being a modern and efficient Council.

Drawing on this vision and these priorities we can state the following:

"Every Child Making the Best Start in Life"

We accept in full our responsibilities to assess vulnerable children where they appear to be in need of support or protection. We want to ensure that we are good corporate parents to those children who are in our care. Increasingly we want to avoid children coming onto costly protection plans or entering care, by the persuasion of good multi-agency early help services. The current Budget proposals include plans for significant investment in Children's and Young People's Services, in particular safeguarding children and continuing to support the victims of child sexual exploitation, to help address these improvement priorities.

“Every adult secure, responsible and empowered”

The Council has recently published a new Vision and Strategy for improving our Adult Social Care Services, with the ambition that adults with disabilities and older people and their carers will be supported to become independent and resilient so they can live good quality lives and enjoy good health and well-being.

A programme of changes has been started to ensure that the Council delivers its services in a manner that puts individuals needing support at the centre of plans, and that services are:

- a. Customer focused rather than service led with better collaborative working between different parts of the Council the NHS and other partners;
- b. Changed from being reactive to preventative with earlier intervention, better support for carers maximising resilience;
- c. Offering a simpler customer journey so that people can get help as quickly as possible;
- d. More accessible especially in the evening and at weekends;
- e. Making greater use of a wider range community assets, services and resources and of alternatives such as supported living extra care schemes and Shared Lives to minimise the use of residential and nursing care; and
- f. Focussed on improving outcomes for customers and carers.



Nationally there has been significant and rapid change in the way adult social care is delivered and Rotherham must move with this trend. The Council has placed more people in residential care and in traditional community services compared to other authorities. Homecare has not been used effectively and the current customer journey and referrals process are not operating as effectively as they need to. Our Strategy and Vision will ensure the Council's Adult Social Care Services are delivered efficiently and in line with those of other councils to achieve better outcomes for people at lower cost.

At a time when the Council is having to save money and demonstrate real improvements in the value for money it offers, the transformation of Adult Services is a key element to achieving this. However, in doing this the Council recognises that Service has a number of significant cost pressures and is therefore looking to invest more than £1.8m in 2016/17 to help offset these pressures.

The Council will have to show leadership by defining and successfully implementing a vision for the future of both services to children and services for adults. This is because both of these services are currently spending more than the Council is likely to be able to afford in the medium term.

The public will rightly have high expectations of good quality care generously available to those who need it but the Council is unlikely to be able to meet all these expectations without fatally compromising the quality and range of other services which the Council would also expect its residents to enjoy such as; good quality cleansing and waste management; repairs to roads and other open access amenities such as parks, libraries

etc. The Council also needs to maintain its responsibilities for regulation including key services of planning and licensing. The Council will therefore be active in leading a discussion about what is reasonable in all of these financial circumstances and proposing and then refining, after consultation, a balance between whether the services that are made available are subject to a charging regime and how this might operate.

"A strong community in a clean, safe environment"

We understand that local people expect the Council to keep their places clean, to repair potholes and to stop areas feeling neglected. In the 2015 consultation 92 % said this was a priority for them. We know that the local people appreciate that litter, vandalism, anti-social behaviour, graffiti, fly tipping and careless driving all contribute to urban degradation and we know that a sense of pride in local areas can reduce overall costs.

We will be a strong critical friend to South Yorkshire Police and examine options to add to visible joint enforcement capability particularly in Central Rotherham Areas of the town.

The Council does not have any money of its own - all of its funding has either been paid through tax or user charges and it, therefore, wants to find ways of sharing dilemmas about how to make best use of these funds to secure these popular and necessary environmental improvements. We will examine whether, by devolving some responsibility and authority for such expenditure decisions to areas below the level of the Council itself, we can improve the targeting of expenditure decisions to improve local impacts.

We know that most local people take it as a matter of honour that they care about their area; are interested in their neighbours and want to see their young people thrive. The Borough has a rich array of local charities and 600 voluntary groups and we ought to see this grow.

“Extending Opportunity and Planning for the Future”

For new employment and housing opportunities to be maximised the Council will need to be forward thinking, looking at roads and public transport infrastructure and planning ahead for new community facilities. The Council wants the area to be ‘open for business’. The Council will need to maintain some investment in economic and housing development, in concert with its city region partners.

The Council has prudential borrowing powers and capital receipts that it can use to fund an investment in its assets and infrastructure subject to a robust business case being put forward. For example, the Borough can potentially benefit from a new high speed rail station at Meadowhall and the other public transport improvements which will be associated with this. The proposed tram-train service from Sheffield is also welcome.

‘A Modern and Efficient Council’

The Council is changing and is committed to very high standards. We want to be modern, transparent and efficient, challenging ourselves to reduce costs wherever it is responsible to do so and comparing ourselves regularly with others both in local government and in other sectors ensuring that we have taken on board new ideas and new techniques.

The Council wants to be well thought of by its public. We will communicate well, and ensure basic administrative processes are efficient and effective.

We want to be open about the fact that the Council will have to do less in the future and some of the things that a Council has traditionally done will have to be done by others, perhaps with a new mix of funding from the Council, some local fundraising and some voluntary effort. Where public money is concerned, we will need to set some minimum standards so that any organisation in receipt of public money knows what is expected of it.

As part of our new model of working, we are interested to know how local Councillors might spend less time in the Town Hall and more time working with local communities and interest groups in their wards making things happen that local people think are important. The best Councillors do this naturally already.

What is Not as Much of a Priority?

Amongst all of the individuals in communities of the Borough, there will be many who are passionate about individual causes or believe that the Council ought to prioritise a particular issue. Part of being open and honest about the Council’s future vision and financial strategy is to accept that not everything can be a priority and therefore this section seeks to propose where the Council is consciously not going to prioritise expenditure. This does not mean that there will not be any expenditure at all but more likely that expenditure will be limited to those pragmatic arrangements, which, either meet

a minimum requirement or produce a return on investment.

For the Borough of Rotherham, the Council believes that:

- a) It cannot at this time prioritise being a Green Council: - when that means spending taxpayers' money on initiatives which do not themselves lead to savings. However this might mean that the Council could invest in energy saving initiatives or indeed energy production to help alleviate fuel poverty, if a business case supported such investment. Local people seem to support this pragmatic approach. "Becoming more environmentally friendly" received one of the lower levels of support of all possible spending priorities – 58 %
- b) There will be human circumstances where it will be highly desirable for the Council to offer subsidised services to those who would like to have them such as: older people who are struggling to cope with the chores of everyday life. However, such desirable provision is likely to be beyond the Council's ability. Local people seem to recognise this as in the 2015 consultation, respondents recognised that providing routine support was less of a priority than services necessary to preserve an individual's ability to stay out of hospital or institutional care. Also in the 2015 consultation, although protection of children was ranked as a high priority, by 93 % , a clear majority of responses thought helping parents whose children were not critically at risk, was a lower priority (43 %).
- c) We are likely to have to reduce our range of open access facilities including libraries and to reduce maintenance costs for public open space. It may be necessary to declare which public open spaces the Council can maintain and at what sort of amenity value level.
- d) The Council is unlikely to be able to subsidise community facilities which are available for local groups, but it would like to see these facilities maintained, providing that responsibility can be transferred to local management and that users will meet all or least a greater share of the costs.
- e) The Council is likely to be a modest supporter of the arts and other community initiatives, simply because this desired expenditure does not compete well with other duties that the Council must attend to. We may wish to look at being a minor contributor to activities which, with some Council support, stand a much better chance of securing support from others.
- f) Local people do not support the Council being very interventionist in some public health issues such as helping people with obesity. In the 2015 consultation less than one in four thought this a priority. Public Health funding might be targeted more at children's future health and helping adult abuse survivors.

The Most Urgent Issues to Address

Because of the cost of children in care and the high numbers of children in need and having protection plans, Children's Services spending is currently running ahead of budget expectations and it is likely it will prove difficult to reduce this expenditure significantly in the next 2 years.

However, the Council must plan to bring its Children's Services into a sustainable and affordable cost mode. This will mean:

- a) responsibly reducing the looked after children population and looking after more of children closer to home;
- b) responsibly reducing the number of children needing full scale protection plans;
- c) offering a wider range of early help services designed to 'nip problems in the bud' and promote families' abilities to access help without formal assessment and support.
- d) Ensuring the services we do provide are provided at the right cost and value, including buying from other providers.

The planned, affordable investments in Children's services over the next 3 years will help bring about such a position.

Having a confident plan for a sustainable Children's Services is probably the Council's number one priority as the planned investment shows but there are other parts of the Council which also require urgent action.

Like others nationally and locally, Rotherham's Adult Services Budget which provides services to vulnerable adults is under severe pressure from a range of factors including: demographic change, Deprivation of Liberty Safeguarding (DOLS) Regulations

and implementing the National Living Wage. These services have not moved with the times and do not always deliver good, efficient outcomes for their customers and are at present financially unsustainable in their current format. The Council needs to do more to promote a modern and efficient range of services, promoting greater choice and improving outcomes for clients. Equally the Council we will need to be more realistic about who can be helped and on what terms.

The Autumn Statement included the announcement of a Social Care Precept giving local authorities responsible for social care the flexibility to raise Council Tax in their area by up to 2% above the existing referendum threshold ring-fenced for social care purposes. In addition, from 2017 social care funds rising to £1.5 billion by 2019/20 will be made available to local government as part of an Improved Better Care Fund although significant levels of resources will not be released until 2018/19. Using the flexibility offered by the Adult Social Care Precept to support this work will need to be considered carefully due to the impact on Council Tax payers.

As part of this process the Council's staff terms and conditions need to be centred around customer requirements rather than staff convenience.

The re-imagining of Adult Social Care is the second biggest priority for the Council.

The Council has a large road network and keeping this in good repair, attending to other street scene demands and making sure that the Council is active in dealing with fly tipping and roadside litter is an uphill battle. Because of the gap between expectations and available resources, the Council will need to work very hard to ensure that its delivery

mechanisms for these services are hyper-efficient and the staff are managed with skill and ambition. The Council will need to think about whether or not it can take any other opportunities for increasing revenues to support this service, perhaps by offering to act as an enforcement agent for vehicle license evasion.

The Council will want to improve the street scene in all resident areas, but particularly those marked by highest levels of deprivation. Most of these improvements need to come from increased productivity from existing resources. This is the third highest priority.

Rotherham Town Centre - as a matter of civic pride, the Council will want to arrest any further decline in the Town Centre, consolidate the retail core and add in other uses, including promoting a cinema or near-cinema site and a wider range of restaurants, eating places and night life. The Council will need to compete with other out of town entertainment sites and have an agreed offer of 'free parking'. It will also mean

developing sites in the town centre to add to the residential population and acting to ensure that central wards including Eastwood Village, Ferham are well regulated, kept clean and safe and do not feel like a place apart.

Given the overall commitment to local jobs and housing growth, the Council will need to ensure it has the right capability to promote such opportunities and ensure they are seized. This might mean setting up units of specialists, shared with other councils or ring-fencing certain receipts into setting up a local housing and economic development company.

Investment in various economic activities will always compete badly against more urgent requirements underlined by statutory duties and therefore we would want to see if there is any capacity that can be in part paid for by the fruits of its own success with an Economic Development Fund which meets a significant proportion of these costs. This will also need to be considered alongside any City Region Devolution Deal.



Objective Two:

To manage our finances in accordance with our core financial principles and to give the community continued confidence in the financial stewardship of the Council.

Key themes

- **Balanced Budget**
- **Core Financial Principles**
- **Balances and Reserves**
- **A 10 Year Vision for the Financial Health of the Council**
- **New Skills and Disciplines to Implement this Strategy**

Balanced Budget

Over the last few years the Council has worked hard to maintain financial stability. Given the ongoing turbulent economic and financial environment we are likely to face, maintaining financial stability will be essential in order to be able to address those matters requiring 'Urgent Attention' while ensuring that we give more of a medium to long term focus on the Borough and its emerging Vision and Priorities. This will require both officers and the organisation itself to adopt and adhere to a set of Core Financial Principles.

Core Financial Principles

Bearing in mind the contents of the emergent vision outlined above: a safe, well-kept and friendly Rotherham with a reliable and efficient Council which is able to articulate its ambition and longer term objectives and is clear on what it will and will not do, it is possible to articulate the important principles of our financial strategy, based around the values set by the current administration:

- a) That financial efficiency should be taken as a core value. For money to be wasted or not properly used is an offence against the hard working families who contribute

their taxes for the common good. The Council wants to seek Best Value in all its activities.

- b) The Council budget will change every year and periodically there must be a rigorous process of looking at new responsibilities and new demands (the imperatives) and comparing these to a list of budget reduction opportunities and requirements. The heart of this is the Council knowing where every £1 is spent. This confidence can only be developed over time.
- c) The Council will want to be a good employer but will be active in discussing with its staff and their Trade Union representatives the inevitable tension between the number of jobs that it can properly retain and the payment that is attached to those jobs. The Council will pay at least the living wage to its own staff and influence others to meet this standard where it can.
- d) The Council will be ever mindful of its legal duties, well informed about what it must do and the quality standards that it must expect to deliver as a minimum requirement. It will take account of the views and judgements of

- external inspectors and regulators and any advice received from third parties outside the Council which, should at the present time, include those appointed as Commissioners.
- e) The Council will always respect its tax relationship with local people, but will make the case for tax increases where it has the right argument. Given the current and medium term future spending pressures on Children's and Adult Services, the Council is likely to seek to increase Council Tax above inflation over the next planning period including the flexibility offered by Adult Social Care precept. In the 2015 consultation, the protection of children was ranked as the highest priority and a clear majority of respondents supported above inflation Council Tax rises if services improved over what they would be otherwise.
- f) The Council will always seek to manage its different financial activities in a way which understands the relationship between them. Therefore there needs to be a deliberate attempt to join up the Council's Revenue Budget Planning, its Capital Strategy, its investment ambitions, its expectations around changes in local tax rate, its Treasury Management (the management of its cash balances), its debt collection and recovery efforts and the range of price points it charges for services.
- g) The Council will look to develop further its long term financial planning and reporting processes to ensure our resources are fully aligned to our agreed priorities and to better understand its service cost drivers and likely future demand for its services which will support better decision making.
- h) The Council will seek to plan ahead, to avoid rushed decision-making and create budget capacity for investment in its services, the Borough and with partner organisations.
- i) The Council will seek to run itself as one organisation, avoiding unhelpful and inelegant competition between parts of the Council and ensuring that all departments of the Council work together and indeed that the Council works with its partners in a way that avoids duplication, waste and 'friction costs'.
- j) The Council will work with its neighbours, voluntary organisations or any partners if it can reduce costs, improve services or plan better for the future. In the 2015 consultation three quarters wanted the Council to work closely with the voluntary sector; 61 % with other councils; 84 % with the NHS and 90 % with the police.

Balances and Reserves

The Council needs to maintain an appropriate level of General Fund balances to maintain financial stability and to manage any identified and increased financial risk. This has been set at a minimum of 5 % of net operating expenditure for the financial strategy. In determining the minimum level of balances, key factors include:

- The risks inherent in the budget;
- The level of specific reserves and associated financial provisions;
- The future risks the Council may be exposed to; and
- The Council's history in delivering services within the budgetary provision set.

During the period of the financial strategy the minimum level of general fund balances will be 5%. However this will need to be closely monitored and if appropriate reviewed given that Children's Services are currently investing much needed additional resources and it is likely it will prove difficult to significantly reduce this expenditure in the next 2 years. Equally, there is an ongoing, significant risk shift from central government to local government as grant funding is reduced and ultimately phased out by 2020 and authorities become reliant on local sources of income such as; Council Tax and Business Rates, which are more vulnerable to national and local economic conditions beyond the Council's direct control or influence. These, plus any other significant financial risks, will need to be effectively identified, quantified and effectively managed to ensure that the available General Fund balance is reasonable to protect the Council from these potential risks.

Alongside general balances it is vital the Council has an appropriate level of reserves and provisions to support the delivery of the resident's priorities and to protect our services where possible.

A 10 Year Vision for the Financial Health of the Council

The main purpose of this Strategy is to map out how the Council might more systematically make financial decisions over the next three years but it also helps to describe a vision for the Council in 10 years' time which we believe should have the following intrinsic characteristics:

- a) In line with national government proposals in respect of Business Rates.

The Council will need to look at how it can become more financially self-sufficient and eventually not reliant on government grants where it can only ever be a supplicant.

- b) To that end, the Council will seek to become more entrepreneurial, looking to exploit commercially and use properly its assets, including: property holdings; land; buildings and its human talent, to earn money from willing purchasers and customers.
- c) The Council will plan responsibly to enable and support a growing population in the Borough thereby increasing its Council Tax base and spreading its overheads over a wider population.
- d) The Council will work to increase its business base, by adding to the pool of those who pay Business Rates and having a more diverse and less dependent economic base.
- e) The Council will become an organisation in which its subsidy for services to those in need is more transparent but it will also remain willing to provide services where individuals or their families are willing to pay the real costs without subsidy.
- f) The Council will ensure that anybody who lives locally, who acts in a way which is inimical to the interests of their neighbours, and their communities, will understand that as far as is within the Council's enforcement powers, they will have to bear a penalty cost and that any proceeds beyond the costs of such enforcement will, wherever lawful, contribute to the wellbeing of the many.
- g) The Council will be looking at stepping

in where there is market failure. In other Council areas this has included: providing finance for local businesses; providing group insurance schemes; providing group energy schemes; providing extra services to schools and academies.

- h) The Council will be smaller. At the end of 2015 the Council employs 4,085 FTE staff and it is likely that in 10 years, the staff numbers will have reduced by around 30 % to c3,000, unless there is a reversal of current trends or the Council is given further powers under any devolution settlement. In future there might be 'sponsored staff' working for other agents, partners or independent organisations where the Council is the main source of funds. We may also host staff working for functions that become local under "devolution".
- i) The Council will have its own housing company building and acquiring homes for rent and potentially even for sale on a shared equity basis. Some of these homes will be at 'social rents' and others will be at market rents appealing to those who

might be on different career paths, with more disposable income.

- j) The Council will continue to be the principal democratic institution locally where all the big decisions are made but it will be used to working in concert with a variety of other smaller democratic institutions including Parish Councils and Area Committees and other quasi democratic institutions from the voluntary sector and civil society who will be helping people at a local level serve their own problems and support their neighbours.
- k) A greater number of smaller organisations will be adding to the money that the Council provides with a range of voluntary effort, and local and professional fund-raising from other sources.
- l) The Council will be working in partnership with all other parts of the local state with lead professionals working with the most dependent households trying to ensure they are in work, managing long-term health problems well and not causing aggravation to their neighbours.



New Skills and Disciplines to Implement this Strategy

The Council recognises that it will need to grow its skill base and capabilities to implement this strategy by ensuring that it has:

- a) The ability to analyse costs against activity and propose beneficial change.
- b) The ability to model various scenarios around housing growth and jobs growth in terms of the Council Tax base and business rates income.
- c) A more aggressive approach to bidding for external finance.
- d) Improved capability for evaluating investment opportunities.
- e) A more sophisticated prioritisation of the capital programme (bearing in mind the commitment to integrate this with all other financial instruments)
- f) Confidence in maintaining an agile workforce, with challenging skill mixes and salary levels and commitment to hiring staff at the minimum cost levels needed to ensure staff are motivated and will stay long enough to achieve objectives.
- g) Commercial skills to design, evaluate and market things that the Council believes it can sell to willing purchasers.
- h) Good project and programme management skills, to deliver complex change and development.
- i) The right skills to allow the Council to develop its housing development function.



Objective Three:

Ensuring our infrastructure is fit for purpose and supports our ambitions.

Key themes

- **Capital Strategy and Capital Governance**
- **Linkages to Other Funding Sources e.g. Sheffield City Region**
- **Asset Rationalisation & Disposals**

To deliver a long term vision for the Borough requires a fundamental shift in the resourcing of our assets and infrastructure to give a more appropriate balance between revenue and capital in this strategy.

Capital Strategy and Governance

A five-year Capital Strategy is being put forward for consideration and approval as part of the 2016/17 budget which will see an additional proposed investment of £180m above the £99m already approved in the Council's current capital programme (2016-18). Through the Strategy we are now looking to deliver a step change in this investment which further recognises the importance of capital investment in our built environment and infrastructure in bringing about economic growth (jobs, prosperity), improving the attractiveness of the Borough and its Town Centre as a place to live, learn, work, visit and play.

It is intended that the Capital Strategy will help drive the achievement of Rotherham's long term ambition and vision including corporate priorities. To help ensure our finite capital resources are appropriately prioritised and spent well we have introduced a new, more robust governance framework for prioritising and managing the capital programme and individual projects, which is aligned to best practice and Treasury Guidelines for managing such matters. This

framework will help to ensure:

- Money is well-invested,
- Proposals are thoroughly assessed,
- Projects and programmes are delivered on time, to budget and are of the right standard,
- Benefits and costs are clearly-defined from the outset and are realistic and achievable.

The Revenue Budget implications of the Strategy are fully reflected in the Council's long term financial planning assumptions.

Linkages to Other Funding Sources

The Council needs to do more to lever in all available external funding for the Borough. This is ever more important as the Government is increasingly looking to devolve major funding programmes to a City Region level. Equally the Council is working with the Sheffield City Region Combined Authority (SCRCA) to deliver its Strategic Economic Plan. The SCRCA has more recently put forward proposals to Government on how it would like to further accelerate the implementation of this Plan, which focuses on delivering:

- An integrated 21st Century transport network,

- An area recognised for innovation, advanced manufacturing and business growth,
- More people learning, working in apprenticeships and higher skilled employment,
- 7,000 new homes per annum and increase commercial development.

With it has already come devolved funding programmes of £350m in the City Region and the recent devolution proposals will see a further single pot of £30m a year (60 % of which is capital funding) for 30 years to further the City Region's Strategic Economic Plan.

Asset Rationalisation and Disposals

The Council has been actively rationalising its operational and non-operational estate for the last five years, which has delivered both capital receipts to help fund further

investment priorities as well as revenue savings. The Council has about £22m of uncommitted capital receipts and the new Capital Strategy sets out how the Council is planning to best utilise these resources. Because of the steps already taken further future receipts are not expected to be as significant and are likely to be more difficult to deliver.

The Government has recently signalled its intention to allow councils the prospect of using capital receipts generated from 1st April 2016, for a three year period, to flexibly finance revenue expenditure, where that expenditure will lead to future efficiencies in service delivery. The Council is actively considering these proposals as a mechanism to facilitate further the delivery of its Improvement Priorities.

A Corporate Property Strategy sets out how the Council will manage its property portfolio over the next 5 years and how it will work with and challenge services on their proposed use of property to deliver services.



Objective 4:

To Maximise the Council's Resource Base

Key themes

- Business Rates System
- Council Tax
- New Homes Bonus

Effectively managing the future resource base of the Council will be key to the long term sustainability of the Council. A significant and increasing amount of our resource will be driven by local decision making (Council Tax, Housing Rents and fees and charges) and local growth (Business Rates income and New Homes Bonus).

The Government is intending to consult on the implementation of the 100% Business Rates retention during the summer of 2016, following a period of extensive engagement with councils and their representatives in the preceding months.

Business Rates will take on more prominence as the Council, along with its City Region partners, will, subject to "sign-off" of the Devolution Deal, become a pilot authority for retaining 100% of any additional Business Rates growth beyond expected forecasts. This pilot is set to begin in April 2016, ahead of the Government's stated intention to end Revenue Support Grant funding to local councils by the end of this Parliament (2020).

Since 2010 Local Government has, and will continue to see, a significant and unprecedented shift in emphasis of funding available to councils. Being in a position to "grow your own" local resources will now become of paramount importance to local authorities and that is why we are working together across the City Region on delivering the Strategic Economic Plan; why we have published our own complementary

Rotherham Growth Plan 2015-2025; and why we are investing in our built environment and infrastructure hopefully to kick start economic growth and prosperity in the Borough.

Business Rates System

Since the introduction of the Business Rates Retention scheme in April 2013, Business Rates collected locally have become more of a key source of funding. Potentially, the Council benefits from being able to retain 49% of any increased yield in locally generated Business Rates resulting from higher economic growth. This incentivises Rotherham to retain, develop and grow businesses already in the Borough as well as increasing the attractiveness of the town for other businesses to set up and to re-locate here. Equally, the Council carries the risk for any reduction in Rates yield.

Rotherham's forecast Business Rates income for 2016/17 is approximately £73.3m from some 7,500 business premises, of which the Council will retain £35.9m. The Council is largely dependent on this income from a relatively narrow economic base and a number of significant ratepayers – for example the top 50 business rates payers contribute about 33% of the total Business Rates collected. Of the top 50 more than half are retail businesses and the single largest ratepayer – Tata Steel is in an industry that is under significant economic and financial pressure nationally.

Equally, Business Rate valuation appeals and reductions in income due to changes in reliefs (e.g. schools becoming academies) will have a direct impact on Rotherham's level of future Business Rates income all of which are outside of the Council's control and influence. For example, although the Council's Rates base in 2016/17 has held up relatively well. There are significant risks associated with:

- An ongoing national backlog of valuation appeals managed by the Government's Valuation Office Agency (VOA);
- Appeals and revaluations of Health Service properties including Drs' Surgeries and Health Centres and more recently hospitals requesting mandatory charity relief;
- The planned national rates revaluation which will take effect in 2017.

As Rotherham only receives a lower proportion of its income from Business Rates (relative to other authorities) it is unlikely that it would qualify for a safety net payment from Government. To qualify would require a 9% to 10% reduction in the Council's Business Rates income. A key part of our Strategy, intrinsically linked to the SCR Strategic Economic Plan and the Borough's Local Growth Plan, is therefore to try and increase the Business Rates yield to support our future budget and to mitigate the risks of any reduction in rates income.

As well as Business Rates the Council also receives grants to support rates discounts for small businesses etc. In addition, the Council is able to retain rates income in relation to new renewable energy developments and Enterprise Zone – although the latter is passported to the city region Local Economic

Partnership (LEP). Our working assumptions for Business Rates income are shown in the table below. At this stage we have only updated the 2016/17 projections in light of the Local Government Financial Settlement.

Table 1 Business Rates Income

| Business Rates Retention Scheme | 2015/16 £m | 2016/17 £m | 2017/18 £m | 2018/19 £m |
|---------------------------------|---------------|---------------|---------------|---------------|
| Business Rates retained income | 36.211 | 35.930 | 36.501 | 37.732 |
| Section 31 Grants | 2.465 | 1.618 | 1.664 | 1.720 |
| Renewable Energy | 0.155 | 0.159 | 0.162 | 0.169 |
| Enterprise Zone Relief | 0.299 | 0.305 | 0.315 | 0.324 |
| Business Rates Top Up Grant | 22.628 | 22.817 | 23.759 | 24.561 |
| TOTAL | 61.758 | 60.829 | 62.401 | 64.506 |

Retained Business Rates are part of the annual Settlement Funding Assessment (SFA) from the Government. The SFA also includes Revenue Support Grant (RSG) and Business Rates Top-up Grant. With the introduction of Business Rates Retention the Council's RSG funding has been reduced and it is anticipated that this will continue for the life of this strategy given the Government's recent confirmation that it intends to fully localise business rates and end RSG by 2020.

The MTFS resource forecasts, originally assumed reductions in Rotherham's overall Government Funding of 9% per annum from April 2016 until 2018/19. This approach modelled an overall funding reduction of 27.2% over 3 financial years. This was however, before the announcement in the Autumn Statement of plans for 100% retention of Business Rates and phasing out RSG by the end of this decade. Although both the Provisional and Final Local Government Settlements for 2016/17 included indicative resource allocations for the following years, these did not reflect the plans for 100% rates

localisation over the life of this Parliament.

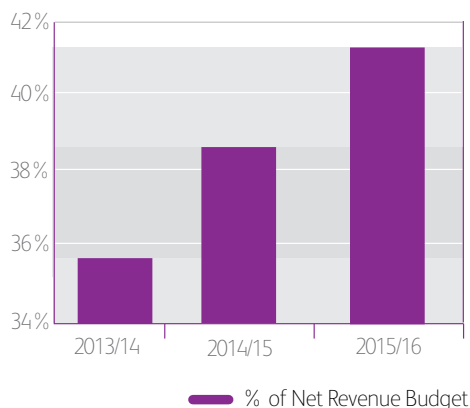
In light of this the MTFS projections for Business Rates and RSG Income have been retained for 2017/18 and 2018/19 until further information becomes available. The table below sets out the current assumptions in this Strategy.

Table 2 Projected Settlement Funding Assessments (SFA)

| | 2015/16 £m | 2016/17 £m | 2017/18 £m | 2018/19 £m |
|--------------------------------------|----------------|---------------|---------------|---------------|
| Revenue Support Grant | 50.925 | 39.405 | 27.666 | 17.649 |
| Share of Business Rates Top up Grant | 22.628 | 22.817 | 23.759 | 24.561 |
| Baseline Business Rates Local Share | 36.211 | 35.930 | 36.501 | 37.732 |
| Settlement | 109.764 | 98.152 | 87.926 | 79.942 |
| Year on Year Reduction % | | -10.6% | -10.4% | -9.1% |
| Cumulative Reduction % | | -10.6% | -19.9% | -27.2% |

Council Tax

Council Tax remains a critical and increasing part of the Council's resource base as Chart 2 below shows. Indeed, going forward it is expected that the proportion of local government spending nationally met by Council Tax (including the Adult Social Care Precept) will increase significantly from 49.5 % in 2015/16 to 61.7 % in 2019/20.



Improvements in Collection

As a Council we are good at collecting Council Tax and we are continually looking for ways to maintain and where possible drive up collection rates to ensure all those that can pay, do so. We are consistently collecting over 97 % of money owed in the same year and in 2014/15 (the latest year for which there are figures, Rotherham exceed the all authorities average with an in-year collection rate of 97.2 % compared to 97.0 %).

Our strategy assumes a 3 % loss on in-year collection in 2016/17, prudently rising to 3.5 % for the following two years given the projected deepening impact of the Government's Welfare Reform programme on collection rates. Our cumulative arrears are about £67 per property, which is also significantly lower than most other similar-sized councils and less than 43 % of the average for Metropolitan Authorities (£157). By collecting more, we have been able to generate a surplus on our Collection Fund, which has been used to reduce future Council Tax increases. This Strategy currently assumes that the Collection Fund will generate a £4m surplus in 2016/17 and £3m thereafter for the remaining years of this strategy.

Increasing Council Tax Base

As with its Business Rates Base, Rotherham's Council Tax base (i.e. the overall number of properties that the Council can collect Council Tax from) is limited compared to other authorities. Approximately, 86 % of domestic properties in Rotherham are in Council Tax Bands A to C – with 54 % in Band A and less than 1 % in Bands G and H – the highest value properties. This notwithstanding, increasing our Council Tax base provides a direct increase to the income available to

the Council. This growth can come from two areas:

- a) Year on year the tax base has been growing by about 1 % a year, mostly as a result of building new properties in the Borough and reductions in the number and value of Council Tax Discounts and Exemptions granted by the Council – for example, the Council has been proactive in ensuring single person discount is only legitimately claimed and it has incentivised empty properties to be brought back into use. Also, it is no longer allowing a discount on empty properties where previously a 25 % discount had been allowed for a period of time.
- b) In addition, in 2013/14 the Government as part of its welfare reform programme, proposed that Council Tax Benefit would be localised from central to local government. In localising Council Tax support the Government reduced the funding for councils by 10 % and has continued to reduce its support in line with its reductions in grant funding to Councils. The challenge for Rotherham is to ensure an affordable local Council Tax Support scheme is in place that provides continued support to the most vulnerable residents within the community whilst seeking to protect the priorities of our residents overall. National regulations protect pensioners' benefits and Rotherham's current scheme requires all working age benefit claimants to pay a minimum of 8.5 % of their Council Tax liability. The number of working age claimants is gradually reducing as welfare changes encourage more people into work. At this stage, the Strategy assumes that the current qualifying minimum

scheme will be retained although this will need to be considered alongside the future budget position.

This Strategy includes an assumption that the overall Council Tax Base will increase by 0.9 % a year from 2017 onwards.

Increasing Council Tax

In considering its future Council Tax decisions, the Council will need to balance the considerations of possible local referendum threshold levels and the underlying needs of the Borough, which should be supported through local taxation decisions.

It has been the Government's policy to prescribe a percentage increase in Council Tax that will trigger a local referendum (a mechanism to control increases). For 2015/16 the threshold was 2 % . So like a lot of other councils Rotherham has increased its Council Tax charges by just less than 2 % (1.95 % in 2015/16).

The Provisional Local Government Settlement, however, signalled a very significant change in Government policy. For authorities like Rotherham, with Adult Social Care responsibilities, the Government will allow an increase of up to 4 % composed of a basic threshold of up to 2 % and a further 2 % flexibility in the form of a Adult Social Care Precept without a local referendum being triggered. This was confirmed by the Final Settlement and indicative figures released by Government suggest this pattern continuing until 2020.

Any income raised from the Precept needs to be ringfenced for Adult Social Care spend in recognition of the increasing cost of providing care which is expected to significantly outweigh the additional income that will be

generated from the Precept.

This represents a significant shift in Government Policy, which has in the past used grant incentives and referendum thresholds to restrict local tax increases. The Strategy assumes a 3.95 % increase (including ASC Precept which will become part of the Councils base tax income) in 2016/17 and a 1.95 % increase in the following two years, as no assumption has been made about the continued use of the ASC Precept beyond 2016/17.

Table 3 below illustrates the projected income from Council Tax over the period 2016/17 to 2018/19 based on the above.

Table 3: Projected Council Tax Income 2015-2019

| | 2015/16 £m | 2016/17 £m | 2017/18 £m | 2018/19 £m |
|---------------------------|---------------|---------------|---------------|---------------|
| Council Tax | 83.663 | 87.472 | 89.517 | 92.084 |
| Adult Social Care Precept | | 1.716 | 1.716 | 1.716 |
| Collection Fund Surplus | 2.000 | 4.000 | 3.000 | 3.000 |
| TOTAL | 85.663 | 93.188 | 94.233 | 96.800 |

New Homes Bonus (NHB)

The New Homes Bonus grant incentivises councils for promoting house-building in their communities, including affordable housing units as well as bringing back into use empty properties. The majority of this resource is essentially top-sliced from the Revenue Support Grant (with any residual top-sliced funding not used being refunded to authorities). Again this is part of the shift in local government funding towards placing more emphasis on local economic growth. In Rotherham's case we generate about £1,400 per unit delivered, receiving an overall provisional allocation of £5.999m in

2016/17, which is slightly less than expected reflecting a smaller increase in the number of properties qualifying for the bonus.

This Strategy currently assumes that the scheme will continue in its current form and that the Council's share of the national allocation will increase by £1.1m a year until 2018/19. However, the Government has recently released a consultation paper that is likely to change significantly future allocations of NHB.

From 2017/18 NHB will be reduced in order to help fund the Government's improvements to the Better Care Fund by 2020 which will see £1.5 billion allocated nationally by that time – not all of this is new money!

As yet there is no detail how the Fund will work. What we do know is that under the consultation proposals, the Council could lose up to 40 % of its current NHB allocation – this Strategy assumes a continuation of the current scheme.



Housing Rents

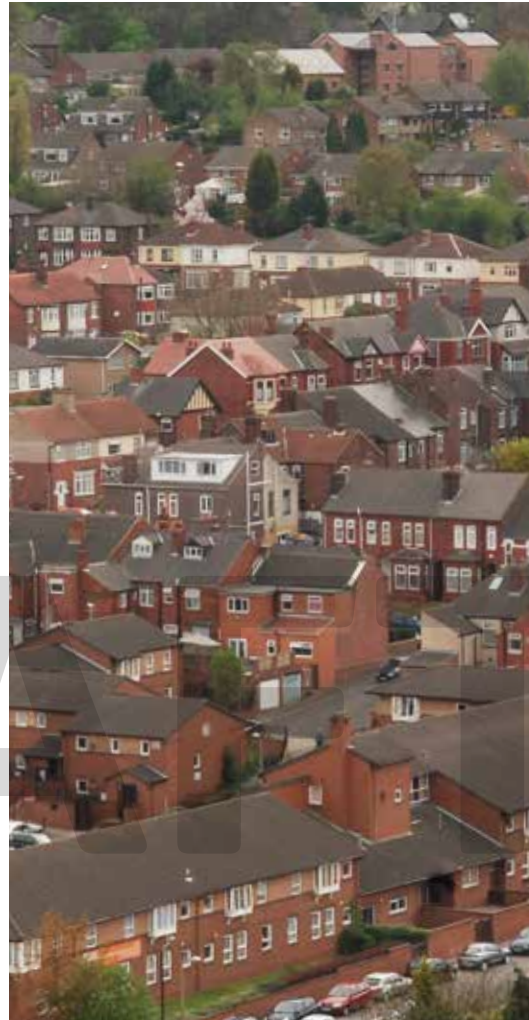
Long term planning in the Housing Revenue Account is based on a 30 year Business Plan. The current Plan assumed that rent increases would follow nationally set rent convergence targets to 2015/16 and that rents would rise year on year by Consumer Price Index + 1.0%. This would have enabled significant investment in housing growth and development, as well as funding the current level of responsive repairs and maintenance.

The current draft Welfare Reform and Work Bill will enforce an annual 1 percentage cut to Social rents for the period 2016/17 to 2019/20, as well as other financial constraints, which will have a significant impact on the Plan and the Council's ability to deliver on its housing growth and development ambitions. Work to revise the Business Plan and modelling the impact of the changes is still ongoing.

Specific Grants

In addition to non-ringfenced grants such as RSG and the NHB, the Council receives specific grants in relation to a range of activities and duties from several Government Departments. The largest of these is Dedicated Schools Grant (DSG) - £118.4m in 2016/17. This is the main source of income for the Council's Schools Budget and is based on block allocations determined by the number of pupils. Following the Spending Review announcement, schools budgets will be protected in real terms, enabling a per pupil protection for the DSG.

During 2015/16 the Department for Education (DfE) began the process of school funding reform. Principally, additional funding was allocated to the 'least fairly funded'



local authorities, Rotherham's position was uncharged. However, the DfE stopped short of introducing a national funding formula. In the November 2015 Spending Review, the Government confirmed it would consult on a new national school funding formula early in 2016, with revised funding arrangements being brought in from 2017/18. As, under any new system, the fine detail is likely to be controversial because of the potential for "winners and losers". The Government has said any changes will be phased in and there will be a transitional period to help smooth implementation.

Aside from DSG the Council received some £33m in specific grants in 2015/16, although grant terms and conditions mean that the Council is not always free to determine who the resources are used. When grant has been accompanied by specific duties and responsibilities the Council's policy has been that the grant will be used to address these new duties without creating an additional corporate budget pressure.

Many specific revenue grants have in recent years been subsumed within the Business Rates/RSG settlement as part of the Council's mainstream funding - the Settlement Funding Assessment, nevertheless the Council continues to receive substantial specific grant streams, which, were not released with the Settlement, it is highly likely that the Council's MTFS will need to be revised once these grant allocations become known.

One of the largest of these grants is Public Health Grant worth £15.3m to the Council in 2015/16. The Autumn Statement included the announcement of 3.9% real terms savings per year nationally in local authority public health spending over

the review period, in addition to the £200 million of savings that were announced earlier this year (Rotherham's share of which was £1m). The savings will be phased in at 2.1% in 2016/17, 2.5% in 2017/18, 2.6% in each of the two following years, and flat cash in 2020/21. Also included in baseline for savings is funding for 0 to 5 years commissioning which was transferred to Local Authorities during this year. The longer term implications of the national savings for individual local authorities are not currently known but will depend on decisions about the funding formula and a political decision on pace of change.

The Spending Review and Settlement also announced an improved Better Care Fund which will distribute £1.5 billion for social care by 2019/20, although the new fund will not come on stream until 2017/18 when £105m will be allocated nationally. How these additional resources will be allocated will be consulted upon but will take account of authorities' ability to raise resources locally from the Adult Social Care precept (and assumes that authorities will use to the full the flexibility allowed them).



3 Financial Strategy Planning Assumptions

Key themes

- Expenditure Plans
- The Financial Challenge
- How Do Other Councils Manage and How Does Rotherham Compare?

Expenditure Planned

The Council set a 2015/16 Net Revenue Budget of £203.55m and the chart below shows how it was planned to spend that money by directorate and service. As the figures relate to the Net Revenue Budget, the expenditure shown is after taking into account income from specific grants (such as Dedicated Schools Grant) and fees and charges.

An alternative way of looking at the Council’s spending plans is to consider what the Council spends its money on. Chart 4 below analyses the proportion of the Council’s Planned Gross Spending for 2015/16, before allowing for income from grants and charges, between differ types of activity (employees, premises, supplies etc.). This shows that the largest element of Council spending is currently employee related expenditure, followed by contracted services and transfer payments (which are predominantly benefit payments like Council Tax Support and Housing Benefit).

Chart 3: How the Council Planned to Spend its Money in 2015/16 by Service

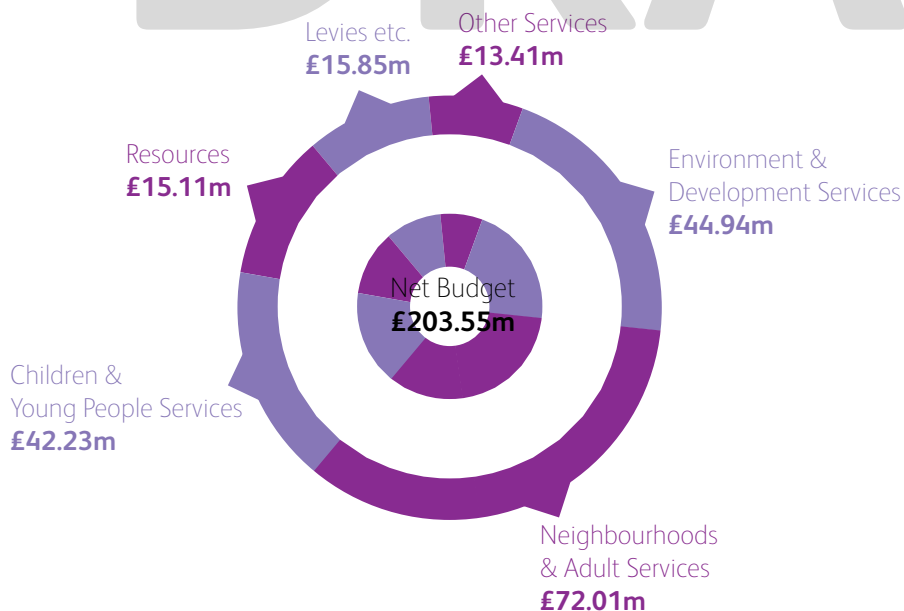
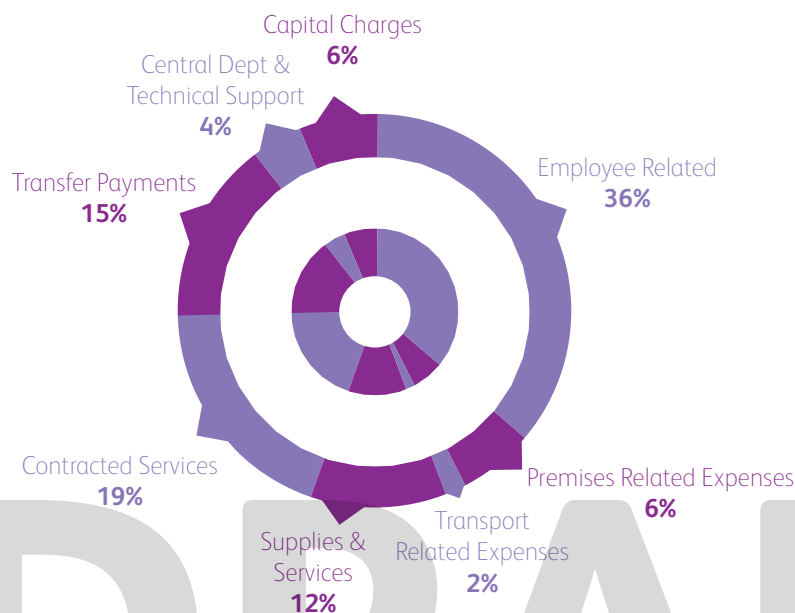


Chart 4: How the Council Planned to Spend its Money in 2015/16



Budget Baseline

The Council's approach to its 2016/17 Budget and to its MTFS has been to limit, as far as possible, the impact of funding cuts on front line services, whilst looking to grow the local economy to maximise income generation potential. Additional funding has been provided to protect vital services for those most in need in our community, and also to recognise the overwhelming need to provide further support for victims and survivors of Child Sexual Exploitation and to target early help and preventative work with vulnerable young people.

The Council has continued to 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, whilst continuing to reduce management, administration and support costs as far as is sensible to do so.

The process has also focused on corporate and service transformation in line with the Borough's Community Strategy and Council's Corporate Plan priorities and objectives, ensuring services continue to be equipped to deliver a high standard for the citizens, businesses and stakeholders of the Borough.

Adhering to a clear set of budget principles and taking a measured approach, putting forward robust and deliverable budget proposals will enable the Council to put itself in a strong position to preserve its financial resilience and to mitigate the risks it faces in the coming financial years.

Budget Baseline

Moving forward from its 2015/16 budget the Council has established a present policies baseline budget for the years covered by this Strategy. This baseline includes: inflationary assumptions for pay, utilities, business rates

and contracts and the need to make good in 2016/17, £6m of one-off savings used to balance the budget in 2015/16.

The Baseline also includes known cost pressures in particular;

- Reductions in the Education Services Grant as schools convert to become academies;
- The ending of National Insurance Contracting-Out from April 2016; and
- Meeting the cost of reducing the size of the workforce.

In addition, the Council working with Commissioners, has identified key investments needed to enable the Council to continue to address the findings in the Professor Jay, Ofsted and Louise Casey reports to help the Council become 'fit for purpose' at the earliest opportunity. This work has focused on corporate and service transformation that is fully aligned to the Borough's Community Strategy and the Council's Corporate Improvement Plan "A Fresh Start" priorities and objectives. The objective has been to equip services to deliver high standards for the citizens, businesses and stakeholders of the Borough whilst continuing to reduce management, administration and support costs as far as is sensible to do so.

The proposed investments include:

- £12m in Children's and Young People's Services to meet both current and forecast levels of demand for services and to fully respond to the recommendations in the Jay, Casey and Ofsted reports. The proposals address an historic underfunding of the placements budget, recognise the more recent increase in

demand for services and provide a much needed increase in Social Worker and Leadership capacity.

- Reshaping of the Early Help offer into a more targeted approach to the provision of Youth Services.
- Adult Services are recognised as having a number of significant cost pressures and the Council is therefore looking to invest more than £1.8m in 2016/17 to help offset them, which will be funded from the proposal to take up the 2 % Adult Social Care Precept.
- In addition, a £1m Social Care contingency budget has been created which will be allocated to Adults and Children's social care during 2016/17 subject to demand.
- In EDS lost grant funding will be replaced with £160k Revenue Budget to support RIDO – a service that is vital for attracting inward investment into the borough if it is to grow and thrive.

As well as these spending pressures and investments the Budget process has identified key savings proposals of around £33m over the 3 years of this Strategy which will help reduce the Budget Requirement both in 2016/17 and going forward

For 2016/17 savings proposals of £11.3m have been identified in Directorate Budgets, although a number of the proposals at present require more extensive consultation which will take place over the coming months in accordance with statutory requirements.

The proposed 2016/17 Budget also incorporates a further £10.5m corporate savings including:

- Realising £7.5m from re-profiling the servicing of Council debt and review of Private Finance Initiative (PFI) arrangements;
- A planned review of staff terms and conditions of employment –to be implemented from October 2016: £1.0m (£2m full year effect); and
- A £2m reduction of the Council's budget for Voluntary severance budget (although this is predicated on use of the new Capital Receipts flexibility announced by the Government in the last Autumn Statement)

In addition, proposals to balance the 2016/17 Budget include the use of reserves. As well as the planned use of a contribution from the Council's Transformation Reserve to the funding of Children's placements over the next three years which has been factored into the proposed Directorate Cash Limit Budget. The budget proposals also include the use of £2m from the general grant reserve for 2016/17 utilising some of the grant secured from the Department for Communities and Local Government (DCLG) in November 2015.

Over and above these issues, there are a number of other cost pressures in the system which will need further consideration moving forward – these include:

- Any ongoing need for additional investment in Children's Social Care;
- Demographic pressures in Adult Social Care;
- Implementation of the National Living Wage both for Council Staff and particularly by Contractors and Clients;
- The financial impact of the 2016 Pensions Triennial Revaluation (effective From April 2016); and
- The Apprenticeship levy.

The Financial Challenge – Setting a Balanced, Sustainable Budget

Since 2010 the Council has already addressed a budget shortfall in its resources of £117m and recognises that the next four years are unlikely to get any easier for either the Sector as a whole and this Council. Given the challenges it faces in bringing about significant improvement at a time when resources will become more finite and the Council will become increasingly more dependent on generating its own local revenues to pay for services. By the time this decade ends local government is facing the prospect of no longer receiving government grant funding support.

Table 4 below summarises the financial challenge facing the Council for the period of this Financial Strategy 2016 to 2019.

Table 4: The Financial Challenge

| | 2015/16 £m | 2016/17 £m | 2017/18 £m | 2018/19 £m |
|---|----------------|-----------------|-----------------|-----------------|
| Total Budget Requirement | 203.554 | 199.521 | 197.280 | 201.267 |
| Estimated Resources: | | | | |
| -Government Funding | -50.925 | -39.405 | -27.666 | -17.649 |
| -Business Rates | -61.758 | -60.829 | -62.402 | -64.506 |
| -Council Tax | -85.663 | -93.188 | -94.233 | -96.800 |
| -New Homes Bonus | -5.208 | -6.099 | -6.978 | -6.918 |
| Total Estimated Resources | 203.554 | -199.521 | -191.279 | -185.873 |
| Cumulative Financial Challenge | 0 | 0 | 6.001 | 15.394 |
| Year on Year Increase in Financial Challenge | | | | 9.393 |

Managing this shortfall in resources over the term of the Strategy will be the Council's most challenging to date – as previously stated delivering the level of savings required from efficiency savings alone will not be enough.

How do other Councils manage and how might Rotherham compare?

Austerity is not new and even before austerity became a requirement, many councils had been active in driving down their costs or looking for new ways of doing things. Sadly, there is not much empirical evidence to prove that any of the tactics or tools outlined below are sure to deliver either better or the same quality services at a reduced costs but there are lots of opinions about what works or should, in theory, work. This Strategy serves to describe how the Council will regard these options.

Outsourcing

The Council does not believe that outsourcing to large national or supra-national companies is necessary or appropriate. It believes that it can be a good manager of efficiency through its own officers. However, it is perfectly willing to use local companies employing local labour to provide competitive market places for a range of routine services and supplies that the Council needs. The Council is very interested in seeing the voluntary sector offer to provide more services.

The Council does not believe a programme of market testing is necessary and fears that such a programme would have its own costs and could lead to apparent short term benefits but long term reductions in quality and lost value.

The Council will also explore whether setting up Not for Profit Trusts to hold property or run services would be an effective option.

Shared Services

The Council accepts that it should seek to share services with other councils and integrate services with the health service in a way that is designed to save money both in the short and long terms. It stands ready to talk to any partners about such propositions and expects to reduce management costs, property costs and other specialist overheads by forming such bigger, better integrated, operational models.

Commercial services

Some councils have sought to maximise their earnings. Such opportunities are dependent on there being sufficient demand-for example for off street parking. Rotherham

could look to see what it might do at Rother Valley Park to diversify its income sources.

The Borough needs a first class regional attraction. In the 2015 consultation, 72 % of respondents wanted a good range of things to do for teenagers and 67 % wanted a bigger range of low cost leisure activities. Other land holdings should be similarly examined, as potential sites to host affordable leisure activities. The Gulliver's campus in the Borough is a welcome addition.

Pay Bill Re-engineering

This describes the ways in which in councils have sought to question whether highly skilled professional staff are the only answer, and have looked to see whether or not a smaller core of such staff could be supported by more modestly paid auxiliary or administrative staff. For example, fewer highly skilled social workers might be supported by family support workers and administrative staff. The Council is interested in thinking creatively about this and looking to learn from best practice elsewhere.

79 % of local people in the 2015 consultation said that the Council ought to help ensure young people had training or a job and therefore increasing apprenticeships and starter jobs would suit this purpose.

Management Delaying

The Council believes that good managers add value by ensuring that money is spent well, by controlling quality and by leading service development. Nevertheless, the Council also accepts that managers are overheads and that overheads must be controlled and minimised wherever it is responsible to do

so. The Council will reduce its managerial costs at least in line with its overall budget reductions each year and will periodically check its management structures against other councils'.

Staff Spin-outs

This is the development and encouraging of staff to take their skills outside the Council and sell them back to the Council and, potentially, to other purchasers. The theory suggests that if staff are motivated by, in effect participating in the running of their own company, they will be more productive and more innovative. The Council notes that in the past there has been enthusiasm for this model from all three major political parties. However it also notes that such enterprises depend very much on having staff with the right motivation and particularly an entrepreneurial senior member of staff who does all the work and is able to lead staff to a different organisational form. The Council is ready to hear from staff who come up with such ideas but does not see itself as spending a lot of time and money seeking to engineer such transfers of responsibility.

Cost Reviews

In theory benchmarking information is available which allows councils to compare what they are spending or what things appear to be costing, with other councils or potentially other institutions. It recognises that some of this benchmarking material may be of poor quality, nevertheless the Council commits to seeking to be transparent about its costs and comparing these to other organisations where this provides a good learning opportunity.

Property Overhead Reductions

The Council accepts its duty to minimise its operational property costs by:

- a) Keeping properties under repair and therefore trying to hold down heating bills and other running costs.
- b) Sharing properties with others.
- c) Releasing properties where they are unoccupied.
- d) Moving from high cost accommodation to lower cost accommodation.
- e) Supporting responsible levels of home working.
- f) Working to join up with neighbours and other public bodies on a 'one public estate' to share opportunities for cost reductions.
- g) Looking to see whether transferring property into the ownership of a Trust would save on business rates.

New Charges

Some councils have introduced new charges reflecting new services and activities which have grown up in public areas or have sought to make available public facilities to commercial companies. Examples might include; Community Infrastructure Levy (CIL) requiring licenses for professional dog walkers or those who provide fitness training in public parks; or letting out some public land to those who provide, for example, professional five a side football leagues. The Council will approach such ideas on a case by case basis.

'Digital by Default'

Some authorities have sought to minimise their face to face contact costs by requiring most, if not all, service users to transact with their council online. The Council believes that some ability to transact with the Council over the telephone and face to face remains appropriate but recognises that through time more people will become familiar with transacting over the web and wishes to play its part in encouraging this direction of travel. It will be ambitious in seeking cost savings from this channel change.

Crowdsourcing New Priorities

The Council no longer believes that it always knows best and will periodically seek to test the opinion of its local residents about complex dilemmas and choices. However it also recognises that it has duties towards unpopular causes (such as those misusing drugs) or where neglect of an issue might cause more community harm. It will therefore continue to assert this democratic right and responsibility to make the decisions in what it believes to be the community interest.

4 Delivering and Monitoring the Financial Strategy

The Budget Process

This Strategy has set out the challenges and the options facing Rotherham MBC over the next 3 years. The underpinning Budget has been developed using a policy-led approach that is corporately owned and has considered and explored opportunities to modernise services, do things differently and ensure that the longer-term implications of both cutbacks and investments in the short-term are fully considered across all services.

As part of the new process two new arrangements have been set in place:

- A process of All Service Reviews (ASRs) and Major Projects across the Council; and
- A cross-cutting “Budget Strategy Group” (BSG), to support and challenge the ASRs and provide an ongoing strategic forum for taking the programme of work forward.

The BSG, in turn, advises a high level group of Commissioners and Elected Members – a “Budget Working Group” – on the key issues requiring action and decisions in preparing the 2016/17 budget and future years. The Member-led Budget Working Group (BWG), composed of the Leader, Deputy Leader and Advisory Cabinet has met regularly with Lead Commissioner Sir Derek Myers and Managing Director Commissioner Manzie to consider key/high spend saving proposals emerging from the ASR process and to ensure regular communication to wider Members, partners and staff on the progress of the budget process.

Potential budget pressures have been considered, reviewed and scrutinised against the following criteria:

- Strategic fit to emergent vision;
- Requirements of new legislation whether or not funded by new grant;
- Demonstrable demand increases for a statutory function;
- Necessary to remedy a priority weakness.

In light of these factors, the Medium Term Financial Strategy presented will need keeping up-to-date.

Delivery of Savings

In particular, the Council will need to ensure effective and closely managed implementation plans for the delivery of the saving proposals are in place and that performance in delivering the budget is routinely reported to the Council’s Senior Leadership Team, Commissioners and the Advisory Cabinet.

Scrutiny

As part of the new policy-led approach to the Budget the Council’s Overview and Scrutiny Management Board (OSMB) now have overall responsibility for scrutinising the setting of the 2016/17 Revenue Budget and the establishment of the Medium Term Financial Strategy. OSMB is working with the Office for Public Scrutiny to ensure that an effective framework for undertaking this valuable scrutiny is put in place.

DRAFT

Summary Sheet**Council Report**

Cabinet/Commissioners Decision Making Meeting – 23rd February 2016

Title

Capital Programme Budget Setting Report - 2016/17 to 2020/21

Is this a Key Decision and has it been included on the Forward Plan?

Yes, included on the Forward Plan

Strategic Director Approving Submission of the Report

Stuart Booth – Acting Strategic Director of Finance and Corporate Services

Report Author(s)

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Ward(s) Affected

All

Executive Summary

The purpose of this report is to present the Council's new Capital Strategy and the proposed Capital Programme for the period 2016/17 to 2020/21 and to confirm that there are adequate levels of resources available to finance the Capital Programme.

Approval for the Capital Strategy and the Capital Programme is being sought from Cabinet at this meeting, before formal approval by full Council at the meeting of the 2nd March 2016.

The Capital Strategy and proposed Capital Programme 2016/17 to 2020/21, which sets out the Council's future capital investment plans, will ensure that investment

decisions are clearly aligned with the Council's strategic priorities and vision for Rotherham.

Recommendations

Cabinet is asked to recommend Council to:

Approve the new Capital Strategy, as presented in Appendix A and Capital Programme, as presented in Appendix B (for £279.095m in the period 2016/17 to 2020/21), which will require prudential borrowing of £53.602m to fund non-HRA schemes over the five year period, for which provision has been made in the revenue budget for the associated financing costs.

List of Appendices Included

Appendix A – Capital Strategy

Appendix B – Capital Programme 2016/17 to 2020/21

Appendix C – Development Pool Projects

Background Papers

Report to SLT – 21st July 2015

Report to SLT – 16th September 2015

Report to SLT – 19th January 2016

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Yes – full Council

Council Approval Required

Yes

Exempt from the Press and Public

No

Title

Capital Programme Budget Setting Report - 2016/17 to 2020/21

1. Recommendations

Cabinet is asked to recommend Council to:

Approve the new Capital Strategy, as presented in Appendix A and Capital Programme, as presented in Appendix B (for £279.095m in the period 2016/17 to 2020/21), which will require prudential borrowing of £53.602m to fund non-HRA schemes over the five year period, for which provision has been made in the revenue budget for the associated financing costs.

2. Strategic Context

2.1 The Council is embarking on an ambitious transformation to address the serious failures identified by Professor Jay's independent enquiry into Child Sexual Exploitation, and DCLG's subsequent corporate governance inspection into the Council.

2.2 Significant progress is already happening. The Council has a new vision, a clear set of priorities and comprehensive improvement plans – one for the Council as a whole and one for Children's Services specifically, which are driving forward change across the Council.

2.3 The new Vision is a reflection of the extensive consultation held with Rotherham people, partner organisations and businesses over the Summer 2015.

"Rotherham is our home, where we come together as one community, where we seek to draw on our proud history to build a future we can all share. We value decency and dignity and seek to build a town where opportunity is extended to everyone, where people can grow, flourish and prosper, and where no one is left behind.

To achieve this as a Council we must work in a modern, efficient way, to deliver sustainable services in partnership with our local neighbourhoods, looking outwards, yet focussed relentlessly on the needs of our residents."

This new vision will underpin the Council's new Corporate Plan, its Growth Plan and its new Medium Term Financial Strategy.

2.4 There is significant growth potential in the Borough and the wider Sheffield City Region. Restoring business confidence and making Rotherham a place for 'doing business' will help attract much needed inward investment and will

be integral to Rotherham's future economic ambition. Rotherham has ambitious targets in the Local Plan for new housing, with a need for 958 new homes a year. We also have a jobs target of 1,000 a year and 750 net new businesses over the next 5 years. This correlates to the growth ambitions set out in the Sheffield City Region (SCR) Strategic Economic Plan. This level of housing and economic growth will require a step change in the amount of investment made in growing the Rotherham economy.

2.5 The Council also has a major role to play in helping drive this growth and enterprise, both as a facilitator and also in terms of a potential deliverer, as a major land and property owner. The Council working with the SCR, through the proposed devolution deal, will now be in a fairly unique position to drive growth and investment in the region. The Council will look to maximise the opportunities created through the devolution agreement, alongside the proposed Capital Strategy 2016 to 2021 (Appendix A), to connect residents and businesses with skills and employment opportunities and support the investment in our Town Centre, housing and in transportation and highways infrastructure.

2.6 The challenge for the future is to drive transformation, to help define Rotherham as an attractive place to live, further improve the quality of life for all residents, increase their overall social and economic prospects and enable them to participate fully in the life of the Town. Important to the delivery of these aspirations for the Town will be:

- To support, promote and drive the role and continuing growth of the town centre and Borough as a city region driver, as a focus for employment growth, through a strengthening and diversification of its economic base. This will be complemented through the ongoing development of the Advanced Manufacturing Park and the establishment of an Advanced Manufacturing Innovation District.
- To support investment in highways infrastructure, which will see £73.258m of investment in projects between now and 2021, which will help connect people to jobs, education, shopping, recreation and services.
- Realising the ambition to improve the Town Centre offer, making it an attractive place for people to live, work, shop and enjoy their leisure time.
- The delivery of housing, both to improve existing Council housing and to facilitate the provision of new housing in the Borough, through major developments such as Waverley and Bassingthorpe Farm, in order to meet regional housing demand.

2.7 The development of the Capital Strategy and the detailed Capital Programme stems from the priorities outlined above and sets out the

process by which the Council will allocate its finite capital resources, to maximise their contribution to the delivery of the Council's Vision and priorities. Together, both the Strategy and the detailed Programme have been informed by Directorate Asset Management Plans, and other key Council strategies such as the Growth Plan, the Transport Strategy and the developing strategies in Housing, Digital and Customer Services. It will also be informed by the developing Town Centre Master Plan, which is soon to conclude and be published.

- 2.8 The Capital Strategy will deliver a Capital Programme that is affordable and sustainable, and contributes to the Borough's economic growth. It will also ensure that the Council is able to fully contribute to the delivery of the SCR Strategic Economic Plan and maximise the potential for securing capital funding from the SCR and the Devolution Deal.
- 2.9 The Strategy sets out seven Golden Rules for determining which projects will be approved for inclusion in the Capital Programme. These rules proscribe the governance and approval procedures that must be followed, including the business case and financial appraisal process, and the financial framework under which the Capital Programme will operate. The Strategy outlines the new standardised governance arrangements that are being put in place, including the meeting structures to manage the Capital Programme. This includes corporate project management guidance, informed by Treasury Green Book guidance, and improved systems and reporting arrangements. Taken together these improvements will improve officer accountability, provide transparent and clear approval routes and enhance reporting arrangements, to enable Commissioners, Members and Officers to make timely, informed decisions on the Capital Programme and its performance and progress.
- 2.10 The Capital Strategy identifies projects that are at three stages of development:
- **Stage 1: Approved Capital Programme** – projects that are already in the Capital Programme 2016/17 to 2017/18.
 - **Stage 2: Agreed in Principle** – additional projects over and above those already in the approved programme, to be included and financed in the new Capital Programme 2016 to 2021.
 - **Stage 3: Development Pool** – projects that are not to be included in the new Capital Programme 2016 to 2021, but have been identified as key priorities for the Council's future capital investment, subject to the business case being agreed and funding being in place.
- 2.11 One of the key aims of improving the Council's management of its capital resources is to embed the importance of having an integrated approach across revenue and capital within the organisation. This is to ensure that the two key strategic documents, the Capital Strategy (CS) and Medium Term Financial Strategy (MTFS) interlink, to ensure that the delivery and financing of the Capital Programme fully reflects the principles of the MTFS. This will be done by ensuring that the revenue implications of capital projects are

reflected within the MTFs and in revenue budgets (such as the cost of borrowing and savings generated through invest to save schemes).

- 2.12 A report requesting approval for the new Capital Strategy and the Capital Programme for the period 2016 to 2021 will be presented to full Council on the 2nd March 2016. The revenue impact of the Capital Programme is reflected in the Council's Revenue Budget and Council Tax Setting Report and the prudential borrowing requirement arising from the Capital Programme will be reflected in the Prudential Indicators and Treasury Management and Investment Strategy that are also to be presented to full Council.
- 2.13 Council and Cabinet Members will have a key role to play in the new governance arrangements, with a new focus on ensuring that Members are involved in the consultation and decision making process from the outset of a project, throughout to its completion. Members will have the opportunity to inform the future content of the Strategy and review and scrutinise projects being considered for inclusion into the Capital Programme, with the aim that they will give their endorsement for these projects. These projects will then only be included within the Capital Programme once detailed business cases have been brought forward for approval.

3.1 Stage 1: The Approved Capital Programme 2016/17 to 2017/18

- 3.1.1 This report focuses on the final two years of the current three-year Capital Programme 2015/16 to 2017/18, originally approved by full Council in March 2015, which is being implemented and has been continuously updated as a result of amendments and additions approved by the Council throughout the year.
- 3.1.2 A review of the Capital Programme has been completed and has focussed on confirming priorities, contractual commitments and reviewing resource availability.
- 3.1.3 The figures relating to the programme continuation are based on estimates compiled as at December 2015. It has been calculated on the expectation that the current year's outturn will be £76.026m. The re-profiling of committed schemes from the current year's programme into future years, based on the latest monitoring report, and the inclusion of new schemes, gives a proposed new capital approved programme of £98.672m for the period 2016/17 to 2017/18. All approved schemes within this programme are outlined within Appendix B, along with details of the proposed profiled spend and resources.

3.2 Stage 2: Proposed New Capital Programme (2016-2021)

- 3.2.1 Commissioners, Members and Council officers have been engaged for several months in developing proposals for a five year Capital Programme, spanning the period 2016-2021. This work has been undertaken through the Members Budget Working Group, SLT and the officer Strategic Capital

Investment Group. The work has ensured that the proposed Council's capital expenditure plans are aligned with its strategic priorities and vision for Rotherham. Appendix B of this report also provides the individual project descriptions, including details of the proposed profiled spend and resources, with Stage 2 projects highlighted as such. Table 1 below illustrates the total Capital Programme for 2016/17 to 2020/21, (inclusive of Stage 1 & 2 Schemes), summarised by investment theme:

Table 1 – Proposed new Capital Programme 2016/17 to 2020/21

| Investment Theme | Stage 1 (Approved) | Stage 2 (New Capital Projects) | Total Capital Programme |
|--|-------------------------------|---|--|
| | £m | £m | £m |
| Town Centre Development | - | 17.000 | 17.000 |
| Improving Highways & Infrastructure | 17.754 | 55.504 | 73.258 |
| Housing & Neighbourhoods Investment | 72.967 | 77.840 | 150.807 |
| Key Invest To Save | 2.240 | 11.360 | 13.600 |
| Buildings Critical Condition | 3.327 | 5.709 | 9.036 |
| ICT Critical Condition | 2.384 | 7.625 | 10.009 |
| Housing Growth Projects | - | 0.385 | 0.385 |
| Development Fund | - | 5.000 | 5.000 |
| Grand Total | 98.672 | 180.423 | 279.095 |

3.2.2 The current approved Capital Programme (Stage 1) totals £98.672m with a further £180.423m of new projects (Stage 2) to be added, giving a total Capital Programme of £279.095m.

3.2.3 This proposed Capital Programme 2016 to 2021 will aim to deliver the following key strategic projects:

- **Town Centre Development – £17m** – The Council has ambitions to continue the regeneration of the Town Centre offer, and has procured a Master Plan, which will determine which projects will be put forward as strategic priorities. These include:
 - Enhancements to the retail offer, including improvements to the Markets.
 - Enhancements to the leisure/night time offer, including an ambition to bring a cinema to Rotherham.
 - Improvements to the Transport Interchange, to create a brighter, safer environment.
 - Development of key strategic sites, including Forge Island, Westgate/Sheffield Road and the water side.
 - Residential development in the town centre.

- HE Campus development on the Doncaster Gate site.
- **Improving Highways and Infrastructure - £73.258m** – Within the existing approved Programme, there is investment of £17.754m in highways infrastructure projects and maintenance to improve the Borough's roads. This includes £2.000m investment in 2016/17 in the Borough's unclassified roads network, as part of a programme to permanently repair 50km of the network, building on the £3.000m investment in 2015/16 with works being clearly targeted at maximising the improvement to the durability and condition of the network. Other projects within the existing approved programme include the continuation of the Authority's street lighting programme (£2.456m), to replace the existing lanterns with LEDs, to yield significant energy consumption savings, and the STEP 2 programme (£1.856m) to deliver sustainable transport, including improved walking and cycling routes.

The new planned £55.504m investment includes a further £10.000m investment in the Borough's unclassified roads network over the period 2017/18 – 2019/20 the outcome of which will be that the unclassified roads in Rotherham are at, or better, than the national average condition. In addition, it includes two key strategic projects:

- A Parkway Widening scheme - which will widen the Parkway from 2 lanes to 3 from the M1 to its junction with Europa Way at Catcliffe.
- The Waverley Link Road - which will connect Highfield Lane, Waverley to Woodhouse Mill, improving the connectivity of Waverley and the Advanced Manufacturing Park.

Both schemes are seeking Sheffield City Region and Department for Transport funding. The feasibility work for these projects is already included in the existing Approved Capital Programme.

- **Housing and Neighbourhoods Investment (2018/19 – 2020/21) - £150.807m** – The annual Housing Investment programme will maintain decency standards, carry out stock improvements, aids and adaptations and new stock provision, energy efficiency and environmental works to our 21,000 council homes. This represents an additional new HRA investment of £77.700m, building on the existing approved £72.967m funded programme, and follows a review of the HRA Business Plan. Planned works within the total programme include refurbishments to Council dwellings, replacements to central heating and district heating systems, works to void properties to bring them up to an agreed standard for lettings, and estate environmental works. A major element of the programme is a planned £12.210m investment in strategic acquisitions, to increase the numbers of Council housing stock by an estimated 150 properties. In addition, there is an £8.800m programme to provide aids and adaptations to Council and private sector dwellings, to enable people to live independently in their homes for longer.

Included within this theme is **Area Assembly Investment of £0.140m**, which is the provision of a small capital investment pot for each area assembly to prioritise for public realm and parking schemes in those local neighbourhood areas.

- **Key Invest to Save Schemes - £13.600m** – Within the existing approved programme, there is a £1.600m scheme to enable works to private properties, to increase the Borough's capacity for foster care placements. This project generates revenue savings, as a result of a reduction in out of authority placements. The new projects include a potential Extra Care Housing Scheme at Thurcroft, which is being developed by Adult Services and Housing. This project meets cross-cutting objectives between Housing, Adults and Health services. Budget savings will be realised through property and service rationalisation, as the proposed Extra Care development will enable older people to live independently for as long as possible. This will reduce the pressure on existing budgets, as care packages can be added flexibly as and when required, based on need. The proposed scheme will provide complementary residential housing.
- **Buildings Critical Condition Works - £9.036m** – Works focussed on maintaining the operational functionality of Council-owned buildings such as office spaces, schools, markets, libraries and museums. Works included within the existing approved programme include Education Funding Agency grant funded works to provide additional pupil places and deal with building condition issues on the Council's school estate (£2.776m). New projects include works to the Council's operational buildings, to deal with backlog maintenance issues, to ensure that the Council's buildings are suitable for the provision of Council services (£3.294m).
- **ICT Critical Condition Works - £10.009m** – Works focussed on maintaining the operational functionality of the Council's ICT infrastructure, including laptops, telephony, servers and network equipment as well as modernising how the Council works. Projects identified within the new Programme include the following:
 - The replacement of essential IT networking equipment, server equipment and the Storage Area Network (SAN), which have reached the end of their useful life (£3.523m);
 - A continuation of the rolling programme of intelligent refresh of laptops to ensure they are fit for business use (£2.860m); and
 - The replacement of the Council's existing telephony system, as the existing telephony platform will soon be at the end of its useful life, and will no longer be supported by the supplier (£1.242m).
 - Implementation of the Liquid Logic system, to deliver improvements to ICT within Children's and Adult's Social Care (£0.395m)

The Council is looking closely at how its services are delivered and is seeking to maximise the use of modern digital solutions to improve service delivery, generate savings and promote better engagement and information sharing with our partner organisations. To drive these improvements forward, the Council is currently finalising its new Digital Rotherham Strategy

and in doing so will be looking to bring forward how it plans to deliver services differently to its customers - the current expectation is that any such future capital investment decisions will be on an invest to save basis. Proposals will be developed in conjunction with Members, and business cases will be brought forward for individual projects in the coming months.

- **Housing Growth Projects - £0.385m** – The Council is working with Fitzwilliam Wentworth Estates to bring forward a major housing development at Bassingthorpe Farm. This project will potentially provide 2,400 new homes, with the associated infrastructure to support such a development, including schools, health and community facilities and green spaces.
- **Development Fund - £5m** – A proposed investment fund to pump prime capital projects, which can be shown to bring forward development and enable economic growth, which if reliant on the private sector would either stall or be significantly delayed. This is identified as a priority within the Growth Plan, and builds on the Council's experience with the Advanced Manufacturing Park and the Town Centre High Street scheme.

3.3 Funding the Capital Programme

- 3.3.1 Table 2 below shows how the Council proposes to fund the Total Capital Programme 2016 to 2021.

Total prudential borrowing of £53.602m will be used to support the funding of the Programme. The revenue implications arising from this prudential borrowing are fully reflected in the Council's 2016/17 Revenue Budget and Council Tax Setting Report, its Medium Term Financial Strategy and the Prudential Indicators and Treasury Management and Investment Strategy. In addition, it is proposed that £17.625m of capital receipts be used to support the funding of the Programme, from the £22m available receipts that the Council has to fund such investment plans, as a direct result of reducing and rationalising its operational estate over the last 5 years. These receipts will be used to fund short-life ICT assets so as to minimise the revenue budget implications over the next 5 to 10 years and £10m towards the proposed town centre development project. The estimated funding profile for the proposed Total Capital Programme is summarised in Table 2 below:

Table 2 – The Funding of the proposed new Capital Programme

| FUNDING STREAMS | STAGE 1 (APPROVED) | STAGE 2 (NEW CAPITAL PROJECTS) | TOTAL CAPITAL PROGRAMME |
|---------------------------------|-------------------------------|---|--|
| | £m | £m | £m |
| Grants & Other Contributions | 16.485 | 44.499 | 60.984 |
| Major Repairs Allowance (HRA) | 42.435 | 77.700 | 120.135 |
| Prudential Borrowing | 13.003 | 40.599 | 53.602 |
| Revenue Contributions (HRA) | 24.449 | 0 | 24.449 |
| Usable Capital Receipts - (HRA) | 2.300 | 0 | 2.300 |
| - (GF) | 0 | 17.625 | 17.625 |
| | | | |
| Grand Total | 98.672 | 180.423 | 279.095 |

3.4 Stage 3: Development Pool Projects

3.4.1 The Development Pool projects represent some of the most significant proposals for capital investment within the Borough. These include projects which will deliver major improvements in key strategic areas such as highways, town centre regeneration, and housing and economic growth. However, these projects are in their embryonic stage and a number of them are uncostered. In addition, some of them have been identified as potential projects to be funded from the SCR. They are therefore attached as Appendix C for information. These include the following ambition projects:

- Crinoline Bridge - £4m refurbishment works.
- New Rotherham Mainline Railway Station at Parkgate - £15.1m.
- Advanced Manufacturing Innovation District – Projects to stimulate growth.

3.4.2 At this stage these Development Pool Projects have not been included in the Proposed Capital Programme for which Member endorsement is being sought. They are dependent upon detailed business cases being developed and funding packages being put in place. As they are developed, these projects will be brought through the proposed Officer and Member forums, for consideration and evaluation, before formal approval to include them in the Capital Programme is sought.

4. Options considered and recommended proposal

4.1 The projects that have been put forward for inclusion in the Capital Programme (Stage 2 Projects) have been prioritised from a long list of capital project proposals. This process has been undertaken by senior

officers, through the Strategic Capital Investment Group (SCIG), in conjunction with Members. It follows work carried out in individual directorates to refresh existing strategies and plans, including Asset Management Plans.

- 4.2 The projects that have been put forward for inclusion in the Capital Programme (2016-2021) represent those projects that meet the Council's key priorities as defined in its Vision, for example, the town centre; projects that support economic growth, including improvements to highways and infrastructure; and deliver investment and growth in housing. In respect of building and ICT condition issues, they represent the most urgent investment needs as identified by the Corporate Property Unit, in conjunction with Directorates, in order to maintain existing service delivery from these buildings.

5. Consultation

- 5.1 Consultation has taken place with Members, Commissioners, and officers engaged in capital projects across Directorates. In addition, the capital programme is managed and monitored through SCIG.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Stuart Booth – Acting Strategic Director of Finance and Corporate Services
Caroline Bruce – Interim Strategic Director of Environment and Development Services
Paul Smith – Corporate Property Unit Manager
Graeme Betts – Acting Strategic Director Adult Care and Housing
David Richmond – Assistant Director of Housing and Neighbourhoods

7. Financial and Procurement Implications

- 7.1 The finance implications are contained within Section 3 of the report. Any revenue implications from the Approved Capital Programme will be fully reflected in the Council's 2016/17 Revenue Budget and Council Tax Setting Report, its Medium Term Financial Strategy and the Prudential Indicators and Treasury Management and Investment Strategy.
- 7.2 There is a requirement for all projects within the Capital Programme to be procured in line with the Council's Standing Orders and Financial Regulations. The Authority utilises national and regional framework arrangements for many of its capital contracts, including the YORbuild framework lists. This speeds up the procurement process, and ensures that the Council achieves value for money in the procurement of its capital contracts.

- 7.3 There is a requirement for Stage 2 projects to follow the new Capital Programme Governance procedures. This will include the requirement to bring forward detailed business cases for full sign off, before the delivery of the project commences.

8. Legal Implications

- 8.1 All capital projects require input from Legal Services in relation to contracts. The Council must ensure that robust contractual arrangements are put in place, specifications are clearly defined and it is clear which project risks are the responsibility of the Contractor and which remain with the Council. This is to avoid potential contractual disputes and limit the financial impact on the Council arising from them.

9. Human Resources Implications

- 9.1 Capital projects are resource intensive and require careful scoping, planning and costing, to ensure that business cases are robust, realistic and deliverable. The delivery of the Capital Programme has to be carefully planned to ensure that the Council has the appropriate skills and capacity available to plan the works, and then carefully manage and monitor contractors once they are on site.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 Projects included within the Capital Programme have been informed by the Children's Improvement Plan. They include the project to replace the existing Children's and Adults' Social Care ICT system with the Liquid Logic system, to meet a key recommendation in the Jay report to "*Address the severe deficits in the ICS system as a matter of urgency and procure a replacement system*". In addition, they include projects to provide additional school places, and address underlying building condition issues. The Authority has a statutory obligation to provide sufficient pupil places in the Borough. This obligation extends to academy schools as well as local authority maintained schools. The Corporate Property Unit work closely with colleagues in CYPS to identify schools which are most in need of expansion, to deal with increasing pupil numbers. In addition, the programme includes property adaptations to foster care homes to create additional foster care places in the Borough.

11. Equalities and Human Rights Implications

- 11.1 Projects within the Capital Programme will ensure that as far as possible Council buildings are fully accessible, to enable all users to access Council services. In addition, projects within the Council's Digital and Customer Access Strategies will ensure that individual customer needs are met. The development of the Children's and Adults' Social Care ICT system will ensure equality of opportunity for a range of vulnerable groups, by providing

timely and robust data, to enable all partners to work together and ensure that care and protection is available to those people who need it most.

12. Implications for Partners and Other Directorates

- 12.1 The relevant elements of the report have been produced in conjunction with officers engaged in capital projects across Directorates. In addition, the Capital Programme is managed and monitored through the Strategic Capital Investment Group (SCIG). Where the Council is working with partner organisations on specific projects, for example in Health, the Police and other government agencies, proposals have been developed in conjunction with these organisations.

13. Risks and Mitigation

- 13.1 The Capital Programme is funded through a number of sources: Prudential borrowing, 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 future years.
- 13.2 Finance work closely with Project Managers and the Corporate Property Unit, to monitor project expenditure and performance. Improvements that are being introduced to the Capital Programme governance arrangements and enhanced reporting requirements, will ensure that Members will receive early notice of any specific project issues. This will enable early intervention to take place to bring projects back on timetable and cost, or if necessary, agree an additional capital programme funding approval. Where elements of the Programme are reliant on future grant funding, future projects will be continually reviewed to match the programme against funding availability.

14. Accountable Officer(s)

Stuart Booth – Acting Strategic Director of Finance and Corporate Services

Caroline Bruce – Interim Strategic Director of Environment and Development Services

Paul Smith – Corporate Property Unit Manager

Graeme Betts – Acting Strategic Director Adult Care and Housing

David Richmond – Assistant Director of Housing and Neighbourhoods

Approvals Obtained from:-

Acting Strategic Director of Finance and Corporate Services:- Stuart Booth

Draft Version



Capital Strategy 2016/17 to 2020/21



Foreword

Welcome to our new Capital Strategy 2016/17 to 2020/21, which sets out the processes by which the Council will allocate its capital resources, to maximise their contribution to the delivery of the Council's strategic aims and objectives.

Over the last year, since I became Leader of the Council, I have undertaken the biggest public consultation in the history of Rotherham Council. I met with people of all ages and all backgrounds, heard their thoughts, ideas and worries, and from that we adopted a new vision for the council.

Rotherham is our home, where we come together as one community, where we seek to draw on our proud history to build a future we can all share. We value decency and dignity and seek to build a town where opportunity is extended to everyone, where people can grow, flourish and prosper, and where no one is left behind.

To achieve this as a Council we must work in a modern, efficient way, to deliver sustainable services in partnership with our local neighbourhoods, looking outwards, yet focussed relentlessly on the needs of our residents.

Residents told me that they knew and understood the financial pressures that the council is under, but that they wanted to live in a clean, safe community. They need the council to be able to work more efficiently if we are to deliver. They talked about how they would like to see the town centre improved, and pot holes filled. Virtually everyone who took part in the consultation said that creating more local jobs is a priority.

And as we continue to improve the council, this Capital Strategy marks the next stage of our development; marshalling the council's resources to be able to deliver on the priorities of residents.

It has been informed by Directorate Asset Management Plans, and other key Council strategies such as the Growth Plan, the developing Digital Strategy and the Customer Access Strategy. It also signals our commitment to the developing Town Centre Master Plan.

The Capital Strategy will deliver a capital programme that is affordable and sustainable, and contributes to the Borough's economic growth. It will also ensure that the Council fully contributes to the delivery of the Sheffield City Region (SCR) Strategic Economic Plan, and maximises the potential for securing capital funding from the SCR and the Devolution Deal.

Our challenge is to ensure that the council works more efficiently, prioritising "invest to save" opportunities, makes best use of our existing buildings and makes the necessary investments to the working environment of our staff, and to improve the wider Rotherham environment to everyone's benefit.

I very much welcome this document as the latest step on that journey.



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Executive Summary

Introduction

This Capital Strategy sets out the processes by which Rotherham Metropolitan Borough Council will allocate its capital resources to maximise their contribution to the delivery of the Council's strategic aims and objectives. The Council's vision is set out below.

A new vision for Rotherham

Rotherham is our home, where we come together as one community, where we seek to draw on our proud history to build a future we can all share. We value decency and dignity and seek to build a town where opportunity is extended to everyone, where people can grow, flourish and prosper, and where no one is left behind.

To achieve this as a council we must work in a modern, efficient way, to deliver sustainable services in partnership with our local neighbourhoods, looking outwards, yet focused relentlessly on the needs of our residents.

To this end we set out four priorities:

- Every child making the best start in life
- Every adult secure, responsible and empowered
- A strong community in a clean, safe environment
- Extending opportunity and planning for the future

Opportunity

There is significant growth potential in the Borough and the wider Sheffield City Region. Restoring business confidence and making Rotherham a place for 'doing business' will help attract much needed inward investment and will be integral to Rotherham's

future economic ambition. Rotherham has ambitious targets in the Local Plan for new housing, with a need for 958 new homes a year. We also have a jobs target of 1,000 a year and 750 net new businesses over the next 5 years. This correlates to the growth ambitions set out in the Sheffield City Region (SCR) Strategic Economic Plan. This level of housing and economic growth will require a step change in the amount of investment made in growing the Rotherham economy.

The Council also has a major role to play in helping drive this growth and enterprise, both as a facilitator and also in terms of a potential deliverer, as a major land and property owner. The Council working with the SCR, through the proposed devolution deal, will now be in a fairly unique position to drive growth and investment in the region. The Council will look to maximise the opportunities created through the devolution agreement, alongside the proposed Capital Strategy 2016 to 2021 to connect residents and businesses with skills and employment opportunities and support the investment in our Town Centre, housing and in transportation and highways infrastructure.

Challenge

The challenge for the future is to drive transformation, to help define Rotherham as an attractive place to live, further improve the quality of life for all residents, increase their overall social and economic prospects and enable them to participate fully in the life of the Town. Important to the delivery of these aspirations for the Town will be:

- To support, promote and drive the role and continuing growth of the town centre and Borough as a city region driver, as a focus for employment growth, through a strengthening and diversification of its economic base. This will be complemented through the ongoing development of the Advanced Manufacturing Park and the establishment of an Advanced Manufacturing Innovation District.
- To support investment in highways infrastructure, which will see £73.258m of investment in projects between now and 2021, which will help connect people to jobs, education, shopping, recreation and services.
- Realising the ambition to improve the Town Centre offer, making it an attractive place for people to live, work, shop and enjoy their leisure time.
- The delivery of housing, both to improve existing Council housing and to facilitate the provision of new housing in the Borough, through major developments such as Waverley and Bassingthorpe Farm, in order to meet regional housing demand.

The Council has undertaken a major piece of work over the last year to review its existing arrangements for the development of and approval of the Capital Programme. This has led to:

1. Extension of the planning period to 5 years from 3 years to 2020/21
2. New and Improved Capital Governance Procedures
3. New and Improved Capital Reporting and Monitoring Procedures

Council and Cabinet Members will have a key role to play in the new governance procedures, with a new focus on ensuring that Members are involved in the consultation and decision making process from the outset and throughout. From the initial review this was identified as a key priority, and as the Capital Programme governance and the Programme itself have been developed, we have sought to keep Members up to date. It is envisaged that through the Capital Strategy, Members will have the opportunity to review and scrutinise projects being considered for inclusion into the Capital Programme, with the aim that they will give their endorsement for these projects. These projects will then only be included within the Capital Programme once detailed business cases have been brought forward for approval.

What does the Capital Strategy cover

The development of the Capital Strategy and the detailed Capital Programme stems from the priorities outlined above and sets out the process by which the Council will allocate its finite capital resources, to maximise their contribution to the delivery of the Council's Vision and priorities. Together, both the Strategy and the detailed Programme have been informed by Directorate Asset Management Plans, and other key Council strategies such as the Growth Plan, the Transport Strategy and the developing strategies in Housing, Digital and Customer Services. It will also be informed by the developing Town Centre Master Plan, which is soon to conclude and be published.

The Capital Strategy will deliver a Capital Programme that is affordable and sustainable, and contributes to the Borough's economic growth. It will also ensure that the Council is able to fully contribute to the delivery of the SCR Strategic Economic Plan and maximise the potential for securing capital funding from the SCR and the Devolution Deal.

The Strategy sets out seven Golden Rules for determining which projects will be approved for inclusion in the Capital Programme. These rules proscribe the governance and approval procedures that must be followed, including the business case and financial appraisal process, and the financial framework under which the Capital Programme will operate. The Strategy outlines the new standardised governance arrangements that are being put in place, including the meeting structures to manage the Capital Programme. This includes corporate project management guidance, informed by Treasury Green Book guidance, and improved systems and reporting arrangements. Taken together these improvements will improve officer accountability, provide transparent and clear approval routes and enhance reporting arrangements, to enable Commissioners, Members and Officers to make timely, informed decisions on the Capital Programme and its performance and progress.

This Strategy encompasses the current approved Capital Programme for the period 2016/17 to 2017/18, as well as the forward five year Capital Programme for the period 2016/17 to 2020/21. Included in the Strategy are Projects for which conditional approval has been granted, termed Development Pool Projects. These are projects that the Council has the ambition to deliver, but have not been successful for inclusion into the forward Capital Programme at this stage, as they are dependent upon the right financial and non-financial conditions to make these projects viable.

There are three key stages for projects included within the Capital Strategy:

Stage 1 Approved – Projects already fully included in the Capital Programme.

Stage 2 Agreed in Principle – Projects that have been identified as high priority, for which we are seeking endorsement for inclusion into the Capital Programme.

Stage 3 Development Pool Projects represent some of the most significant proposals for future capital investment within the Borough. It includes projects which will deliver major improvements in key strategic areas such as highways, town centre regeneration, and housing and economic growth. These projects have been included within stage 3 as they have significant funding shortfalls, or require strategic approval (i.e. they are included within the Council's Growth Plan, Town Centre Master Plan or Asset Management Strategies).

This Capital Strategy is aligned with the Council's Medium Term Financial Strategy (MTFS), to ensure that the delivery and financing of the Capital Programme fully reflects the principles of the MTFS. This will be done by ensuring that the revenue implications of capital projects are reflected within the MTFS and in revenue budgets (such as the cost of borrowing and savings generated through invest to save schemes).

The table below illustrates the total capital programme for 2016-2021, including funding identified. This expenditure is made up from the schemes within the current approved programme, Stage 1 and new schemes being brought forward within Stage 2.

Summary of The Total Capital Programme 2016-21 – Including Funding

| New Capital Programme & Funding 2016-21 | Stage 1 (Approved) | Stage 2 (Agreed in Principle) | Total Capital Programme | Grants & Other Contributions | Major Repairs Allowance | Prudential Borrowing | Revenue Contribution to Capital Outlay | Usable Capital Receipts |
|---|--------------------|-------------------------------|-------------------------|------------------------------|-------------------------|----------------------|--|-------------------------|
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Town Centre Development | - | 17.000 | 17.000 | - | - | 7.000 | - | 10.000 |
| Improving Highways & Infrastructure | 17.754 | 55.504 | 73.258 | 55.465 | - | 17.793 | - | - |
| Housing & Neighbourhoods Investment | 72.967 | 77.840 | 150.807 | 2.103 | 120.135 | 1.820 | 24.449 | 2.300 |
| Key Invest To Save | 2.240 | 11.360 | 13.600 | 0.640 | - | 12.960 | - | - |
| Buildings Critical Condition | 3.327 | 5.709 | 9.036 | 2.776 | - | 6.260 | - | - |
| ICT Critical Condition | 2.384 | 7.625 | 10.009 | - | - | 2.384 | - | 7.625 |
| Housing Growth Projects | - | 0.385 | 0.385 | - | - | 0.385 | - | - |
| Development Fund | - | 5.000 | 5.000 | - | - | 5.000 | - | - |
| Grand Total | 98.672 | 180.423 | 279.095 | 60.984 | 120.135 | 53.602 | 24.449 | 19.925 |

Conclusions

- The Council's Capital Strategy and Capital Programme are considered holistically with the Council's Medium Term Financial Strategy, Treasury Management Strategy, and Asset Management Plans.
- The Council is able to announce a potential Capital Programme of £279.095m over the next five years (approved + agreed in principle excluding development pool).
- The period of this Strategy will be very challenging for local government and the availability of capital financing to support the Council's Capital Programme will be limited. The Council will need to engage fully with the Sheffield City Region to maximise the grant funding that is available, as part of the devolution deal, and will work with the private sector to find gap funding for projects where appropriate.
- Revenue pressures over the plan period will have a significant impact on the ability of Rotherham Metropolitan Borough Council to undertake additional borrowing to support the Capital Programme. However, the Council will look to invest in capital projects which yield revenue savings on an invest to save basis.
- The new governance, reporting and monitoring procedures will improve the efficiency, effectiveness and overall control of the capital programme.

Corporate Plan

The Council's Capital Strategy and Asset Management Plans set out how they will contribute to meeting the Council's aims and objectives, as identified within the Corporate Plan 2016 - 2018. This Corporate Plan is an important milestone in the Council's improvement journey. It has been developed following the most extensive consultation ever held by the Council, which has shaped the Council's priorities for the future. The key themes of the Corporate Plan are:

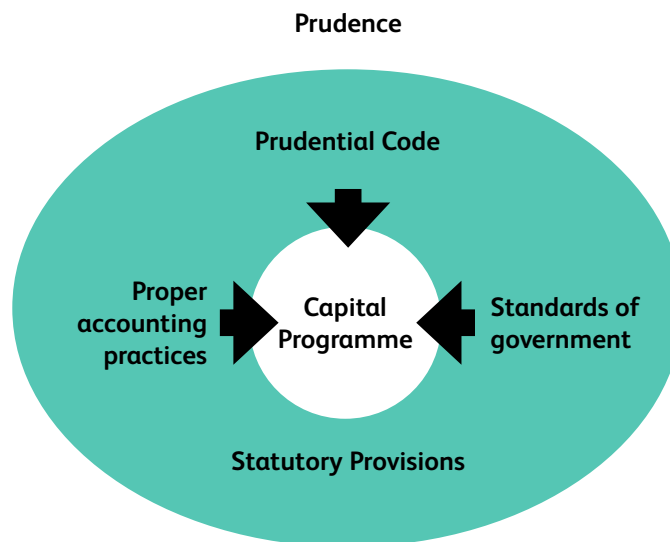
- Priority 1:** Every child making the best start in life
- Priority 2:** Every adult secure, responsible and empowered
- Priority 3:** A strong community in a clean, safe environment
- Priority 4:** Extending opportunity and planning for the future
- Priority 5:** Running a modern, efficient Council

In order to provide services and deliver the Corporate Plan objectives, the Authority needs access to long term assets. Long term assets, often referred to as "fixed assets", are defined as those that have an economic life of more than one year. The provision of long term assets is further defined as being capital expenditure.

Capital expenditure and finance is governed and operated under the Prudential Framework for Local Authorities in England. The Prudential Framework is an umbrella term for a number of statutory provisions and professional requirements that allow authorities largely to determine their own plans for

capital investment and expenditure, subject to an authority following due process in agreeing these plans and being able to provide assurance that they are prudent and affordable.

The Framework is based on the following foundations:



Overview

What is Capital Expenditure?

Capital planning is about capital investment or expenditure, as distinct from revenue expenditure or running costs. Capital expenditure can be defined as expenditure on assets that will provide a benefit to the organisation beyond the current financial year. This includes expenditure on:

- purchase of new assets
- creation of new assets
- enhancing and/or extending the useful life of existing assets.

A more detailed definition of capital expenditure, as it applies to UK local authorities, is contained in the Practitioners' Guide to Capital Finance in Local Government (CIPFA, 2012). In England and Wales, there are three routes by which expenditure can qualify as capital under the framework:



The expenditure results in the acquisition, construction or enhancement of fixed assets (tangible and intangible) in accordance with 'proper practices'.

The expenditure meets one of the definitions specified in regulations made under the 2003 Local Government Act.

The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

Section 16 of the Local Government Act 2003 specifies that the definition of capital expenditure comprises these three descriptions of expenditure.

Regulation 29A of the Capital Financing Regulations [England] 2003 then exempts these three categories of expenditure from being charged to revenue.

Regulations 31 [England] define proper accounting practices as those contained in the SORP.

Overview

Financial regulations proscribe certain costs from being capitalised, in particular administrative and other general overheads, together with employee costs not related to the specific asset (such as configuration and selection activities). Authorities are also required to write off any abnormal costs that arise from the inefficiencies (such as design faults, theft of materials, etc.). The following table provides some examples

of the costs incurred by a local authority in the process of constructing a new administrative building on the site of existing office accommodation. The positions taken in the example below are just that an example, therefore advice should be sought from Capital Business Partners where there are any areas of uncertainty.



| Item of expenditure | Capital or revenue? |
|--|--|
| Feasibility studies | <p>Revenue. All costs incurred whilst an authority is deliberating on the problems it wishes to resolve by having a new building, scoping potential solutions and choosing between them and assessing whether resources will be available to finance a project, will normally be revenue.</p> <p>This is because, until a specific solution has been decided upon, costs cannot be directly attributable to bringing an asset into working condition.</p> <p>Capital: Feasibility costs for chosen option.</p> |
| Demolition of existing building | <p>Capital. Demolition would usually be an act of destruction that would be charged to revenue. However, if the costs are incurred as a necessary step in preparing a site for a new building, it can be argued that they are an integral part of the new works.</p> |
| Costs of renting alternative accommodation for authority staff during building works | <p>Revenue. All costs incurred in carrying out the authority's regular business whilst construction is under way (no matter how great the cost of the inconvenience caused) will be revenue as they make no direct contribution of any value to the new building.</p> |
| Site security during construction | <p>Revenue. This activity protects the investment made in the building during construction but does not enhance it.</p> |

Further Examples – Revenue or Capital?

| Item of expenditure | Capital or revenue? |
|---|--|
| Professional fees | Capital. To the extent that the services provided make a contribution to the physical fabric of the new building (e.g.: architecture design) or the work required to bring the property into working condition for its intended use (e.g.: legal advice in the preparation of building contracts). |
| Furniture and fittings | Capital. Items that are needed to bring an asset into working condition for its intended use are often capitalised as part of the overall cost of the property, even if such items would normally be below the authority's minimal limit. |
| Rectification of design faults | Capital. Rectification work will take an asset closer to being in working condition. However, the expenditure previously incurred on the defective work would need to be written off to revenue |
| Training and familiarisation of staff in operation of new building | Revenue. The building will be regarded as being in working condition, even if there is no one competent at the authority actually to operate it. Training and associated costs do not therefore qualify for capitalisation. |
| Apportionment of costs of capital expenditure team and internal audit | Revenue. These costs are generally incurred to make sure the project runs as intended, rather than enhancing it. |

Key Terminology

Asset Strategy

Long-term strategy for moving towards the optimal asset portfolio, which includes strategies for:

- Purchasing and constructing new assets
- Investing in and replacing existing assets
- Transferring assets to other organisations
- Disposing of assets that are surplus to requirements

Asset Management Plans

Detailed plans for individual assets or groups of assets covering

- How they will be managed on a day-to-day basis
- Investment in, replacement, transfer or disposal of those assets, in accordance with the asset strategy

Asset Planning

A general term for the activities covered by an asset strategy and asset management plans

Capital Strategy

Long-term strategy for investment in assets and for obtaining the resources required for that investment

Capital Programme

A set of capital projects that an organisation plans to undertake within a specified timescale, typically three to five years

Capital Planning

A general term for the activities covered by a capital strategy and the development of a capital programme



Why we need a Capital Strategy

A capital strategy is the foundation of proper long-term planning of capital investment, determining the priorities for this investment and how this is to be delivered and financed. Every public sector organisation that has significant capital assets and access to capital funding should therefore have a robust capital strategy. Rotherham Council's Capital Strategy defines and outlines the Council's approach to capital investment and is fundamental to the Council's financial planning framework, as enshrined in our Medium Term Financial Strategy.



The Capital Strategy will:

- Ensure capital expenditure contributes to the achievement of the Council's strategic aims and objectives, as defined in the Corporate Plan.
- Deliver a capital programme that is affordable and sustainable, and contributes to the Borough's economic growth.
- Maximise the use of resources and deliver Value for Money (VfM).
- Provide a clear governance framework for decisions relating to capital expenditure.
- Acquire and retain access to sufficient long term assets to provide services to the people of Rotherham.
- Encourage capital investment on Invest to Save (I2S) initiatives, to make efficiencies within the Council's revenue budget.
- Ensure that all investment decisions are based on a robust appraisal process, including the evaluation of VfM, affordability and risk.
- Ensure that the Council fully contributes to the delivery of the Sheffield City Region Strategic Economic Plan.

What is an Asset?

An item of property, plant or equipment that has a useful life of more than one year.

Operating Environment

Asset and Capital decisions need to be made in context. The following pages set out the environment anticipated over the plan period. There are three main elements to this environment which affect Rotherham Metropolitan Borough Council:

National Context

- Financial stability and tackling the deficit are the Government’s primary objectives. This will see continued pressure on capital and revenue budgets over the period of this Capital Strategy. Revenue budget reductions will limit the Council’s ability to support capital investment borrowing costs.
- The Government’s Joint 2015 Spending Review and Autumn Statement on the 25th November 2015 confirmed funding of £330m for the Sheffield City Region through the Devolution Deal. This funding will support investment in infrastructure, highways, skills and in support of economic growth.
- However, this Spending Review also confirmed cuts in revenue funding to local government of between 24% and 28% by 2020. These cuts will inevitably have a significant impact on the ability of public sector organisations to deliver long term capital programmes, due to having less ability to fund the revenue costs arising from additional borrowing, and reduced levels of staffing resources to support the development of capital projects.

- In addition, the Government announced plans to allow the flexible use of capital receipts for revenue funding on reforming and re-engineering services to secure efficiency savings. Whilst this is welcome, it will reduce the capacity for the Council to fund capital expenditure by using capital receipts.

Operating Environment – Local Conditions

- In February 2015 Louise Casey’s Corporate Governance Inspection declared that Rotherham Council was not fit for purpose. It resulted in far reaching government intervention, including the appointment by the government of Commissioners to oversee the running of the Council. Her report had been triggered by Professor Alexis Jay’s inquiry into Child Sexual Exploitation in the Borough.
- In addition to the specific CSE issues, these reports clearly highlighted that the Council needed to improve its governance procedures across the board. The governance of the Council’s Capital Programme is one such area. The new capital governance procedures will be covered later in this document.
- The lifecycle maintenance and repair of the Council’s operational assets and infrastructure, including the condition and suitability of its



school buildings, is a continuing challenge within the current budgetary environment, given the need to protect front line services.

- There is pressure on revenue budgets to keep pace with the deterioration of the highway network, given the pressure from increased usage and the effects of winter weather conditions. If the Council is to maintain its highway network at a level equal to or above the national average, it is clear that further capital investment is required.
- The Town Centre is a key priority for the Council, with the need to build on the award winning High Street regeneration to further improve the Town Centre offer, and make it more attractive and welcoming to residents and visitors.
- The Council must play an active role within the Sheffield City Region (SCR), to ensure that it receives its proportion of funding from the devolution deal, and to enable the Council to fully contribute to the delivery of the SCR Strategic Economic Plan.

Economic and Market Conditions

- The depressed property market is affecting the ability of the Council to realise capital receipts from property disposals, to support the funding of the Capital Programme.
- Property sale prices are still below pre-2007 levels, making the economic benefits of site disposals difficult to justify.
- Rotherham is ranked the 52nd most deprived district in England according to the Index of Multiple Deprivation 2015. Key challenges for Rotherham are people out of work, low levels of qualification, ill health and disability.

Sheffield City Region (SCR)

Central Government are continuing with their plans to promote and support the devolution of power and decision making within the United Kingdom. Within England powers are being transferred at a regional level to local government. This is illustrated with the devolution of powers to Greater Manchester and more importantly for Rotherham to the Sheffield City Region.

A second proposed devolution deal for the SCR was published in October 2015, which will further increase its power and authority on areas such as setting a consolidated multi-year transport budget, the power to produce a statutory spatial strategy, and the power to call in planning applications “of strategic importance.” The SCR will be a key vehicle for driving economic growth in the region.



Sheffield City Region

Sheffield City Region
The Sheffield City Region has a diverse economy comprising a dynamic core city, important towns and market towns, fabulous countryside and a significant rural economy. The City Region encompasses more than 1.8 million people and approximately 700,000 jobs.

The City Region is located at the strategic heart of the country. It is comprised of the nine local authority areas of Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield.

It is vital that Rotherham remains a key player in the SCR to ensure that it can feed into and benefit from the SCR keys roles and funding opportunities. The SCR is the lead organisation for the following key strategic programmes:

- **Growth Plan:** sets out the Sheffield City Region’s plans to transform the local economy over the next decade.
- **LEP Board:** Local Enterprise Partnership (LEP) brings together business leaders and local politicians to make decisions that drive economic growth and create new jobs
- **Combined Authority:** The term “Combined Authority” means the bringing together of two statutory bodies – the Integrated Transport Authority (ITA) and an Economic Prosperity Board (EPB) in order to align political decision making around strategic Economic Development and Transport.

- | | |
|----------------|--------------|
| Barnsley 1 | Doncaster 6 |
| Bassetlaw 2 | North East |
| Bolsover 3 | Derbyshire 7 |
| Chesterfield 4 | Rotherham 8 |
| Derbyshire | Sheffield 9 |
| Dales 5 | |





The Sheffield City Region represents the most significant funding source to the Council to enable it to deliver upon its major capital investment plans. With the wide variety, nature and size of the funding streams already at its disposal and funds that it will be responsible for in the near future, it is vital that the Council ensures its priorities are fed into SCR planning and programme development.

In July 2014, the SCR secured £297m of capital funding from the government's Local Growth Fund to invest over the period 2015/16 to 2020/21 on major transport and infrastructure schemes, developing sustainable transport, investing in skills infrastructure, and supporting business growth and investment. A further £30m was allocated in January 2015 under an extension to the Growth Deal covering the period 2016/17 to 2020/21. Rotherham has already benefited from SCR funding being allocated to support schemes such as the Waverley Link Road and Parkway Widening.

As part of the Devolution Deal, additional funding of £900m has been promised at a £30m annual budget spread over 30 years, split 60% capital and 40% revenue, and subject to five yearly performance review. The proposal is for the additional funding to form part of a flexible single pot together with the SCR's share of other national funding streams (as yet to be determined).

The SCR is organised around five themes, each under an executive board as indicated in the diagram below. The diagram below gives an indication of the sources of capital funding within each theme and across the SCR as a whole at this point in time.

Each board currently has its own funding allocations and approvals process, but the intention is to bring these separate frameworks together into a new overarching framework for making investment decisions across the full range of activities the CA is responsible for, Rotherham will need to be clear

on its capital priorities, in order to direct its own resources and time to ensure that project bids being put forward have the greatest chance of successfully accessing SCR funding. Rotherham's new capital governance arrangements have been developed to mirror the SCR's project appraisal process, to ensure that documentation required for approval within both organisations is of a similar format.

It is important to note and understand that the SCR boards and the new funding streams are still under development and as such the way the funds are governed, controlled and allocated is subject to change.

SCR Executive Boards

| Business Growth | Transport | Housing | Skills, Employment & Education | Infrastructure |
|--|---|---|--|---|
| <p>Portfolio:</p> <ul style="list-style-type: none"> • Growth Hub • Centres of Expertise • Inward Investment • Rural <p>Funds:</p> <p>Regional Growth Fund £52m</p> <p>Northern Powerhouse Investment Fund £400m</p> | <p>Portfolio:</p> <ul style="list-style-type: none"> • Transport for the North • Rail North • HS2 • Commissioning body for Transport Committee <p>Funds:</p> <p>Transport for the North funding package linked to Northern Transport Strategy (to be published 2016)</p> <p>Sustainable and Inclusive Transport £24.6m</p> <p>LTP monies to support delivery of SCR Transport Strategy £8.7m (proposed)</p> | <p>Portfolio:</p> <ul style="list-style-type: none"> • Housing & Residential offer • Joint Assets Board <p>Funds:</p> <p>Housing Investment Fund (proposed)</p> <p>Additional resources through the rationalisation of the SCR Public Estate (proposed)</p> | <p>Portfolio:</p> <ul style="list-style-type: none"> • Skills • Employment • Education <p>Funds:</p> <p>Skills Capital £28m</p> | <p>Portfolio:</p> <ul style="list-style-type: none"> • SCRIF & JESSICA • Infrastructure Investment Plan • Broadband • Enterprise Zone <p>Funds:</p> <p>SCRIF £211.4m</p> <p>Enterprise Zone accelerator £5m</p> <p>JESSICA commercial property development fund £23m / Growing Places Fund £18.5m</p> |
| <p>SCR Cross - Cutting funds</p> | <p>Single Pot – to comprise additional funding of £30m per year over 30 years totaling £900m of investment for boosting growth plus SCR share of other national funding streams (proposed)</p> <p>EU Structural and Investment Fund (ESIF) 2014 to 2020 - £154m allocated comprising £90m Development Fund (ERDF), £61m Social Fund (ESF) and £3m Rural Development (overall allocation subject to exchange rate fluctuations – SCR seeking Intermediate Body status to administer funds)</p> <p>Business Rates Localisation - growth in business rates income in excess of agreed baseline (proposed).</p> | | | |

Golden Rules

Golden Rule One

All future projects brought forward for inclusion into the capital programme must follow and adhere to the new capital project approvals process/governance procedures. Therefore project managers must ensure they follow the designated process for completing and gaining the relevant sign off for:

1. Strategic Outline Case
2. Outline Business Case
3. Capital Approval Document

Projects will not be included into the capital programme and allocated a project account unless these processes have been followed.

Golden Rule Two

Rotherham Council's annual financing costs for discretionary capital financing (not including Invest To Save) should not rise above the self-imposed ceiling of 10% of its Net Revenue Budget (Net Revenue Stream) over the plan period and any future periods. Note this is for General Fund projects, excluding the HRA which has its own borrowing principles.

- Financing costs include both interest and minimum revenue provision (MRP) costs.
- As revenue budget levels come under pressure during the plan period it is critical that financing costs do not rise to unaffordable levels. This will protect revenue funding for direct service delivery.
- This rule will not be affected by Invest to Save projects as any discretionary financing costs for such projects will be met by the scheme directly and projects of this nature are delivered to provide budgetary savings and wider benefits.
- This will result in a significant reduction in the ability of Rotherham Council to borrow to fund the Council's Capital Programme over the plan period.
- Implementation will result in prudent and affordable prudential borrowing for discretionary capital investment over the plan period to support the Council's Capital Programme.





Golden Rule Three

In the Local Government Finance Settlement, announced in December 2015, the Government is looking to introduce new flexibilities on the use of capital receipts from the 1st April 2016. As currently proposed, for a three year period, this will allow capital receipts received from that point to be used for revenue expenditure, where the revenue expenditure is improving the efficiency of the local authority. Therefore, any capital receipts received from that date will be earmarked to fund revenue expenditure of this nature, in the first instance.

With regard to the historic capital receipts that the Council holds, these will be used to fund the delivery of capital projects with the focus on short life assets, typically less than a 10 year asset life. This will help to increase the affordability of short-term capital projects and minimise the Council's borrowing costs, by matching the funding resources to the appropriate projects. This will aid the Council in ensuring that the Minimum Revenue Provision within the revenue budgets is maintained at a manageable level.

Capital receipts generated will continue to be pooled together within a corporate pot to be allocated out through the capital programme approvals process, via the Strategic Capital Investment Group (SCIG) and Strategic Capital Investment Board (SCIB).

Golden Rule Four (Financial Appraisals)

All capital projects will be subject to a series of financial appraisals carried out by the relevant capital business partner in conjunction with the project lead. These financial appraisals will be carried out on all options as part of the detailed Outline Business Case assessment stage.

The key financial appraisal techniques that will be used are Net Present Value (NPV), and Internal Rate of Return (IRR). NPV will be the key financial assessment tool. NPV calculations will be carried out using the Council's current cost of capital 4.6% plus 2% (to allow for risk).

Where a scheme is an Invest To Save programme of works it must generate a positive NPV. Where projects are being carried out that are not Invest to Save projects but have been

selected based on the basis of a wider social impact, the options appraisal will still be carried out with NPV being used as a financial indicator of value for money. NPV will indicate which of the potential options is most cost effective. However due to the nature of the Council's activities/role some projects of this nature may not select the project with the strongest NPV, in these cases the wider social impact of the proposed scheme must be sufficiently presented to SCIG/SCIB as part of the approvals process.

Golden Rule Five

Efficiency savings should be sought through the combining of capital projects that are carrying out similar works and can therefore be combined to form one tender process, to enable a more efficient and cost effective tender process and contract to take place.

For example, combining tender contracts for roofing works across services such as Schools, Housing and Corporate Property, rather than having 3 separate tender processes will assist with cutting the costs of procurement and ensure we can deliver better economies of scale.

Golden Rule Six

Capital projects must meet the requirements of being capital expenditure. In England and Wales, there are three routes by which expenditure can qualify as capital under the framework

1. The expenditure results in the acquisition, construction or enhancement of fixed assets (tangible and intangible) in accordance with 'proper practices'.
2. The expenditure meets one of the definitions specified in regulations made under the 2003 Local Government Act.
3. The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

During the initial design stages of capital projects costs may be incurred for design fees, surveys and feasibility studies when preparing appraisals of possible delivery options. It is important to note that only the costs in relation to the chosen option can be capitalised.

Golden Rule Seven

(Contingencies, Sanctions and Grants)

Contingencies:

All capital projects should include a contingency budget to cover any costs from unforeseen circumstances such as delays, contractor disputes etc. These contingencies should be set at either 10% of the capital project budget, or budget specified by the project's Quantity Surveyor.

In the event that the QS specifies a contingency greater than 10%, the justification for the increased contingency level must be clearly explained within the Outline Business Case and Capital Approval Document.

For the avoidance of doubt the contingency must be built into the projects budget. No additional funding will be provided for use as a contingency.

Sanctions:

Sanctions will be applied to the relevant service area where a capital project budget has not been managed effectively. In the event that a capital project overspends the financing costs of the additional expenditure will be charged to the revenue budget of the service concerned. This will help control and provide clear budgets for borrowing repayments, as well as reaffirming the need for effective budget management by the Council's project management teams.

In the event that there is a dispute over the responsibility of the project's overspend, the Strategic Capital Investment Group (SCIG) will review the circumstances to make a recommendation to SCIB on how the overspend will be treated.

Grants:

Where capital projects are approved on the basis that they are to be wholly funded via capital grants, they will not be supported with additional borrowing. Any pressures on these capital projects must be reported through the council's capital project governance with requests for additional resources to be addressed with the grant provider.

Grant funded projects will only be included within the capital programme once the grant award letter has been completed and we have assurance that the income expected can be realised.



Capital Programme Development

This section of the Capital Strategy outlines the specific details of projects included within the existing approved Capital Programme, as well as explaining our vision for future capital investment. It is important to separate the current approved programme that we intend to deliver, from the future investment opportunities which we hope to deliver, but are dependent upon strategic plans and funding availability. Projects that we are looking to include within the future Capital Programme are at a variety of stages in their development, from just being an initial project outline for consideration for funding or strategic backing, to more established projects that have been identified as a strategic priority and have reached the Strategic Outline Case Stage (SOC)/Outline Business Case (OBC) stage. Therefore, development of the forward Capital Programme has been broken down into the following three key stages:

Stage 1: Approved Capital Programme: Projects already included within the programme which are being delivered.

Stage 2: Agreed in principle: Projects to be included within the Capital Programme as they are critical, strategically important, or fully resourced.

Stage 3: Development Pool: Projects at this stage of development have been recognised as being something the Council wishes to consider for future capital investment, but at this point they are not ready to be brought forward for approval. The reason they are not ready for approval will be due to funding availability or strategic approval (i.e. inclusion within the Council's Growth Plan, Town Centre Masterplan or Asset Management Strategies). A key element of this stage are the projects which have been put forward for funding approval from the Sheffield City Region.

It is vital that we prioritise the development phases of the Capital Programme into these stages, so that we can be clear within the Capital Strategy on what we intend to deliver (Stage 1), what we aim to deliver providing business cases are robust (Stage 2), and what our vision is for future Capital Programme delivery (Stages 3).



Stage 1: Approved Capital Programme

The Council's current approved programme for the two year period 2016/17 to 2017/18 will deliver on the following key Council priorities:

- £15.3m investment in highway infrastructure projects and maintenance to improve the Borough's roads.
- £2.4m investment in street lighting to enable revenue savings by investing in new lighting technology.
- £3.3m investment in critical building condition works
- £72.9m investment in new housing and improvements to existing stock, the estate infrastructure and support to enable people to stay within their home through Disabled Facilities Grant (Private), and Adaptations (Public).

The revenue funding implications arising from the Approved 2016-2018 Capital Programme have been factored into the Council's capital financing budget and Medium Term Financial Strategy (MTFS). The approved programme of £98.672m is detailed below by theme

- All projects within Rotherham's approved Capital Programme are fully funded. By far the largest funding source is the HRA Major Repairs Allowance and HRA revenue contributions. These resources make up 67% of the overall Capital Programme.
- As can be seen below, the Programme is reliant on additional prudential borrowing of £13.003m, the financing costs attributed to this borrowing will be met in the revenue budget and as such have been built into the MTFS.



| Stage 1 Approved Capital Programme 2016-18 (£m's) | Stage 1 Expenditure | Grants & Other Contributions | Major Repairs Allowance | Prudential Borrowing | Revenue Contribution to Capital Outlay | Usable Capital Receipts |
|---|---------------------|------------------------------|-------------------------|----------------------|--|-------------------------|
| | £m | £m | £m | £m | £m | £m |
| Improving Highways & Infrastructure | 17.754 | 10.966 | - | 6.788 | - | - |
| Housing & Neighbourhoods Investment | 72.967 | 2.103 | 42.435 | 1.680 | 24.449 | 2.300 |
| Key Invest To Save | 2.240 | 0.640 | - | 1.600 | - | - |
| Buildings Critical Condition | 3.327 | 2.776 | - | 0.551 | - | - |
| ICT Critical Condition | 2.384 | - | - | 2.384 | - | - |
| Grand Total | 98.672 | 16.485 | 42.435 | 13.003 | 24.449 | 2.300 |

Committed Major Projects

Some of the larger projects the Council will be delivering within the current approved Capital Programme include:

| Theme | Scheme Name | Scheme Description | Scheme Cost £m |
|---|--|--|-------------------|
| Investment in Highways & Infrastructure | Upgrading Street Lighting | Includes the LED lanterns and column replacement programme. Two projects to improve the lighting infrastructure and reduce energy costs. | 2.456 |
| | Improving Highways Infrastructure | In addition to grant funding for highway maintenance, the approval of £2m to the capital programme for highway maintenance and improvements to non-principal roads to be funded by prudential borrowing. It is expected that the funding will permanently repair 50km of the unclassified road network. Works will be targeted to maximise the improvement to the durability and condition of the network. | 7.532 |
| | Sustainable Transport - STEP 2 | 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. | 1.856 |
| Housing & Neighbourhoods Investment | Refurbishment of Council Dwellings | External and internal refurbishment to Council dwellings including work to windows, roofs, rain water goods, over shower baths, and external wall insulation. | 27.710 |
| | Fair Access For All – Aids and Adaptations | Aids and adaptations to Council dwellings and private sector properties to enable people to live independently. | 8.800 |
| | Replacement of Central Heating Systems | Replacement of central heating systems to Council dwellings. This 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. | 6.522 |
| | Housing Growth - Strategic Acquisitions | A programme of building and purchasing new houses to increase stock numbers. 25 new homes have been constructed at Barbers Avenue, Rawmarsh. In addition we have purchased 10 properties at Wadsworth Road, Bramley and 31 properties at Sawn Moor Ave, Thurcroft. | 12.210 |
| | Decent Homes Voids Programme | Refurbishment work to bring void properties back to an agreed standard. Major voids occur when the cost of bringing a property up to the lettable standard exceeds £4,000. This often occurs where a previous tenant has refused decent homes work and so properties now require new kitchens, bathrooms or central heating systems. | 5.200 |

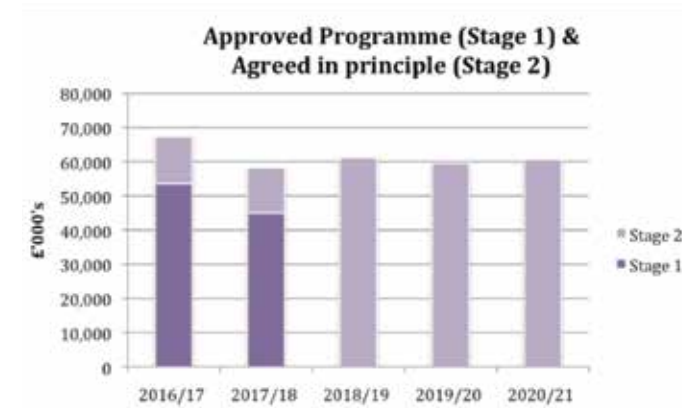
| | | | |
|--|---|---|-------|
| Key Invest to Save Infrastructure | Property Adaptations – Increasing foster care placements | Works to private properties to increase Borough capacity for foster care placements. The project generates revenue savings as a result of a reduction in out of authority placements. | 1.600 |
| Critical Building Condition Works | Capitalised Minor Enhancements – Schools | Grant funded programme for minor works at schools dealing with condition and suitability issues, including extensions and refurbishment works | 1.800 |
| | Devolved Formula Capital Grant – Schools | Grant paid annually to schools for them to spend on small capital projects. Funding has to be spent within 3 years of receipt. | 0.537 |
| | Library | Library and Customer Services have been working with Brinsworth Parish Council and colleagues in the Corporate Property Unit 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. | 0.499 |
| Critical ICT Infrastructure Works | ICT / Digital Strategy | Funding allocation in respect of key projects within the Council’s ICT and Digital Strategy. A 2015/16 ICT Delivery Plan has been approved. This encompasses expenditure on core networking equipment, server replacements and web filtering device upgrades. The 2016-2019 Digital Council Strategy is currently being developed. | 1.519 |
| | Improvement to ICT use within Social Care | Set up, purchase and implementation of Liquid Logic solution for CYPS and Adult Services. This meets a key recommendation in the Jay report to “Address the severe deficits in the ICS system as a matter of urgency and procure a replacement system”. | 0.395 |
| | Technological Refresh | Ongoing lap-top replacement programme as IT kit reaches the end of its useful life. To ensure the continuation of service provision. | 0.470 |

Stage 2: Agreed in principle

These are additional projects over and above those already in the approved programme, to be included and financed in the new capital programme 2016 – 2021. These were agreed following an initial prioritisation process carried out with services, Commissioners and Cabinet members. Projects here are being included as they are critical works, strategically important, or fully resourced.

The result of this prioritisation process has led to projects receiving agreement in principle to the value of £180.423m set across the key theme areas detailed below. In addition to

the existing approved Capital Programme of £98.672m, this would give Rotherham a Capital Programme of £279.095m. The graph illustrates how the Capital Programme will look over the next 5 years, based on the approved Programme and the assumption that all the agreements in principle are approved for inclusion in the Capital Programme.



| Stage 2 Agreed In Principle 2016-21 (£m's) | Stage 2 Expenditure | Grants & Other Contributions | Major Repairs Allowance | Prudential Borrowing | Revenue Contribution to Capital Outlay | Usable Capital Receipts |
|--|---------------------|------------------------------|-------------------------|----------------------|--|-------------------------|
| | £m | £m | £m | £m | £m | £m |
| Town Centre Development | 17.000 | - | - | 7.000 | - | 10.000 |
| Improving Highways & Infrastructure | 55.504 | 44.499 | - | 11.005 | - | - |
| Housing & Neighbourhoods Investment | 77.840 | - | 77.700 | 0.140 | - | - |
| Key Invest To Save | 11.360 | - | - | 11.360 | - | - |
| Buildings Critical Condition | 5.709 | - | - | 5.709 | - | - |
| ICT Critical Condition | 7.625 | - | - | - | - | 7.625 |
| Housing Growth Projects | 0.385 | - | - | 0.385 | - | - |
| Development Fund | 5.000 | - | - | 5.000 | - | - |
| Grand Total | 180.423 | 44.499 | 77.700 | 40.599 | 0.000 | 17.625 |

The table above illustrates by theme the stage 2 agreed in principle capital schemes, including the funding identified.

Town Centre Investment (£17.000m):

The continued regeneration of the Town Centre offer, to build upon the successes of projects like the award winning High Street redevelopment, has been identified as a key priority by Commissioners and Advisory Cabinet Members. The Council is developing a town centre master plan, which will determine which town centre projects will be brought forward as a strategic priority.

However, the Council has already identified a number of key themes for the redevelopment and regeneration of the town centre, which will inform the master plan and our ambition for this Capital Strategy. These include:

- Enhancements to the town centre retail offer, including improvements to the Markets Complex and building on the success of the Townscape Heritage Initiative, a further Heritage Lottery Fund Bid to complete the High Street redevelopment and then begin to redevelop Westgate.
- Enhancements to the town centre leisure and night time offer. One of our key ambitions is to bring a cinema into Rotherham. This would bring a sea change to how the town centre is viewed, which in turn will attract secondary restaurant, shop and bar developments, to revitalise the town centre in the evening, as well as improving the day time offer.
- Improvements to the Transport Interchange, to address current condition and public safety issues. The aim is to create a new, brighter, safer environment and address some of the issues around CSE in and around the existing Interchange.
- Development of key strategic sites, including Forge Island, Westgate/Sheffield Road and the town's water side.

- Residential Development in the town centre. A key ambition is to increase the number of residential properties in the town centre, which will complement and support our leisure and retail ambitions. Exploiting key strategic transport developments such as the tram-train and Bus Rapid Transit (BRT) North, which will improve the access between Parkgate, Rotherham and Sheffield, the Council is looking to bring derelict and vacant sites forward for residential use.



- HE Campus Development. The Council are working with Rotherham College to develop a Campus on the Doncaster Gate site to cater for the increased numbers of HE students that they are attracting. The Campus will assist in developing a workforce that can meet the needs of Rotherham's businesses, to support their growth ambitions. In addition, it will increase footfall in the town centre. The College has approached the Council for a loan to help finance the development.

The Council is also working closely with the Sheffield City Region to identify funding for our town centre master plan projects. In addition, we will work closely with the private sector to identify development opportunities and will provide gap funding where sensible to do so.

Improving Highways & Infrastructure (£55.504m):

The Borough's highways connect people to jobs, education, shopping, recreation and services. They are an essential part of the overall transport network and we need to maximise their potential to connect people to places in a safe and sustainable way.

The highway network is an essential and valuable asset. Rotherham Council is responsible for 712 miles (1,143 km) of local highways network and it is the most valuable community asset under our control, currently valued at around £1.650 billion (Depreciated Replacement Cost).

It includes roads, footpaths, street lighting, road markings, road signs, safety barriers, traffic management systems, drainage systems and bridges. Note: the Department for Transport also manages some roads in the Borough - the combined 16 miles (25km) length of the M1 and M18 Motorway network.

The highways commitments put forward are linked to the Corporate Plan and aim to:

- Market Rotherham as an attractive business location.
- Make sure Rotherham's roads and footpaths are safe to use and that the condition is as good as (or better) than the national average.



A sample of the key highways projects put forward for inclusion into the Capital Programme are detailed below. The specific aims and objectives of the Highways Capital Programme can be found within the Highways Asset Management Plan (HAMP). A total of £55.504m has already been ring-fenced from the Sheffield City Region Investment Fund for two major highways projects (Parkway Widening & Waverley Link Road), on the basis that the feasibility studies and detailed business cases are completed and approved.

| Scheme Name | Scheme Description | Total Scheme Cost £m |
|---|--|----------------------|
| Highways Improvement Plan – Unclassified Road Network | To improve the condition of the highway network and in particular the unclassified carriageway network, with an additional investment of £10m over five years. There will be a requirement to ensure that an investment of around £6m (from various funding streams) per year is allocated to maintain and improve the network. This project will enable the condition of the unclassified highway network to achieve national average condition, in accordance with the Council's corporate priority. This would build on the already approved £5m investment for 2015/16-2016/17. The outcome would be that the unclassified roads in Rotherham are at, or better than, the national average condition. | 10.000 |
| Herringthorpe Valley Flood Alleviation Scheme | This project has been identified on the Environment Agency's Medium Term Plan for Flood Defence Projects. The proposed scheme will create a flood storage area in parkland upstream of the flood risk area. Furthermore, the Council will explore the possibility of introducing a wetlands feature within the Council owned land, in partnership with the Council's leisure and community services. As a result of the scheme, 112 residential properties and 4,877m ² of non-residential property would have a reduced risk of flooding. | 0.275 |

| | | |
|---|--|---------------|
| Waverley Link Road (SCR Request) | <p>1.9km link road connecting the Waverley new community at Highfield Lane with the B6064 Furnace Lane in Woodhouse Mill. The project will lead to improved traffic flows and better access to the Advanced Manufacturing Park at Waverley.</p> <p>Approval has already been secured for the initial feasibility studies to be carried out on this scheme. The expenditure shown here is for the physical delivery of the major capital works, which will be funded through a combination of SCR/DfT grants and a developer contribution.</p> | <p>9.800</p> |
| Parkway widening (SCR Request) | <p>Widening of the A630 Parkway from 2 lanes to 3 from the Europa Way junction to the M1. The project will deliver improved traffic movements/flows in the Sheffield-Rotherham Corridor. Council approval has already been secured for the initial feasibility studies to be carried out on this scheme.</p> <p>The expenditure shown here is for the physical delivery of the major capital works. Funding of £42.26m is being sought from the Sheffield City Region / Department for Transport, this includes £8.82m in 2021/22 which is outside the time frame of this five year strategy. In October 2015 the Sheffield City Region approved the Outline Business Case for the project and recommended that it proceeds to the Detailed Business Case stage.</p> | <p>33.440</p> |

Housing & Neighbourhoods Investment Commitments (£77.840m):

To follow on from the existing £72.967m HRA programme, a further 3 year HRA Capital Programme is being developed, that will tackle the key issues facing Council housing provision in the Borough over the period 2018-21. The HRA programme as a whole is under a review process, following the changes to rent policy made by Central Government and as such the programme level is subject to change. This element of the programme is entirely funded through ring-fenced HRA resources, if the available resources reduce the programme will have to be adjusted accordingly.

Area Assembly Investment

This investment will provide a small capital pot £0.140m for public realm works, parking schemes, highways improvement works etc. at individual local neighbourhood areas. The premise being that each local neighbourhood area will be able to identify what the key issues are within their area and prioritise how their budget is allocated to these issues. This project will increase collaboration between the community and the Council.



| Scheme Name | Scheme Description | Total Scheme Cost £m |
|---|---|----------------------|
| Council Housing Investment Programme | <p>Annual Housing Investment programme to maintain decency, carry out stock improvements, aids and adaptations and new stock provision, energy efficiency and environmental works to our 21,000 council homes.</p> <p>An annual programme of £30m is built into the Capital Programme for 2015-18. 21,000 Council homes meet Rotherham decent homes plus standard and we continue to improve access and reduce CO2 emissions.</p> | <p>77.700</p> |

Key Invest To Save Projects (£11.360m):

Invest to Save projects are projects that can demonstrate through the business case process and financial appraisal, that the benefits of the project (savings made year on year) are sufficient to cover the financing costs of the borrowing to complete the project. Therefore, the savings made year on year during the useful life of the asset, will be greater than the cost of repaying the borrowing used to fund the project.

Examples might include an investment in an energy efficient boiler, resulting in lower annual running costs, or an investment in a new car park generating an additional income stream.

The cost of additional borrowing arising from Invest to Save projects is built into the Medium Term Financial Strategy, including where it will be funded from within the revenue budget. Revenue savings generated by the project are also reflected in revenue budgets. This information is key to ensuring that the MTFs and Capital Strategy interlink, but also will form vital performance information over the longer term, as we assess the actual impact of these projects on future cashflows.

Within the current Capital Programme commitments there are three Invest to Save projects that have been through the initial evaluation process by Advisory Cabinet Members and Commissioners, however, we do have a number of these projects on a potential scheme list. In future years Capital Programme reviews some of them may be brought forward as a capital project request, to be considered for full inclusion into the Capital Programme.



The two projects below have been identified as key Invest to Save projects that are of strategic importance.

| Scheme Name | Scheme Description | Total Scheme Cost £m |
|----------------------------------|---|----------------------|
| Extra Care Housing Scheme | <p>To deliver a 70 bed Extra Care Housing Scheme (for older people) and provide new complementary residential housing.</p> <p>This project meets cross cutting objectives between Housing, Adults and Health services. Budget savings will be realised through property and service rationalisation. The proposed Extra Care development will enable older people to live independently for as long as possible. This will reduce the pressure on existing budgets, as care packages can be added flexibly as and when required, based on need.</p> | 10.560 |
| Maltby Library Relocation | <p>Relocation of Maltby Library from a separate building into the Maltby Joint Service Centre. Maltby Library is located 200 metres from Maltby JSC, which is a PFI building that houses a Sports & Leisure centre, Customer Service Centre, NHS-GPs, Pharmacy and a localities office for Rotherham and the NHS teams.</p> <p>It is proposed to reconfigure the Customer Service Centre on the ground floor to include a library. The existing library site could then be combined with the adjacent Fire Station, due to close in 2016, and some unused green space land, to create a mixed use retail and residential site.</p> <p>Note: a consultation process will be carried out before any decision and actions are taken.</p> | 0.275 |

Critical Building Conditions Work (£5.709m):

This programme of works is focused on maintaining the operational functionality of Council owned buildings such as office space, markets, libraries and museums. A detailed assessment of the Council's future corporate asset requirements is currently underway. This will help to define the future use of these buildings, which in turn will define the level of improvements required. In the interim period the programme of works put forward is specifically to target critical works required to tackle health and safety issues, which would put the occupants at risk, and the Council at risk of failing in its duties under Health and Safety Standards, and therefore be unable to continue to provide services from these buildings.

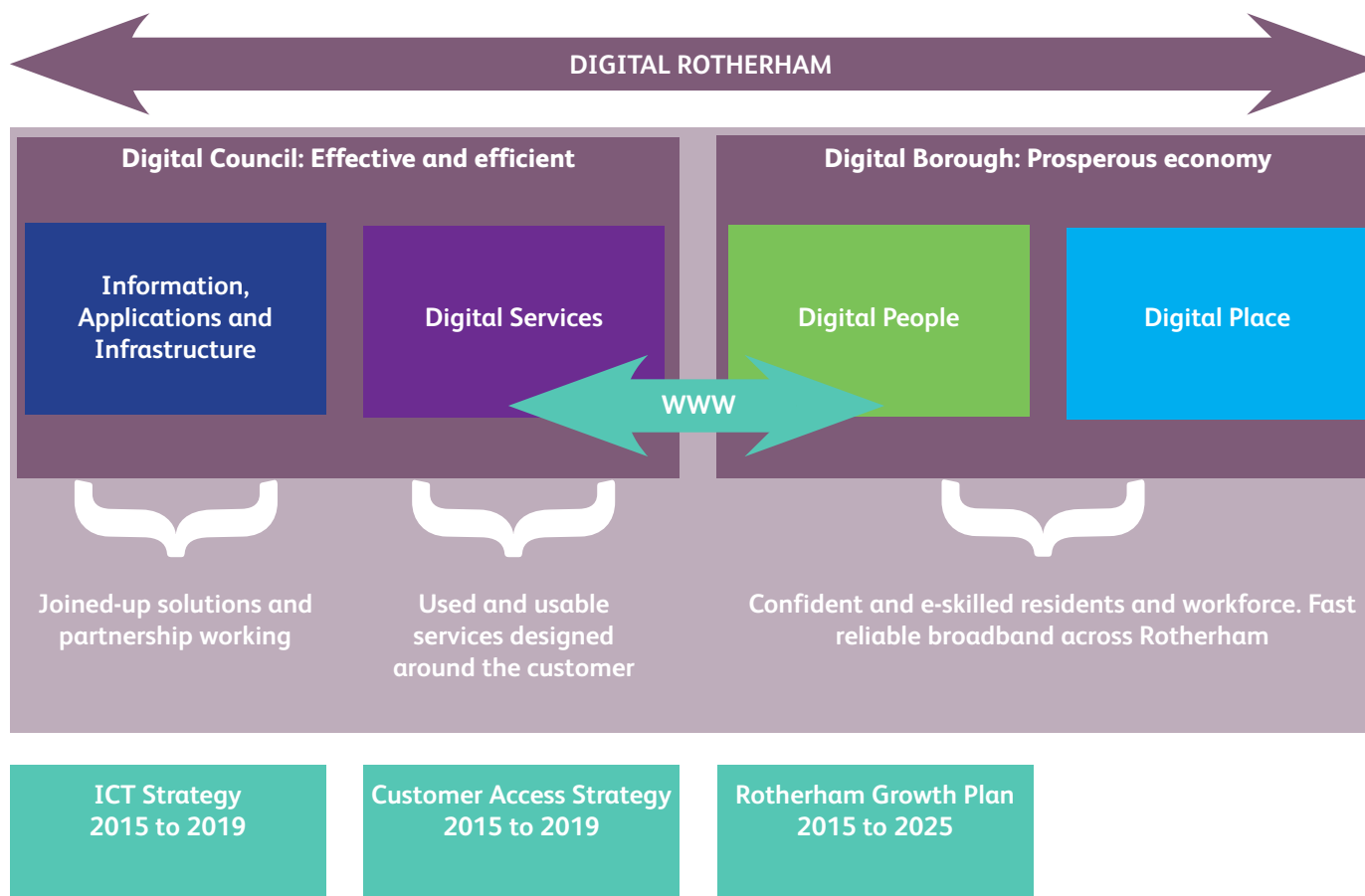
Some of the main projects put forward are detailed below:

| Scheme Name | Scheme Description | Total Scheme Cost £m |
|--|---|----------------------|
| Operational Buildings Capital Investment | <p>The aim of this project is to allow the Council to catch up on backlog maintenance on its operational estate. To ensure the Council has an effective, good condition estate that is suitable for the Services provided by the Council. The programme of works will help reduce revenue maintenance costs, however, it will require significant support from Services to establish a prioritisation of work and a clear asset management plan.</p> <p>Lack of investment in the estate will create health and safety issues and potential reputational risk and potential service delivery failure. The expenditure profile shown is based on a do-minimum option, covering the costs of maintenance to ensure the buildings remain functional.</p> | 3.294 |
| Scheme Name | Scheme Description | Total Scheme Cost £m |
| Children and Young People's Service – Property Projects | Property related projects to support the Children and Young People's Service Improvement Plan. The works are subject to the outcome of operational and locality reviews, including, but not limited to, Social Care and Early Help services. The works will include suitability and condition works to existing Council buildings. | 0.900 |
| Treeton St Helens Church Yard | Inspections have found the retaining (and other boundary) walls are at risk of collapse. The graveyard annex is dangerous for visitors and staff who maintain it, due to many of the graves sinking and the memorials collapsing. The project will rebuild all the retaining walls to the relevant standards and stabilise the retained land and the individual graves. | 0.450 |

Critical ICT Infrastructure works (£7.625m):

This programme of work is focused on maintaining the operational functionality of the Council's ICT Infrastructure. A detailed assessment of the Council's ICT requirements has taken place, which has identified key areas for investment to maintain the current services, as well as identifying areas where improvements are required. The projects delivered by this new Strategy will directly support service delivery and will have a critical role in supporting the achievement of Rotherham's Improvement Plan priorities.

The proposed 2015 to 2019 Digital Strategy is just one of a series of interlocking strategies that will allow the Council to deliver



The main areas of ICT which require capital investment relate to:

- ICT systems that are out of warranty and therefore prone to maintenance issues/costs, leading to delays in service provision.
In most cases these systems are no longer capable of running the latest business systems, leading to performance and efficiency problems.
- ICT systems that have reached the end of their useful life, where maintenance and security patches will no longer be released by the manufacturer. Failure to rectify this will expose the Council to security and performance risks and will preclude the Council from gaining an accreditation to the Public Services Network (PSN).
- A sample of the ICT infrastructure works are detailed below:

| Scheme Name | Scheme Description | Total Scheme Cost £m |
|---|--|----------------------|
| Computer Refresh Laptop, desktop and tablet replacement | <p>Over 50 % of the current laptop device estate is over 6 years old. These devices are out of warranty and are breaking down more, leading to an increase in IT support costs. They are not capable of running the latest business systems, which is causing performance and efficiency problems for staff. The current IT asset policy requires that devices are replaced every 4 years.</p> <p>The proposal is to continue the existing do minimum replacement rolling programme. There is an existing annual capital approval of £470,000 with funding for 2016/17 already included within the Capital Programme.</p> | 2.860 |
| Networking Equipment Refresh Replacement of core networking equipment. | <p>The IT networking equipment is coming to the end of its useful life. Maintenance and security patches will not be released by the manufacturer for this equipment. There is a statutory responsibility to provide a secure network for our data. Failure to do this work will expose the Council to security and performance risks and will preclude the Council from gaining an accreditation to the Public Services Network (PSN). Services using the PSN, such as Revenues and Benefits and registrars, will be disconnected. The Council's reputation for security will be damaged and networking failures will increase.</p> <p>Funding of £170,000 was approved as part of the ICT Delivery Plan 2015/16.</p> | 2.363 |

Development Fund (£5.000m):

The Economic Growth Plan identifies a priority action to set up a Property Investment Fund to bring forward employment sites within the Borough. Experience through the R:evolution development on the AMP demonstrates that Rotherham can invest to bring forward development and enable economic growth, that if reliant on the private sector would either stall or be significantly delayed.

The Growth Plan also identifies the priority to develop strategic packages of sites to maximise growth, working with landowners, public and private sector partners to develop site packages and phased regeneration plans for growth zones. To effectively negotiate with land owners and exert influence over the strategic development of sites, Rotherham will need to have fiscal incentives to hand, of which a Property Investment Fund would be one.

Another key intervention from the Growth Plan is to create a “Rotherham Investment Product”, which is supported by a business facing culture within Rotherham; promoting the Local Authority as an organisation that works effectively with business. The product will set out a menu of options that will

enable the Local Authority to be more receptive to business investment and negotiate bespoke deals, to attract or retain businesses within the Borough, by removing barriers to investment and growth.

It is clear that if Rotherham is going to be credible in negotiating with the private sector, there needs to be a fiscal option within this menu, which should include being able to make property investments.



| Scheme Name | Scheme Description | Total Scheme Cost £m |
|------------------|---|----------------------|
| Development Fund | Economic Development / Growth Fund - To provide a fund to pump prime capital developments, which can be shown to deliver jobs and business rates to the Borough. Awards would be loans or purchases with a quick sell on, or a guaranteed income stream; so the Fund will be revolving. The project aims to provide more sites and buildings for economic growth, increased business rates and increased employment for local residents. | £5.000 |

Stage 3: Development Pool

Stage 3 represents some of the most significant proposals for future capital investment within the borough. It includes projects which will deliver major improvements in key strategic areas such as highways, town centre regeneration, and housing and economic growth. These projects have been included within stage 3 as they have significant funding shortfalls or require strategic approval (i.e. inclusion within the Council's Growth Plan, Town Centre Matersterplan or Asset Management Strategies).

A number of these projects have therefore been identified as potential projects to be funded from the Sheffield City Region, using its resources gained under the proposed Devolution Deal.

| Stage 3: Development Pool | Project Expenditure Total | Project Resources Total | Total Shortfall |
|-------------------------------------|---------------------------|-------------------------|-----------------|
| | £m | £m | £m |
| Improving Highways & Infrastructure | 4.000 | 0 | 4.000 |
| Housing Growth Projects | 0 | 0 | 0 |
| Economic Growth Projects | 20.200 | 0 | 20.200 |
| Grand Total | 24.200 | 0 | 24.200 |



Highways & Infrastructure (£4.000m): Housing Growth Projects (£tbc)

A number of projects have been identified under the theme of Housing Growth projects that will be targeted to increase and improve the housing offer within Rotherham and enable us to meet Central Government set new housing delivery targets. We will be looking for support from the Sheffield City Region to find funding for these projects. At present, as they are in the initial project stages, costing is not available.



| Scheme Name | Scheme Description | Total Scheme Cost £m |
|--|---|----------------------|
| Crinoline Bridge | This scheme comprises the refurbishment of Crinoline Bridge which carries the A630 Centenary Way, a section of Rotherham’s inner bypass, over the River Don. Over the past 20 years severe leakage of the bridge joints has allowed chloride salts to penetrate and attack the concrete bearing shelves, abutments and pier. A full refurbishment of Crinoline Bridge will address the current condition of the structure and ensure that this major route is not subject to disruption due to restrictions or closure. DfT grants will be sought for this project. | 4.000 |
| Residential development in Town centre (SCR Request) | Rotherham Town Centre has the potential to develop an additional 2,000 new homes. This proposal is about supporting both private and public sector residential development, to take place where the market is unable to deliver, by dealing with site abnormalities and constraints. Support could also be in the form of utilising Council owned strategic sites in the town centre as assets, to support development and assembling sites through strategic acquisitions with capital investment. A request has been made via the HCA for site infrastructure funding to help with flood alleviation and other site abnormal development costs. | tbc |

Economic Growth Projects (£20.200m)

A number of projects have been identified under the theme of Economic Growth that will be targeted to boost the local economy, creating jobs, making Rotherham an attractive location for major businesses, and increasing the quality and

offer of local district centres. We will be looking for support from the Sheffield City Region to find funding for these projects. At present, as they are in the initial project stages, costing is not available.

| Scheme Name | Scheme Description | Total Scheme Cost £m |
|---|---|----------------------|
| New Rotherham Mainline Railway Station (SCR Request) | Potential provision of a new railway station to enable mainline passenger services to serve the Rotherham central urban area. Parkgate has been identified as the most appropriate location. In conjunction with the tram-train link to the town centre, a new station could provide a park and ride site that would serve much of Rotherham's urban area. A new station would bring significant economic benefits, resulting in an annual GDP uplift of £26m, and provide direct access to 6 of the UK's top 10 Cities. This is in line with the aims of the Growth Plan and would increase the number of new businesses starting up in the borough, grow existing businesses and attract businesses to locate and invest in the borough. | 15.1 |
| Todwick North Development Site (SCR Request) | 30 hectare site proposed for economic development in the emerging Local Plan. The site is intended to attract major inward investment by accommodating one or more large users, or through the development of smaller plots, which will comprise a high quality business park. The site will be delivered by the private sector, however, the Council may wish to consider any assistance which enables the site to come forward, or reduces the risk of non-delivery. Todwick North will achieve the aim of providing more sites and buildings for economic growth, leading to an increase in business rates and employment for local residents. The current timetable is that the plan is adopted in early 2017, so that the site would be allocated for development and removed from the green belt. The site would then go through the planning process, with infrastructure enabling works following. On this basis development would start in 2018/19 at the earliest. | tbc |

| Scheme Name | Scheme Description | Total Scheme Cost £m |
|---|---|----------------------|
| <p>Advanced Manufacturing Innovation District (AMID) (SCR Request)</p> | <p>The AMID brings together universities, Local Authorities and the private sector around a 2,000 acre centre of excellence in metals and materials manufacturing, spanning the Rotherham-Sheffield border that will accelerate and enhance the growth potential of businesses encompassing design, technical services, professional services and distribution across the whole of the SCR.</p> <p>AMID builds on the research and innovation capacity of the Advanced Manufacturing Park (AMP). It is a flagship project for the Northern Powerhouse and is specifically referenced in the Devolution Deal. AMID will transform business and investor perceptions of SCR as a place to invest, where world-leading innovation is driving an advanced economy.</p> <p>The Council will master plan the area between the AMP and the town centre and deliver strategic interventions to connect the town centre and Templeborough, including Magna, with the AMID core. This will address the need to expand the core within the next 5 years and unlock the potential for up to 6,000 homes in and around the town centre creating a place for people to work, live and spend their leisure time.</p> | tbc |
| <p>New Incubation Centre (Successful Centres) - Hellaby/Maltby (SCR Request)</p> | <p>Rotherham Investment and Development Office (RIDO) would like to add a fifth Incubation Centre to their existing portfolio of successful centres. The ideal location would be around the M18, Hellaby/Maltby area. This particular area has been selected due to the popularity of the Matrix@Dinnington Business Centre, which is currently 100 % occupied. A number of enquiries have been made by start-up/early stage companies showing an interest in starting a business in this area.</p> <p>The current successful business incubation model will be used in a new development, which would be a 30,000 sq. ft. centre. This would be a mixture of both office and workshop space, offering approximately 45 – 50 units, split 60/40 office/workshop space. The new centre will also provide co-working space, a new resource to the existing RIDO Business Centres operation.</p> <p>A new facility would assist in the creation of new start-up businesses and employment opportunities in the Rotherham, Sheffield City Region area.</p> | 5.1 |

Funding Streams

There are a wide variety of funding streams available to the Council to enable it to resource the capital programme expenditure. Each of them have their own set of rules, regulations and restrictions that dictate how and when they can be used. The funding of the programme is therefore designed to maximise the use of ring-fenced and restrictive resources such as government grants and contributions to enable us to minimise our need for prudential borrowing. We also have sought to match resources to the nature of the assets being enhanced within the scheme, for example funding short term assets with capital receipts (ICT programme), and long term assets through prudential borrowing (Highways).

The tables to follow will provide a description of each of the funding sources that have been identified to resource the capital programme 2016-21. They also show the level of each funding stream against each approval stage.

Carry Forward Requests

As the forward Capital Programme is refreshed and reviewed each year, we will need to consider any programme area carry forward requests. These will be factored into the Capital Programme planning for the year ahead, as well as being updated in detail once the current financial year has ended and we know what the true carry forward position is. The capital team will liaise with project leads to collate the carry forward requests, in order to take them through the approvals process.

The capital team will also take responsibility for ensuring the funding to meet the carry forwards can be rolled over into the new financial year, and for ensuring that these resources are appropriately controlled and earmarked.



| Funding Source (£m) | Stage 1 Approved (£m) | Stage 2 Agreed In Principle (£m) | Total Funding (£m) | | | | | | | | | | |
|--|-----------------------|----------------------------------|--------------------|--------|---|--------|--------------------------|--------|---------------------|--------|---------|---------|---------|
| <p>Grants & Other Contributions</p> <p>Grants:</p> <p>One of the largest sources of capital funding is external grants, which are primarily specific to service areas, such as the Highways Local Transport Plan (LTP), or Department for Education (DfE) School condition/basic need grants. Grants generally come with specific terms and conditions imposed by the funding body, which restrict what they can be spent on. Grants are also received through a myriad of government agencies to support specific projects or programmes of work. It is anticipated that with the growing devolution powers handed to the SCR, that more and more external grants will be channeled through this route, rather than through central government agencies/departments.</p> <table border="0"> <tr> <td>Highways DfT</td> <td style="text-align: right;">£53.206</td> </tr> <tr> <td>Environment Agency</td> <td style="text-align: right;">£0.270</td> </tr> <tr> <td>Department for Communities and Local Government</td> <td style="text-align: right;">£2.103</td> </tr> <tr> <td>Education Funding Agency</td> <td style="text-align: right;">£3.416</td> </tr> <tr> <td>Other contributions</td> <td style="text-align: right;">£1.989</td> </tr> </table> <p>Section 106 (S106)/Community Infrastructure Levy (CIL) and External Contributions:</p> <p>Elements of the Capital Programme are funded by contributions from private sector developers and partners. Rotherham's Local Plan sets out where new developments are expected to take place and where additional infrastructure will be required, identifying the level of planned works and contributions required.</p> <p>The Authority is in the process of adopting a borough-wide CIL. Once approval has been granted by Council, the proposals will be sent to Government for examination. Subject to this proceeding as planned, it is proposed that the CIL will be implemented in late 2016.</p> <p>This will be a pressure area for the Council in the coming years as the levels of S106, CIL and external contributions are far lower than the anticipated levels of infrastructure improvements required.</p> | Highways DfT | £53.206 | Environment Agency | £0.270 | Department for Communities and Local Government | £2.103 | Education Funding Agency | £3.416 | Other contributions | £1.989 | £16.485 | £44.499 | £60.984 |
| Highways DfT | £53.206 | | | | | | | | | | | | |
| Environment Agency | £0.270 | | | | | | | | | | | | |
| Department for Communities and Local Government | £2.103 | | | | | | | | | | | | |
| Education Funding Agency | £3.416 | | | | | | | | | | | | |
| Other contributions | £1.989 | | | | | | | | | | | | |

| Funding Source (£m) | Stage 1 Approved (£m) | Stage 2 Agreed In Principle (£m) | Total Funding (£m) |
|--|-----------------------|----------------------------------|--------------------|
| <p>Major Repairs Allowance (MRA)</p> <p>The Authority makes an annual depreciation charge to the Housing Revenue Account (HRA), referred to as MRA, which is calculated on the basis of the cost of maintaining the HRA assets. This depreciation charge is transferred into the Major Repairs Reserve (MRR), and is used to fund capital expenditure within the HRA.</p> | £42,435 | £77,700 | £120,135 |
| <p>Prudential Borrowing</p> <p>The introduction of the prudential code in 2004 allows the Council to undertake additional borrowing. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. The Council must ensure that unsupported borrowing is affordable, prudent and cost effective. This has provided the Council with the flexibility to borrow to support capital expenditure, as demand and business need have dictated the requirement to do so.</p> <p>This type of borrowing has revenue implications for the Council, in the form of financing costs (interest and MRP), and these costs must be factored into both the decision to approve the scheme, the Treasury Management Strategy and the Medium Term Financial Strategy. This resource will be used in the majority of Invest To Save projects, as by their very nature the benefits from these projects will cover the financing costs of additional borrowing</p> | £13,003 | £40,599 | £53,602 |
| <p>Revenue Contribution to Capital Outlay</p> <p>The Council can use revenue resources to fund capital projects on a direct basis and this funding avenue has been used in the past, it is known as a Revenue Contribution to Capital Outlay (RCCO). This method differs from revenue budgets picking up only the financing costs of capital borrowing, in that the revenue resources act as a funding stream to support the physical project costs.</p> | £24,449 | £0 | £24,449 |

| Funding Source (£m) | Stage 1 Approved (£m) | Stage 2 Agreed In Principle (£m) | Total Funding (£m) |
|--|-----------------------|----------------------------------|--------------------|
| <p>Capital Receipts</p> <p>The Council is able to generate capital receipts through the sale of surplus land and buildings. The Council is seeking to maximise the level of these resources which will be available over the Strategy period, to support the Council's plans. There are 3 main types of capital receipts that the Council can generate:</p> <ul style="list-style-type: none"> • Capital Receipts – Land (Proceeds from the sale of Council owned land, these are unrestricted) • Capital Receipts – Buildings (Proceeds from the sale of Council owned buildings, again unrestricted) • Capital Receipts – RTB (Proceeds from the sale of Council housing to the tenants, ring-fenced to the Housing Investment Programme). <p>The use of capital receipts within the Capital Programme will be focused predominantly on short term assets, where the cost of bringing in external financing is high. The Government has recently introduced flexibilities on the use of capital receipts to fund revenue expenditure, where the expenditure is improving the efficiency of the local authority. Under these proposals this will apply from 1st April 2016 for a period of three years.</p> | £2.300 | £17.625 | £19.925 |
| | £98.672 | £180.423 | £279.095 |

New Capital Governance

Capital Strategy & Asset Management Plans

Until this year Rotherham did not have an overarching Capital Strategy. Clearly this needed to be rectified to ensure that the management of the Capital Programme could be effectively controlled and directed.

In addition, the Council has reviewed its existing capital governance arrangements to introduce a consistent approach across the Council and to ensure that detailed asset management strategies and plans are in place, and that they align with the Council's priorities and key documents. The priorities that flow out of these individual strategies have informed this Capital Strategy.

A key area of governance that the Council is looking to improve upon is the involvement of Members throughout the decision making and consultation process. It was clear that although Members were involved in the approval of the Capital Programme as a whole, the Council's governance did not consistently include Members at the outset and throughout the process of setting, reviewing and scrutinising capital projects coming forward for endorsement and ultimately inclusion within the Capital Programme.

Council and Advisory Cabinet Members will have a key role to play in the new governance procedures, with a new focus on ensuring that Members are involved in the consultation and decision making process from the outset and throughout. In reviewing the capital governance procedures and bringing forward a new five year capital programme we have sought

to keep members up to date throughout. It is envisaged that through the Capital Strategy, Members will have the opportunity to review and scrutinise projects being considered for inclusion into the Capital Programme, with the aim that they will ultimately give their endorsement for these projects. These projects will then only be included within the Capital Programme once detailed business cases have been brought forward for approval.

New Governance

The Chartered Institute of Public Finance and Accountancy (CIPFA) have produced a guidance document; 'Capital Strategies and Programming' (revised, Oct 2014), which has been the key guide document for this work on producing a Capital Strategy.

Following the CIPFA approach, 5 key work streams have been identified to develop a Capital Strategy and to ensure the implementation of the new Capital Programme approval process for the 2016/17 budget.

These are as follows:

- (1) Creation of a Capital Strategy for Rotherham
- (2) Creation of a Capital Programme for Rotherham – 2016/17 – 2020/21
- (3) Improve Governance Procedures, Standardisation and Accountability
- (4) Improve Systems and Reporting
- (5) Improve Project Management Guidance



Creation of Capital Strategy for Rotherham

- Completion of Asset Management Plans & Strategies
- Analysis of National & Local Environment
- Golden Investment Rules
- Disposal Rules
- Resource Analysis
- Post Investment Reviews

Creation of Capital Programme for Rotherham 2016/17 - 2020/21

- Forward programme of approved projects, new approvals and long term priorities
- Funding Statement
- Revenue Implications
- Knowledge sharing with similar LAs
- Clear picture of each area of capital investment

Improve Governance Procedures, Standardisation & Accountability

- New standardised approvals process
- Increased accountability
- Increased transparency
- New meeting structure
- Annual Programme Refresh timetable
- Standard approval doc - Capital Approval Document - CAD
- Automated sign offs

Improved Systems and Reporting

- Improved quality and flexibility of capital reporting
- Focus on financial performance
- Tracking of approvals
- Monthly position statement
- Automated approvals process

Improved Project Management Guidance

- Standardised project management guidance to be created and used by all.
- Business cases
- Project mandates
- Focus on providing the key info that decision makers need
- Focus on links to corporate and service aims



Creation of a Capital Strategy and a Capital Programme for 2016/17 to 2020/21

Evidenced by this document we are now in a position where we have a Capital Strategy, which we plan to review and update on an annual basis. The forward Capital Programme has also been extensively detailed within this document and will be refreshed in line with the new governance procedures on an annual basis.

Improved Standardised Governance Procedures:

A new governance and approvals procedure manual has been developed, that takes project managers through a step by step guide as to how they can get a capital project approved. This new standardised process provides Rotherham with a robust approvals process, which has sufficient scrutiny and involvement from Commissioners and Advisory Cabinet Members. This process is mandatory for all capital projects.

An illustration of the approvals process for a capital project is shown on the next page. You can see here how each one of the key approval documents is taken through the relevant meetings for approval, before being included within the Capital Programme as a live scheme.

Key Documents:

1. Strategic Outline Case (SOC) / Strategic Outline Programme (SOP)
2. Outline Business Case (OBC)
3. Capital Approval Document (CAD)

Standardised templates have been created for all these documents and for the financial approval document, the CAD, we are looking at a web based solution to manage, control and retain an audit trail of approvals. The CAD document will have three stages inclusion, variation and project closure.

The project closure stage will be key for project leads to identify any lessons learnt during the delivery of the project that can be shared across the Authority to improve future performance.

Service Level Approval

Strategic Capital Investment Group

Strategic Capital Investment Board

Senior Leadership Team

Commissioner /Cabinet Advisory Board

Project Management Tools (Initial Outline Case & Business Case)

1 Produce SOC/SOP for service review

4 Produce OBC for service review

2 Financial review of SOP/SOC

5 Financial review of OBC

3 SCIB approval to move to OBC

6 Approval OBC

Capital Approval Document (For inclusion into Capital Programme)

7 (CAD) to be drafted by project lead with assistance from BPC.
8 Signed off by PM and Sponsor

9 CAD presented to SCIG for approval - as part of monthly report

10 SCIG sign off

11 CAD included within Capital Programme approvals Report to SLT

12 CAD included within Capital Programme approvals Report to Cabinet

13 Cabinet sign off

Delivery

Once financial approval gained, the service can deliver the project

SCIG will manage and monitor project as part of Capital Programme

SCIB will monitor the performance of overall Capital Programme (Financial and non-financial)

SLT will receive monthly performance report

Cabinate will receive monthly report

Key Documents:

Although there are now three key project documents the SOC/ SOP and OBC to detail and seek approval for the specific nature of the project and then the CAD to seek financial approval and inclusion within the capital programme, not all capital projects will be required to complete all documentation.

For example a high budget, high profile project would be required to go through the full approvals process, completing a SOC, then OBC and finally a CAD. However a low budget, low profile, project with few complexities would only be required to complete the SOC and CAD as there would be no need for a more detailed business case.

The capital governance guidance provides a table to help you assess the level of documentation your project would likely require, however it is important to note that a project with a small budget, which is relatively simple could still be subjected to all three processes due to the reputational risk involved with the delivery of the project. Therefore the Strategic Capital Investment Group (SCIG) will advise on any schemes coming forward for approval if the SOC/SOP is sufficient or if the OBC will be required.

New Meetings:

To assist with the new governance arrangements we have established two new meetings to sit between the Directorate Management Teams and Strategic Leadership Team (SLT).

Strategic Capital Investment Group (SCIG)

SCIG is responsible for the oversight of the Council's approved Capital Programme. Its role is to manage the approvals process and make recommendations to SLT on new project approvals, variations and completion reports. It also has a key role to play in the performance analysis of the Capital Programme, reviewing the financial performance of the programme on a monthly basis and reviewing the output/ outcome performance.

Strategic Capital Investment Board (SCIB)

SCIB will provide the strategic level review of the Capital Programme, incorporating the need to bring in Advisory Cabinet Members into the approvals process and increasing the level of scrutiny and review of future capital projects. Its role will be to review the existing Capital Programme projects, new requests for inclusion into the Capital Programme and longer term project proposals.



Capital Approval Document (CAD) Automated System

One of the key gaps in the Council's previous capital approvals process was the lack of a specific, standardised approval document, to provide a clear audit trail of approval and therefore officer accountability.

The new Capital Approval Document, through the automated system that is being developed with IT, will provide a solution to these problems.

The new system will:

Provide a standardised document that all capital projects must complete before being included in the Capital Programme.

Through the automated circulation and sign off of CADs we will be able to cover the authorisation gaps and provide a clear audit trail of accountability for the approval.

The CAD will provide Finance, Advisory Cabinet Members, and project sponsors with access to a standard project template, that provides details of the key aspects of the project, so that they may quickly gain a clear understanding of what the project is trying to deliver.

Improved Systems and Reporting:

The current method of reporting on the Capital Programme is through a quarterly report produced by Financial Services. The focus of this report is on financial performance, with the comparison being to the previous quarterly report. Other than through the narrative in the report, it is very difficult to

determine the project's overall performance against budget, as the report presents information for the current and future years, and not on previous year's expenditure. It is also difficult to identify whether project outputs and outcomes have been achieved.

In order to improve the way that capital budgets are being monitored across the Council, and to improve transparency and the accountability of project managers, Financial Services have introduced a budget monitoring solution, Capital Collaborative Planning (CCP) across Directorates. This replicates the Council's current revenue budget monitoring solution, but across multiple years. The next step is to incorporate CCP in the Council's Business Analytics data warehouse, which would significantly enhance the timeliness and the scope of the reporting tools available. These new reports will form the basis of the regular monitoring reports to Commissioners / Advisory Cabinet Members.

Improved Project Management Guidance:

The Council has developed standardised project management guidance and templates to be used by Council officers when developing major projects. This guidance is based on the HM Treasury's Green Book guidance, but tailored and simplified for Rotherham use. This is the key reference document when undertaking an evaluation on whether to proceed with a major project, either revenue or capital in nature.

New templates for Rotherham versions of the Strategic Outline Case, Outline Business Case and Full Business Cases have been developed, along with supporting procedural guidance.

The first step will be to produce a Strategic Outline Case (SOC), which will be a three / four page document, covering the following headings.

- Purpose of the project
- Strategic context
- Case for change
- Available options
- Timescale
- Preferred option
- Procurement route
- Funding and affordability
- Management arrangements

In many cases a document of this size will be sufficient to enable a project to be approved. More complex projects will require an Outline Business Case (OBC) before a project can be approved and the procurement process commence, which will form the basis of the Full Business Case (FBC), as the final stage approval, when contracts are ready to be let and the project commence.

The aim is to introduce robust, standardised project management processes, which provide the key information for decision makers. This will enable them to make sound judgments about the right investment decisions to deliver the Council's objectives, as set out in the Capital Strategy.

NEW CAPITAL PROGRAMME 2016-21

INCLUDES CURRENT STAGE 1 APPROVED SCHEMES & STAGE 2 AGREED IN PRINCIPLE SCHEMES

| CAPITAL INVESTMENT THEMES | STAGE 1 (APPROVED) | STAGE 2 (AGREED IN PRINCIPLE) | TOTAL CAPITAL PROGRAMME |
|-------------------------------------|-----------------------|-------------------------------------|----------------------------|
| TOWN CENTRE DEVELOPMENT | £0 | £17,000 | £17,000 |
| IMPROVING HIGHWAYS & INFRASTRUCTURE | £17,754 | £55,504 | £73,258 |
| HOUSING & NEIGHBOURHOODS INVESTMENT | £72,967 | £77,840 | £150,807 |
| KEY INVEST TO SAVE | £2,240 | £11,360 | £13,600 |
| BUILDINGS CRITICAL CONDITION | £3,327 | £5,709 | £9,036 |
| ICT CRITICAL CONDITION | £2,384 | £7,625 | £10,009 |
| HOUSING GROWTH PROJECTS | £0 | £385 | £385 |
| DEVELOPMENT FUND | £0 | £5,000 | £5,000 |
| GRAND TOTAL | £98,672 | £180,423 | £279,095 |

| Town Centre Priorities | | | | | | | | | | | |
|---|--|--|--|------------------------------------|---|-------|-------|-------|-------|--------|--------------------------|
| Advisory Cabinet Member | | | | | Jobs and the local economy (D.Lelliott) | | | | | | |
| Service Area | | | | | Planning & Development Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 56/64/ 61/60 | Town Centre Investment (NEW PROJECT – STAGE 2) | Desirable Works - Retention of current service | <p>The continued regeneration of the Town Centre offer, to build upon the successes of projects like the award winning High Street redevelopment, has been identified as a key priority by Commissioners and Advisory Cabinet Members. The Council is developing a town centre master plan, which will determine which town centre projects will be brought forward as a strategic priority.</p> <p>However, the Council has already identified a number of key themes for the redevelopment and regeneration of the town centre, which will inform the master plan and our ambition for this Capital Strategy. These include:</p> <ul style="list-style-type: none"> Enhancements to the town centre retail offer, including improvements to the Markets Complex and building on the success of the Townscape Heritage Initiative, a further Heritage Lottery Fund Bid to complete the High Street redevelopment and then begin to redevelop Westgate. | Estimated Spend | 2,100 | 5,200 | 9,300 | 200 | 200 | 17,000 | £10m Capital Receipts |
| | | | | Identified Resources | 2,100 | 5,200 | 9,300 | 0 | 0 | 17,000 | £7m Prudential Borrowing |
| TOWN CENTRE INVESTMENT CONTINUES ONTO PAGE 2 | | | | | | | | | | | |

**TOWN CENTRE INVESTMENT
CONTINUED....**

- Enhancements to the town centre leisure and night time offer. One of our key ambitions is to bring a cinema into Rotherham. This would bring a sea change to how the town centre is viewed, which in turn will attract secondary restaurant, shop and bar developments, to revitalise the town centre in the evening, as well as improving the day time offer.
- Improvements to the Transport Interchange, to address current condition and public safety issues. The aim is to create a new, brighter, safer environment and address some of the issues around CSE in and around the existing Interchange.
- Development of key strategic sites, including Forge Island, Westgate, Sheffield Road and the town's water side.
- Residential Development in the town centre. A key ambition is to increase the number of residential properties in the town centre, which will complement and support our leisure and retail ambitions. Exploiting key strategic transport developments such as the tram-train and Bus Rapid Transit (BRT) North, which will improve the access between Parkgate, Rotherham and Sheffield, the Council is looking to bring derelict and vacant sites forward for residential use.

| Town Centre Priorities | | | | | | | | | | | |
|-------------------------|-----------------------------------|--|---|------------------------------------|---|-------|-------|-------|-------|-------|---|
| Advisory Cabinet Member | | | | | Jobs and the local economy (D.Lelliott) | | | | | | |
| Service Area | | | | | Planning & Development Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 65 | HE Campus (NEW PROJECT – STAGE 2) | Desirable Works - Planned Strategic Intent | <p>Rotherham College are seeking to create a Campus in the town centre to cater for the increased numbers of HE students that they are attracting. Build costs would be covered by the College and a bid to the Skills Capital pot. The college have approached the Council for a £6M loan. In principle disposal of part of the Doncaster Gate site has been agreed, subject to agreement on terms.</p> <p>The proposed HE campus will deliver the following :</p> <p>Increased numbers of Rotherham residents with Level 4+ qualifications.</p> <p>A workforce to meet the growth ambitions of Rotherham businesses.</p> <p>Industry, rather than academic, led provision.</p> <p>Increased footfall in the town centre, plus more town centre living, via student accommodation.</p> | Estimated Spend | 0 | 0 | 0 | 0 | 0 | 0 | <p>Costs of build are Rotherham College and potentially Skills Capital funding from the SCR.</p> <p>The College have approached the Council for a £6m loan.</p> |
| | | | | Identified Resources | 0 | 0 | 0 | 0 | 0 | 0 | |

Improving Highways & Infrastructure

Advisory Cabinet Member

Waste, roads and community safety (K.Sims)

Service Area

Transport

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|--|------------------------|--------------|--------------|--------------|--|
| Upgrading Street Lighting (APPROVED – STAGE 1) | Includes the LED lanterns and column replacement programme. Two schemes to improve the lighting infrastructure and reduce energy costs. | Expenditure | 1,559 | 897 | 2,456 | Prudential Borrowing £2.456m |
| | | Funding | 1,559 | 897 | 2,456 | |
| Improving Highways Infrastructure (APPROVED – STAGE 1) | In addition to grant funding for highway maintenance, the approval of £2m in 2016/17 in the capital programme for highway maintenance and improvements to non-principal roads, to be funded by prudential borrowing. This is part of a £5m funding allocation, that it is expected will permanently repair 50km of the unclassified road network. Works will be targeted to maximise the improvement to the durability and condition of the network. | Expenditure | 4,809 | 2,723 | 7,532 | Highways Grant - £5.532m Prudential Borrowing - £2m |
| | | Funding | 4,809 | 2,723 | 7,532 | |

Improving Highways & Infrastructure

Advisory Cabinet Member

Waste, roads and community safety (K.Sims)

Service Area

Transport

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|--|------------------------|--------------|--------------|--------------|-------------------------|
| Bridge Condition Works (APPROVED – STAGE 1) | Ongoing programme of works to maintain the Borough’s highway and foot bridges. To maintain traffic flow and safety in the Borough, by inspecting and addressing any structural issues identified. | Expenditure | 359 | 348 | 707 | Highways Grant |
| | | Funding | 359 | 348 | 707 | |
| Transportation Connectivity (APPROVED – STAGE 1) | The focus of spend in 2016/17 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. | Expenditure | 430 | 430 | 860 | Highways Grant |
| | | Funding | 430 | 430 | 860 | |

Improving Highways & Infrastructure

Advisory Cabinet Member

Waste, roads and community safety (K.Sims)

Service Area

Transport

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|--|------------------------|--------------|--------------|--------------|-------------------------|
| Network Management (APPROVED – STAGE 1) | The focus of spend in 2016/17 will be on measures to address congestion through amendments to junction control and minor road widening schemes. | Expenditure | 420 | 420 | 840 | Highways Grant |
| | | Funding | 420 | 420 | 840 | |
| Local Traffic Safety Schemes (APPROVED – STAGE 1) | The major project within this theme is an area wide traffic calming scheme in East Herringthorpe, following extensive public consultation. The fund also addresses smaller scale interventions, which help reduce the numbers of killed or seriously injured on Rotherham roads. This includes expanding the introduction of 20mph zones outside certain schools. | Expenditure | 350 | 350 | 700 | Highways Grant |
| | | Funding | 350 | 350 | 700 | |

Improving Highways & Infrastructure

| | |
|--------------------------------|--|
| Advisory Cabinet Member | Waste, roads and community safety (K.Sims) |
| Service Area | Transport |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|---|------------------------|--------------|--------------|--------------|-------------------------|
| Smarter Transport Choices (APPROVED – STAGE 1) | These projects involve the South Yorkshire trial of a hydrogen powered vehicle and the provision of cycle shelters in schools and places of work. | Expenditure | 25 | 25 | 50 | Highways Grant |
| | | Funding | 25 | 25 | 50 | |

Improving Highways & Infrastructure

Advisory Cabinet Member

Waste, roads and community safety (K.Sims)

Service Area

Transport

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|--|------------------------|--------------|--------------|--------------|-------------------------|
| Sustainable Transport - STEP 2 (APPROVED – STAGE 1) | 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. | Expenditure | 1,142 | 714 | 1,856 | Highways Grant |
| | | Funding | 1,142 | 714 | 1,856 | |
| A57 Major Road Scheme (APPROVED – STAGE 1) | 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. Future spend is in respect of compensation for land acquisitions. | Expenditure | 16 | 16 | 32 | Highways Grant |
| | | Funding | 16 | 16 | 32 | |

Improving Highways & Infrastructure

Advisory Cabinet Member

Waste, roads and community safety (K.Sims)

Service Area

Transport

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|---|------------------------|--------------|--------------|--------------|---|
| A630 Parkway Widening (feasibility study) (APPROVED – STAGE 1) | The scheme consists of the widening of the existing 2 lane dual carriageway to 3 lanes between the Catcliffe Interchange and the M1 Junction 33. The scheme includes three over bridges (two rail and one road) that will need extensions and a footbridge requiring replacement. The scheme will incorporate some amendments to the existing signalised roundabout junction, to facilitate two lanes across the junction for traffic travelling on the A630 between Sheffield and Rotherham. | Expenditure | 780 | 780 | 1,560 | Prudential Borrowing The overall cost of the project is estimated to be £45m with provisional funding allocated from the RGF of £42.26m with total development and post evaluation costs of £2.74m (£2.54m – Capital, £0.200m - Revenue) to be funded by the Council. |
| | | Funding | 780 | 780 | 1,560 | |
| Waverley Link Road (feasibility study) (APPROVED – STAGE 1) | The Waverley Link Road is a proposed new single carriageway road, which extends across the Waverley development site from the line of Highfield Lane to the north, to the junction of the B6200 Retford Road and the B6064 Furnace Lane to the south. The scheme is a long standing road improvement designed to improve access to local employment zones, relief congestion to residential areas and provide an alternative route to the M1 motorway via Junction 31. | Expenditure | 250 | 300 | 550 | Prudential Borrowing The overall cost of the project is estimated to be £10.5M with provisional funding allocated from the RGF of £8.8M, supplemented by a developer contribution by Harworth Estates of £1.0M and total development and post evaluation costs of £700,000 (£600,000 – Capital, £100,000 – Revenue) to be funded by the Council. |
| | | Funding | 250 | 300 | 550 | |

Improving Highways & Infrastructure

Advisory Cabinet Member

Waste, roads and community safety (K.Sims)

Service Area

Streetpride

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|---|------------------------|--------------|--------------|--------------|--|
| Drainage Works - Don Street (APPROVED – STAGE 1) | Flood defence and drainage works, to alleviate the potential risk of flooding to Rotherham Town Centre and Riverside House. | Expenditure | 1,600 | 0 | 1,600 | Prudential Borrowing £611k Capital Receipts £989k |
| | | Funding | 1,600 | 0 | 1,600 | |

Improving Highways & Infrastructure

Advisory Cabinet Member

Waste, roads and community safety (K.Sims)

Service Area

Streetpride

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|--|---|--|-------|-------|-------|--------|--------|--------|--|
| 107 | Parkway widening (NEW PROJECT – STAGE 2) | Desirable Works - Planned Strategic Intent | <p>Widening of A630 Parkway from 2 lanes to 3 from Europa Way junction to the M1. The outcome will be improved traffic movements and flows in the Sheffield-Rotherham Corridor.</p> <p>Approval has already been secured for the initial feasibility studies to be carried out on this scheme. The expenditure shown here is for the physical delivery of the major capital works.</p> <p>In October 2015 the Sheffield City Region approved the Outline Business Case for the project and recommended that it proceeds to the Detailed Business Case stage.</p> <p>Spend has been re-profiled to reflect the DfT approval timetable.</p> | <p>Estimated Spend</p> <p>Identified Resources</p> | 0 | 0 | 0 | 12,320 | 21,120 | 33,440 | <p>£42.26m funding from SCRIF/DfT. Estimated £8.82m spend in 2021/22.</p> <p>£0.3m development costs required from RMBC capital in 15/16.</p> <p>The full revenue implications from the scheme will not be felt until 2022/23.</p> |

Improving Highways & Infrastructure

Advisory Cabinet Member

Waste, roads and community safety (K.Sims)

Service Area

Streetpride

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|--|---|------------------------------------|-------|-------|-------|-------|-------|-------|---|
| 108 | Waverley Link Road (NEW PROJECT – STAGE 2) | Desirable Works - Planned Strategic Intent | 1.9km link road connecting the Waverley new community at Highfield Lane with the B6064 Furnace Lane in Woodhouse Mill. The outcome will be improved traffic flows and better access to the AMP/Waverley. Approval has already been secured for the initial feasibility studies to be carried out on this scheme. The expenditure shown here is for the physical delivery of the major capital works. | Estimated Spend | 0 | 0 | 6,500 | 3,300 | 0 | 9,800 | £8.8m funding from SCRIF/DfT, with £1m developer contribution. £0.1m development costs required from RMBC capital in 15/16. The full revenue implications from the scheme will not be felt until 2019/20. |
| | | | | Identified Resources | 0 | 0 | 6,500 | 3,300 | 0 | 9,800 | |

| Improving Highways & Infrastructure | | | | | | | | | | | |
|-------------------------------------|---|-----------------------------------|--|--|-------|-------|-------|-------|-------|--------|-------------------------------------|
| Advisory Cabinet Member | | | | Waste, roads and community safety (K.Sims) | | | | | | | |
| Service Area | | | | Streetpride | | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 96 | Highways Improvement Plan – Unclassified Road Network (NEW PROJECT – STAGE 2) | Essential Works - Health & Safety | To improve the condition of the highway network and in particular the unclassified carriageway network, with the investment of £10m over five years. This project will enable the condition of the unclassified highway network to achieve national average condition, in accordance with the Council's Corporate Priority. This would build on the already approved £5m investment for 2015/16-2016/17. The outcome would be that the unclassified roads in Rotherham are at or better than the national average condition. | Estimated Spend | 0 | 3,000 | 4,000 | 3,000 | 0 | 10,000 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 0 | 3,000 | 4,000 | 3,000 | 0 | 10,000 | |

| Improving Highways & Infrastructure | | | | | | | | | | | |
|-------------------------------------|--|---------------------------------------|--|------------------------------------|--|-------|-------|-------|-------|-------|--------------------------------|
| Advisory Cabinet Member | | | | | Waste, roads and community safety (K.Sims) | | | | | | |
| Service Area | | | | | Streetpride | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 120 | Traffic Signal Renewal Programme - Key Highway Junctions (NEW PROJECT – STAGE 2) | Desirable Works - Service improvement | Programme of traffic signal refurbishment on Rotherham's classified road network over five years. These routes provide access to Rotherham's economic centre, local connectivity and connectivity to other regional centres and the strategic highway network. Rotherham's traffic signal installations have suffered deterioration due to lack of direct investment over many years. Ageing installations require more regular maintenance and are more likely to fail, causing traffic congestion and possible collisions. Such installations do not benefit from recent technology developments such as 'extra low voltage' supply and LED lights. The programme links to CP1 – Stimulating the local economy and helping people to work. | Estimated Spend | 200 | 200 | 200 | 200 | 200 | 1,000 | Prudential borrowing required. |
| | | | | Identified Resources | 200 | 200 | 200 | 200 | 200 | 1,000 | |

| Improving Highways & Infrastructure | | | | | | | | | | | |
|-------------------------------------|---|--|---|------------------------------------|--|-------|-------|-------|-------|-------|--|
| Advisory Cabinet Member | | | | | Waste, roads and community safety (K.Sims) | | | | | | |
| Service Area | | | | | Streetpride | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 111 | Herringthorpe Valley Flood Alleviation Scheme (NEW PROJECT – STAGE 2) | Desirable Works - Planned Strategic Intent | <p>This project has been identified on the EA Medium Term Plan for Flood Defence Schemes. The proposed scheme will create a flood storage area in parkland upstream of the flood risk area.</p> <p>Furthermore, we would explore the possibility of introducing a wetlands feature within the Council owned land, in partnership with the Council's leisure and community services.</p> <p>The outcome will be that 112 residential properties and 4,877m2 of non-residential property have a reduced risk of flooding.</p> | Estimated Spend | 275 | 0 | 0 | 0 | 0 | 275 | Environment Agency 270k, 5k Prudential Borrowing |
| | | | | Identified Resources | 275 | 0 | 0 | 0 | 0 | 275 | |

Housing & Neighbourhoods Investment

Advisory Cabinet Member

Housing (E.Wallis)

Service Area

Housing & Neighbourhoods Investment

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|---|------------------------|--------------|--------------|--------------|-------------------------|
| Refurbishment to Council Dwellings (APPROVED – STAGE 1) | This budget is to fund works for internal and external refurbishments to properties. Internal works include elements such as new kitchens and bathrooms and refurbishment of communal areas to flats, to ensure compliance with Fire Safety Regulations. External elements include re-roofing, external render, fascias, soffits and bargeboard replacements and outhouse improvements. | Expenditure | 13,264 | 14,446 | 27,710 | Major Repairs Allowance |
| | | Funding | 13,264 | 14,446 | 27,710 | |
| Replacement to Central Heating Systems (APPROVED – STAGE 1) | Replacement of central heating systems to Council dwellings. This 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. | Expenditure | 3,261 | 3,261 | 6,522 | Major Repairs Allowance |
| | | Funding | 3,261 | 3,261 | 6,522 | |

Housing & Neighbourhoods Investment

| | |
|--------------------------------|-------------------------------------|
| Advisory Cabinet Member | Housing (E.Wallis) |
| Service Area | Housing & Neighbourhoods Investment |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|---|------------------------|--------------|--------------|--------------|---|
| Managing Empty Properties Programme (APPROVED – STAGE 1) | Refurbishment work to bring void properties back to an agreed standard. Major voids occur when the cost of bringing a property up to the lettable standard exceeds £4,000. This often occurs where a previous tenant has refused decent homes works and so properties now require new kitchens, bathrooms or central heating systems. | Expenditure | 2,600 | 2,600 | 5,200 | Major Repairs Allowance |
| | | Funding | 2,600 | 2,600 | 5,200 | |
| Electrical Improvement Works (APPROVED – STAGE 1) | This is a demand led service and is to fund electrical improvement works to properties (e.g. consumer units, rewires etc.) following fixed wire electrical testing. | Expenditure | 150 | 150 | 300 | Revenue contribution to capital outlay (RCCO) |
| | | Funding | 150 | 150 | 300 | |

| Housing Investment | | | | | | |
|---|--|------------------------|-------------------------------------|--------------|--------------|---|
| Advisory Cabinet Member | | | Housing (E.Wallis) | | | |
| Service Area | | | Housing & Neighbourhoods Investment | | | |
| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
| Improving District Heating Systems (APPROVED – STAGE 1) | The District Heating project consists of new meters, biomass storage units, re-pipes and radiators and conversions to provide heating to Council dwellings. The works cover sites throughout the Borough. | Expenditure | 1,000 | 1,000 | 2,000 | Revenue contribution to capital outlay (RCCO) (£2m) |
| | | Funding | 1,000 | 1,000 | 2,000 | |
| Replacement of Communal Doors (APPROVED – STAGE 1) | Replacement of high security communal doors to blocks of flats. This scheme will conclude in 2016/17, by which time all communal entrances to flats will have high security entrance doors fitted with key management systems. | Expenditure | 399 | 0 | 399 | Major Repairs Allowance |
| | | Funding | 399 | 0 | 399 | |

Housing & Neighbourhoods Investment

| | |
|--------------------------------|-------------------------------------|
| Advisory Cabinet Member | Housing (E.Wallis) |
| Service Area | Housing & Neighbourhoods Investment |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|--|------------------------|--------------|--------------|--------------|---|
| Investing in Non-Traditional Properties (APPROVED – STAGE 1) | External refurbishment and insulated render works to non-traditional properties in East Dene, Rawmarsh and Swallownest. This is the final part of a programme to extend the life of non-traditional stock by circa 25 years. | Expenditure | 1,100 | 0 | 1,100 | Revenue contribution to capital outlay (RCCO) (£1.1m) |
| | | Funding | 1,100 | 0 | 1,100 | |
| Environmental Improvement Programme (APPROVED – STAGE 1) | This comprises a variety of work, which includes the provision of bin stores, secure drying areas, landscaping, paths and parking bays. In addition, works to alleviate anti-social behaviour, by visually opening up spaces, through the removal of trees and shrubs and aiding security by the installation of railings and gates. | Expenditure | 1,400 | 1,000 | 2,400 | Revenue contribution to capital outlay (RCCO) (£2.400m) |
| | | Funding | 1,400 | 1,000 | 2,400 | |

Housing & Neighbourhoods Investment

| | |
|--------------------------------|-------------------------------------|
| Advisory Cabinet Member | Housing (E.Wallis) |
| Service Area | Housing & Neighbourhoods Investment |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|--|------------------------|--------------|--------------|--------------|---|
| Asbestos Management within Council Properties (APPROVED – STAGE 1) | To test/survey for asbestos and the removal of asbestos in Council dwellings, which are due to receive capital investment. | Expenditure | 370 | 370 | 740 | Revenue contribution to capital outlay (RCCO) |
| | | Funding | 370 | 370 | 740 | |

Housing & Neighbourhoods Investment

Advisory Cabinet Member

Housing (E.Wallis)

Service Area

Housing & Neighbourhoods Investment

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|--|------------------------|--------------|--------------|--------------|---|
| External Property Works (APPROVED – STAGE 1) | This is works to Council dwellings that consists of remedial works to building structures and includes pointing, rendering, underpinning and damp proof works. | Expenditure | 650 | 650 | 1,300 | Major Repairs Allowance |
| | | Funding | 650 | 650 | 1,300 | |
| External Insulation (APPROVED – STAGE 1) | Installation of cavity wall and loft insulation to properties, in order to improve their energy efficiency and reduce tenant's energy bills. | Expenditure | 50 | 50 | 100 | Major Repairs allowance (£120k) and Revenue contribution to capital outlay (RCCO) (£100k) |
| | | Funding | 50 | 50 | 100 | |

Housing & Neighbourhoods Investment

Advisory Cabinet Member

Housing (E.Wallis)

Service Area

Housing & Neighbourhoods Investment

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|---|------------------------|--------------|--------------|--------------|---|
| Sheltered Housing - Investing in our Communal Areas (APPROVED – STAGE 1) | This is to provide improvements to laundry facilities and communal areas within the sheltered housing community centres. In addition, there is a programme of conversions from community centres to Council dwellings to increase housing stock. | Expenditure | 1,000 | 500 | 1,500 | Major Repairs allowance (£1.5m) |
| | | Funding | 1,000 | 500 | 1,500 | |
| Housing Growth - Strategic Acquisitions (APPROVED – STAGE 1) | A programme of building and purchasing new houses to increase stock numbers. 25 new homes have been constructed at Barbers Avenue, Rawmarsh. In addition, 10 properties have been purchased at Wadsworth Road, Bramley and 31 properties at Sawn Moor Ave, Thurgroft. | Expenditure | 5,060 | 7,150 | 12,210 | Revenue contribution to capital outlay (RCCO) (£12.210m). |
| | | Funding | 5,060 | 7,150 | 12,210 | |

Housing & Neighbourhoods Investment

Advisory Cabinet Member

Housing (E.Wallis)

Service Area

Housing & Neighbourhoods Investment

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|--|------------------------|--------------|--------------|--------------|---|
| Disabled Persons Unit Bungalows (APPROVED – STAGE 1) | Provision of 2 sets of semi- detached disabled persons unit bungalows, fully fitted to meet the needs of the individual. Sites are at Kimberworth and Thurcroft. | Expenditure | 186 | 0 | 186 | Revenue contribution to capital outlay (RCCO) (£186k) Homes |
| | | Funding | 186 | 0 | 186 | |
| Integrated Housing Management System (APPROVED – STAGE 1) | The ongoing implementation of the new integrated Housing Investment Management System. | Expenditure | 153 | 0 | 153 | Revenue contribution to capital outlay (RCCO) |
| | | Funding | 153 | 0 | 153 | |

Housing & Neighbourhoods Investment

| | |
|--------------------------------|-------------------------------------|
| Advisory Cabinet Member | Housing (E.Wallis) |
| Service Area | Housing & Neighbourhoods Investment |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|--|------------------------|--------------|--------------|--------------|---|
| Garage Sites Investment (APPROVED – STAGE 1) | Programme of refurbishment of garage stock with new doors, roofs, brickwork and tarmac to the Council's garage portfolio on Council estates. | Expenditure | 250 | 250 | 500 | Revenue contribution to capital outlay (RCCO) (£500k) |
| | | Funding | 250 | 250 | 500 | |

Housing & Neighbourhoods Investment

| | |
|--------------------------------|-------------------------------------|
| Advisory Cabinet Member | Housing (E.Wallis) |
| Service Area | Housing & Neighbourhoods Investment |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|--|------------------------|--------------|--------------|--------------|--|
| Fair Access For All – Aids and Adaptations (APPROVED – STAGE 1) | Aids and adaptations to Council dwellings and private sector properties to enable people to live independently for longer. | Expenditure | 4,200 | 4,600 | 8,800 | Revenue contribution to capital outlay (RCCO) (£2.803m) Disabled Facilities Grant (£3.228m) capital receipts (RTB) (£2.769m) |
| | | Funding | 4,200 | 4,600 | 8,800 | |
| Canklow Area – Ongoing Redevelopment (APPROVED – STAGE 1) | Regeneration of Canklow (Warden Street/Canklow Road area). The project is focused on the demolition, buy back and refurbishment of public and private sector properties in the area. | Expenditure | 100 | 0 | 100 | Capital receipts |
| | | Funding | 100 | 0 | 100 | |

Housing & Neighbourhoods Investment

| | |
|--------------------------------|-------------------------------------|
| Advisory Cabinet Member | Housing (E.Wallis) |
| Service Area | Housing & Neighbourhoods Investment |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|---|------------------------|--------------|--------------|--------------|--|
| Monksbridge Demolition, Dinnington (APPROVED – STAGE 1) | Property swap to enable the demolition of 3 properties, with the construction of a gable wall. To enable wider redevelopment of the site. | Expenditure | 67 | 0 | 67 | Regional Housing Investment Board Grant (Historic) |
| | | Funding | 67 | 0 | 67 | |

Housing & Neighbourhoods Investment

| | |
|--------------------------------|-------------------------------------|
| Advisory Cabinet Member | Housing (E.Wallis) |
| Service Area | Housing & Neighbourhoods Investment |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|--|------------------------|--------------|--------------|--------------|-------------------------|
| Furnished Homes Solution – Replacement Furniture (APPROVED – STAGE 1) | Furnished Homes service. 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. | Expenditure | 960 | 720 | 1,680 | Prudential Borrowing |
| | | Funding | 960 | 720 | 1,680 | |

Housing & Neighbourhoods Investment

Advisory Cabinet Member

Housing (E.Wallis)

Service Area

Housing

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|---------------------------------------|--|------------------------------------|-------|-------|--------|--------|--------|--------|---|
| 52 | Council Housing Investment Programme (NEW PROJECT – STAGE 2) | Desirable Works - Service improvement | <p>Annual Housing Investment programme to maintain decency, carry out stock improvements, aids and adaptations and new stock provision, energy efficiency and environmental works to our 21,000 Council homes.</p> <p>An annual programme of c£30m is built into the Capital Programme for 2015-18. 21,000 Council homes currently meet Rotherham decent homes plus standard and we continue to improve access and reduce CO2 emissions.</p> <p>Current budget proposals include :</p> <p>£35m Council House Refurbishments £9m Communal Blocks £7.8m Voids £7.5m Aids and Adaptations £2.4m Environmental Works</p> | Estimated Spend | 0 | 0 | 25,900 | 25,900 | 25,900 | 77,700 | HRA Resources, core requirements are fully funded with the aspirational growth to be reconsidered in light of the Chancellors budget. |
| | | | | Identified Resources | 0 | 0 | 25,900 | 25,900 | 25,900 | 77,700 | |

Housing & Neighbourhoods Investment

| Advisory Cabinet Member | | | | Neighbourhood Working and Cultural Services (T.Yasseen) | | | | | | | |
|--------------------------------|--|--|---|---|-------|-------|-------|-------|-------|-------|----------------------|
| Service Area | | | | Planning & Development Services | | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 131 | Area Assembly – Neighbourhood Investment (NEW PROJECT – STAGE 2) | Desirable Works – Planned Strategic Intent | This budget line will provide a small capital pot for public realm / parking schemes for each Area Assembly. The premise being that each Area Assembly will be able to identify what the key issues are within their neighbourhood area and prioritise how their budget is allocated to these issues. This project will increase collaboration between the community and the Council. | Estimated Spend | 140 | 0 | 0 | 0 | 0 | 140 | Prudential borrowing |
| | | | | Identified Resources | 140 | 0 | 0 | 0 | 0 | 140 | |

| Key Invest to Save | | | | | | |
|---|---|-----------------|-------------------------------|-------|-------|--|
| Advisory Cabinet Member | | | Deputy Leader (Cllr G Watson) | | | |
| Service Area | | | CYPS – Other | | | |
| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
| Property Adaptations – Increasing Foster Care Placements (APPROVED – STAGE 1) | Works to private properties to increase the Borough capacity for foster care placements. The project generates revenue savings as a result of a reduction in out of authority placements. | Expenditure | 1,050 | 550 | 1,600 | Prudential Borrowing – Funded by the Service |
| | | Funding | 1,050 | 550 | 1,600 | |

| Key Invest to Save | | | | | | |
|--|--|------------------------|---|--------------|--------------|--------------------------------|
| Advisory Cabinet Member | | | Adult Social Care & Health (Cllr D Roche) | | | |
| Service Area | | | Social Services | | | |
| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
| Independent Living - Assistive Technology (APPROVED – STAGE 1) | Equipment to assist in independent living, to enable people to stay in their own homes for longer. The equipment includes fall detectors and monitoring alarms. | Expenditure | 450 | 0 | 450 | Personal Social Services Grant |
| | | Funding | 450 | 0 | 450 | |
| Independent Living - Rotherham Equipment and Wheelchair Services (APPROVED – STAGE 1) | RMBC contribution to the purchase of equipment, after occupational therapist assessment, to support people within their own homes. The equipment includes a range of specialist bath and shower aids and mattresses and will be managed by the Rotherham Foundation Hospital Trust. | Expenditure | 190 | 0 | 190 | Personal Social Services Grant |
| | | Funding | 190 | 0 | 190 | |

| Key Invest To Save Schemes | | | | | | | | | | | |
|--------------------------------|---|-----------------------------------|---|------------------------------------|---|-------|-------|-------|-------|-------|-------------------------------------|
| Advisory Cabinet Member | | | | | Jobs and the local economy (D.Lelliott) | | | | | | |
| Service Area | | | | | Property & Corporate Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 94 | Hellaby Depot Refurbishment Works (NEW PROJECT – STAGE 2) | Essential Works - Health & Safety | The proposal is to renew the roof covering to the main operational Streetpride depot. Under the terms of the lease, we have a legal responsibility to carry out the repairs, to ensure it provides a safe, warm and watertight environment for the staff and customers that visit the premises, under the Health & Safety at Work acts. At present we are carrying out basic repairs to the building, however, because of the condition of the roof, there are several leaks which are now un-economical to continue to repair. The leaks are causing further damage to the fabric of the building. | Estimated Spend | 250 | 0 | 0 | 0 | 0 | 250 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 250 | 0 | 0 | 0 | 0 | 250 | |

| Key Invest To Save Schemes | | | | | | | | | | | |
|----------------------------|---|---------------------------------------|--|------------------------------------|---|-------|-------|-------|-------|-------|-------------------------------------|
| Advisory Cabinet Member | | | | | Jobs and the local economy (D.Lelliott) | | | | | | |
| Service Area | | | | | Property & Corporate Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 44 | Maltby Library Relocation (NEW PROJECT – STAGE 2) | Desirable Works - Service improvement | <p>Relocation of Maltby Library from a separate building into the Maltby Joint Service Centre. Maltby Library is located 200 metres from Maltby JSC, which is a PFI building that houses a Sports & Leisure centre, Customer Service Centre, NHS-GPs, Pharmacy and a localities office for RMBC and the NHS teams.</p> <p>It is proposed to reconfigure the Customer Service Centre on the ground floor to include a library. The existing library site could then be combined with the adjacent Fire Station, due to close in 2016, and some unused green space land, to create a mixed use retail and residential site.</p> <p>Note: A consultation process will be carried out before any decision and actions are taken.</p> | Estimated Spend | 275 | 0 | 0 | 0 | 0 | 275 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 275 | 0 | 0 | 0 | 0 | 275 | |

| Key Invest To Save Schemes | | | | | | | | | | | |
|----------------------------|---|---------------------------------------|--|------------------------------------|---|-------|-------|-------|-------|-------|-------------------------------------|
| Advisory Cabinet Member | | | | | Adult Social Care & Health (Cllr D Roche) | | | | | | |
| Service Area | | | | | Property & Corporate Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 124 | Adults Community Hubs and Transitional Support Accommodation – Support for Customers with Complex Needs (NEW PROJECT – STAGE 2) Intermediate Care Centre | Desirable Works - Service improvement | <p>Rotherham’s vision for Adult Social Care (ASC) into the future, is that customers will be equipped and supported to live independently. In addition, we will build community resilience through the use of community hubs. As the ASC programme develops, there will be a need to have an integrated approach for linking the various delivery models.</p> <p>This aspiration will need to be jointly commissioned, to ensure that it is meeting specified outcomes, future demand and demographic challenges.</p> <p>An integrated Intermediate Care Centre needs to be developed integrating residential beds and community based rehabilitation services.</p> <p>Early consideration will be given to developing the Badsley Moor Lane site.</p> | Estimated Spend | 0 | 0 | 0 | 0 | 0 | 0 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 0 | 0 | 0 | 0 | 0 | 0 | |

| Key Invest To Save Schemes | | | | | | | | | | | |
|----------------------------|---|--|---|------------------------------------|--------------------|-------|-------|-------|-------|--------|-------------------------------------|
| Advisory Cabinet Member | | | | | Housing (E.Wallis) | | | | | | |
| Service Area | | | | | Housing | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 54 | Extra Care Housing Scheme (NEW PROJECT – STAGE 2) | Desirable Works - Planned Strategic Intent | To deliver a 70 bed Extra Care Housing Scheme (for older people) and provide new complementary residential housing. | Estimated Spend | 600 | 2,360 | 7,600 | 0 | 0 | 10,560 | Planned Use of Prudential Borrowing |
| | | | This project meets cross cutting objectives between Housing, Adults and Health services. Budget savings will be realised through property and service rationalisation. The proposed Extra Care development will enable older people to live independently for as long as possible. This will reduce the pressure on existing budgets, as care packages can be added flexibly as and when required, based on need. | Identified Resources | 600 | 2,360 | 7,600 | 0 | 0 | 10,560 | |

| Key Invest To Save Schemes | | | | | | | | | | | |
|--------------------------------|---|--|--|------------------------------------|-------|---|-------|-------|-------|-------|-------------------------------------|
| Advisory Cabinet Member | | | | | | Jobs and the local economy (D.Lelliott) | | | | | |
| Service Area | | | | | | Property & Corporate Services | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 67 | Commercial Property Estate – Capital Investment (NEW PROJECT – STAGE 2) | Desirable Works – Planned Strategic Intent | <p>This is a project to carry out essential repair and maintenance works to the properties within the Commercial Investment Portfolio, as an income generating asset to the Council. There is a potential risk to the public and commercial tenants from properties in poor condition, where the landlord (RMBC) is obligated to keep them in repair.</p> <p>At this stage the budget cost is an estimate and detailed surveys are required of the estate, to establish a schedule of works over a five year renewal programme.</p> <p>Separately, a Commercial Property Investment Strategy is being developed to enhance the market resilience and quality of the existing portfolio and exploit opportunities to add to it. This will be through the use of existing assets and strategic acquisitions, to support both economic growth and provide a revenue stream to the Council. This links with the Property Fund, ref 59.</p> | Estimated Spend | 150 | 125 | 100 | 75 | 75 | 525 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 150 | 125 | 100 | 75 | 75 | 525 | |

Critical Building Condition Works

Advisory Cabinet Member

Deputy Leader (Cllr G Watson)

Service Area

CYPS - Secondary

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|---|-----------------|-------|-------|-------|---|
| <p>Badsley Moor Primary Classroom / High Greave J & I Children's Centre (APPROVED – STAGE 1)</p> | <p>Badsley Moor Primary - This project involves two elements. Firstly, the provision of an additional classroom to meet an increase in pupil numbers at the school. This will allow the school to admit 90 pupils per year group. In addition, the scheme involves the replacement of external cladding and windows in the junior school building, to improve the teaching environment. Rooms are currently either very hot or cold, depending upon the environmental conditions</p> <p>A project to relocate a modular classroom from Dalton Flanderwell to High Greave, to enable the movement of the children's centre from the school to its own building. The children's centre is currently located in the centre of the school and cannot be segregated, which poses safeguarding issues for the school and limits what services can be offered.</p> | Expenditure | 235 | 0 | 235 | DfE Basic Need and School Condition Grant |
| | | Funding | 235 | 0 | 235 | |

Critical Building Condition Works

Advisory Cabinet Member

Deputy Leader (Cllr G Watson)

Service Area

CYPS – All Schools

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|--|------------------------|--------------|--------------|--------------|--|
| Capitalised Minor Enhancements – Schools (APPROVED – STAGE 1) | Grant funded programme for minor works at schools dealing with condition and suitability issues, including extensions and refurbishment works. | Expenditure | 1,800 | 0 | 1,800 | DfE School Condition Grant |
| | | Funding | 1,800 | 0 | 1,800 | |
| Devolved Formula Capital Grant – Schools (APPROVED – STAGE 1) | Grant paid annually to schools for them to spend on small capital projects. Funding has to be spent within 3 years of receipt. | Expenditure | 537 | 0 | 537 | DfE Devolved Formula Capital Grant – Devolved to schools |
| | | Funding | 537 | 0 | 537 | |

Critical Building Condition Works

Advisory Cabinet Member

Deputy Leader (Cllr G Watson)

Service Area

CYPS – Other

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|---|------------------------|--------------|--------------|--------------|-------------------------|
| Entitlement for Early Years' Schools Provision (APPROVED – STAGE 1) | Grants in respect of 2 year old provision, to increase the number of pupil places. Funding is being used to make changes to retained children's' centres and to provide grants to existing and new providers, to increase provision across the Borough. | Expenditure | 204 | 0 | 204 | DfE Early Years Grant |
| | | Funding | 204 | 0 | 204 | |

Critical Building Condition Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Neighbourhood working and Cultural Services (T.Yasseen) |
| Service Area | Culture & Related Services |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|--|---|------------------------|--------------|--------------|--------------|-------------------------|
| Brinsworth Library (APPROVED – STAGE 1) | Library and Customer Services have been working with Brinsworth Parish Council and colleagues in the Corporate Property Unit 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. | Expenditure | 499 | 0 | 499 | Prudential Borrowing |
| | | Funding | 499 | 0 | 499 | |
| Strategic Review of Libraries (APPROVED – STAGE 1) | 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. | Expenditure | 39 | 0 | 39 | Prudential Borrowing |
| | | Funding | 39 | 0 | 39 | |

Critical Building Condition Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Neighbourhood working and Cultural Services (T.Yasseen) |
| Service Area | Culture & Related Services |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|--|------------------------|--------------|--------------|--------------|-------------------------|
| Firsby Reservoir Phase 2 (APPROVED – STAGE 1) | 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. | Expenditure | 13 | 0 | 13 | Prudential Borrowing |
| | | Funding | 13 | 0 | 13 | |

Critical Building Condition Works

Advisory Cabinet Member

Jobs and the local economy (D.Lelliott)

Service Area

Property & Corporate Services

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|--|--|------------------------------------|-------|-------|-------|-------|-------|-------|-------------------------------------|
| 29 | <p>CYPS Associated Property Works (NEW PROJECT – STAGE 2)</p> <p>Including CYPS Social Care Improvement Plan works</p> <p>CYPS Universal and Targeted Services (Early Help) Improvement Plan works</p> <p>Children's Care Homes – Condition Works Psaltern Centre refurbishment</p> | Desirable Works - Planned Strategic Intent | <p>Building works that have been identified by the various operational and locality reviews that are currently taking place. The works are expected to include some suitability and condition works to existing Council buildings. The reviews taking place include :</p> <p>Social Care - A change from a 2 area to a 3 area localities model and increasing staffing levels in these teams.</p> <p>Early Help – A change to a 3 area localities model and increasing staffing levels in 9 new teams, that need to be based in the localities in areas of need. Co-location with Social Care is possible.</p> | Estimated Spend | 900 | 0 | 0 | 0 | 0 | 900 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 900 | 0 | 0 | 0 | 0 | 900 | |

Critical Building Condition Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Neighbourhood working and Cultural Services (T.Yasseen) |
| Service Area | Property & Corporate Services |

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|--|---|------------------------------------|-------|-------|-------|-------|-------|-------|-------------------------------------|
| 38 | Rother Valley Country Park – Replace Heating and Hot Water Systems (NEW PROJECT – STAGE 2) | Essential Works - Health & Safety | The buildings are heated by a mixture of portable electric freestanding heaters and a solid fuel boiler. The current hot water boilers are not efficient or working to proper capacity, so there is a strong risk of failure. With this being a country park and outdoor water facility, basic welfare facilities are required. There is a potential legionella risk if hot water systems do not maintain temperatures. | Estimated Spend | 250 | 0 | 0 | 0 | 0 | 250 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 250 | 0 | 0 | 0 | 0 | 250 | |
| 43 | Walker Mausoleum, Masbrough – Remedial Works (NEW PROJECT – STAGE 2) | Desirable Works - Retention of current service | Improvements to grounds and security. The area that surrounds the Walker Mausoleum is in a poor state, despite some ground maintenance works and litter clearance having taken place over the last few months. The Council have had a number of public complaints and the friends of the Walker Mausoleum have raised concerns about the condition of the grounds and adjacent walls. Skeletons have been known to fall out of the ground from behind un-maintained boundary walls. | Estimated Spend | 20 | 0 | 0 | 0 | 0 | 20 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 20 | 0 | 0 | 0 | 0 | 20 | |

Critical Building Condition Works

| | |
|--------------------------------|--|
| Advisory Cabinet Member | Waste, roads and community safety (K.Sims) |
| Service Area | Streetpride |

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|--|---|------------------------------------|-------|-------|-------|-------|-------|-------|-------------------------------------|
| 117 | Treeton St. Helens Church Yard (NEW PROJECT – STAGE 2) | Essential Works - Legal & Statutory Requirements | Inspections have found the retaining (and other boundary) walls are at risk of collapse. The graveyard annex is dangerous for visitors and staff who maintain it, due to many of the graves sinking and the memorials collapsing. The project will rebuild all the retaining walls to the relevant standards and stabilise the retained land and the individual graves. This will either require the exhumation of a large number of graves or the purchase of a strip of land in the gardens of private properties below the grave site. | Estimated Spend | 30 | 420 | 0 | 0 | 0 | 450 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 30 | 420 | 0 | 0 | 0 | 450 | |

Critical Building Condition Works

Advisory Cabinet Member

Jobs and the local economy (D.Lelliott)

Service Area

Property & Corporate Services

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|-----------------------------------|---|------------------------------------|-------|-------|-------|-------|-------|-------|-------------------------------------|
| 66 | Operational Buildings Capital Investment (NEW PROJECT – STAGE 2) | Essential Works - Health & Safety | <p>The aim of this project is to allow RMBC to catch up on backlog maintenance on its operational estate. To ensure the Council has an effective, good condition estate that is suitable for the services provided by the Council. The programme of works will help reduce revenue maintenance costs, however, it will require significant support from Services to establish a prioritisation of work and a clear asset management plan.</p> <p>Lack of investment in the estate will create health and safety issues and potential reputational risk and potential service delivery failure.</p> <p>It is important to note that the expenditure profile shown is based on a do-minimum option, covering the costs of maintenance to ensure the buildings remain functional.</p> | Estimated Spend | 324 | 858 | 587 | 976 | 549 | 3,294 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 324 | 858 | 587 | 976 | 549 | 3,294 | |

Critical Building Condition Works

Advisory Cabinet Member

Jobs and the local economy (D.Lelliott)

Service Area

Property & Corporate Services

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|----------------|---|-----------------------------------|---|------------------------------------|-------|-------|-------|-------|-------|-------|-------------------------------------|
| 68 / 78 and 86 | Centenary Markets – Emergency Lighting System / High Level Maintenance / Drainage and Guttering (NEW PROJECT – STAGE 2) | Essential Works - Health & Safety | <p>Replace emergency lighting system. The lights are failing and the issue has been identified under the Fire Risk Assessment. The works will ensure that we meet basic health and safety standards and comply with the regulatory reform order (Fire Safety) 2005.</p> <p>High Level cleaning and maintenance / decoration. The high level areas require specialist equipment and suppliers to carry out this task. The area is covered with dirty pigeon droppings etc. and requires maintenance. There is a risk to the public..</p> <p>The drainage and gutters to the building are leaking in a number of places and require a full overhaul. As a result of the leaks, further damage to other areas and the fabric of the market are becoming an increasing problem. This results in increased repair expenditure and potential effects on the market traders, customers and Council's reputation.</p> | Estimated Spend | 210 | 0 | 0 | 0 | 0 | 210 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 210 | 0 | 0 | 0 | 0 | 210 | |

Critical Building Condition Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Jobs and the local economy (D.Lelliott) |
| Service Area | Property & Corporate Services |

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|--|--|------------------------------------|-------|-------|-------|-------|-------|-------|-------------------------------------|
| 79 | Bailey House Refurbishment (NEW PROJECT – STAGE 2) | Desirable Works - Retention of current service | <p>To remove asbestos from Bailey House. This follows a detailed survey which identified asbestos which is located within the building. Ideally all asbestos would be removed or encapsulated within the building. - £45k</p> <p>To replace the floor coverings which are old, dated and dangerous. They are becoming a trip hazard and have worn out. Currently the situation is being managed on a day to day basis so there will be maintenance savings from the replacement works. The building must be a safe and well maintained environment for staff. - £50k</p> | Estimated Spend | 95 | 0 | 0 | 0 | 0 | 95 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 95 | 0 | 0 | 0 | 0 | 95 | |

Critical Building Condition Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Jobs and the local economy (D.Lelliott) |
| Service Area | Property & Corporate Services |

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--------------------------------------|--|---|------------------------------------|-------|-------|-------|-------|-------|-------|-------------------------------------|
| 80 | Bailey House (NEW PROJECT – STAGE 2) | Desirable Works - Retention of current service | <p>To assess and remove any potential Legionella elements from Bailey House to comply with Health & Safety at Work Acts. If these works are not carried out there is a potential health and safety risk. There is a potential reputational risk to the Council if further works are not carried out and an incident occurs. - £50k</p> <p>To ensure that there is a fire suppression system installed within the secondary data centre at Bailey House and that the back-up generator and switch gear is renewed. £150k</p> | Estimated Spend | 200 | 0 | 0 | 0 | 0 | 200 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 200 | 0 | 0 | 0 | 0 | 200 | |

Critical Building Condition Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Jobs and the local economy (D.Lelliott) |
| Service Area | Property & Corporate Services |

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|--|--|------------------------------------|-------|-------|-------|-------|-------|-------|-------------------------------------|
| 81 | Swinton Civic Hall Refurbishment (NEW PROJECT – STAGE 2) | Desirable Works - Retention of current service | Renew dance floor and decoration. This is a public hall and income is received from lettings to the public. The floor is becoming uneven and represents a trip hazard. Failure to do this could expose the Council to litigation from tripping incidents and also affect the opportunity to raise revenue letting income, if customers choose not to utilise the building. | Estimated Spend | 40 | 0 | 0 | 0 | 0 | 40 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 40 | 0 | 0 | 0 | 0 | 40 | |

Critical ICT Infrastructure Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Corporate Services and Budgeting (S.Alam) |
| Service Area | Property & Corporate Services |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|--|------------------------|--------------|--------------|--------------|-------------------------|
| ICT / Digital Strategy (APPROVED – STAGE 1) | Funding allocation in respect of key projects within the Council’s ICT and Digital Strategy. A 2015/16 ICT Delivery Plan has been approved. This encompasses expenditure on core networking equipment, server replacements and web filtering device upgrades. The 2016-2019 Digital Council Strategy is currently being developed. | Expenditure | 813 | 706 | 1,519 | Prudential Borrowing |
| | | Funding | 813 | 706 | 1,519 | |

Critical ICT Infrastructure Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Corporate Services and Budgeting (S.Alam) |
| Service Area | Property & Corporate Services |

| Scheme | Brief Description including proposed outcomes and outputs | Approved Budget | 16/17 | 17/18 | Total | Funding Comments |
|---|--|------------------------|--------------|--------------|--------------|-------------------------|
| Improvement to ICT use within Social Care (APPROVED – STAGE 1) | Set up, purchase and implementation of Liquid Logic solution for CYPS and Adult Services. This meets a key recommendation in the Jay report to <i>“Address the severe deficits in the ICS system as a matter of urgency and procure a replacement system”</i> . | Expenditure | 379 | 16 | 395 | Prudential Borrowing |
| | | Funding | 379 | 16 | 395 | |

Critical ICT Infrastructure Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Corporate Services and Budgeting (S.Alam) |
| Service Area | Property & Corporate Services |

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|--|--|------------------------------------|-------|-------|-------|-------|-------|-------|--|
| 1 | Computer Refresh – Laptop, desktop and tablet replacement (NEW PROJECT – STAGE 2) £470k – (APPROVED -STAGE 1) | Essential Works - Legal & Statutory Requirements | Over 50% of the current laptop device estate is over 6 years old. These devices are out of warranty and are breaking down more, leading to an increase in IT support costs. They are not capable of running the latest business systems, which is causing performance and efficiency problems for staff. The IT asset policy requires that devices are replaced every 4 years. The proposal is to continue the existing do minimum replacement rolling programme. There is an existing annual capital approval of £470,000 with funding for 2016/17 already included within the Capital Programme. | Estimated Spend | 910 | 475 | 275 | 760 | 910 | 3,330 | £2.86m Planned Use of Capital Receipts £470k Prudential Borrowing |

Critical ICT Infrastructure Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Corporate Services and Budgeting (S.Alam) |
| Service Area | Property & Corporate Services |

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|--|--|---|------------------------------------|-------|-------|-------|-------|-------|-------|---------------------------------|
| 2 | Networking Equipment Refresh – Replacement of core networking equipment - switches, routers, firewalls, wireless access points. (NEW PROJECT – STAGE 2) | Essential Works - Legal & Statutory Requirements | The IT networking equipment is coming to the end of its useful life. Maintenance and security patches will not be released by the manufacturer for this equipment. We have a statutory responsibility to provide a secure network for our data. Failure to do this work will expose us to security and performance risks and will preclude us from gaining an accreditation to the Public Services Network (PSN). Services using the PSN, such as Revs & Bens and registrars, will be disconnected. RMBC's reputation for security will be damaged and networking failures will increase. Funding of £170,000 approved as part of ICT Delivery Plan 2015/16. | Estimated Spend | 619 | 55 | 227 | 832 | 630 | 2,363 | Planned Use of Capital Receipts |
| | | | | Identified Resources | 619 | 55 | 227 | 832 | 630 | 2,363 | |

Critical ICT Infrastructure Works

| | |
|--------------------------------|---|
| Advisory Cabinet Member | Corporate Services and Budgeting (S.Alam) |
| Service Area | Property & Corporate Services |

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|---|--|--|------------------------------------|-------|-------|-------|-------|-------|-------|---------------------------------|
| 3 | Replacement of Server Equipment (NEW PROJECT – STAGE 2) | Essential Works - Legal & Statutory Requirements | Replacement of end-of life and non-compliant IT server equipment. Servers will need to be replaced, and where possible movements away from physical infrastructure implemented, with associated system changes to comply with PSN obligations. Failure to do this work will expose us to security and performance risks and will preclude us from gaining an accreditation to the PSN. Services using the PSN, such as Revs & Bens and registrars, will be disconnected. RMBC’s reputation for security will be damaged and networking failures will increase. Funding of £89,500 approved as part of ICT Delivery Plan 2015/16. | Estimated Spend | 145 | 153 | 60 | 267 | 235 | 860 | Planned Use of Capital Receipts |
| | | | | Identified Resources | 145 | 153 | 60 | 267 | 235 | 860 | |
| 4 | Storage Area Network- Replacement (NEW PROJECT – STAGE 2) | Essential Works - Legal & Statutory Requirements | The SAN is an IT system where most of RMBC’s data is securely held. This includes system and application data. The hardware is reaching the point where it becomes obsolete and the underlying operating system software will no longer be supported, thus exposing us to security and compliance failures. In addition, the SAN is projected to be at capacity by 2017, and there is no cost effective upgrade path with the existing hardware. We have a statutory responsibility to provide a secure environment for our data. Failure to do this work will preclude us from gaining an accreditation to the PSN. | Estimated Spend | 0 | 300 | 0 | 0 | 0 | 300 | Planned Use of Capital Receipts |
| | | | | Identified Resources | 0 | 300 | 0 | 0 | 0 | 300 | |

| Critical ICT Infrastructure Works | | | | | | | | | | | |
|-----------------------------------|--|--|--|------------------------------------|--|-------|-------|-------|-------|-------|---------------------------------|
| Advisory Cabinet Member | | | | | Corporate Services and Budgeting (S. Alam) | | | | | | |
| Service Area | | | | | Property & Corporate Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 5 | Telephony – System Replacement (NEW PROJECT – STAGE 2) | Essential Works - Legal & Statutory Requirements | <p>The existing Internet Protocol (IP) telephony system is at end of life and the underlying platform will be out of support, which will put at risk all the Council’s main telephony services and compromise RMBC’s security and PSN compliance. The current system is also lacking key features that need to be introduced to support the operations of RMBC.</p> <p>The new telephony platform will enable several additional business features, including web chat and video conferencing. The proposed solution includes a new unified communications and contact centre.</p> | Estimated Spend | 1,242 | 0 | 0 | 0 | 0 | 1,242 | Planned Use of Capital Receipts |
| | | | | Identified Resources | 1,242 | 0 | 0 | 0 | 0 | 1,242 | |

| Housing Growth Projects | | | | | | | | | | | |
|-------------------------|--|--|--|------------------------------------|---|-------|-------|-------|-------|-------|----------------------|
| Advisory Cabinet Member | | | | | Jobs and the local economy (D.Lelliott) | | | | | | |
| Service Area | | | | | Planning & Development Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 125 | Bassingthorpe Farm Development (NEW PROJECT – STAGE 2) | Desirable Works – Planned Strategic Intent | <p>Bringing land forward for disposal (known as Bassingthorpe Farm) with Joint Venture partner Fitzwilliam Wentworth Estates and a developer partner to generate 2,400 homes plus associated infrastructure and local services. This scheme is a strategic allocation in the forthcoming Local Plan.</p> <p>Resource required to service critical milestones in the pre disposal/development process including but not limited to; External consultancy fees for:-</p> <ul style="list-style-type: none"> - Equalisation agreement between landowners - Marketing - Planning - Legal - Masterplanning - Site surveys and risk mitigation | Estimated Spend | 160 | 75 | 50 | 50 | 50 | 385 | Prudential borrowing |
| | | | | Identified Resources | 160 | 75 | 50 | 50 | 50 | 385 | |

| Development Fund | | | | | | | | | | | |
|-------------------------|--|---------------------------------------|---|------------------------------------|---|-------|-------|-------|-------|-------|-------------------------------------|
| Advisory Cabinet Member | | | | | Jobs and the local economy (D.Lelliott) | | | | | | |
| Service Area | | | | | Planning & Development Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 59 | Development Fund (NEW PROJECT – STAGE 2) | Desirable Works - Service improvement | <p>Economic Development / Growth Fund - To provide a fund to pump prime capital developments, which can be shown to deliver jobs and business rates to the Borough. Awards would be loans, or purchases with quick sell on or a guaranteed income stream; so Fund will be revolving. Barnsley have set up similar with a starting pot of £1.9m.</p> <p>Outputs/Outcomes: -Provision of more sites and buildings for economic growth. -Increased business rates -Increased employment for local residents</p> | Estimated Spend | 5,000 | 0 | 0 | 0 | 0 | 5,000 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 5,000 | 0 | 0 | 0 | 0 | 5,000 | |

SUMMARY OF THE TOTAL CAPITAL PROGRAMME 2016-21 – INCLUDING FUNDING

| Capital Investment Themes | Stage 1 (Approved) | Stage 2 (Agreed in Principle) | Total Capital Programme | Grant & Contributions | Major Repairs Allowance | Prudential Borrowing | Revenue Contribution to Capital Outlay | Usable Capital Receipts |
|-------------------------------------|-----------------------|----------------------------------|-------------------------|-----------------------|-------------------------|----------------------|--|-------------------------|
| Town Centre Development | - | £17,000 | £17,000 | - | - | £7,000 | - | £10,000 |
| Improving Highways & Infrastructure | £17,754 | £55,504 | £73,258 | £55,465 | - | £17,793 | - | - |
| Housing & Neighbourhoods Investment | £72,967 | £77,840 | £150,807 | £2,103 | £120,135 | £1,820 | £24,449 | £2,300 |
| Key Invest To Save | £2,240 | £11,360 | £13,600 | £640 | - | £12,960 | - | - |
| Buildings Critical Condition | £3,327 | £5,709 | £9,036 | £2,776 | - | £6,260 | - | - |
| ICT Critical Condition | £2,384 | £7,625 | £10,009 | - | - | £2,384 | - | £7,625 |
| Housing Growth Projects | - | £385 | £385 | - | - | £385 | - | - |
| Development Fund | - | £5,000 | £5,000 | - | - | £5,000 | - | - |
| Grand Total | £98,672 | £180,423 | £279,095 | £60,984 | £120,135 | £53,602 | £24,449 | £19,925 |

DEVELOPMENT POOL SCHEMES:

Development pool schemes have been recognised as being something the Council wishes to consider for future capital investment but at this point they are not ready to be brought forward for approval. The reason they are not ready for approval will be due to funding availability or strategic approval (i.e. inclusion within the Council's Growth Plan, Town Centre Masterplan or Asset Management Strategies). A vital part of this stage are the projects which have been put forward for funding approval from the Sheffield City Region.

At this point in the development process a number of these schemes do not have expenditure and resource details.

| PROGRAMME AREA | TOTAL EXPENDITURE £000 |
|--|-------------------------------|
| CRITICAL BUILDING CONDITION WORKS | £0 |
| HIGHWAYS | £4,000 |
| ECONOMIC GROWTH PROJECTS | £20,200 |
| HOUSING GROWTH PROJECTS | £0 |
| TOTAL CAPITAL PROGRAMME | £24,200 |

Critical Building Condition Works

Advisory Cabinet Member

Jobs and the local economy (D.Lelliott)

Service Area

Property & Corporate Services

| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
|-----|---------------------|--|---|------------------------------------|----------|----------|----------|----------|----------|----------|-------------------------------------|
| 74 | Wath Montgomery Sq. | Desirable Works - Retention of current service | <p>A 1960's building in very poor condition. The building includes a Library, commercial estate shops and Housing Services. CPU are working with Housing to produce a business case, covering the options of refurbishment and redevelopment. The result of the project will be an improved building condition, meeting outcomes in Cultural Services, Housing & Growth. Subject to final business case. This will help the authority to meet basic health and safety standards.</p> <p>Please note: A scheme has been approved to deal with the removal of asbestos within the commercial estate shops as a matter of urgency. However the future of the building as a whole needs to be considered due to its key role with the economic growth and sustainability within Wath.</p> | Estimated Spend | 0 | 0 | 0 | 0 | 0 | 0 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | Shortfall | 0 | 0 | 0 | 0 | 0 | 0 | |

| Highways Schemes | | | | | | | | | | | |
|-------------------------|------------------|--|---|--|----------|----------|------------|--------------|----------|--------------|--|
| Advisory Cabinet Member | | | | Waste, roads and community safety (K.Sims) | | | | | | | |
| Service Area | | | | Streetpride | | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 97 | Crinoline Bridge | Desirable Works - Retention of current service | The scheme comprises the refurbishment of Crinoline Bridge which carries the A630 Centenary Way, a section of Rotherham's inner bypass, over the River Don. Over the past 20 years severe leakage of the bridge joints has allowed chloride salts to penetrate and attack the concrete bearing shelves, abutments and pier. A full refurbishment of Crinoline Bridge, will address the current condition of the structure and ensure that this major route is not subject to disruption due to restrictions or closure. | Estimated Spend | 0 | 0 | 700 | 3,300 | 0 | 4,000 | DfT special grants will be sought if opportunities arise. No opportunity is expected before 2018/19, and works will require PB if scheme is to be completed before then. |
| | | | | Identified Resources | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | Shortfall | 0 | 0 | 700 | 3,300 | 0 | 4,000 | |

| Housing Growth Projects | | | | | | | | | | | |
|-------------------------|--|---------------------------------------|--|------------------------------------|---------------------|-------|-------|-------|-------|-------|-------------------------------------|
| Advisory Cabinet Member | | | | | Housing (E. Wallis) | | | | | | |
| Service Area | | | | | Housing | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 58 | Residential development in Town centre | Desirable Works - Service improvement | <p>Rotherham Town Centre has the potential to develop an additional 2,000 new homes. In recent years the town has seen 250 new homes developed, despite a weak housing market. These new homes have been financially supported and enabled by the Council, as part of a programme to regenerate and repopulate the town centre. In more recent times funding support has not been available and therefore residential development has stalled.</p> <p>This proposal is about supporting both private and public sector residential development, to take place where the market is unable to deliver, by dealing with site abnormalities and constraints. Support could also be in the form of utilising Council owned strategic sites in the town centre as assets, to support development and assembling sites through strategic acquisitions with capital investment.</p> <p>A request has been made via the HCA for site infrastructure funding to help with flood alleviation and other site abnormal development costs.</p> | Estimated Spend | 0 | 0 | 0 | 0 | 0 | 0 | Planned Use of Prudential Borrowing |
| | | | | Identified Resources | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | Shortfall | 0 | 0 | 0 | 0 | 0 | 0 | |

| Economic Growth Projects | | | | | | | | | | | |
|--------------------------|--|---------------------------------------|--|------------------------------------|---|-------|-------|-------|-------|--------|---|
| Advisory Cabinet Member | | | | | Jobs and the local economy (D.Lelliott) | | | | | | |
| Service Area | | | | | Planning & Development Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 92 | New Rotherham Mainline Railway Station | Desirable Works - Service improvement | Provision of a new railway station to enable mainline passenger services to serve the Rotherham Central Urban Area. Funding will enable the construction of a new railway station; The only realistic location for an additional mainline station is Parkgate, adjacent to the large development site next to Parkgate Shopping. In conjunction with the Tram-Train link to the Town Centre the new station could provide a park and ride site that would serve much of Rotherham's urban area. Economic agglomeration benefits resulting in an annual GDP uplift of £26m. Direct access to 6 of the UK's top 10 Cities. This is in line with the aims of the Growth Plan and would increase the number of new businesses starting up in the borough, grow existing businesses and attract new businesses to locate and invest in the borough. | Estimated Spend | 50 | 50 | 7,500 | 7,500 | 0 | 15,100 | Developer contributions will be considered as will the potential for DfT / SCR funding contributions. At this time as these are unsecured RMBC prudential borrowing will be required. |
| | | | | Identified Resources | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | Shortfall | 50 | 50 | 7,500 | 7,500 | 0 | 15,100 | |

| Economic Growth Projects | | | | | | | | | | | |
|--------------------------|---|--------------------------------|--|---|-------|-------|-------|-------|-------|-------|--------------------|
| Advisory Cabinet Member | | | | Jobs and the local economy (D.Lelliott) | | | | | | | |
| Service Area | | | | Planning & Development Services | | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 127 | Advanced Manufacturing Innovation District (AMID) | Desirable Works - Service imp. | <p>The AMID brings together Universities, Local Authorities and the private sector around a 2,000 acre centre of excellence in metals and materials manufacturing, spanning the Rotherham-Sheffield border to accelerate and enhance the growth potential of business encompassing design, technical services, professional services and distribution across the whole of the SCR.</p> <p>AMID builds on the research and innovation capacity of the Advanced Manufacturing Park (AMP). It is a flagship project for the Northern Powerhouse and is specifically referenced in the Devolution Deal. AMID will transform business and investor perceptions of the SCR as a place to invest where world-leading innovation is driving an advanced economy.</p> <p>We will master plan the area between the AMP and the town centre; and deliver strategic interventions to connect the town centre and Templeborough with the AMID core. This will address the need to expand the core within the next 5 years and unlock the potential for up to 6,000 homes in and around the town centre creating a place for people to work, live and spend their leisure time. Within the AMID Magna is seen by the Council as a key site, as a conference and events space within the Sheffield City Region.</p> | Estimated Spend | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | Identified Resources | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | Shortfall | 0 | 0 | 0 | 0 | 0 | 0 | |

| Economic Growth Projects | | | | | | | | | | | |
|--------------------------|--------------------------------|--|--|------------------------------------|---|----------|----------|----------|----------|----------|--------------------|
| Advisory Cabinet Member | | | | | Jobs and the local economy (D.Lelliott) | | | | | | |
| Service Area | | | | | Planning & Development Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 128 | Todwick North Development Site | Desirable Works – Planned Strategic Intent | <p>30 hectare site proposed for economic development in the emerging Local Plan. The site is intended to attract major inward investment by accommodating one or more large users or through the development of smaller plots, which will comprise a high quality business park.</p> <p>The site will be delivered by the private sector, however the Council may wish to consider any assistance which enables the site to come forward, or reduces the risk of non-delivery.</p> <p>Outputs/Outcomes</p> <p>Provision of more sites and buildings for economic growth.</p> <p>Increased business rates and increased employment for local residents</p> <p>The current timetable is that the plan is adopted in early 2017 so that the site would be allocated for development and removed from the green belt. The site would then go through the planning process, with infrastructure enabling works following. On this basis development would start in 2018/19 at the earliest.</p> | Estimated Spend | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | Identified Resources | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | Shortfall | 0 | 0 | 0 | 0 | 0 | 0 | |

| Economic Growth Projects | | | | | | | | | | | |
|--------------------------|---|--|---|------------------------------------|---|-------|-------|-------|-------|-------|--------------------|
| Advisory Cabinet Member | | | | | Jobs and the local economy (D.Lelliott) | | | | | | |
| Service Area | | | | | Planning & Development Services | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 129 | Cumwell Lane (Hellaby) Development Site | Desirable Works – Planned Strategic Intent | 16 hectare site proposed for economic development in the emerging Local Plan. | Estimated Spend | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | The site will be delivered by the private sector; however the Council may wish to consider any assistance which enables the site to come forward, or reduce the risks of non-delivery. | Identified Resources | 0 | 0 | 0 | 0 | 0 | | |
| | | | Outputs/Outcomes Provision of more sites and buildings for economic growth. Increased business rates and increased employment for local residents. The current timetable is that the plan is adopted in early 2017 so that the site would be allocated for development and removed from the green belt. The site would then go through the planning process, with infrastructure enabling works following. On this basis development would start in 2018/19 at the earliest. | Shortfall | 0 | 0 | 0 | 0 | 0 | | |

| Economic Growth Projects | | | | | | | | | | | |
|--------------------------|---|--|--|---|----------|--------------|--------------|----------|----------|--------------|--------------------|
| Advisory Cabinet Member | | | | Jobs and the local economy (D.Lelliott) | | | | | | | |
| Service Area | | | | Planning & Development Services | | | | | | | |
| Ref | Scheme | Criteria | Brief Description including proposed outcomes and outputs | Est. Spend / Resources / Shortfall | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total | Resources Comments |
| 130 | New Incubation Centre (Successful Centres) - Hellaby/Maltby | Desirable Works – Planned Strategic Intent | <p>Rotherham Investment and Development Office would like to add a 5th Incubation Centre to their existing portfolio of successful Centres. The ideal location would be around the M18, Hellaby/Maltby area. This particular area has been selected due to the popularity of the Matrix@Dinnington Business Centre which is currently 100% occupied. A number of enquiries have been from start-up/early stage companies showing an interest in starting a business in this area.</p> <p>The current successful business incubation model will be used in a new development which would be a 30,000 sq. ft. Centre (lettable target 70%). A mixture of both office and workshop space offering approximately 45 – 50 units, split 60/40 office/workshop space. The new centre will also provide co-working space, a new resource to the existing RIDO Business Centres operation.</p> <p>Estimated costs in the region of £5.1million (providing there is no issues with the land).A new facility would assist in the creation of new start-up businesses and employment opportunities in the Rotherham, Sheffield City Region area.</p> | Estimated Spend | 0 | 2,000 | 3,100 | 0 | 0 | 5,100 | |
| | | | | Identified Resources | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | Shortfall | 0 | 2,000 | 3,100 | 0 | 0 | 5,100 | |

Summary Sheet

Council Report

Cabinet/Commissioners' Decision Making Meeting

Title

Prudential Indicators and Treasury Management and Investment Strategy 2016/17 – 2018/19

Is this a Key Decision and has it been included on the Forward Plan?

Yes, included on the Forward Plan for this meeting.

Strategic Director Approving Submission of the Report

Stuart Booth – (Interim) Strategic Director of Finance & Customer Services

Report Author(s)

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Finance & Customer Services Directorate
01709 822005 derek.gaffney@rotherham.gov.uk

Ward(s) Affected

All

Executive Summary

The Local Government Act 2003 and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and prepare, set and publish prudential indicators and treasury indicators that ensure the Council's capital expenditure plans and affordable, prudent and sustainable in the long-term.

The Prudential Indicators and Treasury Management Strategy together form part of the process which ensures the Council meets the balanced budget requirement under the Local Government Finance Act 1992.

The report sets out the proposed Treasury Management Strategy Statement and Borrowing Limits for 2016/17 and Prudential Indicators for 2016/17 to 2018/19 and is being presented to Audit Committee in furtherance of its delegated role of scrutiny on Treasury matters, including the Treasury Management Strategy and related policies. The report will be presented to the Advisory Cabinet/Commissioners' Decision Making meeting as part of the Council's 2016/17 Budget setting process.

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 (Interim) Strategic

Director of Finance & Customer 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 2016/17 to 2018/19
- ii. A Minimum Revenue Provision (MRP) Statement which sets out the Council's policy on MRP
- iii. An Annual Treasury Management Strategy in accordance with the CIPFA Code of Practice on Treasury Management including the Authorised Limit
- iv. An Investment Strategy in accordance with the Department for Communities and Local Government (CLG) investment guidance

Albeit a technical and complex report 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 its borrowing requirement due to the higher cost of carrying debt. New borrowing will only be taken up as debt matures; and,
- c. Governance – strategies are reviewed by the Audit Committee with continuous monitoring which includes Mid-Year and Year End reporting.

Recommendations

Cabinet is asked to recommend to Council that it:

- i. **Approves the prudential indicators and limits for 2016/17 to 2018/19 contained in the report;**
- ii. **Approves the Minimum Revenue Provision Policy Statement contained in Appendix A which sets out the Council's policy;**
- iii. **Approves the Treasury Management Strategy for 2016/17 to 2018/19 and the Authorised Limit Prudential Indicator; and,**
- iv. **Approves the Investment Strategy for 2016/17 to 2018/19**

List of Appendices Included

Appendix A – Proposed Wording of Minimum Revenue Provision Policy Statement

Appendix B – Borrowing and Investment Projections 2015/16 to 2018/19

Appendix C – Treasury Management Practice (TMP) 1 (5) – Credit and Counterparty Risk Management

Appendix D – Security, Liquidity and Yield Benchmarking

Background Papers

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

Communities and Local Government Investment Guidance – March 2010

The Local Government Act 2003

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Yes, Audit Committee prior to submission to this Meeting

Council Approval Required

Yes

Exempt from the Press and Public

No

**Prudential Indicators and Treasury Management and Investment Strategy 2016/17
– 2018/19**

1. Recommendations

Cabinet is asked to recommend to Council that it:

- i. Approves the prudential indicators and limits for 2016/17 to 2018/19 contained in the report;**
- ii. Approves the Minimum Revenue Provision Policy Statement contained in Appendix A which sets out the Council's policy;**
- iii. Approves the Treasury Management Strategy for 2016/17 to 2018/19 and the Authorised Limit Prudential Indicator; and,**
- iv. Approves the Investment Strategy for 2016/17 to 2018/19**

2. Background

- 2.1 The Local Government Act 2003 and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and prepare, set and publish prudential indicators and treasury indicators that ensure the Council's capital expenditure plans and affordable, prudent and sustainable in the long-term.

The prudential indicators consider the affordability and impact of capital expenditure plans, and set out the Council's overall capital framework. Each prudential indicator either summarises the expected activity or introduces limits upon the activity, and reflects the underlying capital programme.

Within the overall prudential framework there is a clear impact on the Council's treasury management activity, either through borrowing or investment activity. As a consequence a Treasury Management Strategy is prepared which considers the effective funding of the capital expenditure decisions and complements the prudential indicators.

- 2.2 The Prudential Indicators and Treasury Management Strategy together form part of the process which ensures the Council meets the balanced budget requirement under the Local Government Finance Act 1992. It is a statutory requirement under Section 33, revised under Section 31 of the Localism Bill 2011, for the Council to produce a **balanced budget**. In particular, Section 31 requires the Council to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions.

This, therefore, means that increases in capital expenditure must be limited to a level whereby charges to revenue are also limited to a level which is affordable within the projected income of the Council for the foreseeable future. These increased charges arise from:

- increases in interest charges and debt repayment caused by increased borrowing to finance additional to capital expenditure; and
- any increases in running costs from new capital projects

2.3 Treasury management is therefore an important part of the overall financial management of the Council's affairs and is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Specific treasury indicators are prepared and included in the Treasury Management Strategy which requires Member approval.

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.

2.4 The Council's constitution (via Financial Regulations) requires the annual Treasury Management 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.

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

3. Key Issues

3.1 Overview

The Council's 2015/16 Prudential Indicators and Treasury Management Strategy was approved by Council on 4 March 2015, whilst a Mid-Year report which updated the 2015/16 approved indicators was approved by Council on 27 January 2016. This report provides an update for the period 2015/16 to 2017/18 and introduces new indicators and forecasts for 2018/19.

Section 3.2 of the report details the key elements of the Council's Capital Expenditure Plans and associated Prudential Indicators. The Treasury Management Strategy (including the Investment Strategy) is detailed in Sections 3.3. Supporting detail is provided in the Appendices.

The Treasury Management 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:

- 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.
- 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.
- Governance – strategies are reviewed by the Audit Committee with continuous monitoring which includes the Mid-Year and Year End reporting.

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

3.2.1 **The Capital Expenditure Plans**

The Council's capital expenditure plans are summarised below and form 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).

The revenue consequences of capital expenditure, particularly the unsupported expenditure, will need to be paid for from the Council's own revenue resources.

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.

- 3.2.2 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.
- 3.2.3 The Cabinet is asked to recommend to Council that it approves the summary capital expenditure projections below which are based on the currently approved Capital Programme 2015/16 to 2017/18 and the schemes (excluding the Development Pool) proposed as part of the new Capital Strategy and detailed Capital Programme.

| | 2015/16 Revised £m | 2016/17 Estimated £m | 2017/18 Estimated £m | 2018/19 Estimated £m |
|---|--------------------------|----------------------------|----------------------------|----------------------------|
| Children & Young People's Services | 11.650 | 4.726 | 0.550 | 0.000 |
| Env & Dev Services | 24.924 | 21.465 | 16.881 | 20.737 |
| Neighbourhoods & Adult Services – Non HRA | 4.938 | 5.013 | 5.180 | 7.600 |
| Resources | 2.782 | 4.108 | 1.705 | 0.562 |
| Total Non-HRA | 44.294 | 35.312 | 24.316 | 28.899 |
| HRA | 31.732 | 32.992 | 33.927 | 25.900 |
| Total HRA | 31.732 | 32.992 | 33.927 | 25.900 |
| Total expenditure | 76.026 | 68.304 | 58.243 | 54.799 |
| Capital receipts | 3.532 | 5.746 | 7.283 | 3.262 |
| Capital grants, capital contributions & sources other capital funding | 52.179 | 44.691 | 39.937 | 32.400 |
| Total financing | 55.711 | 50.437 | 47.220 | 35.662 |
| | | | | |
| Net financing need for the year | 20.315 | 17.867 | 11.023 | 19.137 |

The above net financing need excludes other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments. The table therefore indicates the likely additional borrowing that the Council will need to finance from its revenue Budget.

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

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is 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 (i.e. the cumulative net financing need) and the capital expenditure shown above which has not immediately been paid for increases the CFR.

Following accounting changes the CFR includes any other long term liabilities (OLTL) brought onto the Balance Sheet (e.g. PFI schemes). 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 these schemes. It is estimated the Council will have £137.588m within the total CFR at 1 April 2016 in respect of such schemes, primarily the Schools, Leisure and Waste PFI schemes.

The Cabinet will ask Council to approve the CFR projections below:

| | 2015/16 Revised £m | 2016/17 Estimated £m | 2017/18 Estimated £m | 2018/19 Estimated £m |
|---|--------------------------|----------------------------|----------------------------|----------------------------|
| CFR – General Fund | 483.637 | 498.963 | 506.801 | 522.148 |
| CFR – HRA | 304.125 | 304.125 | 304.125 | 304.125 |
| Total CFR | 787.762 | 803.088 | 810.926 | 826.273 |
| Movement in CFR | 6.149 | 15.326 | 7.838 | 15.347 |
| | | | | |
| Movement in CFR represented by: | | | | |
| Net financing need for the year (table at 3.2.3 above) | 20.315 | 17.867 | 11.023 | 19.137 |
| Net financing need for the year for OLTL | 11.894 | -2.154 | -2.725 | -3.120 |
| Less Minimum Revenue Provision and other financing movements | -26.060 | -0.387 | -0.460 | -0.670 |
| Movement in CFR | 6.149 | 15.326 | 7.838 | 15.347 |

3.2.5 Minimum Revenue Provision Policy Statement

3.2.5.1 The Council is required to pay off an element of the accumulated General Fund CFR 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. Repayments included in annual PFI charges or finance lease payments are also applied as MRP.

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).

3.2.5.2 CLG Regulations require full Council to approve an MRP Statement in advance of each financial year and detailed rules have been replaced by a single duty to charge an amount of MRP which the Council considers 'prudent'.

The (Interim) Strategic Director of Finance & Customer 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 includes the use of the annuity method in addition to the equal instalments method.

The wording of the proposed MRP Policy Statement requiring Council approval is shown at Appendix A.

3.2.6 **Affordability Prudential Indicators**

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.

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. Cabinet will recommend that the Council be asked to approve the following indicators.

3.2.6.1 **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.

The estimates of financing costs include all current commitments, the proposals contained in the proposed 2016/17 Revenue Budget and updated future years' capital expenditure plans.

| Ratio of financing costs to Net Revenue Stream | | | | |
|---|----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 2015/16 Revised % | 2016/17 Estimated % | 2017/18 Estimated % | 2018/19 Estimated % |
| Non-HRA | 6.30 | 6.46 | 7.36 | 8.34 |
| HRA | 15.94 | 16.43 | 16.55 | 16.56 |

3.2.6.2 **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 2016/17 and the Council's Medium Term Financial Strategy, and does not indicate additional requirements of Rotherham council tax payers.

| Incremental impact of capital expenditure plans on the Band D Council Tax | | | | |
|--|----------------------------------|--|-------------------------------------|-------------------------------------|
| | Revised 2015/16 £ | Proposed Budget 2016/17 £ | Projection 2017/18 £ | Projection 2018/19 £ |
| Council Tax – Band D | 12.29 | 17.06 | 15.93 | 17.40 |

3.2.6.3 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.

| Incremental impact of capital expenditure plans on the Housing Rent levels | | | | |
|---|----------------------------------|--|-------------------------------------|-------------------------------------|
| | Revised 2015/16 £ | Proposed Budget 2016/17 £ | Projection 2017/18 £ | Projection 2018/19 £ |
| Weekly Housing Rent levels | £0.00 | £0.00 | £0.00 | £0.00 |

3.3 TREASURY MANAGEMENT STRATEGY 2016/17 – 2018/19

The Treasury Management Strategy covers:

- a. The Council's borrowing and investment projections (para. 3.3.1);
- b. The Council's estimates and limits to borrowing activity (para. 3.3.2 to 3.3.5);
- c. The expected movement in interest rates (para. 3.3.6);
- d. The Council's borrowing and debt strategy (para. 3.3.7);
- e. The Council's investment strategy (para. 3.3.8);
- f. Treasury Management prudential indicators and limits on activity (para. 3.3.9);
- g. Treasury performance indicators (para. 3.3.10); and
- h. Policy on the use of external service advisers (para. 3.3.11).

3.3.1 **Borrowing and Investment Projections 2016/17 – 2018/19**

The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed.

The 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 authorities is shown in the table attached at Appendix B. The table also highlights the expected level of investment balances.

3.3.2 **Limits to Borrowing Activity**

There are a number of key indicators to ensure the Council operates its activities within well-defined limits.

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 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years (para. 3.3.4).

The (Interim) Strategic Director of Finance & Customer Services reports that the Council has complied with this indicator in the current year and does not envisage difficulties for the future (the table below refers). This view takes into account approved commitments and existing plans.

| RMBC | 2015/16 Revised £m | 2016/17 Estimated £m | 2017/18 Estimated £m | 2018/19 Estimated £m |
|--------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Borrowing (loans outstanding) | 481.017 | 490.805 | 553.233 | 593.484 |
| Borrowing included within OLTL | 137.588 | 135.434 | 132.709 | 129.589 |
| Total Borrowing | 618.605 | 626.239 | 685.942 | 723.073 |
| | | | | |
| Less: Investments | 20.000 | 20.000 | 50.000 | 80.000 |
| Net Borrowing | 598.605 | 606.239 | 635.942 | 643.073 |
| | | | | |
| CFR – excl. OLTL | 650.174 | 667.654 | 678.217 | 696.684 |
| CFR – OLTL | 137.588 | 135.434 | 132.709 | 129.589 |
| Total CFR | 787.762 | 803.088 | 810.926 | 826.273 |
| | | | | |
| CFR less Net Borrowing | 189.157 | 196.849 | 174.984 | 183.200 |

3.3.3 **The Overall Level of Borrowing**

A further two prudential indicators control or anticipate the overall level of borrowing. These are:

- The Authorised Limit for External Debt
- The Operational Boundary for External Debt

3.3.3.1 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 such Government control has yet been exercised.

Cabinet is asked to recommend to Council the approval of the following Authorised Limit for RMBC:

| Authorised Limit for External Debt (RMBC) | 2015/16 Revised £m | 2016/17 Estimated £m | 2017/18 Estimated £m | 2018/19 Estimated £m |
|--|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Borrowing | 683.381 | 698.201 | 702.315 | 701.855 |
| Other long term liabilities | 139.267 | 137.588 | 135.434 | 132.709 |
| Total | 822.648 | 835.789 | 837.749 | 834.564 |

Cabinet is also asked to recommend approval to Council of the following Authorised Limit for the former SYCC:

| Authorised Limit for External Debt (Former SYCC) | 2015/16 Revised £m | 2016/17 Estimated £m | 2017/18 Estimated £m | 2018/19 Estimated £m |
|---|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Borrowing | 96.121 | 86.709 | 76.709 | 37.000 |
| Other long term liabilities | 0.000 | 0.000 | 0.000 | 0.000 |
| Total | 96.121 | 86.709 | 76.709 | 37.000 |

3.3.3.2 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 | 2015/16 Revised £m | 2016/17 Estimated £m | 2017/18 Estimated £m | 2018/19 Estimated £m |
|-----------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| HRA Debt Cap | 336.623 | 336.623 | 336.623 | 336.623 |
| HRA CFR | 304.125 | 304.125 | 304.125 | 304.125 |
| HRA Headroom (+) | +32.498 | +32.498 | +32.498 | +32.498 |

3.3.3.3 The Operational Boundary for External Debt

This is the amount 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.

As a result of the planned continued under-borrowed position Cabinet is asked to recommend to Council that it approves the following Operational Boundary for RMBC:

| Operational Boundary for External Debt (RMBC) | 2015/16 Revised £m | 2016/17 Estimated £m | 2017/18 Estimated £m | 2018/19 Estimated £m |
|--|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Borrowing | 481.017 | 490.805 | 553.233 | 593.484 |
| Other long term liabilities | 139.267 | 137.588 | 135.434 | 132.709 |
| Total | 620.284 | 628.393 | 688.667 | 726.193 |

Cabinet is asked to recommend to Council that it approves the following Operational Boundary for the former SYCC:

| Operational Boundary for External Debt (Former SYCC) | 2015/16 Revised £m | 2016/17 Estimated £m | 2017/18 Estimated £m | 2018/19 Estimated £m |
|---|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Borrowing | 96.121 | 86.709 | 76.709 | 37.000 |
| Other long term liabilities | 0.000 | 0.000 | 0.000 | 0.000 |
| Total | 96.121 | 86.709 | 76.709 | 37.000 |

3.3.4 **Policy on Borrowing in Advance of Need**

The Council has some flexibility to borrow funds in advance for use in future years. The (Interim) Strategic Director of Finance & Customer 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 (Interim) Strategic Director of Finance & Customer 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.

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.

3.3.5 **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).

The reasons for any rescheduling to take place will include:

- The generation of cash savings and/or discounted cash flow savings;
- Helping to fulfil the treasury strategy; and,
- Enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility).

3.3.6 **Expected Movement in Interest Rates**

The Bank Rate, currently 0.50%, underpins investment returns and is not expected to start increasing until the fourth quarter of 2016. This is despite inflation remaining 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 China, the Eurozone, and falling commodity prices 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 or early in the following financial year.

This challenging outlook has several key treasury management implications:

- Investment returns are likely to remain relatively low during 2016/17;
- 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.

3.3.7 **Borrowing and Debt Strategy 2016/17 – 2018/19**

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.

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.

The (Interim) Strategic Director of Finance & Customer 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.

3.3.8 **Investment Strategy 2016/17 – 2018/19**

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).

3.3.8.1 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 Appendix D.

3.3.8.2 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 Appendix C.
- 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 Appendix D.

3.3.8.3 The (Interim) Strategic Director of Finance & Customer Services will maintain a counterparty list in compliance with the criteria set out in 3.3.8.5 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.

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.

3.3.8.4 Credit rating information is supplied by our treasury advisors on all active counterparties that comply with the criteria in section 3.3.8.5. 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.

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

- **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.

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.

3.3.8.6 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 | | | | | |

3.3.8.7 The proposed criteria for Specified and Non-Specified investments and monitoring of counterparties are shown in Appendix C for Member approval.

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.

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.

3.3.9 **Treasury Management Prudential Indicators and Limits on Activity**

3.3.9.1 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 with Financial Institutions is treated as variable where debt may be subject to variation on specific call dates each year. However, over this Strategy period any such variations are thought unlikely.

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

| RMBC | 2016/17 | 2017/18 | 2018/19 |
|---|----------------|----------------|----------------|
| Interest rate Exposures | | | |
| | Upper | Upper | Upper |
| Limits on fixed interest rate debt based on fixed net debt | 100% | 100% | 100% |
| Limits on variable interest rate debt based on variable net debt | 30% | 30% | 30% |

| RMBC Maturity Structure of fixed interest rate borrowing 2016/17 | | |
|---|--------------|--------------|
| | Lower | Upper |
| 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% |

| RMBC Maximum Funds invested > 364 days | | | |
|--|---------------------|---------------------|---------------------|
| | 1 to 2 years | 2 to 3 years | 3 to 5 years |
| Funds invested > 364 days | £m 10 | £m 8 | £m 6 |

| Former SYCC | 2016/17 | 2017/18 | 2018/19 |
|--|--------------|--------------|--------------|
| Interest Rate Exposures | | | |
| | Upper | Upper | Upper |
| Limits on fixed interest rates based on total debt | 100% | 100% | 100% |
| Limits on variable interest rates based on total debt | 30% | 30% | 30% |

| Former SYCC Maturity Structure of fixed interest rate borrowing 2016/17 | | |
|--|--------------|--------------|
| | Lower | Upper |
| Under 12 months | 0% | 25% |
| 12 months to 2 years | 0% | 50% |
| 2 years to 5 years | 0% | 100% |

3.3.10 **Treasury Performance Indicators**

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 2016/17:

- 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

3.3.11 **Training**

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.

3.3.12 **Policy on the use of external service advisors**

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

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.

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.

4. Options considered and recommended proposal

- 4.1 The recommendations have been put forward taking account of the proposed capital programme, the prevailing conditions in the financial markets and expectations for the future with regard to the economic outlook and the effect on interest rate, together with the actions required to manage risk in the Treasury Management activity for the forthcoming financial year.

5. Consultation

- 5.1 Consultation has taken place with the Council's Treasury Management Advisers, Capita plc
- 5.2 Consultation with the Council's External Auditors KPMG has taken place with respect to the wording of the Council's Minimum Revenue Provision Policy Statement.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Following consideration by Audit Committee the report is being presented to this meeting and then in accordance with the legislative requirements outlined in section 8 below the report will be submitted to full Council on 2nd March 2016.

7. Financial and Procurement Implications

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

7.2 The assumptions supporting the capital financing budget for 2016/17 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.

7.3 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 2016/17 Revenue Budget and approved MTFS.

8. Legal Implications

8.1 It is a requirement that changes to the Council's prudential indicators and approved by Full Council

8.2 It is also a requirement that the Council's Minimum Revenue Provision Policy Statement for each financial year is approved by Full Council.

9. Human Resources Implications

9.1 There are no Human Resource implications arising from the report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

11. Equalities and Human Rights Implications

11.1 There are no implications arising from this report to Equalities and Human Rights.

12. Implications for Partners and Other Directorates

12.1 There are no implications arising from this report to Partners or other directorates.

13. Risks and Mitigation

13.1 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.

14. Accountable Officer(s)

Stuart Booth ((Interim) Strategic Director of Finance & Customer Services)

Approvals Obtained from:-

(Interim) Strategic Director of Finance & Customer Services:- Stuart Booth

(Interim) Assistant Director of Legal Services:- Catherine Parkinson

This report is published on the Council's website or can be found at:-
<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

Proposed Wording of Minimum Revenue Provision Policy Statement

It is being recommended Council approve the following MRP policy in relation to the charge for the 2016/17 financial year:

- (a) The MRP charge in relation to capital expenditure incurred prior to 2007/08 where the expenditure was funded by either supported or unsupported borrowing will be calculated using the expected useful life of the asset and the calculation of the provision will be by the annuity method;
- (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.
- (d) For the sake of clarity, where MRP has been overcharged in previous years, the recovery of the overcharge will be effected by taking an MRP holiday in full or in part against future years charges that would otherwise have been made. The MRP holiday adjustment to the future years charge will be done in such a way as to ensure that:
 - the total MRP after applying the adjustment will not be less than zero in any financial year
 - the cumulative amount adjusted for will never exceed the amount over-charged;
 - the extent of the adjustment will be reviewed on an annual basis

Borrowing and Investment Projections 2015/16 to 2018/19

| RMBC | 2015/16 Revised £m | 2016/17 Estimated £m | 2017/18 Estimated £m | 2018/19 Estimated £m |
|--|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| External Debt | | | | |
| Borrowing at 1 April | 468.884 | 481.017 | 490.805 | 553.233 |
| Expected change in debt | 12.133 | 9.788 | 62.428 | 40.251 |
| Borrowing at 31 March | 481.017 | 490.805 | 553.233 | 593.484 |
| | | | | |
| Other long-term liabilities (OLTL) at 1 April | 125.694 | 137.588 | 135.434 | 132.709 |
| Expected change in OLTL | 11.894 | -2.154 | -2.725 | -3.120 |
| Other long-term liabilities (OLTL) at 31 March | 137.588 | 135.434 | 132.709 | 129.589 |
| | | | | |
| Total Borrowing & OLTL at 31 March | 618.605 | 626.239 | 685.942 | 723.073 |
| | | | | |
| Investments | | | | |
| Total Investments at 1 April | 18.674 | 20.000 | 20.000 | 50.000 |
| Investment change | 1.326 | 0.000 | 30.000 | 30.000 |
| Total Investments at 31 March | 20.000 | 20.000 | 50.000 | 80.000 |
| | | | | |
| Net borrowing at 31 March | 598.605 | 606.239 | 635.942 | 643.073 |

| Ex SYCC | 2015/16 Revised £m | 2016/17 Estimated £m | 2017/18 Estimated £m | 2018/19 Estimated £m |
|------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| External Debt | | | | |
| Borrowing at 1 April | 96.121 | 86.709 | 76.709 | 37.000 |
| Expected change in debt | -9.412 | -10.000 | -39.709 | -0.811 |
| Borrowing at 31 March | 86.709 | 76.709 | 37.000 | 36.189 |
| | | | | |
| Investments | | | | |
| 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 | 86.709 | 76.709 | 37.000 | 36.189 |

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

1. Overview

- 1.1 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.

- 1.2 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 (Interim) Strategic Director of Finance & Customer 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

- 2.1 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.

2.2 Strategy Guidelines

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

2.3 Specified Investments

- 2.3.1 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.

- 2.3.2 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.

2.4 Non-Specified Investments

- 2.4.1 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.

- 2.4.2 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

3.1 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.

3.2 Any counterparty failing to meet the minimum criteria will be removed from the list immediately by the (Interim) Strategic Director of Finance & Customer 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

1.1.1 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.

1.1.2 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.

| Credit Rating | 1 year | 2 years | 3 years | 4 years | 5 years |
|----------------------|---------------|----------------|----------------|----------------|----------------|
| AAA | 0.04% | 0.09% | 0.17% | 0.25% | 0.34% |
| AA | 0.03% | 0.06% | 0.11% | 0.22% | 0.33% |
| A | 0.08% | 0.20% | 0.37% | 0.55% | 0.77% |
| BBB | 0.19% | 0.55% | 0.97% | 1.46% | 1.97% |

1.1.3 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 0.17% of the total investment (e.g. for a £1m investment the average potential loss would be £1,700).

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 0.19% (e.g. for a £1m investment the average loss would be £1,900).

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 2016/17 is 0.096% which means that for every £1m invested the average potential loss would be £960. This position remains largely unchanged from 2015/16.

1.1.4 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**

1.2.1 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.

1.2.2 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 2016/17 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