



Council

Wednesday, 25 January 2017

2.00 p.m.

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

Rotherham
Metropolitan
Borough Council 

WELCOME TO TODAY'S MEETING

GUIDANCE FOR THE PUBLIC

The Council is composed of 63 Councillors, who are democratically accountable to the residents of their ward.

The Council Meeting is chaired by the Mayor, who will ensure that its business can be carried out efficiently and with regard to respecting the rights and responsibilities of Councillors and the interests of the community. The Mayor is the Borough's first citizen and is treated with respect by the whole Council, as should visitors and member of the public.

All Councillors meet together as the Council. Here Councillors decide the Council's overall policies and set the budget each year. The Council appoints its Leader, Mayor and Deputy Mayor and at its Annual Meeting will appoint Councillors to serve on its committees.

Copies of the agenda and reports are available on the Council's website at www.rotherham.gov.uk. The public can also have access to the reports to be discussed at the meeting by visiting the Reception at the Town Hall. The Reception is open from 8.00 a.m. to 5.30 p.m. each day. You may not be allowed to see some reports because they contain private information and these will be marked accordingly on the agenda.

Members of the public have the right to ask questions or submit petitions to Council meetings. A member of the public may ask one general question in person which must be received in writing to the Chief Executive by 10.00 a.m. on the Friday preceding a Council meeting on the following Wednesday and must not exceed fifty words in length.

Council meetings are webcast and streamed live or subsequent broadcast via the Council's website. At the start of the meeting the Mayor will confirm if the meeting is being filmed. You would need to confirm your wish not to be filmed to Democratic Services. Recording of the meeting by members of the public is also allowed.

Council meetings are open to the public, but occasionally the Council may have to discuss an item in private. If this occurs you will be asked to leave. If you would like to attend a meeting please report to the Reception at the Town Hall and you will be directed to the relevant meeting room.

FACILITIES

There are public toilets, one of which is designated disabled with full wheelchair access, with full lift access to all floors. Induction loop facilities are also available in the Council Chamber, John Smith Room and Committee Rooms 1 and 2.

Access for people with mobility difficulties can be obtained via the ramp at the main entrance to the Town Hall.

If you have any queries on this agenda, please contact:-

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Date of Publication:- 17 January 2017

COUNCIL

Wednesday, 25 January 2017 at 2.00 p.m.
Council Chamber, Town Hall, Moorgate Street, Rotherham. S60 2TH

THE MAYOR (Councillor Lindsay Pitchley)
DEPUTY MAYOR (Councillor Eve Keenan)

CHIEF EXECUTIVE (Sharon Kemp)

MEMBERS OF THE COUNCIL

ANSTON AND WOODSETTS

IRELAND, Jonathan C.
JEPSON, Clive R.
WILSON, Katherine M.

KEPPEL

CLARK, Maggi
CUTTS, Dave
HAGUE, Paul

SITWELL

COWLES, Allen
SHORT Peter, G. J.
TURNER, Julie

BOSTON CASTLE

ALAM, Saghir
MCNEELY, Rose M.
YASSEEN, Taiba K.

MALTBY

BEAUMONT, Christine
PRICE, Richard
RUSHFORTH, Amy L.

SWINTON

CUSWORTH, Victoria
SANSOME, Stuart
WYATT, Kenneth J.

BRINSWORTH AND CATCLIFFE

BUCKLEY, Alan
SIMPSON, Nigel G.

RAWMARSH

BIRD, Robert
MARRIOTT Sandra
SHEPPARD, David R.

VALLEY

ALBISTON, Kerry
REEDER, Kathleen
SENIOR, Jayne E.

DINNINGTON

MALLINDER, Jeanette M.
TWEED, Simon A.

ROTHER VALE

ALLCOCK, Leon
BROOKES, Amy C.
WALSH, Robert J.

WALES

BECK, Dominic
WATSON, Gordon
WHYSALL, Jennifer

HELLABY

ANDREWS, Jennifer A.
CUTTS, Brian
TURNER, R. A. John

ROTHERHAM EAST

COOKSEY, Wendy
FENWICK-GREEN Deborah
KHAN, Tajamal

WATH

ATKIN, Alan
ELLIOT, Jayne C.
EVANS, Simon

HOLDERNESS

ELLIOTT, Michael S.
PITCHLEY, Lyndsay
TAYLOR, Robert P.

ROTHERHAM WEST

JARVIS, Patricia A.
JONES, Ian P.
KEENAN, Eve.

WICKERSLEY

ELLIS, Susan
HODDINOTT, Emma
READ, Chris

HOOBER

LELLIOTT, Denise
ROCHE, David J.
STEELE, Brian

SILVERWOOD

MARLES, Steven
NAPPER, Alan D.
RUSSELL, Gwendoline A.

WINGFIELD

ALLEN, Sarah A.
ELLIOTT, Robert W.
WILLIAMS, John

Council Meeting Agenda

Time and Date:-

Wednesday, 25 January 2017 at 2.00 p.m.

Venue:-

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

1. ANNOUNCEMENTS

To consider any announcements by the Mayor or the Leader.

2. APOLOGIES FOR ABSENCE

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

3. PETITIONS

To report on any petitions received by the Council.

4. COMMUNICATIONS

Any communication received by the Mayor or Chief Executive which relates to a recommendation of the Cabinet or a committee which was received after the relevant meeting.

5. DECLARATIONS OF INTEREST

To invite Councillors 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.

The Monitoring Officer will provide advice at the meeting to councillors who may have disclosable pecuniary interests as tenants in council owned housing or property. If you should have any concerns regarding a potential interest, you should contact the Monitoring Officer in advance of the meeting for advice.

6. MINUTES OF THE PREVIOUS COUNCIL MEETING (Pages 1 - 24)

To receive the record of proceedings of the ordinary meeting of the Council held on 7th December, 2016 and to approve the accuracy thereof.

7. PUBLIC QUESTIONS

To receive questions from members of the public who may wish to ask a general question of the Mayor, Cabinet Member or the Chairman of a Committee.

8. MINUTES OF THE CABINET AND COMMISSIONERS' DECISION MAKING MEETING (Pages 25 - 54)

To receive and consider the reports, minutes and recommendations of the Cabinet and Commissioners' Decision Making Meetings held on 12 December 2016 and 9 January, 2017.

9. EXCLUSION OF THE PRESS AND PUBLIC

Should it be necessary, in the opinion of the Mayor, to consider excluding the press and public from the meeting in relation to any items of urgent business on the grounds that private information is likely to be divulged.

Item 11 on the agenda (Recommendation from Cabinet – Boston Park Reservoir) contains exempt information. If the meeting needs to discuss the detail of the exempt information, it will be necessary for the Mayor to propose:

That under Section 100(A) 4 of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006.

10. RECOMMENDATION FROM CABINET - CAPITAL PROGRAMME - OPERATIONAL PROPERTY MAINTENANCE PROGRAMME 2016/17 (Pages 55 - 63)

To consider a recommendation from Commissioner Kenny in respect of the inclusion of additional schemes within the Capital Programme.

11. RECOMMENDATION FROM CABINET - BOSTON PARK RESERVOIR (Pages 64 - 80)

To consider a recommendation from Commissioner Kenny to include the project for improvement works at Boston Park within the Capital Programme.

12. RECOMMENDATION FROM CABINET - ADDITION OF BARKERS PARK CHANGING ROOMS TO THE CAPITAL PROGRAMME (Pages 81 - 86)

To consider a recommendation from Commissioner Kenny to include the scheme for Barkers Park Changing Rooms within the Capital Programme.

13. RECOMMENDATION FROM CABINET - UPGRADING OF FLUORESCENT STREET LIGHTING TO LED (Pages 87 - 95)

To consider a recommendation from Cabinet to include the upgrade project within the Capital Programme as an invest to save scheme.

14. RECOMMENDATION FROM CABINET - CAPITAL FUNDING FOR THE DEVELOPMENT OF 30 HOUR CHILDCARE PLACES (Pages 96 - 106)

To consider a recommendation from Cabinet in respect of the inclusion of the scheme for the development of 30 hour childcare places within the Capital Programme.

15. RECOMMENDATION FROM CABINET - NOVEMBER 2016 FINANCIAL MONITORING REPORT AND MID-YEAR TREASURY REVIEW (Pages 107 - 167)

To consider recommendations from Cabinet arising from the November 2016 Financial Monitoring Report and Mid-Year Treasury Review in respect of the Capital Programme and Prudential Indicators.

16. RECOMMENDATION FROM CABINET - CALCULATION OF THE COUNCIL TAX BASE FOR 2017/18 (Pages 168 - 178)

To consider recommendations from Cabinet in respect of the Council Tax Reduction Scheme and the calculation of the Council Tax Base for 2017/18.

17. RECOMMENDATION FROM CABINET - HOUSING RENT 2017/18 (Pages 179 - 188)

To consider recommendations from Cabinet in respect of housing rents for 2017/18.

18. RECOMMENDATION FROM CABINET - DISTRICT HEATING SCHEME CHARGES 2017/18 (Pages 189 - 197)

To consider recommendations from Cabinet in respect of proposed charges for the District Heating Scheme 2017/18.

19. PROPOSED AMENDMENTS TO THE CONSTITUTION - FINANCIAL PROCEDURE RULES AND CONTRACT STANDING ORDERS (Pages 198 - 270)

To consider recommendations to amend the Financial Procedure Rules and Contract Standing Orders set out in the Constitution.

20. NOTICE OF MOTION - WATSON'S TIP

This Council believes:-

- The Environment Agency should not have awarded a permit for the recommencing of waste disposal adjacent to Droppingwell Road on the Watson's Tip site.
- This action will have a detrimental impact on the local residents, organisations in the area and the environment. We are proud of our local amenity, which includes Millmoor Juniors Football Club and Peter Cowen's Golf Academy, and feel that the decision could put these organisations at risk.
- Neither the Environment Agency, nor any regulatory body, can effectively regulate tipping at Watson's Tip, and the risks associated with the closed and capped section of the licensed site.

This Council notes with concern:-

- The lack of consultation from the Environment Agency with the Council and elected members before making the variations and consolidating the permit to Grange Landfill in relation to the recommencement of waste disposal activities at the Droppingwell site.
- The lack of consultation by the Environment Agency with local residents and organisations and the failure to attend a recent local public meeting.
- The Council has submitted significant evidence to the Environment Agency concerning the companies involved, financial matters, compliance, and previous fraudulent and dishonest activity in relation to disposing of waste to landfill.

This Council calls on the Environment Agency to:-

- Communicate effectively with all who will be affected by this variation.
- To re-examine its decision to permit the variations to the permit for Grange Landfill taking into account the evidence provided by the Council.

The conclusion of any such a review should inevitably lead to the Environment Agency taking steps to revoke the permit granted for tipping at the Watson's Tip site. Till then the Council will continue to raise the risks the site may pose to surrounding land, the environment and the public.

Proposer:- Councillor Clark

Seconder:- Councillor Hague

21. NOTICE OF MOTION - VOTER ID

That this Council resolves to fully support the proposal that voter, be it photo or council documents, be required to be presented at a polling booth before a vote is able to be cast, and that there is a crackdown on postal vote "harvesting".

That this Council asks the Secretary of State for Communities and Local Government to make the Metropolitan Borough of Rotherham and the areas of the constituencies of Rotherham, Rother Valley and Wentworth & Dearne which fall within the borough, a "Pilot Area" for the scheme's future implementation.

Proposer:- Councillor Cowles

Seconder: Councillor Simpson

22. REVISED MEMBERSHIP ARRANGEMENTS 2016/17

To consider and approve a revision to the following:-

- For Councillor Evans to replace Councillor Bird on the Improving Lives Select Commission.
- For Councillor Bird to replace Councillor Evans on the Health Select Commission.

23. SCRUTINY UPDATE

To consider and note the Scrutiny Update by the Chairman of the Overview and Scrutiny Management Board.

24. STAFFING COMMITTEE (Pages 271 - 273)

To receive and consider reports, minutes and recommendations of the Staffing Committee.

To confirm the minutes as a true record.

25. PLANNING BOARD (Pages 274 - 277)

To receive and consider reports, minutes and recommendations of the Planning Board.

To confirm the minutes as a true record.

26. LICENSING BOARD SUB-COMMITTEE (Pages 278 - 280)

To receive and consider reports, minutes and recommendations of the Licensing Board Sub-Committee.

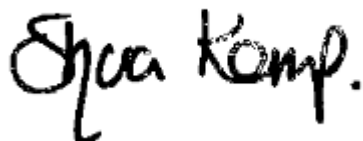
To confirm the minutes as a true record.

27. MEMBERS' QUESTIONS TO DESIGNATED SPOKESPERSONS

To put questions, if any, to the designated Members on the discharge of functions of the South Yorkshire Police and Crime Panel, South Yorkshire Fire and Rescue Authority, Barnsley, Doncaster, Rotherham and Sheffield Combined Authority and South Yorkshire Pensions Authority, in accordance with Standing Order No. 7(5).

28. MEMBERS' QUESTIONS TO CABINET MEMBERS AND CHAIRMEN

To put questions, if any, to Cabinet Members and Chairmen (or their representatives) under Standing Order No. 7(1) and 7(3).

A handwritten signature in black ink that reads "Sharon Kemp." The signature is written in a cursive, flowing style.

SHARON KEMP,
Chief Executive.

**The next meeting of the Council will be on
Wednesday 8 March 2017 at 2.00 p.m. at the Town Hall.**

COUNCIL MEETING
7th December, 2016

Present:- Councillor Eve Rose Keenan (in the Chair); Councillors Alam, Albiston, Allen, Andrews, Atkin, Beaumont, Beck, Bird, Brookes, Buckley, Clark, Cooksey, Cowles, Cusworth, Cutts, Cutts, Elliot, Elliott, Elliott, Ellis, Evans, Fenwick-Green, Hague, Hoddinott, Ireland, Jarvis, Jepson, Jones, Lelliott, Mallinder, Marriott, Napper, Price, Read, Reeder, Roche, Rushforth, Russell, Sansome, Sheppard, Short, Simpson, Taylor, Julie Turner, Tweed, Walsh, Watson, Williams, Wilson, Whysall, Wyatt and Yasseen.

75. ANNOUNCEMENTS

The Deputy Mayor conveyed the Mayor's apologies for not being able to attend today's meeting.

The Mayor had attended over one hundred engagements since the last Council Meeting and wished to convey her very best wishes to Members and officers for the forthcoming Christmas holidays.

The Deputy Mayor also reported on her own activity and the pleasure she had had in leading the first Rotherham Carnival with Ray Matthews.

She spoke further on her involvement with Shiloh, the Friends of Herringthorpe Valley Park who were seeking volunteers and her own engagements over the last six months.

The Deputy Mayor was also pleased to report on the first "Outstanding" Ofsted report received by the Council in respect of Liberty House. A sign of the improvements being made in Children and Young People's Services.

Members were asked to join the Deputy Mayor in showing their appreciation in recognising the achievements and efforts of officers, Darren Higgins, Richard Fisher, Debbie Hollis, Lisa Ball, Caroline Foster, Vicky Battersby, David Goldsborough, Leighann Blackett, Rachelle North, Shane Reilly and Sophie Godson.

The Deputy Mayor also confirmed the resignation of two Councillors - Councillor Ian Finnie, Ward Member for Dinnington, and Councillor Andrew Roddison, Ward Member for Brinsworth and Catcliffe.

Members were also asked to have sensitivity and respect the confidentiality of the victim in respect of Item 15 on the agenda, the motion in respect of Councillor Conduct.

Members' attention was also drawn to the protest earlier today outside the Town Hall by CSE survivors and victims. The Deputy Mayor and a number of other Councillors met with the protesters and heard their

concerns, which have been heard and were being taken seriously by the Council and other public bodies in Rotherham.

When asked if he had any announcements to make Councillor Read, Leader, confirmed he had nothing to report.

76. APOLOGIES FOR ABSENCE

Apologies for absence were received from The Mayor (Councillor Pitchley) and Councillors Allcock, Khan, McNeely, Senior, Steele and John Turner.

77. PETITIONS

The Deputy Mayor reported that four petitions had been submitted, but had not met the threshold for consideration by Council, and would be referred to the relevant directorate for a response to be prepared. The petitions concerned:-

- From residents highlighting parking issues on Duncan Street, Brinsworth.
- From residents about speeding on Magna Lane, Dalton.
- From residents regarding anti-social behaviour at Barratt Corner, Browning Road, Herringthorpe.
- From residents requesting a 'No Waiting' restriction on the junction of Bennett Croft and Ryton Road, North Anston.

78. COMMUNICATIONS

No communications were received.

79. DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

80. MINUTES OF THE PREVIOUS COUNCIL MEETING

Resolved:- That the minutes of the meeting of Council held on 19th October, 2016, be approved for signature by the Mayor, subject to an amendment to Page 11, last sentence (Minute No. 74) to now read "The Council had developed provision for these extenuating circumstances and if Councillor B. Cutts wished to contact the Deputy Leader or Ian Thomas a site visit would be arranged to our very short term emergency accommodation at your earliest convenience."

Mover:- Councillor Read

Seconder:- Councillor Watson

81. PUBLIC QUESTIONS

The following questions were received:-

(1) From Mr. P. Thirlwall – “Could both the Chair and Vice-Chair of the Planning Board tell him how many times they have voted against officers’ recommendations on planning applications at Planning Board and delegated powers meetings in their present position. If the number is fewer than twenty times each, please specify the relevant applications.”

In response, Councillor Atkin, Chairman of the Planning Board, confirmed every planning application was considered on its merits and judged on balance. The Planning Officers would make a recommendation based on their professional judgement and the Planning Board took strong cognisance of that opinion, but on occasions there were differing views.

It was pointed out that named votes at the Planning Board were not recorded, but on clarifying the position from when he and Councillor Tweed became Chair and Vice-Chair in June, 2014 the Planning full Board had voted against recommendations of officers five times.

From memory Councillor Atkin confirmed that both he and Councillor Tweed had voted against an application in Letwell and a house extension in Todwick.

In terms of delegated powers meetings the Chair and Vice-Chair did not have the authority to overturn officer decisions and only considered those decisions where less than five objections had been made or for example the application in question was from someone employed by the Council or if it was felt such a decision should be referred to be made by the Planning Board.

In a supplementary comment Mr. Thirlwall pointed out that at most since being Chairman Councillor Atkin had only voted against officer recommendations on five occasions, or possibly less, which was far less than the Planning Board itself.

He referred to his own attendance experience where Councillor Atkin had voted in favour of the officer recommendation and other Members of the Planning Board had voted against, which was proven incorrect when the application went to appeal.

Mr. Thirlwall regarded delegated powers meetings as pointless if the recommendations by officers were agreed to. Planning applications were not to be pre-determined and judged on their own merits, but he believed minds were probably made up coming to Planning Board. He suggested the Council give consideration to electing a more objective Chair and Vice-Chair of Planning.

Councillor Atkin thanked Mr. Thirlwall for his vote of confidence and confirmed he probably did vote less against officer recommendations, but he was never pre-disposed to a decision. However, he believed Mr. Thirlwall's view of delegated powers meetings to be inaccurate and again reiterated his comments as he had above on delegated powers meetings with regards to officer decisions. He gave an example of the process of an application for a site in Todwick.

He agreed that Mr. Thirlwall was probably correct in his recollection of where he had voted against an application which went to appeal, but the decision letter of the Inspector did indicate he agreed with the Council's decision, but on taking into account the views of the Secretary of State regarding wind turbines, actually turned the application down, not because the decision of the Council was wrong.

Mr. Thirlwall wished to correct an inaccuracy referred to above in that the Inspector dealing with the application had stated in the first and last paragraph that he was going to refuse the application.

(2) From Mr. C. Vines – "Councillor Read made statements on BBC Look North about the convictions of CSE perpetrators and quoted:-

"Rotherham Council have made changes to the political leadership team and all those who should be held to account will be."

What political leadership has changed and what progress in holding those to account."

The Leader confirmed the change in political leadership was well observed and understood. In terms of holding people to account it had been seen this week, and later on this agenda, how when a Member of this Council committed a criminal act action would be taken within the Council's power to do something about it. It was also known that an investigation into a former Member of the Council had been referred to the Metropolitan Police and action taken against them.

Investigations into child sexual exploitation would take a period of time, but the Leader stood by what he had said that where those allegations came forward he would do all he could to hold those people to account. He would not get into speculating who did what, when and why and he hoped that Members of this Chamber had learnt from the experience of others.

In a supplementary question Mr. Vines confirmed he was looking around this Chamber and could see Members of this Council present who had attended the seminar in 2005 and knew all about CSE as recorded in the Jay report, kept quiet and did nothing for ten years. If this was not wrong doing then what was. He asked why had no action been taken against those Members and why were they still in the Chamber and being promoted.

The Leader did not accept the premise of the question that Members had attended an hour's seminar, did nothing for ten years and were fully aware of the full facts that then came out. Individual people have taken responsibility for their actions. Questions had been asked by the Labour Party and reflected in the selection of candidates and if people had further allegations against individuals of the Council then the standards regime was in place for this to be done. The longer the trawling over the actions of Members who were not leading Members at that time simply took up energy from dealing from the problems being faced today.

82. MINUTES OF THE CABINET AND COMMISSIONERS' DECISION MAKING MEETING

Resolved:- That the reports, recommendations and minutes of the meeting of the Cabinet/Commissioners' Decision Making Meeting held on 10th October, 2016 be received and Minute Nos. 88 (Capital Programme) and 89 (Forge Island) be approved and reports and minutes of the 14th November, 2016, be received.

Councillor Jepson referred to Minute No. 99 (Discretionary Signing Policies) and offered his full support to the review of this policy having experienced difficulties for signs in his own Ward and found the whole process onerous.

He also referred to Minute No. 119 (School Crossing Patrol Consultation Update) where he had found out from local media that a school in his own Ward was to lose its crossing patrol. As Ward Member he had not been consulted, but would have liked to have been. He found it strange that one school, which was on the same road as another, was to keep its school crossing patrol when the other was to lose theirs. He, therefore, welcomed the sight of and some clarification as to the criteria and the consultation carried out.

The Leader referred back to the budget setting process last year where it was recommended to make cuts to school crossing patrols and following safety assessments where crossing patrols did not meet indicator standards to withdraw funding. Schools expressed concern at the short notice, which resulted in one year funding to allow for consultation with schools to take place. The majority of schools where school cross patrols were in place chose or indicated to continue to fund themselves, which could explain the discrepancy about the two in Councillor Jepson's Ward.

The Leader confirmed he was happy to pick up this matter and talk through the criteria with Councillor Jepson on which schools had been chosen. Members did not favour making cuts to services such as this, but due to the austerity measures in place and the sensitivity of decisions taken to keep school crossing patrols in place he was more than happy to pick up individual instances if necessary.

Councillor Jepson had not realised consultation had taken place given that he had three schools in his Ward who were potentially to lose school crossing patrols. However, it would appear that Anston Park had been reprieved and Anston Brook was to lose their school crossing patrol. He was pleased if schools were picking up the funding, but still found it strange that of the two schools on the same road the school crossing patrol was to continue at one, which it was deemed the safer of the two. He was more than happy to pick this up with the Leader after meeting.

Councillor B. Cutts referred Members to the Council agenda, which was more than 250 pages, and commented that the time to consider the contents was insufficient. With this in mind he asked if consideration could be given to the Council meeting more frequently if the number of pages could not be reduced.

Mover:- Councillor Read

Seconder:- Councillor Watson

83. **RECOMMENDATIONS FROM CABINET - SEPTEMBER FINANCIAL MONITORING REPORT**

Resolved:- (1) That the following projects be supported for inclusion in the Approved Capital Programme 2016/17:-

- **Area Assembly – Neighbourhood Investment - £140,000** (already approved 'in principle' by Council on 2nd March 2016).
- **Swinton Civic Hall Refurbishment - £44,868**
- **Replacement of Damaged Waste Bins - £150,775**
- **Capitalisation of Cleansing Equipment - £40,000**
- **Capitalisation of GIS Transport Software - £25,000**

(2) That the changes to budgets identified in Appendix 6 for projects which are already included in the Approved Capital Programme be approved.

Mover:- Councillor Alam

Seconder:- Councillor Watson

84. **RECOMMENDATIONS FROM CABINET - MEDIUM TERM FINANCIAL STRATEGY UPDATE**

Resolved:- (1) That the proposed budget adjustment for 2016/17 summarised in section 2.6 of this report be approved.

(2) That the updating of the Medium Term Financial Strategy as set out in this report, be approved.

Councillor Watson drew attention to the Sustainability Strategy for Children and Young People's Services and the pressures on funding, not just in Rotherham, but across the country, caused by the increased demand in Children and Young People's Services.

Adoption of this recommendation would enable the Council to assist and help families maintain children in their care, rather than picking up the pieces afterwards.

Mover:- Councillor Alam

Seconder:- Councillor Watson

85. RECOMMENDATION FROM CABINET - COMMUNITY INFRASTRUCTURE LEVY

Resolved:- (1) That the Rotherham CIL Charging Schedule be approved with a provisional implementation date of 6th April, 2017.

(2) That the Rotherham CIL Instalments Policy be approved.

(3) That the procurement of appropriate software to implement and monitor the CIL charge be approved, subject to the Council's normal procurement policies.

Councillor Jepson offered his full support to the Levy, but had been disappointed with the time taken to bring the Levy into effect. He, therefore, urged the Council to bring forward the Levy by the proposed implementation date.

Councillor Lelliott confirmed adoption of such proposals did take time, but confirmed she would do everything in her power to have this Levy in place by April, 2017.

Mover:- Councillor Lelliott

Seconder:- Councillor Watson

86. PROPOSED CONSTITUTIONAL AMENDMENTS - RECORDING AND PUBLICATION OF OFFICER DECISIONS

Consideration was given to a report where it detailed the Constitution Working Group had considered the arrangements for the recording and publication of decisions made by officers. The report set out the recommendations of the Working Group and formalised the value of decision making and would ensure this was publically recorded by officers.

The Constitution Working Group agreed decisions were required in a proper structured forward plan so that all forthcoming officer decisions could be seen and where appropriate, or of public interest or political concern, these would be referred to the Cabinet for accountable decision making.

This recording system would be taken on board to enable officer decision to be recorded and reviewed properly by scrutiny, thus strengthening the role of Members.

Resolved:- (1) That the amendments to the Constitution in respect of the recording and publication of officer decisions as set out in Appendices 1 to 4 of this report be approved.

(2) That the proposed amendments to the Constitution take effect from 2nd January, 2017.

Mover:- Councillor Read

Seconder:- Councillor Yasseen

87. PROPOSED CONSTITUTIONAL AMENDMENTS - THE DEFINITION OF A "KEY DECISION" AND DELEGATION TO OFFICERS

Consideration was given to a report which detailed how the Constitution Working Group has considered the Scheme of Delegation and in particular the appropriate financial limit for spending decisions by officers and the implications for the definition of a Key Decision and this report set out the Constitution Working Group's recommendations to Council.

It was suggested that the limit of spending taken by officers should reduce from £500,000 to £400,000 and because of the way decisions were being taken in Cabinet it was suggested that £400,000 form the mark of key decision.

The tightening of decisions outside of the political domain of £400,000 was lower than Barnsley and Sheffield, but higher than Doncaster.

It was hoped Members would embrace this new system with a proper forward plan of officer decisions, which could be pulled into the political domain, thus making this a more accountable responsibility. This would be alongside the system of pre-scrutiny, where non-executive Members could make recommendations before Cabinet made decisions and that decisions recommended by Cabinet to full Council could be scrutinised and the informed decision made with the inclusion of the full report for consideration.

This new suite of measures maximised accountability and allowed for decision making in an effective way. However, these processes would be subject to review in twelve months' time, but were certainly an important step in the right direction.

Resolved:- (1) That the amendments to the Constitution in respect of the definition of a "Key Decision" and the financial limits for officer decision making as set out in Appendices 1 to 3 of this report be approved.

(2) That the proposed amendments to the Constitution take effect from 1st February, 2017.

Mover:- Councillor Read

Seconder:- Councillor Yasseen

88. NOTICE OF MOTION - BUS SERVICES BILL

Moved by Councillor Cooksey and seconded by Councillor Price

This Council notes:-

1. That the Bus Services Bill currently passing through Parliament includes Clause 21 that will effectively “prohibit a local authority from forming a company for the purposes of providing a local bus service”.
2. That the Localism Act (2011) provides general powers of competence to local authorities.
3. That municipal bus companies like Reading and Nottingham provide some of the best bus services in the country and have a successful track record of increasing bus passenger numbers and providing high quality bus services.
4. That polling by We Own It found that a majority of the public (57%) oppose Clause 21, whilst just 22% support it. The opposition to Clause 21 is consistent across voters from all political parties.

This Council believes:-

1. Clause 21 contradicts the general powers of competence and the spirit of the Localism Act 2011.
2. If there is a need and a demand from their public, then Councils should be able to provide their own bus services
3. Should they wish, Councils should be legally able to follow the model developed by Reading and Nottingham.
4. Consequently Clause 21 should be omitted from the Bus Services Bill.

This Council resolves:-

1. To write to Lord Ahmad and to call on the Department for Transport to omit Clause 21 from the final legislation
2. To write to Sarah Champion MP, John Healey MP and Sir Kevin Barron MP to ask them to oppose Clause 21 when the Bus Services Bill reaches the House of Commons and to ask them to write to Lord Ahmad and the Department of Transport to raise concerns about Clause 21. In addition, we call on them to support Amendment 97, made by the House of Lords, which designates certain bus routes as assets of community value because this provision is important to isolated rural areas as it recognises that there are some areas where the local bus route is a lifeline for the local community particularly the elderly and the low paid.
3. To work with any organisations such as We Own It to publicise our opposition to Clause 21 in the local media.

Buses are really important. Many people rely on them to get to work, go shopping or meet family and friends. Private bus companies took over in the 1980s. Since then, bus fares have gone up, services have got worse

and fewer people are using the buses except in London. Privatisation and deregulation (lack of control) have made things worse.

Research shows that public ownership of buses would save us £506 million a year (TFQL Community Interest Company) which could be invested in better services. In some cities and countries buses are already run for people not profit so we know it can be done.

On being put to the vote, the motion was carried unanimously by the Council.

89. NOTICE OF MOTION - COUNCILLOR CONDUCT

Moved by Councillor Cowles and seconded by Councillor Julie Turner

This Council notes that:-

Councillor Roddison, by his conduct in:

- continuing to take public money without making any attempt to participate in his Council duties; and
- by his grubby action in sneaking in the side entrance to the last Council meeting in order to comply with Council rules on attendance to enable him to continue to take public money

has brought this Council into disrepute in the eyes of the public.

This Council, therefore, resolves that Councillor Roddison be censured for his conduct.

An amendment to the original motion was proposed by Councillor Read and seconded by Councillor Watson to be amended as follows:-

To insert, after “....conduct in:” to read;

- Breaking the law by committing a sexual assault

To insert after “...in the eyes of the public.” to read;

Council further notes the current legal limitations with regards to enforcement of Councils’ standards regimes, meaning that Councillors cannot be expelled from office unless they have been convicted of a criminal offence and been sentenced to a term of imprisonment [whether suspended or not] of three months or longer without the option of a fine.

To insert after “...conduct” to read;

“...and requests that the Chief Executive raise the concerns of this Council about the limitations of the current national Standards regime with the government, as illustrated by this case.”

So the amended motion would read in full:-

This Council notes that:-

Councillor Roddison, by his conduct in:-

- Breaking the law by committing a sexual assault
- continuing to take public money without making any attempt to participate in his Council duties; and
- by his grubby action in sneaking in the side entrance to the last council meeting in order to comply with council rules on attendance to enable him to continue to take public money

has brought this council into disrepute in the eyes of the public.

Council further notes the current legal limitations with regards to enforcement of Councils' standards regimes, meaning that Councillors cannot be expelled from office unless they have been convicted of a criminal offence and been sentenced to a term of imprisonment [whether suspended or not] of three months or longer without the option of a fine.

This Council therefore resolves that Councillor Roddison be censured for his conduct and requests that the Chief Executive raise the concerns of this Council about the limitations of the current national Standards regime with the Government, as illustrated by this case.

The amendment to the motion was put and carried and became part of the substantive motion.

On being put to the vote, the motion was carried unanimously by the Council.

(The Deputy Mayor (Councillor Keenan), Councillors Allen, Andrews, Atkin, Beaumont, Beck, Bird, Brookes, Buckley, Clark, Cooksey, Cowles, Cusworth, B. Cutts, D. Cutts, Elliot, M. Elliott, R. Elliott, Ellis, Evans, Fenwick-Green, Hague, Hoddinott, Ireland, Jarvis, Jepson, Jones, Lelliott, Mallinder, Marriott, Napper, Price, Read, Reeder, Roche, Rushforth, Russell, Sansome, Sheppard, Short, Simpson, Taylor, Julie Turner, Tweed, Walsh, Watson, Williams, Wilson, Whysall, Wyatt and Yasseen voted in favour of the motion)

90. AUDIT COMMITTEE

Resolved:- That the reports and minutes of the meeting of the Audit Committee be adopted.

Mover:- Councillor Wyatt

Second:- Councillor Walsh

91. PLANNING BOARD

Resolved:- That the reports and minutes of the meetings of the Planning Board be adopted.

Mover:- Councillor Atkin

Second:- Councillor Tweed

92. STAFFING COMMITTEE

Resolved:- That the reports, recommendation and minutes of the meetings of the Staffing Committee be adopted.

Mover:- Councillor Alam

Second:- Councillor Watson

93. MEMBERS' QUESTIONS TO DESIGNATED SPOKESPERSONS

Councillor Brookes asked the Spokesperson for South Yorkshire Fire and Rescue at this time of year when people were more likely to use candles and additional electrical appliances, were we ensuring that people were taking advantage of all the help offered, such as free alarm installation? Was the message going out to all our residents on staying safe and preventing risks?

Councillor Atkin responded by confirming a great deal of work had been undertaken by the South Yorkshire Fire and Rescue Service and the Section 41 briefing paper had been circulated to Members yesterday, which highlighted the number of partnership awards won by the Service.

The Service had fitted 1,064 smoke alarms in vulnerable people's properties in Rotherham alone this year. Earlier this year a campaign had been delivered to reduce the number of electrical related house fires in people's homes and this had seen vans advertising the safer message to all areas of South Yorkshire at risk of house fires along with radio adverts about the most common cause of electrical blazes. Officers also encouraged visitors to check the safety of their home through the completion of a short online checklist. All of this activity resulted in a 27% fall in the number of electrical fires during the campaign period.

Currently the Service was focusing on kitchen fires promoting cooking safely messages online and through community events. The campaign was launched in October and would be measured by the objective of reducing the cooking related fires by 5% during October to December, 2016.

This information had been provided by the Service's Communications three man team who had recently won a national award for the small team of the year.

94. MEMBERS' QUESTIONS TO CABINET MEMBERS AND CHAIRMEN

(1) Councillor Brookes asked could an update be provided on progress since this Council resolved to oppose the re-route of HS2? Residents in her Ward were further concerned about the re-route since the Government updated the Sustainability Statements in November, highlighting detrimental noise and visual impacts on the villages of Thurcroft and Brampton-en-le-Morthen.

The Leader confirmed that the residents' concerns of Councillor Brookes' Ward echoed those in other Wards and further to the motion passed by full Council the Leader wrote to the Secretary of State for Transport setting out the support of this Chamber for that position.

On 15th November, 2016 the Secretary of State for Transport confirmed the majority of the route of phase 2, which was the line the Government believed the new high speed railway should take. However, this did not include the railway through South Yorkshire. In making the announcement the Secretary of State for Transport said that he was minded to accept the proposals for the route through South Yorkshire, as set out in July this year and which included a station at Sheffield Midland, as the Government's preferred option, subject to seeking views in the Route Refinement Consultation. This was also launched on the 15th November and would run for sixteen weeks, the results of which would be used to inform a decision on HS2 in South Yorkshire in 2017.

As part of this consultation HS2 Ltd. have already written to residents living in areas that HS2 passed through and a series of information events were also planned, details of which were to be announced in the near future. To date HS2 Ltd. have not sought the views of the Council as part of the Route Refinement Consultation. When they did the Council would respond in accordance with the Council's position which was to oppose the new eastern route and support the original route through Meadowhall.

Separately, if the route was to follow the M18 corridor Sheffield City Region Combined Authority would commission a study which looked at how to maximise the benefits and minimise the disruption for local communities as part of the process. The intention was to have the work completed and considered by the Combined Authority so that it could feed into the Route Refinement Consultation. This Council continued to support the original route through Meadowhall and would endeavour to press this to the Government.

Councillor Ellis made a point of information and confirmed that a public meeting on HS2 was to take place in Bramley on 11th January, 2017 at 7.00 p.m.

(2) **Councillor Simpson** asked could the Council congratulate the Rotherham NHS early move towards more care in the home, but also stand against the failed privatisation of NHS services by Labour, Conservatives and Lib-Dems by the front door and back doors especially mergers and A & E cut backs of STP.

Councillor Roche, Cabinet Member for Adult Social Care and Health, agreed with the point about congratulating the NHS in providing care in the home thus promoting independence, something which had been argued for a long time.

A copy of the South Yorkshire & Bassetlaw STP had been circulated to Members and whilst there was concern nationally about the potential impact of STP's, as far as we were aware there were no STP plans that would impact on A & E at Rotherham.

Indeed the Council shared the determination of the colleagues in Health to want to maintain services at Rotherham and District General Hospital. As Members were aware there was an information session on the STP last week and if Members were unable to attend and would like more information then a 1:1 briefing with the Cabinet Member was invited.

The Rotherham Place Plan was co-produced by the Rotherham CCG, RDaSH, Rotherham NHS Foundation Trust, VAR and the Council in response to the South Yorkshire & Bassetlaw STP requirement for local plans. It was important that the two were seen as different as the Place Plan was felt to be very beneficial for Rotherham and built on our best practise in areas like social prescribing.

The Place Plan focused on integrated health and social care and places an emphasis on prevention and promoting independence. The five key areas included:-

- providing the environment to enable self-management and social prescribing
- locality working across health and care based in GP practices
- co-ordinated care in hospital via a single point of contact including mental health provision
- triage at A&E to ensure patients are referred to the correct pathway
- development of a specialist reablement centre

Moving on Councillor Simpson appeared to be making a political point about privatisation and may be alarmed at the election of Paul Nuttall as UKIP Leader. Councillor Roche made three quotes from the new UKIP Leader.

Strangely enough the quotes referred to had been deleted from the UKIP Leader's webpages and a view that UKIP would not wish to privatise the NHS while Paul Nuttall was Leader. However, Councillor Roche again referred to Sunday's Andrew Marr Show where Paul Nuttall was asked

specifically about this. After listening to the responses Andrew Marr stated, based on Paul Nuttall's answers, that it was quite clear he was privatising the NHS.

Councillor Roche accepted Andrew Marr's comments after hearing it fully and was personally opposed to the privatisation of the NHS. However, he was not sure if Councillor Simpson was opposed to the UKIP Leader's posts or Andrew Marr's judgement.

In a supplementary question Councillor Simpson pointed out that Councillor Roche was referring to matters that happened a long time ago and that it was UKIP's policy that things were free at the point of sale.

However, going back to his original question Councillor Simpson indicated that we were undergoing a privatisation of the NHS through the front and back doors. Doctors' surgeries were becoming profit making centres where they were taking NHS services and running these as a business and amalgamating. The new consultation did not mention anything about stroke units which doctors and nurses were warning against. In Rotherham if a patient had a stroke it would take two hours to get to a stroke unit. Patients had to be there before two hours.

This back door privatisation was not going to work and amalgamation was worrying people who were ill. Examples of other ways of privatising poor NHS service was through Podiatrists urgent visit which could take five months. If privatised the visit could be that day or tomorrow. That's through the back door.

In a supplementary question Councillor Simpson believed that this Council should fight against privatisation and again gave an example of people making money from the NHS through Virgin Care who had profits of £700m and upwards with no payment of tax and 3,000 strong petition had been collected against this so called service.

Councillor Roche again referred to two things – the first was the stance that services should be maintained at Rotherham and District General Hospital. General Practitioners had been running separate business for years and this was nothing new, but this was not part of the STP. Changes at Rotherham Hospital would be looked at in turn, but wholesale NHS privatisation was opposed.

(3) Councillor Cooksey asked could the Cabinet Member provide Elected Members with an update on how the Selective Licensing Scheme was performing and, in particular, could he tell Members what difference it was making in the areas in which it had been implemented?

Councillor Beck, Cabinet Member for Housing, confirmed the scheme was eighteen months in since it was introduced and it became live in May, 2015 and was still a key priority for the Council in the improvement of standards in private rented sector.

Improvements had been made to make enforcement regimes more integrated than they were and which now saw selective licensing sitting with Enforcement and Environmental Health and Anti-Social Behaviour colleagues.

The Council was very pleased with progress and had seen the majority of landlords complying which they were thanked for. In last couple of months a Selective Licensing Working Group had been established with representatives from the Opposition and Improving Places Select Commission to review and talk to some tenants who lived in properties now licensed by the scheme and obtain their views how the scheme was running. The review would also involve talking to landlords who were complying and also those landlords who were less prepared to work with the scheme.

Where landlords were not complying to improve the standards of housing and health and safety in private rented accommodation the Council would and had prosecuted landlords and had successfully prosecuted its third landlord.

This Council had a policy and a scheme and were serious about making this a success and where people failed to work and comply in this important area of improvement the Council would pursue and prosecute.

(4) Councillor B. Cutts referred to the last Council meeting in question 5 to the prospect of the "Bus Station" being moved. Now with the repair costs being estimated at £10 million, does it increase the prospect?

Councillor Lelliott, Cabinet Member for Jobs and the Local Economy, confirmed that the PTE was committed to the refurbishment of the bus station.

(5) Councillor Simpson referred to the need for more Bobbies on the Beat for Brinsworth. In the villages of Rotherham teenagers were behaving like teenagers, but did not know where the line was. This week people have been arrested in the act of child exploitation and so, therefore, asked if we could have special funding for more local police visibility and neighbourhood CCTV?

Councillor Hoddinott, Cabinet Member for Waste, Roads and Community Safety, agreed with the sentiments that more bobbies were required in Brinsworth and elsewhere in the Borough. The Tory Government had taken £50m out of South Yorkshire Police since 2010 and there had been a loss of hundreds of jobs. As local Councillors the damaging effects had been witnessed with the loss of neighbourhood policing.

However, the new Chief Constable was looking at this and the potential for neighbourhood policing with a named officer where residents could raise issues with them. The Leader had raised this personally with the

Chief Constable and it was hoped there would be some movement on this in the New Year.

In terms of the CCTV, the Council had secured special funding very recently. The Safer Rotherham Partnership controlled a number of re-deployable CCTV systems that could be rapidly deployed to meet specific demand, which could be requested by Members where there were specific concerns. The Council now had thirty-five cameras following the recent increase of fourteen from the special funding.

In a supplementary question Councillor Simpson explained that Rotherham needed special funding and needed more money not less. He asked why our two Members of Parliament were not fighting for every penny to get Rotherham more money to safeguard the children of Rotherham.

Councillor Hoddinott did not think a day went by where local Labour Councillors and Members of Parliament did not raise the issue about this Tory Government and public services. They were taking money out of services and already today we had heard about Adult Services and bus services. Members were opposed to what they were doing and the impact on our communities and expressed the absolute determination to campaign against those issues whenever possible.

(6) Councillor Cowles referred to Look North stating that the tram train project had been further delayed and asked the Cabinet Member if she was aware of this and what she was doing about it? There was also a recent statement about Government funding for housing projects in Sheffield and Barnsley but no mention of Rotherham why not?

Councillor Lelliott, Cabinet Member for Jobs and the Local Economy, confirmed the tram vehicles had been delivered and were at the Supertram Depot in Sheffield. The timetable for start of operations for the Tram-Train to Rotherham was dependent on the completion of works on the rail line by Network Rail. This was not in the control of the Council, but representations to Network Rail and the DfT were being made to ensure that all efforts were made to deliver the project in the shortest possible timescale.

In terms of the housing funding for Sheffield and Barnsley this related to successful applications for Housing Zones. Rotherham submitted a bid for a Housing Zone in conjunction with Sheffield in 2015 which was unsuccessful. The Council was exploring the opportunities for submitting a further bid for Housing Zone status in 2017.

In a supplementary question Councillor Cowles referred to recent hearings of the sites and policies from the Government Inspector as part of the Local Plan process where the biggest objection from members of the public was on further housing development and the lack of infrastructure especially transport.

All of this highlighted the need for local infrastructure today and tomorrow not in fifteen years' time. He believed that in reality what was support was not in my back yard and at a recent debate he attended in Sheffield Kevin Barron, M.P. supported the train as long as it was on the previous route with a station at Meadowhall, but indicated HS2 was very unlikely to happen. However, engineering reports now indicate that insufficient space is available at Meadowhall to build a station which would mean selection of the eastern route by Government. He, therefore, asked when was this Council going to stand up for Rotherham people and do what they want.

Councillor Lelliott responded by referring to the previous HS2 motion submitted to Council and the Opposition's vote against the amendment which proposed looking at all infrastructure and transport in Rotherham. As with all planning applications transport was always key and if highway inspectors believed the transport network was not viable then this was considered further with developers.

(7) **Councillor B. Cutts** referred to the last Council meeting and question 7 regarding the closure of "children's homes" and the necessity to provide emergency sleeping accommodation other than Riverside Offices. The Cabinet agreed for a "site visit" of the new accommodation and he asked why have the Chamber not been accommodated before now?

Councillor Watson, Deputy Leader, confirmed that a mutual misunderstanding had arisen where both he and Councillor Cutts were waiting for each other to be in contact. This would now be resolved and arrangements would be sorted this week.

(8) Councillor Cowles referred to the improvements in Eastwood which should be applauded, especially in relation to drug seizures. There remained a long way to go and asked was there a sustainability plan for gains made, when can he see it, and what was the cost to-date of the Eastwood operation?

Councillor Hoddinott, Cabinet Member for Waste, Roads and Community Safety responded by thanking Councillor Cowles for the recognition in the first few months of trying to address the issues in Eastwood, but there was still a long way to go.

It was clear from the start that to be sustainable there was a need to change what was happening. Section 4 of the Eastwood Plan set out the need for work with the local community and how to get the sustainable change in place. Work was taking place with community groups and there was a probable need to establish more, such as Neighbourhood Watch which needed to be encouraged and supported. Volunteers had come forward to help with the Eastwood Plan and their first litter pick was next week and the actions of the local residents needed to ensure the change taking place carried on.

There was no special budget for Eastwood and this was picked up from existing resources. What had been witnessed in Eastwood was better partnership working with the Police, local residents and community groups in getting more out of existing resources. There had been one specific cost over and above the Eastwood Plan and this was £2,500 for an extra CCTV camera in the area.

In a supplementary question Councillor Cowles believed the costs for Eastwood were not being monitored, but he had received information from a reputable source which indicated that between June and September, 2016 the costs were £70,000 and if this was extrapolated across the year this amounted to £200,000, with little control or concern on how much things cost.

The Leader had previously been asked about tangible uncontrolled migration into this area with no response. Examples of problems included largest community migration, fly tipping, drug dealing, noise and anti-social behaviour and children going to school covered in insect bites. The Leader had indicated that he could not stop people living where they wished. However, reference was made to previous Advisers to Government and their reports about local authorities should be more proactive and develop a policy on integration,

If the Council was providing £200,000 a year for Eastwood Councillor Cowles asked if the same amount could be provided for all the other Wards as residents were unhappy at not getting the same support. He also asked if the Leader could ensure a separate line item in the budget so costs could be monitored and controlled as £200,000 was not insignificant.

Councillor Hoddinott expressed her confusion as Councillor Cowles believed the improvements coming about in Eastwood were due to his lobbying yet he did not want to pay for improvements. The £200,000 for Eastwood was from a £3m Street Cleansing budget and the quote given was an average and was simply not broken down by Ward.

Councillor Cowles referred to issues raised around bed bugs and noise all of which had been identified in the Eastwood Plan and as set out in black and white. It was about what to do about them with shrinking resources, but the Council was determined to work with partners and do something about issues. The amount of poverty in Rotherham could not be ignored and Eastwood was one of the most deprived communities, which made tackling the issues a challenge.

Reference was made to previous reports and Councillor Hoddinott reflected on the recent Casey Report about segregation in this country and usefully highlighted issues of Local Authorities and funding to deal with migration.

Resources were needed, but unfortunately this Government was taking this away, but it was hoped the recommendations in the report would provide some extra funding.

As a Council there was no control over migration, but had to deal with some of the issues related to it. It was increasingly difficult to deal with issues in the Eastwood Plan and it was important to feedback regularly. A feedback event had been held recently and there would be a further one through the Area Assembly scheduled for February to share information on the progress being made.

(9) Councillor B. Cutts referred to the Council hosting a meeting on the 22nd November with all internal services and the Police discussing an extreme criminal event that was most likely to again severely damage Rotherham's reputation on the National media. He asked with representation from Sheffield involved could the Leader confirm this situation and advise why he was not present?

The Leader confirmed a strategy meeting was held at the Town Hall to consider the murder of a local man and to share information and plan any response to potential safeguarding issues. This was an operational meeting and free from political interference which was why the Leader was not in attendance.

In a supplementary question Councillor B. Cutts asked where the Leader was that morning because if he had been the Leader he would have been present.

The Leader explained he would have to check his diary as to his whereabouts, but reiterated it would have been inappropriate for anyone in his position to have attended that meeting. He would let the professionals get on with their job, receive updates and not interfere.

(10) Councillor Cowles referred to recent Overview and Scrutiny Management Board meetings where it was shared that some previous budgets have been set at a level that were knowingly unachievable. Thus it had been necessary to use reserves to cover the shortfall and asked was the Leader aware of this and what did he think about this practice?

The Leader confirmed there had been an increase in the budget for Children and Young People's Services each year for three year increasing it by 50%. In 2015/16 the budget was set at £44m but was further increased during the course of the year when it was found the Service would outturn at higher level because of the out of authority places and agency staff. The majority of this came from reserves.

In the current year a budget was set and this had been increased again with some savings realised around Early Help. A review had been undertaken of high out of authority placements, but if savings were not delivered the Directorate was still continuing to face pressures. The

Deputy Leader and Strategic Director had the task of delivering a high quality Service to keep children safe with investment in a sustainable way.

In a supplementary question Councillor Cowles referred to the Deputy Leader indicating the budget had been set at a level that was not achievable. He accepted that there was a need to balance the budget, but setting it at an unachievable level was a misrepresentation of the finances of this Authority.

He referred to the mid-year and in year increase of £8m to £53m with the outturn at £61m. On a budget of £44m, which was so poor, there was a £17m overspend. The state of the town's finances was not due to Government cuts, but the Labour Party had the finances of this town on its knees and he asked what was the Leader going to do about it.

The Leader responded to Councillor Cowles and explained that when the budget was set two years with increased investment UKIP was in agreement. Of course many Councils faced a challenge in balancing its Children's Services budgets but Rotherham's had been increased probably more than anyone else in the country. By taking these steps and keeping costs under control the Council would continue meet the needs of its Children's Services Department in a way that was sustainable.

(11) Councillor Albiston referred to Shelter reports that 250,000 people were homeless across England. A figure that was set to rise further and asked what was the Council's approach to helping those who were homeless/vulnerably housed in Rotherham?

Councillor Beck, Cabinet Member for Housing, confirmed this year in Rotherham so far there had been 65 households registered as homeless, but importantly 369 prevented from becoming homeless as a result of the partnership service provided. In terms of the partnership approach the Council was working closely with Shiloh to support people potentially falling homeless or becoming homeless, along with the Citizens Advice Bureau in making sure people could claim the relevant benefits, a greater understanding of their finances and being able to cope with ever increasing strains on personal budgets.

On a positive note two bids had recently been submitted to Government Office – one with regards to rough sleepers to assist and talking to them in locating and accessing services. Currently the Council knew of three males who were rough sleepers and work was taking place to assist them in the best way possible.

Another bid was in partnership with Shiloh for £200k over three years to develop the digital interface to access services. This was most important as this was the 50th anniversary of capital home and all efforts were being made to raise awareness and offer support where necessary.

In a supplementary question, Councillor Albiston asked was the Cabinet Member confident that the Council fully understood and was prepared for the devastating impact of the removal of the housing benefit entitlement for 18-24 year olds in the local housing allowance cap and would the Authority not end up with the difficulties like Sheffield and Doncaster.

Councillor Beck referred to the previous Council Meeting where he spoke about the devastating changes that the Government was introducing as part of welfare reform and the expectation to pay essentially private sector rents. The Council was prepared and Councillor Beck liked to think Rotherham was ahead of the game in helping to mitigate the impact on potentially 1900 tenants in Rotherham by these changes.

There had been a recent report to Cabinet on housing income which should reinforce to make it more about financial inclusion and supporting people early so they can make choices. Shortly the Allocations Policy would make amendments which detailed an approach to give priority to under 35 year olds to the 74 bedsits. A multi-agency working group had also been established looking at accommodation for under 35 year olds. The Council was doing a lot, could do more, but could never do enough.

(12) Councillor Cowles explained at the same Overview and Scrutiny Management Board meeting it became apparent that current overspend forecast of £7.8m for Children and Young People's Services was also understated and he asked could the Deputy Leader now inform us as to what the projected overspend for this budget item for this financial year 2016/17 was now expected to be?

Councillor Watson, Deputy Leader, responded by confirming as a like for like comparison this was just under £8.6 m.

In a supplementary question Councillor Cowles asked if the 2015/16 overspend was £8m then moved to £17m he did not believe a word the Deputy Leader had to say. For two-thirds of this year the overspend was £7.8m and by the end of the financial year could this be nearer £12m.

Councillor Watson believed he had given Councillor Cowles a genuine answer.

(13) Councillor Napper referred to a recent Government reports where 4,000 children were missing in England and Wales and he asked if the Council know how many if any were in Rotherham?

Councillor Watson, Deputy Leader, assumed that this question could be taken in two ways - how many children in Rotherham have gone missing, as opposed to how many children go missing and end up in Rotherham. He was unable to answer the latter.

He explained that if one child went missing it was too many. Services were working hard to reduce that number. Compared to last year this had gone down by 50%. This year there had been in the order of 200 missing episodes and that could be just a few hours, but could be longer. The reason why this number had decreased was due to the extra work taking place in Social Services to improve the permanency of placements. This was an improving picture, but it would never be good enough while ever children were still going missing.

In a supplementary question Councillor Napper asked what could Children Services do to trace these missing children when some may be taken abroad for forced marriage etc. and how do we check if they have been taken out of the country.

Councillor Watson explained that none of the reported children were still missing. The young people in this regard related to missing episodes where the people who had got parental responsibility did not know their whereabouts. When the children did return officers rigorously undertook return home interviews to find out what the issues were and to secure improvements to ensure it less likely to happen again. As indicated previously it was an improving picture and actions were being taken to reduce the risk.

(14) Councillor Cowles referred to the Rotherham Institute for Obesity (RIO) which was being much publicised as needing nearly £200,000 to stay open and asked was there any commitment to fund from Council budgets in 2017/18?

Councillor Roche, Cabinet Member for Adult Social Care and Health, explained Public Health had to consider prioritising the spend of the Public Health Grant which had reduced by £1.3m in 2016 and would be reduced further over the next three years (from a £17m budget), plus the Council's ASR savings.

The National Institute of Health and Clinical Evidence (NICE) recommends that all clinical weight management services (above Tier 2) should be the responsibility of Clinical Commissioning Groups (CCGs) to commission in the future and that included Tier 3 Adult Services such as RIO. Any services commissioned by Local Authorities should focus on prevention services and those at Tier 2 or below.

Adult Weight Management Services would continue to be offered across Rotherham, but the way it was delivered may have to change. Rotherham spent proportionally more money on Adult Obesity Services than our neighbours and national average. We could not continue to commission all of the existing Adult Weight Management Services to the same degree within the reduced budgets we were facing.

To do this Public Health had:-

- Carried out a comprehensive consultation programme running from July – September 2016.
- Established a Members Working Group to help prioritise areas of Public Health delivery.
- To consider evidence based guidelines, such as NICE.
- To consider local need.

Currently Weight Management Services were not a mandated service within the terms of the Government Public Health Grant. There were a range of services that must be delivered by the Council as a condition of the Public Health Grant. Services including Child Health Services (e.g. Health Visiting), Drug and Alcohol Services, Sexual Health Services, plus a range of other services that also contributed to public health priorities (e.g. Stop Smoking Services).

Any final decision on Weight Management Services would be made at full Council when the budget is considered in March.

In a supplementary question Councillor Cowles was pleased to hear what Councillor Roche had to say because on googling the guy who ran this organisation he was shocked at some of the responses with claims like the Britain's leading anti-obesity campaign was in turmoil. He, therefore, asked if there were any stringent public access indicators.

Councillor Roche confirmed there were metrics of these Services and he was more than happy to ask the Director of Public Health to pass this information on.

(15) Councillor Napper referred to un-regulated schools which were not covered by any rules or regulations and asked did the Council have any in the Rotherham area?

Councillor Watson, Deputy Leader, confirmed that as far as the Council was aware there were no unregulated schools in Rotherham, but by the very nature of the unregulated school they did not have to register.

In a supplementary question Councillor Napper referred to some of the more extreme groups who did not allow young people to celebrate Christmas, birthdays, had no TV or telephones, which he believed was against a child's human rights. He asked if the Deputy Leader could please check again.

Councillor Watson confirmed he would ask relevant officers to re-check.

In coming to the end of the agenda the Deputy Mayor wished everyone a Merry Christmas, a happy and safe holiday period and all the very best for the New Year and formally closed the meeting.

**CABINET/COMMISSIONERS'
DECISION MAKING MEETING
12th December, 2016**

Present:- Councillor Read (in the Chair); Commissioner Sir Derek Myers, Councillors Alam, Beck, Hoddinott, Lelliott, Roche, Watson and Yasseen.

Apologies for absence were received from Commissioner Bradwell, Commissioner Kenny and Commissioner Ney.

124. DECLARATIONS OF INTEREST

Councillor Read, Leader, declared a personal interest in Minute No. 134 (Review of Discretionary Rates Relief) on the grounds of his father being a trustee of an organisation in receipt of relief.

Councillor Hoddinott declared a personal interest in Minute No. 134 (Review of Discretionary Rates Relief) on the grounds of being the partner of Councillor Read and his father being a trustee of an organisation in receipt of relief.

125. QUESTIONS FROM MEMBERS OF THE PUBLIC

(1) A member of the public referred to the Council Meeting held on 7th December, 2016, where he asked a question of the Chairman of the Planning Board, Councillor Atkin. He believed Councillor Atkin had been untruthful in his response about a letter from a Government Inspector about a wind turbine planning application where Councillor Atkin referred to his response in the last paragraph, when in fact it was actually in the first. He asked what action was the Leader going to take against Councillor Atkin, if any, as he was misleading the Council, despite its efforts to become more open and transparent.

The Leader was unable to corroborate the member of the public's comments as he was not in receipt of a copy of the letter. He would, however, look into the matter before Christmas and provide an update once he had absorbed the letter's contents.

(2) A member of the public referred to a question he had raised at the previous meeting held on 14th November, 2016, regarding the seeking of advice from the Monitoring Officer and the Civil Service by Commissioner Sir Derek Myers and the lack of any written documentation. He asked again if he could be furnished with any written advice provided by the Civil Service.

Commissioner Sir Derek Myers responded by confirming this request related to matters in March, 2015. He would check again for any documentation and anything specific shared with the member of the public.

In a supplementary question the member of the public asked why Commissioner Sir Derek Myers had to consult and receive advice in the first instance when the Council was to be more open and transparent and why he had taken decisions in private and not in public as set down in the Council's Constitution.

The member of the public also pointed out that at the last meeting he was thanked for his attitude and the way in which he had conducted himself. However, he indicated that had procedures been followed correctly with decisions being taken in public, the questions around where decisions were taken in private could have been avoided.

Commissioner Sir Derek Myers reiterated his responses to questions raised previously where the member of the public's perception of Commissioners was for them to act in the same way as Councillors. Unfortunately, following intervention the powers and responsibilities given by the Secretary of State differed from the member of the public's view.

126. MINUTES OF THE PREVIOUS MEETING HELD ON 14 NOVEMBER 2016

Resolved:-

That the minutes of the Cabinet and Commissioners' Decision Making Meeting held on 14th November, 2016 be agreed as a true and correct record of the proceedings.

127. CAPITAL PROGRAMME - OPERATIONAL PROPERTY MAINTENANCE PROGRAMME 2016-17

Consideration was given to the report which put forward for consideration the proposed property condition maintenance programme, with regard to existing operational buildings, that had been identified by the Corporate Property Unit, to help mitigate known operational risks to Council buildings.

The Capital Strategy and proposed Capital Programme 2016/17 to 2020/21 agreed in principle the allocation of capital funding to specifically carry out condition works to a number of operational properties that had been identified by the Corporate Property Unit. In addition, urgent works have been identified to two other properties within the Council's property estate.

Commissioner Myers, having consulted with Commissioner Key, agreed:-

1. That the projects detailed in Section 4.1 of this report be supported for inclusion in the approved Capital Programme 2016/17.

2. That Council be recommended to approve the inclusion of the schemes identified in Section 4.2 of this report in the Capital Programme 2016/17.
3. That the Assistant Director of Planning, Regeneration and Transport be authorised to deliver the projects identified in Section 4 of this report.

128. BOSTON PARK RESERVOIR

Consideration was given to a report which sought approval to transfer land at Boston Park to Yorkshire Water to allow the building of a new service reservoir.

This would replace two existing reservoirs which were coming to the end of their asset life serving over 20,000 properties and Rotherham Hospital. Yorkshire Water had considered various options, and concluded that building a new reservoir on an area of Boston Park next to the current reservoirs would be the most appropriate location that met all their criteria. The existing reservoirs would then become redundant, and Yorkshire Water would no longer require the land where they stand, thus preferring to reach an agreement to exchange the land occupied by their existing reservoirs for the land they required. They have indicated a willingness to make a financial contribution towards the cost of improvements to the park as part of such an agreement.

There was strong community interest in the park and Ward Members and the Friends of Boston Castle and Parklands worked in partnership to promote and improve the site.

Commissioner Myers agreed:-

1. That 8,880 m² land at Boston Park be transferred to Yorkshire Water by way of a land exchange to allow a new service reservoir to be built, subject to granting of planning permission.
2. That the Assistant Director of Planning, Regeneration and Transport be authorised to negotiate the terms of the transfer.
3. That the Assistant Director of Legal Services be authorised to complete the necessary transfer documentation.
4. **That Council be recommended to approve the inclusion of the project to undertake improvement works at Boston Park in the Capital Programme, to the value of the capital receipt, as identified in Section 7.1 of the report.**

129. BARKERS PARK CHANGING FACILITY

Consideration was given to a report which outlined the request for repairs and security measures, including CCTV, to Barkers Park changing rooms and that these be included in the Council's Capital Programme. In so doing the facility would be returned to use by the local community and support Council objectives in relation to health and well-being following intensive vandalism.

An investment of approximately £350,000 was made in 2013 to provide good quality football changing rooms at Barkers Park, which was identified as a key site for playing pitch sports.

The two external funding organisations were aware of the situation and have asked to be kept updated on the Council's plans to bring the changing rooms back into operation. Failure to do so may result in a request from either of them to have their funding returned.

Commissioner Myers agreed:- That Council be recommended to approve inclusion of the scheme in the Capital Programme as identified in Paragraph 7.1 of this report.

130. ASSET TRANSFER LEASE - STATION ROAD

Consideration was given to a report which sought approval to take the property out of the Capital Receipts Programme and to grant an Asset Transfer Lease to Shiloh.

The property in question was the former Records Centre and Weighbridge Depot at Masbrough which was currently vacant and had been declared surplus to operational requirements.

It was now proposed to no longer seek to sell the asset on the open market and put in place an asset transfer lease, under the principles of the adopted Asset Transfer Policy on terms to be agreed, so that they could be used by Shiloh to provide support facilities for vulnerable adults in the Borough.

It is recommended that Option 2 was pursued rather than an open market disposal (Option 1) in order that Shiloh could be relocated from Millfold House to the former Records Centre, once the building was redeveloped. This would then allow Shiloh to continue to deliver its services to support vulnerable and homeless adults.

Questions were raised about the lease and whether or not a shorter term proposal would ensure the viability of the portfolio asset. The details of the lease were yet to be confirmed.

Commissioner Myers agreed:-

1. That the approval given by Cabinet on 24 September 2014 to dispose of the property on the open market be rescinded.
2. That the Assistant Director of Planning, Regeneration and Transport be authorised to negotiate the terms of the asset transfer lease as described at Option 2 at paragraph 4.3 below.
3. That the Assistant Director of Legal Services be authorised to complete the necessary legal documentation.

131. RE-TENDERING OF KERBSIDE COLLECTED RECYCLED MATERIAL CONTRACTS

Consideration was given to the submitted and circulated revised report (which would be attached to the minutes) which detailed how the Council currently had two contracts in place to treat and dispose of kerbside collected household recyclable waste which both ended in 2017. These were the blue bag recycling contract (paper and cardboard) which ended on 26th May, 2017 and the blue box recycling contract (bottles and cans) which ended on 5th July 2017.

The Council was currently undertaking a comprehensive review of waste services. Whilst some aspects of this review may take longer to implement than others, it was anticipated that implementation of changes to the waste service (affecting the collection and disposal of kerbside recycling) would be agreed and implemented during the 2017/2018 financial year. This included:-

- A joint BDRS (Barnsley Doncaster Rotherham and Sheffield) Waste Partnership review of all waste services across the four Councils.
- Taking into account the recommendations from the above, a local review of Rotherham's waste service including kerbside recycling arrangements and materials collected, the provision of Household Waste Recycling Centres, opportunities to increase commercial waste services and workforce development.
- The development of a joint BDRS municipal waste strategy, including public consultation. This Strategy is due to be finalised by April 2017.
- A review of the Council's waste fleet to ensure that vehicles are reliable, fit for purpose and aligned to the agreed waste strategy.

The recommendation to procure a short-term twelve month contract would allow for the broader reviews outlined above to take place and enable potential changes to existing waste collection arrangements to be factored into a longer term contract to be procured from July, 2018 onwards.

Both contracts were required to be re-tendered to ensure procurement and legal compliance and to ensure the Council maximised the income achieved from the sale of the recycled materials.

In retendering the contracts would have regard and adhere to Government Guidance on the Separate Collection of Waste Paper, Plastic, Metal and Glass (2014) to ensure the3 certain waste types were collected separately.

Commissioner Myers, in consultation with Commissioner Ney, agreed:- That the commencement of procurement activity and award of a one year contract(s) aligned to the current service specification for both blue bag and blue box recycled materials with both contracts ending together on 31st July, 2018 be approved.

132. PROPOSAL TO INCREASE CAPACITY AT WATH C OF E PRIMARY SCHOOL

Consideration was given to a report which outlined how Wath C. of E. Primary School was full or oversubscribed in all year groups and had an extensive Reception/Foundation Stage 2 waiting list annually for places following the entry to primary school National Offer Day.

This report, therefore, sought approval to increase capacity at the school to accommodate current and future demand for places.

As a result of the additional pupils being allocated and future expected pupil numbers there was a requirement for three (3) additional classrooms to be installed by September, 2018 to accommodate existing and expected future pupil numbers. With the addition of the three (3) additional classrooms the school would have a maximum capacity for 420 pupils. The additional three (3) classrooms would allow for sufficient space for all pupils and also allow the Governing Body to set a PAN in future years in line with increased demand for places (up to a maximum of 60 pupils) and, within the parameters of the maximum capacity available and infant class size legislation requirements.

Cabinet Members supported this proposal given the demand for places in the area exacerbated by the surrounding housing developments, but suggested as part of the planning process consideration be given to the surrounding road infrastructure.

Resolved:-

1. That subject to a successful planning application, the proposal to increase capacity at Wath C. of E. Primary School by the installation of three (3) additional classrooms to accommodate current and future pupil numbers be approved.

2. That the proposal to install three (3) additional classrooms be included in the 2018/19 Capital Programme.

133. OCTOBER FINANCIAL MONITORING REPORT

Consideration was given to the report which set out the financial position at the end of October based on actual costs and income for the first seven months of the financial year and forecast costs and income for the remaining five months of 2016/17.

The current position showed a forecast revenue overspend of £9.319m after currently identified management actions totalling £3.968m. There was also a significant and increasing overspend on the Dedicated Schools Grant which had now reached £5.393m.

Cabinet on 14th November, 2016 considered a Medium Term Financial Strategy (MTFS) update report which sought approval for additional in-year spending of up to £8.456m. This was considered and agreed by Full Council on 7th December, 2016. £8.149m of this was spending which was already being incurred in order to address significant pressures predominantly in Children's Services whilst £307k of it was for new spending on investments in both Children's and Adults Social Care.

The spending on pressures was outside of the approved budget set by Council in March and it was important that this be approved and funding identified. The forecast overspend would reduce by up to £8.149m and would reduce the current forecast overspend of £9.319m to £1.170m.

Whilst the reported figures would be more favourable, this was still spending of Council resources that was not planned for at the beginning of the year and that had to be funded from elsewhere. Financial plans were being developed to identify the most appropriate funding mechanisms, but at the present time it should be assumed that, to the extent that the newly implemented spending controls were unable to fully mitigate the forecast overspend, the funding would need to come from the Council's reserves.

The majority of the approved budget savings for 2016/17 were being achieved, the main exception being the £1 million saving from the review of staff terms and conditions of employment agreed by Full Council in March which would not now be delivered in 2016/17. Further work was in train to bring forward options for consideration in due course and there was a further £1m to be achieved within 2017/18 (£2m full year effect). The non-delivery of this saving was reflected in the forecast outturn in this report.

The key pressures contributing to the current forecast overspend were:-

- The continuing service demand and agency staffing cost pressures for safeguarding vulnerable children across the Borough and the strengthening of Social Work and management capacity; and
- Demand pressures for Direct Payments and Managed Accounts, Residential and Domiciliary Care across all Adult client groups.

Actions were essential if the Council was to bring spending further in line with the original budget as soon as possible and minimise the use of reserves. All actions implemented would have due regard for the safeguarding of vulnerable children and adults, the needs of clients and the potential impact on the citizens of Rotherham.

There was also a significant forecast overspend (£5.310m) on the Dedicated Schools Grant (DSG) High Needs Block. This was a forecast increase of £4.3m in a seven month period. Whilst this did not affect the Council's bottom line directly it was imperative that the recovery strategy reported in last month's Financial Monitoring Report to Cabinet was implemented in order to address this position. Options for consultation regarding addressing the High Needs overspend were taken to Schools Forum on the 9th December, 2016 with a view to agreeing a way forward at their January meeting.

Resolved:-

1. That the current forecast overspend after management actions of £9.319m for 2016/17. (Paragraph 3.1) be noted.
2. That the specific actions being implemented to challenge planned spend between now and the end of March to reduce the forecast overspend. (Paragraph 2.10) be endorsed and noted.
3. That any additional actions be recommended which could be implemented to help manage down the current forecast overspend.
4. That a recovery strategy for the forecast overspend on the Dedicated Schools Grant High Needs Block had been developed and it be noted that options for consultation on the overspend would be taken to Schools Forum on the 9th December with a view to agreeing a way forward at their January meeting (Paragraph 3.12).
5. That, subject to Council's approval of the funding allocation as detailed in the MTFS update report on 7th December, the currently unallocated (one-off) Social Care Contingency budget (£1m) be approved and allocated to Adult Social Care (Paragraph 3.37)
6. That it be noted that a capital grant funding bid had been made to the Sheffield City Region in respect of the A618 Growth Corridor and should the bid be successful Council consider adding this to the 2016/17 Capital Programme (Paragraph 3.43).

134. REVIEW OF DISCRETIONARY RATES RELIEF

Consideration be given to the report which sought approval to the proposed amendments to the Council's current Policy for Non Domestic Rates Discretionary Rates Relief.

Alongside this annual review process, the Council had taken the opportunity to review its current policy so as to consider whether there should be any revisions in light of current circumstances and what the implications of these would be.

It was recommended that the current policy be amended to generally exclude public sector organisations, principally funded by the public sector, from being eligible for relief, although each case would be considered on its own merits.

This revision would mitigate a significant financial risk in respect of applications for discretionary top-up relief from NHS Foundation Trusts who were nationally seeking Mandatory 80% Charitable Relief status.

As part of the review consideration was also given as to whether the Council should consider revising the policy in order to reduce the current cost of awarding reliefs given the significance of the funding gap facing the Council over the period up to 2017-2020. The outcome of this consideration was that the possible savings that could be achieved were far outweighed by the adverse impact the removal of the relief would have on the operational sustainability of the organisations involved. The Council was, therefore, not proposing to change its policy in order to make financial savings.

Resolved:-

1. That the revised policy (Appendix 1) for the award of Discretionary Rates Relief be approved.
2. That it be noted that all existing business rates relief awards be reviewed and reassessed in accordance with this revised policy and a report on the outcomes of this review be presented to Cabinet in the new calendar year.
3. That it be noted that the review was not looking to reduce the overall level of relief awarded by the Council to qualifying organisations.

135. APPLICATION FOR DISCRETIONARY RATE RELIEF

Consideration was given to an application made by Barnsley Sexual Abuse and Rape Crisis Services, a registered charity, for the award of a discretionary business rate relief for the premises listed in the report. This was in accordance with the Council's Discretionary Business Rates Relief Policy (approved on 24th April, 2013).

Resolved:- That the application for discretionary business rate relief to the registered charity Barnsley Sexual Abuse and Rape Crisis Services, for the premises listed in this report and, in accordance with the details set out in Section 7 to this report, be approved.

136. PAYROLL SOFTWARE SUPPORT & LICENCE CONTRACT EXTENSION

Consideration was given to a report which set out the current contract for HR and Payroll software (PSe) and how this was due to conclude on 31st March, 2018. The software supplier Northgate Arinso (NGA) had issued an unexpected notice of termination for the product in favour of its preferred market offering (Resource Link), of January 2020.

This report, therefore, sought approval to enter into a short term extension to the contract with NGA to allow the continuation of the HR and Payroll system (PSe) software licence until its end of life date in January 2020. This extension would allow the PSe licence to run coterminous with the Shared Services Agreement with Doncaster Council and would provide sufficient timescales to fully investigate and prepare for a new operating model beyond 2020.

This approach would make best use of the newly established ICT and Procurement working practices and ensure the new operating model was fully integrated with new corporate standards.

Furthermore, this investigation period would enable a more comprehensive solution to support the Medium Term Financial Strategy by fully exploring income generating operating models, specifying automation of current tasks and the potential for shared service models.

Resolved:-

1. That an exemption under Standing Order 38 from the provisions of Standing Order 48 and to extend the support and maintenance of the NGA PSe Software, used by the council for HR and Payroll Administration, from 31 March 2018 to 31 January 2020 be approved.
2. That a Voluntary Ex Ante Transparency (VEAT) notice be issued to alert potential suppliers of our intention to award a short term PSe licence contract to NGA.

137. DELIVERING NEW HOMES IN THE TOWN CENTRE

Consideration was given to the report which detailed how the regeneration of Rotherham's town centre would play a major role in transforming the overall borough, in terms of its economic growth, how residents feel about their borough, and Rotherham's wider reputation. Great progress was being made towards transforming the town centre, however, there was more to do to make the town centre truly vibrant and sustainable, and key to this was the development of new housing

To this end, a town centre residential new build programme was being developed, which complemented, and was fully aligned with, the emerging Town Centre Master Plan. Left to its own devices, the private sector would not deliver the new housing required to regenerate Rotherham, and the Council, therefore, had a key role to play in making this happen. Extensive work has been undertaken over the past two years to explore opportunities to repopulate the town centre, and the purpose of this report was to summarise the extensive work completed to date, explain the current position and set out the next steps, which included a further report with detailed financial appraisals and delivery milestones.

Cabinet Members welcomed the progress being made on the earmarked sites of Millfold House, Henley Garage Site and Sheffield Road.

Resolved:-

1. That the work completed to date on developing a town centre residential programme be noted.
2. That a further report be submitted with a detailed project plan, upon completion of negotiations with Government regarding financial support, and development of a proposed delivery model.

138. UPGRADING OF FLUORESCENT STREET LIGHTING TO LED

Consideration was given to the report which sought approval to replace 15,000 fluorescent street lighting units with LED lighting technology.

The programme would complete the street lighting unit renewal with an invest to save initiative. Replacement of fluorescent units would reduce the street lighting energy consumption.

However, it was noted that the realisation of these savings would not be achievable in full due to increased changes in the energy market. However, the shortfall will be found from within Directorate budgets.

Resolved:-

1. That the remaining 15,000 fluorescent street lighting units across the Rotherham Borough be replaced with LED lanterns in accordance with Option Two of this report.
2. **That Council be recommended to approve inclusion of the scheme in the Council's Capital Programme at a cost of £1.65m, to be funded by prudential borrowing, as an invest to save scheme.**
3. That it be noted that the previously estimated savings of £138,000 to be achieved from this project (EDS24c & EDS 24e) will not be achieved in full and the shortfall will be found from within Directorate budgets.

139. PLANNING SERVICE - ENFORCEMENT PLAN

Consideration was given to the report which sought authorisation to commence publicity/consultation in respect of the Draft Planning Enforcement Plan (attached at Appendix A). A further report would be submitted to members for consideration following the consultation process.

The adoption of an enforcement plan would clearly set out how enforcement would be managed and when direct action could be taken. The draft document recommended that the Local Planning Authority would always negotiate on issues of breaches of planning control, before taking formal action, and this may involve the submission of a planning application to regulate a breach. These retrospective applications would be publicised and considered in exactly the same way as an application submitted prior to starting works in accordance with national planning legislation.

Resolved:-

1. That the commencement of formal publicity/consultation in respect of the Draft Planning Enforcement Plan be approved.
2. That a further report be submitted to Members for consideration, following the consultation process, having regard to comments received, with a view to formally adopting the Plan.

140. VOLUNTARY AND COMMUNITY SECTOR INFRASTRUCTURE FUNDING

Consideration was given to a report which detailed the three key contracts with voluntary groups for the delivery of advice services to the public and for the delivery of infrastructure services to the voluntary and community sector (VCS) and outlined forthcoming reviews into these service areas. The three contracts were held with:-

- Citizens Advice Rotherham and District (CARD) – for generalist advice, welfare rights, debt and money advice
- Kiveton Park Independent Advice Centre (KPIAC) – for welfare rights, debt and money advice
- Voluntary Action Rotherham (VAR) for infrastructure support services to help VCS organisations become more effective and sustainable.

All three contracts were due to terminate at the end of March, 2017. This report, therefore, sought approval to award a one year contract to the existing providers to enable reviews to be undertaken which would include identification of key stakeholders, assessment of future service needs, links to other related provision and providers, appraisal of different delivery models, clarification of future budget efficiencies, consultation and co-production with relevant stakeholders.

Resolved:-

1. That the information in this report regarding the work being carried out on welfare rights, debt and money advice provision to individuals through Citizens Advice Rotherham and District and Kiveton Park Independent Advice Centre; and the proposed review of these supported services be noted.
2. That the information on infrastructure support services being provided to VCS groups through Voluntary Action Rotherham; and the proposed review of this support be noted.
3. That an exemption under Standing Order 38 from the provisions of Standing Orders 47/48, in order to allow time to undertake and complete reviews of service provision and delivery models by July 2017 (in the context of the Council's future budget challenges and which would be reflected into future contracts for 2018/19 onwards), to enable the award of contracts to the three current providers listed at section 7 of this report at existing levels for a period of one year from 1 April 2017 be approved.
4. That the start of the procurement process for future contracts for advice services provision and VCS infrastructure services provision from 1st April, 2018 be approved.

141. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:-

That under section 100(A) of the Local Government Act 1972, the Public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to information) (Variation) Order 2006.

142. BUSINESS RATES HARDSHIP RELIEF APPLICATION

Consideration was given to the report which detailed an application for Business Rates hardship relief for the premises listed in the report. This was in accordance with the Council's Discretionary Business Rates Relief Policy (approved 24th April 2013).

Resolved:- That the application for hardship relief for the premises listed in this report and in accordance with the details set out in Section 7 to this report be refused.

**CABINET/COMMISSIONERS'
DECISION MAKING MEETING
Monday, 9th January, 2017**

Present:- Councillor Read (in the Chair); Commissioner Sir Derek Myers, Commissioner Julie Kenny, Councillors Alam, Beck, Hoddinott, Lelliott, Roche and Watson.

Apologies for absence were received from Commissioner Bradwell, Commissioner Ney and Councillor Yasseen.

143. DECLARATIONS OF INTEREST.

Councillor Beck declared a personal interest at Minute No. 151 (Proposal to increase capacity at Wales High School) on the grounds of being a School Governor. He remained in the room, but did not speak on this item.

144. QUESTIONS FROM MEMBERS OF THE PUBLIC

(1) A member of the public again referred to his questions at previous meetings relating to the absence of correspondence following the seeking of advice from the Council's Legal Officer and Civil Servants around the protocols for non-abidance with the Council's Constitution and Statutory Instrument.

A letter dated the 15th December, 2016, had been received, which was quoted from, which again referred to the seeking of advice without any formal confirmation documentation in any format and which, therefore, could not be verified as accurate.

On this basis the dates of when advice had been sought was requested.

Commissioner Sir Derek Myers confirmed no such information was available and had it been would already have been provided. The seeking of advice had been obtained during the implementation stages of intervention when it was determined that Commissioners were not bound by the same legislation as Councillors. This was also confirmed in a letter from Civil Servants, a copy of which had been provided to the member of the public.

In a supplementary comment the member of the public accepted that the legislation did not apply, but was unable to accept whether the information provided by the Commissioner was correct when no hard evidence to substantiate this could be provided.

(2) A member of the public referred to a previous question relating to the statement made by the Chairman of the Planning Board at the Council Meeting held on 7th December, 2016, and the recent letter sent by the

Leader dated 21st December, 2016, indicating a wilful interpretation of the Inspector's report.

Reference was made to the Inspector's report which was set out into four distinct areas and the Chairman of the Planning Board had misinterpreted this referring to the decision in the final paragraph when in fact it was also set out in the first.

He asked why was the Leader failing to deal with Councillors who told lies and, therefore, misleading the Council.

Councillor Read, Leader of the Council, was of the view that the Chairman of the Planning Board gave a summary of the reasons by the Planning Inspector and having looked at this further it would appear a flavour of the outcome was presented with no deliberate attempt to mislead.

In a supplementary question the member of the public believed the benefit of the doubt was being given to the Chairman of the Planning Board when in fact the reason for the application being dismissed was based on no very special circumstances being demonstrated to warrant development in the Green Belt.

Councillor Read, Leader of the Council, had given his view and had, as promised, responded in writing prior to Christmas. He advised that should the member of the public be so wished to make a complaint he could do so via the Standards and Ethics Committee.

145. MINUTES OF THE PREVIOUS MEETING HELD ON 12 DECEMBER 2016

Resolved:- That the minutes of the Cabinet and Commissioners' Decision Making Meeting held on 12th December, 2016 be agreed as a true and correct record of the proceedings.

146. PURCHASE OF THE ADVANCED MANUFACTURING PARK TECHNOLOGY CENTRE (AMPTC)

Consideration was given to a report which sought approval for the Council to purchase the Advanced Manufacturing Park Technology Centre (AMPTC) using Sheffield City Region (SCR) capital funding, subject to a satisfactory valuation of the building and securing the funding.

Purchase of the Advanced Manufacturing Park Technology Centre using Sheffield City Region capital funding would retain it within the public sector in Sheffield City Region, without putting the Council at the financial risk of using their own funding.

Commissioner Kenny agreed:-

1. That the Council purchase the AMPTC, subject to securing funding

for the purchase from the Sheffield City Region and undertake the necessary due diligence regarding the financial viability of the AMPTC and the legal and taxation implications arising from its purchase.

2. That the Assistant Director of Legal Services be authorised to negotiate and complete the necessary legal documentation to purchase the building and any grant documentation required by SCR.
3. That it be noted that any operating surplus generated by the AMPTC may have conditions placed on it via the SCR funding agreement and that, subject to the purchase being agreed, an amendment to the Capital Programme will need to be made by Council in due course.

147. APPLICATION TO INTRODUCE A PERMANENT MARKET AT THE OLD TOWN HALL

Consideration was given to a report which detailed a proposal from FCFM Group Ltd (FCFM) to operate a permanent market within the Old Town Hall.

The proposal would be likely to benefit the Old Town Hall, but with the risk that this would be at the expense of the Centenary Market Hall and could lead to some displacement. The proposal would not generate any income to the market that could be used to help mitigate this risk.

The proposal from FCFM would require an agreement to waive the licence fee due which was outside the delegated authority given to officers under the Market Franchise Rights Policy.

The importance of developing the town centre was emphasised and, therefore, it was suggested that further dialogue take place with FCFM to discuss a way forward.

Commissioner Kenny agreed:- That the application from FCFM to operate a permanent market within the Old Town Hall be refused.

148. CARING TOGETHER - THE ROTHERHAM CARERS' STRATEGY

Consideration was given to a report which set out the intentions and actions necessary to support Carers and Young Carers in Rotherham in the *Caring Together, the Rotherham's Carers' Strategy*.

This partnership strategy's ambition was to build a stronger collaboration between Carers and other partners in Rotherham and formally start to recognise the importance of whole family relationships. The strategy laid down the foundations for achieving these partnerships and set the intention for future working arrangements. It aimed to make a difference

in the short term and start the journey towards stronger partnerships across formal services, people who used services and their Carers.

The strategy recognised that Carers formed an essential part of the overall health and social care offer within Rotherham and should have a voice in how they were supported. The strategy identified desired outcomes which have been developed with Carers:-

- **Outcome One:** Carers in Rotherham are more able to withstand or recover quickly from difficult conditions and feel empowered.
- **Outcome Two:** The caring role is manageable and sustainable
- **Outcome Three:** Carers in Rotherham have their needs understood and their well-being promoted
- **Outcome Four:** Families with young Carers are consistently identified early in Rotherham to prevent problems from occurring and getting worse and that there is shared responsibility across partners for this early identification.
- **Outcome Five:** Our children are recognised and safeguarded in their challenging role and receive appropriate intervention and support at the right time.
- **Outcome Six:** Children and young people in Rotherham that have young carer roles have access to and experience the same outcomes as their peers.

These outcomes would feed into a delivery plan which would be a live document supported by the Caring Together Delivery Group.

Caring Together, seen as a key priority, had been co-produced between Adult Services, Children's Services, Customer Services, Rotherham Carers, including Young Carers, the Voluntary Sector, RDaSH and the Rotherham Clinical Commissioning Group. Input from the Rotherham Foundation Trust would be incorporated prior to sign off by the Health and Wellbeing Board.

Cabinet Members welcomed the development of the outcomes, which included input from young carers and information was provided on how the needs would be assessed and support for young carers would be addressed.

Commissioner Myers agreed:- That, subject to wording adjustments agreed with the responsible Cabinet Member, the *Caring Together, the Rotherham Carers' Strategy 2016-2021* be endorsed for partnership approval at the Health and Wellbeing Board.

149. **ENHANCED ENVIRONMENTAL CRIME AND PARKING ENFORCEMENT**

Pursuant to Minute No. 68 of the meeting of the Cabinet and Commissioners held on 12th September, 2016, consideration was given to a further report detailing future options for enhanced environmental

enforcement.

The report described the Council's desire to strengthen enforcement activity around environmental crime issues such as littering, dog fouling and fly-tipping, which was detrimental to all neighbourhoods and of concern to local residents. It was, therefore, proposed to increase enforcement activity with a time for action approach and a more robust response.

Three options were submitted for consideration and were outlined in this report. Option 3 was recommended for approval to progress discussions with Doncaster Metropolitan Borough Council to develop a shared service provision for twelve months, utilising their existing contract with an external provider, with an initial evaluation after three and six months after the contract had been rolled out.

This period of review was endorsed by the Overview and Scrutiny Management Board following consideration of this report, where they were satisfied with the proposal as long as this contributed to the borough becoming safer and cleaner and the dispute resolution on fixed penalty notices remained with the Council

It was anticipated that, subject to successfully discussions with Doncaster, the trialled shared service would be in operation for the start of the financial year on the 1st April, 2017 across the borough to tackle these issues and add value and enhancement as it also included car parking enforcement.

Commissioner Myers agreed:- That discussions with Doncaster Metropolitan Borough Council be commenced to explore the options and feasibility of a shared service, utilising their existing contract with an external provider, to deliver enhanced environmental crime and parking enforcement within Rotherham on the basis of a twelve month pilot (with an initial evaluation after 6 months), subject to the satisfaction of the relevant Commissioner and Cabinet Member.

(Following publication of the agenda the Commissioners' Office took the view that this item should be determined by Commissioners, rather than Cabinet. This item was, therefore, moved up to the relevant point on the agenda.)

150. CHILDCARE SUFFICIENCY REPORT 2016-17

Consideration was given to a report which detailed the Local Authority's statutory duty under the Childcare Act (2006 and 2016) to secure sufficient childcare, so far as was reasonably practicable, for working parents, or parents who were studying or training for employment, for children aged 0-14 (or up to 18 for disabled children).

Statutory guidance included a requirement to report annually to Elected Members on how the Local Authority was meeting the duty to secure sufficient childcare, and make this report available and accessible to parents.

The Childcare Sufficiency Report 2016-17 was based on the capture of data from childcare providers in June/July 2016 as this was the point in the year when take-up levels were highest and to look at how existing and potential childcare providers could support decisions on the creation of additional childcare in the borough to meet demand when the eligibility for 30 hour child care places was introduced in September 2017. Based on analysis of spare capacity and projected demand it was anticipated there would be a shortfall of places in some areas of the borough at the busiest times and action was currently being taken to address this.

To ensure the Local Authority was best placed to manage the childcare market, the position was kept under ongoing review. Take-up of early education for two, three and four year olds was reviewed termly and a full childcare analysis was carried out annually to ensure there continued to be adequate provision to meet needs.

It was noted that there was a wide range of Ofsted registered childcare provision in the borough with over 93% of all Ofsted Registered childcare at 'good or outstanding' Ofsted grade.

Resolved:- That the Childcare Sufficiency Report 2016-17 be approved for publication.

151. CAPITAL FUNDING FOR THE DEVELOPMENT OF 30 HOUR CHILDCARE PLACES

Consideration was given to the report detailed how the introduction of the Department for Education (DfE) 30 Hour Childcare entitlement would come into force in September 2017, and double the entitlement to early education for three and four year olds from 15 to 30 hours a week for children with working parents.

To ensure there was sufficient early education provision to meet projected increased demand, approval was requested to amend the criteria for allocation of the remaining 2013/14 two year early education capital funding to increase capacity within the childcare sector and to include Department for Education capital funding applied for in Summer 2016 into the Capital Strategy if successful.

The report highlighted the projected shortfall of childcare/early education places currently available to meet the anticipated demand and the potential capital funding available to increase places

Resolved:-

1. **That Council be recommended to approve the inclusion of the DfE capital funded projects into the Capital Programme, if the funding bid is successful.**
2. That the revised criteria for distribution of local two year old Early Education capital funding to create 30 Hour Childcare Places be approved.
3. That the purchase of an additional module for the existing IT system to support the eligibility checking and processing of payments to providers be approved.

152. PROPOSAL TO INCREASE CAPACITY AT WALES HIGH SCHOOL

Consideration was given to the report which detailed how the popular Wales High School, rated by Ofsted as a “Good”, was currently oversubscribed with the trend set to continue in future years.

This report, therefore, sought approval to increase capacity and the published admission number at the school to accommodate the current and future demand for places, subject to a successful planning application.

Resolved:-

1. That, subject to a successful planning application, approval be granted to the proposal to increase capacity by a minimum of 150 places at Wales High School by the installation of additional classrooms to accommodate current and future pupil numbers.
2. That £1.2m of the £2.5m approved and earmarked for increasing secondary school places in the borough in 2017/18 by the Cabinet and Commissioners’ Decision Making Meeting of the 11/04/2016, be allocated to fund the proposed works at Wales High School and that this expenditure be re-profiled into 2018/19 to reflect the construction programme for this project.

(Councillor Beck declared a personal interest on the grounds of being a School Governor. He remained in the room, but did not speak on this item)

153. NOVEMBER 2016 FINANCIAL MONITORING REPORT AND MID-YEAR TREASURY REVIEW

Consideration was given to the latest report which set out the financial position for both the Revenue Budget and the Capital Programme at the end of November and was based on actual costs and income for the first eight months of the financial year and forecast costs and income for the remaining four months of 2016/17.

The revenue position, before adjusting for the additional budget allocation approved by Council on 7th December, showed a forecast overspend of £9.623m after currently identified management actions. The additional in year budget approval had reduced the forecasted overspend down to £1.775m, however, this additional budget approval had to be funded and the extent to which in year revenue spend across the whole Council could not be reduced, would inevitably impact the Council's reserves and future financial sustainability.

The Council report approved additional in-year funding to address pressures, predominantly in Children's Services (£7.848m) and £608k for new investments for Adults, Children's and Corporate services which would enable the delivery of significant savings in future years. The report also approved additional funding for 2017/18 of £11.005m which would be built into the Medium Term Financial Strategy and specific budget plans for next year.

There was also a significant forecast overspend (£5.505m) on the Dedicated Schools Grant (DSG) High Needs Block. This was a forecasted increase of £4.5m in an eight month period. Whilst this did not affect the Council's financial position directly at this time it was imperative that the recovery strategy reported in September Financial Monitoring Report to Cabinet was implemented in order to address this position and avoid any risk to the Council in the future.

The report showed the detailed reasons for forecast revenue under and over spends by Directorate after management actions which have/were already being implemented and which also included extensive controls with monthly budget challenging meetings, the Workforce Management Board which scrutinised all requests for recruitment etc. and was chaired by the Assistant Chief Executive, management of procurement spend and deep dives into unspent budgets.

The Capital Programme was currently on target to deliver within the overall approved budget and the report provided a detailed update and sought support to recommend to Council the inclusion of £277k costs capitalisation in the 2016/17 programme and the re-profiling of some approved budgets to reflect revised timescales for project delivery.

The report also detailed the revisions to the regulatory framework of treasury management during 2009 which introduced a requirement that the Council receive a mid-year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury report required previously. The review informed on performance against the plan and included key messages on investments, borrowing and governance, which was monitored by the Audit Committee.

The Leader asked for Directorates/Cabinet Members to report on some of the pressures they were facing and the corporate mitigating actions being taken, but similar to other Local Authorities across the country Rotherham

was facing overwhelming pressures in Adult Social Care.

The Cabinet Member for Adult Social Care and Health and Strategic Director confirmed pressures on Adult Social Care was a national issue due to underfunding by the current Government. The main pressures included direct payments, which saw 180 new clients during 2015/16 and a further 86 since April, 2016. Linked to this were demographic pressures, an increase in the aging population in Rotherham, living with frailties and the high cost of placements.

The work being done was excellent with officers looking carefully at high cost packages, monitoring closely demographic pressures, weekly budget meetings looking at current pressures and spending levels, scrutiny and challenge of assessments and spending decisions authorised by Heads of Services or above only. All this action meant the transformational programme was on hold while the overspends were being dealt with.

The National trend was outlined and Rotherham's frailty had been exposed over the last few weeks at the hospital with patients staying longer in hospital and replicated in the community. An in-depth analysis of the aging cohort over the next few months would give a clearer and transparent picture of charges that may be faced. Working to obtain best value and challenge to managed accounts could lead to a further reduction in spend. Another area to be robustly challenged was continuing health care which could unlock some disputed packages over next few months.

The Directorate were not under-estimating the challenges being faced and which had led to contact being made with the recently retired Director, now working with the LGA, from one of the three only underspent Departments for Adult Social Care nationally to see if he could offer support from a different perspective and bring real positive intelligence into Rotherham.

The Deputy Leader with responsibility for Children and Young People's Services and the Strategic Director confirmed there were three things which impacted on the demand for children in care. Firstly, the improving practice for taking action earlier for children at risk, secondly, the use of agency staff, which was currently at 18% and nationally 16%; and thirdly, a number of ongoing CSE investigations which required additional social work support.

Action was being taken which included the moratorium on non-essential spend, scrutiny of all requests for children deemed wanting local authority care, reviewing all existing placements to get value for money, children placed for adoption quickly where appropriate, reunifying birth families where appropriate, implementing the Sufficient Strategy by recruiting foster care families closer to Rotherham and investing in improvements so that children could remain at home to achieve better outcomes where it was safe to do so.

Further information was provided on workforce statistics with the reported vacancy rate for social workers which was at 17% nationally and in Rotherham at 10%. The latest recruitment round was excellent with people wanting to come to work in Rotherham.

The Dedicated Schools Grant was being managed separately and the £5 million overspend on the High Needs Block needed to be addressed with school partners where there was a higher proportion of SEN, the increasing trend on the numbers of children excluded thus requiring high quality alternative provision and working with the CCG to ensure there was appropriate provision locally for children with complex needs. Work was taking place with the Rotherham Schools' Forum on a strategy that would tackle this over the next few years.

The Strategic Director for Regeneration and Environment described the managed process approach to assist in managing the overspends and underspends where this could be achieved. There was robust challenge at management team level, a planned management process in place, key reviews taking place which could impact on potential service delivery and deliver savings in the future. There were also some key challenges which could not be ignored particularly around Planning and Building Control, ongoing problem with winter maintenance which was weather dependent, street scene and home to school transport which was demand led. There was an overall fleet review plan of action which could reduce the liability over future years. Whilst there were some underspends it was not without its challenges to assist in the overall budget balance to Council.

The Strategic Director for Finance and Customer Services also confirmed the Directors of Finance and Customers Services and Assistant Chief Executive, which were primarily staffing budgets were both underspending overall and the majority of this related to vacancies.

In terms of the wider corporate measures work was taking place through into year end and final accounts and consideration given to where revenue spend could be capitalised.

Actions and delivery of the capital programme had seen some slippage which helped free up resources. The 2016/17 budget had a £2m set aside from capital receipts and intended to be used for any redundancy costs required. Not all this figure was required and thus freed up some of the resources to fund transformation revenue spend. In addition, the capital receipts received was greater than £2 million, which would feed into the MTFS for next year as part of the finalisation of the budget proposals.

The Leader of the Council briefly summarised information shared which included the pressures on social care in Councils across the country, identified the impact on austerity across the board, the need to prioritise the most vulnerable people in the community and the challenges on the

delivery of priorities for the people of Rotherham in a difficult and financial context.

Resolved:-

Revenue

1. That the current 2016/17 forecast overspend of £1.775m, after management actions and the allocation of additional in year budget. (Paragraph 3.1) be noted.
2. That the specific actions being implemented to challenge planned spend between now and the end of March to reduce the forecast overspend and minimise the call on reserves (Paragraph 2.7) be noted and endorsed.
3. That any additional actions which could be implemented to help manage down the current forecast overspend be recommended.
4. That a detailed Dedicated Schools Grant (DSG) High Needs Sufficiency Strategy and Financial Plan to address funding and provision will be discussed and consulted upon at the 13th January, 2017 Schools Forum meeting (Paragraph 3.16) be noted.

Capital & Mid-Year Treasury Review

5. That Council be recommended to include the following schemes in the 2016/17 Capital Programme (paragraphs 2.13):-
 - Capitalisation of Building Repair and Maintenance Costs - £157,000
 - Capitalisation of costs relating to Pit House West - £85,000
 - Capitalisation of Grass Cutter - Rother Valley Country Park - £35,000
6. That Council be recommended to approve changes to budgets identified in Appendix 3 for projects which are already included in the Approved Capital Programme.
7. That the position in respect of the Mid-Year Treasury Review be noted and Council be recommended to approve the changes to the 2016/17 prudential indicators.

154. CALCULATION OF THE COUNCIL TAX BASE FOR 2017/18

Consideration was given to the report which set out the calculation of the Council's proposed Council Tax base for the forthcoming financial year 2017/18.

This calculation took into account: the Council's own Local Council Tax

Reduction Scheme (CTRS), discretionary discounts and premiums on second homes, projected future tax collection rate in 2017/18 and estimates of the changes and adjustments in the tax base that occurred during the financial year.

In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 governing its calculation, it was determined that the Council's Tax Base for the financial year 2017/18 was 68,235.14 Band D Equivalent Properties.

Resolved:-

1. That it be recommended to Council:-

- That Rotherham's Council Tax Reduction Scheme for 2017/18 be unchanged from 2016/17.
- That Council Tax discounts and premiums not be changed for 2017/18.
- That the amount calculated by Rotherham Metropolitan Borough Council as its Council Tax Base and those of the Parish Councils shown at Appendix A for 2017/18 shall be a total of 68,235.14 Band D Equivalent Properties.

155. NEW APPLICATIONS FOR DISCRETIONARY RATE RELIEF TOP UP

Consideration was given to the report which detailed the applications made by British Heart Foundation, a registered charity, for the award of a discretionary business rate relief top-up for the premises listed in the report. This was in accordance with the Council's Discretionary Business Rates Relief Policy (approved 24th April 2013).

Resolved:- That the applications for discretionary business rate relief top-up to the registered charity British Heart Foundation for the premises listed in this report be refused in accordance with the details set out in Section 7 to this report.

156. RURAL RATE RELIEF TOP UP 2016-17

Consideration was given to the report which detailed the applications made by three ratepayers for the award of discretionary business rate relief top-up. Any such award would align these small rural businesses with similar ratepayers who benefitted from 100% small business rate relief. The top-up relief would only be required for the 2016/17 financial year as the Government had announced plans in the Autumn Statement to increase rural rate relief to 100% from 1st April, 2017.

Resolved:- That the applications for discretionary rate relief top-up listed in this report be approved in accordance with the details set out in Section 7 to this report.

157. HOUSING RENT 2017/18

Consideration was given to the report which sought approval for the proposed values for the setting of the housing rents and non-dwelling rents for 2017-18.

Further information was provided on the changes to the Government's policy on social housing rents resulted in the requirement to reduce dwelling rents by 1% over four years from April, 2016. To comply with the legislation rents would be reduced by 1% for a second year from April, 2017, which would be of welcome relief by tenants.

However, this change to the rent formula from 2016/17 would result in the Council receiving less income than under the current formula over four years and, therefore, impact on the Housing Revenue Account and ability to maintain quality accommodation for those people that needed it most.

Cabinet Members noted the Government direction to reduce housing rent and the apparent policy reversal on working towards rent convergence.

Resolved:-

1. That the contents of the report be noted.
2. **That Council be recommended to approve the following changes to Housing Rents charges:-**
 - (a) **That dwelling rents be reduced by 1% for 2017/18 in line with the requirements outlined in the Welfare Reform and Work Act 2016. The average dwelling rent for 2017/18 will be £73.29 per week over 52 weeks, an average reduction of £0.74 per week.**
 - (b) **The average rent for the energy efficient Council properties will also reduce by 1% to £94.48 per week, an average reduction of £0.95 per week.**
 - (c) **That there is a 1% increase to charges for garage rents, communal facilities, laundry facilities and cooking gas in 2017/18 in line with the increase in Consumer Price Index (CPI) as at September 2016.**
3. That the draft Housing Revenue Account budget for 2017/18 (Appendix A) be noted.

158. DISTRICT HEATING SCHEME CHARGES 2017/18

Consideration was given to a report sought approval for the proposed charges for the Council's District Heating schemes for 2017-18 and which examined each of the three distinct schemes taking into account the cost of the schemes, weekly pre-payment charge and the impact of the level of refunds and tenant arrears owed to the Council.

Resolved:-

1. That the contents of the report be noted.
2. That Council be recommended to approve:-
 - (a) That there be no increase to the unit charge for the pooled district heating schemes.
 - a) That there be no increase to the pre-payment weekly charge for the pooled and unmetered scheme at Beeversleigh.
 - b) That there be no increase to the unit KWh charge at the Swinton district heating scheme
 - c) That a further review of the performance of the pooled schemes be undertaken in 2017/18 including the extent to which full cost recovery has been achieved.

159. LEASEHOLDER SERVICE CHARGE INCREASES

Consideration was given to the report which set out proposals to increase the current annual service charges and to introduce a range of fixed administration charges in respect of service delivery to Council leaseholders, including increasing the administration and management from £60 to £130, and for those that had communal cleaning to increase from £26 to £98 in the next financial year.

The proposals would result in the average annual service charge increasing from approximately £212 per leaseholder to £377 which equated to a 78% increase, although leaseholders who did not receive communal cleaning services would see a lower annual increase of approximately 50%.

It was necessary to increase charges because the Council did not currently recover the full cost of services which were delivered to leaseholders. Consequently, these proposals were a continuation of the progression towards full cost recovery and had been consulted upon, the principle of which was approved by Cabinet following submission of an earlier Leasehold Income Collection report on 11th April, 2016.

It was proposed to provide a full cost breakdown each year for each leaseholder as part of their charge.

Cabinet Members welcomed the hard work that had taken place to achieve this position, which had been undertaken in full consultation with leaseholders as part of the process.

Resolved:-

1. That the proposed changes to the annual leasehold service charges

for 2017, as set out within sections 4.1.1 and 4.1.2, be approved

2. That all annual services charges, other than Ground Rent, be variable in future, with the charges being based on actual cost to the Council, as set out within section 4.1.3.
3. That the introduction of fixed administration charges for ad-hoc services, as set out within section 4.1.4, be approved.
4. That the proposals to introduce further charge items in future in order to progress towards full cost recovery, as set out within section 4.1.5., be approved.

160. A618 GROWTH CORRIDOR

Consideration was given to the report which detailed the economic growth sites in the south of Rotherham around the A618 growth corridor as well as existing developments. The largest potential development was at the Pit House West site, currently being progressed by Gulliver's for a leisure facility and proposals to expand the Vector 31 employment site.

The highway improvements were currently confined to four existing junctions on the A618 and A57 network. A bid, with an Outline Business Case for fully funding these highway improvements, was submitted to the Sheffield City Region (SCR) Combined Authority on 24th October, 2016. The Outline Business Case was approved to move to a full submission, and the Final Business Case was submitted to the SCR on 11th November, 2016.

From correspondence with the SCR, it had been stated that funding for the improvements (the 'A618 Growth Corridor') would only be made for financial year 2016/17. The value of the works that were deliverable in 2016/17 – effectively Phase 1 of the project - was £759,000. Any further and later works – Phase 2 - in the area would have to be the subject of a further bid, or funded by non-SCR sources.

It was known that it would be necessary to conduct some works in 2017/18 onwards and to undertake further studies to examine improved means of access to developments in the area. Funding for this was not currently allocated from any source.

It was, therefore, proposed that the allocation of up to £384,000 for Phase 2 of the A618 Growth Corridor be approved from the £10m allocation for Highway Improvement Works, approved as part of the Capital Strategy 2016-21 and that the Phase 1 works be completed utilising the Phase 2 funding if the Phase 1 works were not complete before the end of the financial year 2016/17.

The Strategic Director for Regeneration and Environment provided an explanation about funding proposals and risks for Phase 1 and Phase 2,

what the works entailed and the benefits and improvements along the A618 Growth Corridor, including the visitors to Rother Valley Country Park and Gullivers. It was suggested and agreed that the financial spend be closely monitored.

The Chief Executive pointed out that the A618 growth corridor was one of the key things that came out of the consultation undertaken as part of the development by Gullivers and sought to address some of the key issues from residents along with job creation linked to these two sites.

Resolved:-

1. That the allocation of up to £384,000 for Phase 2 of the A618 Growth Corridor be approved from the £10m allocation for Highway Improvement Works, approved as part of the Capital Strategy 2016-21.
2. That the Phase 1 works be completed utilising the Phase 2 funding if the Phase 1 works are not complete before the end of the financial year 2016/17.

Summary Sheet

Council – 25 January 2017

Title:

Capital Programme – Operational Property Condition Maintenance Capital Programme 2016/17

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

Yes – key decision taken by Cabinet on 12 December 2016

Strategic Director Approving Submission of the Report

Damien Wilson, Strategic Director, Regeneration & Environment

Report Author(s)

Stuart Carr, Corporate Facilities Manager

Ward(s) Affected

All wards

Summary

At its meeting on 12 December 2016, Commissioner Kenny agreed to recommend the inclusion of a number of schemes within the Capital Programme 2016/17.

In order to give effect to the recommendations from Commissioner Kenny, consideration and approval by Council must be given to the recommendations set out below. The report detailing the reasoning behind the recommendations is appended in order to provide Members with sufficient knowledge to agree the proposals.

Recommendation

That Council be recommended to approve the inclusion of the schemes identified in Section 4.2 of the appended report in the Capital Programme 2016/17.

List of Appendices Included

Report to Cabinet and Commissioners' Decision Making Meeting – 12 December 2016 'Capital Programme – Operational Property Condition Maintenance Capital Programme 2016/17'

Background Papers

Minutes of the Cabinet and Commissioners' Decision Making Meeting – 12 December 2016

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Cabinet and Commissioners' Decision Making Meeting – 12 December 2016

Council Approval Required

Yes

Exempt from the Press and Public

No

Summary Sheet

Council Report

Cabinet and Commissioners' Decision Making Meeting – 12 December 2016

Title:

Capital Programme- Operational Property Condition Maintenance Capital Programme 2016/17

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

Yes

Strategic Director Approving Submission of the Report

Damien Wilson – Strategic Director Regeneration and Environment

Report Author(s)

Stuart Carr – Corporate Facilities Manager

Ward(s) Affected

All

Summary

The purpose of this report is to put forward for consideration the proposed property condition maintenance programme, with regard to existing operational buildings, that has been identified by the Corporate Property Unit, to help mitigate known operational risks to Council buildings.

The Capital Strategy and proposed Capital Programme 2016/17 to 2020/21 agreed in principle the allocation of capital funding to specifically carry out condition works to a number of operational properties that had been identified by the Corporate Property Unit. In addition, urgent works have been identified to two other properties within the Council's property estate.

Recommendations

1. That the projects detailed in Section 4.1 of this report be supported for inclusion in the approved Capital Programme 2016/17.
2. That Council be recommended to approve the inclusion of the schemes identified in Section 4.2 of this report in the Capital Programme 2016/17.

3. That the Assistant Director of Planning, Regeneration and Transport be authorised to deliver the projects identified in Section 4 of this report.

List of Appendices Included

None

Background Papers

Report to Council- 2nd March 2016; Capital Programme Budget Setting Report - 2016/17 to 2020/21.

Library Strategy and Future Library & Customer Services Offer-reported to Cabinet/Commissioners Decision making meeting 12th September 2016.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Capital Programme- Operational Property Condition Maintenance Capital Programme 2016/17

1. Recommendations

- 1.1 That the projects detailed in Section 4.1 of this report be supported for inclusion in the approved Capital Programme 2016/17.
- 1.2 That Council be recommended to approve the inclusion of the schemes identified in Section 4.2 of this report in the Capital Programme 2016/17.
- 1.3 That the Assistant Director of Planning, Regeneration and Transport be authorised to deliver the projects identified in Section 4 of this report.

2. Background

- 2.1 The Capital Programme Budget Setting Report - 2016/17 to 2020/21 was presented and approved by Council on the 2nd March 2016. This included a number of 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".
- 2.2 Allocations have been agreed in principle to carry out condition, improvement and relocation works on the operational estate for 2016/17 to start addressing essential backlog maintenance and assist in the relocation of a service, as part of a service review. This will help ensure that the Council has an estate that is in a useable condition for the services provided in it.
- 2.3 This report sets out seven projects on Council property which have been identified as a priority for delivery in 2016/17. These works are in addition to those approved by the Cabinet/Commissioners Decision Making Meeting of 10th October 2016 in respect of operational buildings which totalled £320,750. Consideration for approval for the following schedule of works is requested:-
 - a) Rother Valley Country Park - Installation of heating and hot water system.
 - b) Maltby Library - Relocation of library from High Street to Maltby JSC
 - c) Bailey House - Asbestos removal and replacement of floor coverings.
 - d) Bailey House - Building resilience and fire suppression within the ICT back up facility.
 - e) Hellaby Depot - Re-roofing of Sandbeck Building.
 - f) Wath Library Montgomery Square Library- fabric concrete repair works.
 - g) Barber's Avenue Greenspaces Depot - Renewal of roller shutter doors and installation of electrical wiring to storage units to improve security.

3. Key Issues

- 3.1 The recommended works are specific property condition or alteration works focussed on maintaining the operational functionality of Council owned buildings, such as office spaces, markets, libraries and depots. Projects include works to the Council's operational buildings to deal with backlog lifecycle maintenance issues, suitability issues or for the relocation of services following a review.

- 3.2 The works are to ensure that the Council's buildings continue to be suitable for the provision of Council services. These projects have been identified from either condition surveys, health and safety issues or service users, taking into account opportunities for property rationalisation, revenue savings and to generate capital receipts from any disposal.

4. Options considered and recommended proposal

- 4.1 The table below summarises the detail for each construction project that has been identified for works in 2016/17 and was approved by Council on the 2nd March 2016 as part of the Capital Strategy as an Agreed in Principle project.

Project	Description
Rother Valley Country Park Heating System	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. The works are required to ensure compliance with Health & Safety at Work Acts and approved code of practice L8 management of and control of legionella and hot water systems.
Maltby Library - Relocation	Following a review of the Library Strategy & the Future Library & Customer Services Offer, Council has agreed to the relocation of Maltby Library, currently located on High Street Maltby, into the Maltby JSC. This would help to release the existing site which would create a redevelopment opportunity, revenue savings and potential capital receipt.
Bailey House Asbestos Removal / Floor Coverings	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. 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.
Bailey House Resilience	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.

	The back-up ICT server room is located in Bailey House. The current facility does not have a sufficient fire suppression system and the back-up generator to the building is around 40 years old. The purpose of this investment is to install a fire suppression system within the secondary data centre at Bailey House and that the back-up generator and switch gear is renewed.
Hellaby Depot	The proposal is to renew the roof covering to the main operational Streetpride depot. Under the terms of the lease, the Council has 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 the Council is 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.

4.2 The table below summarises the detail for additional construction projects that have been identified for works in 2016/17. These projects were not part of the approved Capital Strategy, so Council approval will be required to add these projects to the approved Capital Programme.

Project	Description
Wath Library – Concrete Repairs	Wath Library in Montgomery Square is a library building which is constructed from a steel frame with external concrete panels. Over the years the concrete panels have deteriorated and the steel reinforcement in the concrete has de graded causing the concrete to spall. This creates a risk in terms of falling concrete and the protection of the fabric of the building. There is a health & safety risk to the public.
Barber's Avenue Depot	Greenspaces occupy Barber's Avenue Depot at Rawmarsh. There are a number of external storage garages which are protected by roller shutter doors. It has been reported by the greenspaces operatives that the roller shutter doors are beginning to fail and there is a risk to RMBC operatives that the doors will not stay up and could cause harm. The proposal is to renew the roller shutter doors which are beyond economical repair and replace with electrically operated roller shutter doors. This is a health & safety requirement.

5. Consultation

5.1 Consultation will take place with the services affected as necessary for each project and with Ward Members.

5.2 Consultation on the library strategy and future library and customer service offer has already been completed.

6. Timetable and Accountability for Implementing this Decision

6.1 It is anticipated that the projects will be delivered and completed by the end of the financial year 2016/17.

6.2 Accountable officer; Paul Smith, Corporate Property Manager.

7. Financial and Procurement Implications

7.1 The Capital Strategy and proposed Capital Programme 2016/17 to 2020/21 agreed in principle the allocation of capital funding to specifically carry out condition works to a number of properties that had been identified by the Corporate Property Unit for operational property for 2016/17. The table below sets out the works that have been put forward for approval from the funding allocation for 2016/17.

Building	Forecasted Capital costs in 2016/17	Capital Strategy Allocation
Rother Valley Country Park	£250,000	£250,000
Maltby Library – Relocation	£275,000	£275,000
Hellaby Depot	£182,000	£250,000
Bailey House-Asbestos	£95,000	£95,000
Bailey House-Resilience	£200,000	£200,000
Wath Library –Concrete repairs	£107,000	0
Barbers Avenue Depot	£35,000	0
	£1,144,000	£1,070,000

Council agreed that the above projects that are within the existing approved Capital Strategy are to be funded from prudential borrowing. The additional funding requirement which has arisen due to the two additional unapproved projects is £142,000. These are due to urgent Health & Safety issues as detailed in this report. If the recommendation to include these two projects within the Capital Programme is approved, the proposal is to fund the works from existing, uncommitted capital receipts generated pre 1st April 2016 to avoid additional prudential borrowing and the revenue cost arising from that.

8. Legal Implications

8.1 None arising directly from this report

9. Human Resources Implications

9.1 Completion of the works will ensure compliance with Health & Safety at Work Acts and provide satisfactory health, welfare and service provision.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 The works will ensure that the services provided from the various locations will support the provision of services, some of which cater for children and young people and vulnerable adult services.

11. Equalities and Human Rights Implications

- 11.1 There are no negative impacts identified as a consequence of taking forward the recommendations identified within this report.

12. Implications for Partners and Other Directorates

- 12.1 The Corporate Property Unit have been working closely with the library service in the review of the Library Strategy and Future Library and Customer Services Offer.
- 12.2 There are no identified negative implications for other partners and other directorates.

13. Risks and Mitigation

- 13.1 Where plans have not yet been tendered, costs are indicative and may vary following tender. There is a risk as with all construction projects that costs may be in excess of the budget allocated although any variance to the costs will be managed and any additional expenditure identified will be reported and further reports brought forward for approval as necessary.
- 13.2 The relocation of Maltby Library is subject to agreement with the “Special Purpose Vehicle (SPV)” which was set up to operate the Leisure –Private Finance Initiative.

14. Accountable Officer(s)

Paul Smith – Corporate Property Manager.

15. Approvals

Strategic Director of Finance and Customer Service – Jon Baggaley, Finance Manager, Regeneration, Environment and Capital

Assistant Director of Legal Services– Stuart Fletcher- Service Manager, (Commercial and Governance)

Summary Sheet

Council – 25 January 2017

Title:

Boston Park Reservoir

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

Yes – key decision taken by Cabinet on 12 December 2016

Strategic Director Approving Submission of the Report

Damien Wilson, Strategic Director, Regeneration & Environment

Report Author(s)

Phil Gill, Leisure and Green Spaces Manager

Ward(s) Affected

Boston Castle

Summary

At the Cabinet and Commissioners' Decision Making Meeting on 12 December 2016, Commissioner Kenny agreed to transfer land at Boston Park to Yorkshire Water to allow the building of a new service reservoir and to recommend to Council the inclusion of the project to undertake improvement works at Boston Park in the Capital Programme, to the value of the capital receipt.

In order to give effect to the recommendation from Commissioner Kenny, consideration and approval by Council must be given to the recommendation set out below. The report detailing the reasoning behind the recommendations is appended in order to provide Members with sufficient knowledge to agree the proposals.

Recommendation

That Council be recommended to approve the inclusion of the project to undertake improvement works at Boston Park in the Capital Programme, to the value of the capital receipt.

List of Appendices Included

Report to Cabinet and Commissioners' Decision Making Meeting – 12 December 2016 'Boston Park Reservoir'

Background Papers

Minutes of the Cabinet and Commissioners' Decision Making Meeting – 12 December 2016

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet and Commissioners' Decision Making Meeting – 12 December 2016

Council Approval Required

Yes

Exempt from the Press and Public

No

Summary Sheet

Council Report

Cabinet and Commissioner Decision Making Meeting – 12 December 2016

Title

Boston Park Reservoir

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

Yes

Strategic Director Approving Submission of the Report:

Damien Wilson, Strategic Director, Regeneration and Environment

Report author(s):

Phil Gill, Leisure and Green Spaces Manager

Ward(s) Affected:

Boston Castle

Summary:

To seek approval to transfer land at Boston Park to Yorkshire Water to allow the building of a new service reservoir.

Recommendations

- 1) That 8,880 m² land at Boston Park be transferred to Yorkshire Water by way of a land exchange to allow a new service reservoir to be built, subject to granting of planning permission.
- 2) That the Assistant Director of Planning, Regeneration and Transport be authorised to negotiate the terms of the transfer.
- 3) That the Assistant Director of Legal Services be authorised to complete the necessary transfer documentation.
- 4) **That Council be recommended to approve the inclusion of the project to undertake improvement works at Boston Park in the Capital Programme, to the value of the capital receipt, as identified in Section 7.1 of the report.**

List of Appendices Included

Appendix 1 – Site Location and Layout Plans

Appendix 2 - Boston Park Service Reservoirs Rebuild (Yorkshire Water Report)

Appendix 3 - Land Valuation and Related Matters

Background Papers

Boston Park Masterplan

Masterplan (The Dell)

Park Improvements, Budget Cost Estimate

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Yorkshire Water's proposal to build a new reservoir will be considered by Planning Board upon submission by Yorkshire Water of a planning application.

Council Approval Required

Yes. Council approval required to include the project to undertake improvement works at Boston Park in the Capital Programme, to the value of the capital receipt, as identified in section 7.1 of the report.

Exempt from the Press and Public

Appendices 2 and 3 exempt under paragraphs 3 and 10 of Schedule 12A ("Access to Information: Exempt Information") to the Local Government Act 1972:

Paragraph 3: *Information relating to the financial or business affairs of any particular person (including the authority holding that information).*

Paragraph 10: *...in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

Boston Park Reservoir

1. Recommendations

- 1.1 That 8,880 m² land at Boston Park be transferred to Yorkshire Water by way of a land exchange to allow a new service reservoir to be built, subject to granting of planning permission.
- 1.2 That the Assistant Director of Planning, Regeneration and Transport be authorised to negotiate the terms of the transfer.
- 1.3 That the Assistant Director of Legal Services be authorised to complete the necessary transfer documentation.
- 1.4 That Council be recommended to approve the inclusion of the project to undertake improvement works at Boston Park in the Capital Programme, to the value of the capital receipt, as identified in Section 7.1 of the report.**

2. Background

- 2.1 Yorkshire Water (YW) needs to acquire Council-owned land at Boston Park to allow a new service reservoir to be built. This would replace two existing reservoirs which are coming to the end of their asset life. Over 20,000 properties and Rotherham Hospital are directly supplied from the site. YW has considered various options, and concluded that building a new reservoir on an area of Boston Park next to the current reservoirs would be the most appropriate location that meets all their criteria. The existing reservoirs would then become redundant, and YW would no longer require the land where they stand.
- 2.2 YW can exercise statutory powers under the Water Industry Act 1991 to acquire the land needed for their new reservoir, but would prefer to reach an agreement to exchange the land occupied by their existing reservoirs for the land they require. They have indicated a willingness to make a financial contribution towards the cost of improvements to the park as part of such an agreement. A third option would be to negotiate the sale of the land they require.
- 2.3 YW has advised that any land transfer would be subject to a design and construction agreement with their contractor, and planning permission.
- 2.4 Boston Park is Rotherham's oldest public park, opening on the centenary of the Declaration of American Independence on 4th July 1876. At its centre is Boston Castle, a shooting lodge built in 1775 by the Earl of Effingham. The castle was restored with Heritage Lottery funding and opened as a visitor heritage attraction in 2012.

- 2.5 The park is registered under the Historic Buildings and Ancient Monuments Act 1953 within the Register of Historic Parks and Gardens by English Heritage for its special historic interest. Registration is a 'material consideration' in the planning process, meaning that the Council must consider the impact of development on the landscape's special character. The park was also assessed as a 'high value' site of borough-wide importance in the Rotherham Green Space Audit (2010).
- 2.6 There is strong community interest in the park. The Friends of Boston Castle and Parklands exists to promote and improve the site, and has worked in partnership with the Council for more than ten years to further its aims.

3. Key Issues

- 3.1 Yorkshire Water regards this as an urgent matter requiring prompt resolution to ensure continuity of water supply, and has statutory power to acquire land compulsorily if necessary.
- 3.2 The project, and therefore any transfer of land, is subject to granting of planning permission. The Planning Service advised YW in 2015 that they would have major concerns about loss of green space here, and that YW would need to demonstrate that there is no suitable alternative location and that there is a legal obligation to provide the additional capacity. In addition, the relevant planning policy would require an equivalent piece of open space or some form of financial contribution to offset the loss.
- 3.3 The main consideration in any land deal is whether the proposed terms offer the best possible return for the Council and the local community, taking into account the value of the land involved, the loss of a significant area of existing parkland, and the associated disturbance to the local community and environment.

4. Options considered and recommended proposal

4.1 Negotiated land exchange

Should a land-exchange be agreed then YW has indicated a desire to work with the Council to mitigate some of the likely negative impacts of the scheme by funding improvements in the surrounding parkland. There would also be an overall increase in the area of green space; YW advises that the area they need to acquire is 8,880 m² and the area that would be released is approximately 10,500 m². However, the released land would be less useful as recreational green space due to its relative remoteness from the Castle, car park and other main features of the park (see Appendix 1). YW has indicated that they would remove all existing structures, level, topsoil and establish grass across the area to be transferred to RMBC, so that the land exchange would be on a like-for-like basis.

YW has asked the Council to propose park improvements that could be funded by them as part of a land exchange agreement. The resulting costed improvement proposals fall into three categories:-

- (i) Dealing with existing liabilities in the park, including repairs and vegetation management that the Council has been unable to undertake due to financial constraints. Estimated cost - £90,000
- (ii) Improvements necessary to mitigate the impact of the new reservoir development on the park. Estimated cost - £60,000
- (iii) Aspirational park improvement proposals developed in association with the Friends of Boston Castle and Parklands. Previous efforts to secure external funding for these have been unsuccessful. Estimated cost - £78,800.

YW has subsequently advised that they would be willing to make a capital contribution towards the cost of selected improvements as part of a land exchange identified above. YW's report detailing their proposed offer is included as Appendix 2. Note that this includes an expectation that the Council will allow YW to use additional land in the park as a temporary working area which they will reinstate to its current condition at the end of the project.

4.2 Negotiated sale of land

The Council may wish to consider the opportunity presented to achieve a capital receipt through the sale of the land. This would result in a net loss of green space which could lead to negative public reaction. However, it would provide a capital receipt with no ongoing liabilities. Estates team have supplied a provisional valuation of the land which is shown in Appendix 3.

4.3 Compulsory purchase

Whilst YW has the option of acquiring the land they need through compulsory purchase, they have stated that this would not be their favoured approach given the likely costs and timescales involved.

4.4 Recommended option

A negotiated land exchange would have the following advantages:-

- Greater capital benefits than the other options, both in terms of land area and the monetary contribution towards additional capital works.
- Investment to improve public access within the park and build on previous successful partnership working with the local community
- No reduction in the overall area of accessible green space
- Helps to address planning concerns.

This is therefore the recommended option.

5. **Consultation**

- 5.1 Boston Castle Ward Members have been made aware of Yorkshire Water's proposal to build a reservoir at Boston Park.
- 5.2 The Friends of Boston Castle and Parklands has previously been consulted on improvement plans for the park, resulting in the scheme to restore the Dell Garden which are amongst works that could be supported as part of land exchange agreement.

- 5.3 It is proposed that further consultation with the Friends of Boston Castle and Parklands will take place regarding proposed park improvements when a decision has been made whether to agree to YW's land exchange proposals.
- 5.4 Further statutory consultation with adjoining landowners and other interested parties will take place as part of the planning process after submission by YW of a planning application.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Following a decision to agree to YW's proposed terms for a land exchange, the Estates Manager would be instructed to negotiate and agree detailed terms with YW as quickly as possible.
- 6.2 YW has advised that execution of a land deal would be subject to them obtaining planning permission for the new reservoir. They have not yet confirmed their timescale for submitting a planning application, but have agreed to discuss this with Leisure and Green Spaces when the Council has confirmed its agreement to a land exchange. The Planning Service has recommended that YW then enters into their pre-application service to seek to address any planning concerns and to prepare for the start of the formal application process.
- 6.3 When YW has signalled that it is ready to proceed with the land exchange, Legal & Democratic Services will be instructed to complete the necessary transfer documentation.

7. Financial and Procurement Implications

- 7.1 The recommended option of a land exchange would deliver a capital receipt for the Council. This will contribute towards the Council's £2m Capital Receipts assumption for 2016/17, within the Revenue Budget, to fund expenditure relating to transforming Council services to generate future revenue efficiency savings. It is proposed that an equivalent contribution from existing, uncommitted capital receipts generated pre 1st April 2016 will be used to fund the improvement works at Boston Park, for which there is otherwise no identified budgetary provision.
- 7.2 YW has confirmed that it would meet all legal costs associated with a transfer.
- 7.3 There are no procurement implications arising from this report.

8. Legal Implications

- 8.1 Under Part 6 of the Water Industry Act 1991 Yorkshire Water may be authorised by the Secretary of State to purchase compulsorily land which is required by them for the carrying out of its functions.

- 8.2 The Council still owns the land currently occupied by reservoirs. In 2014 YW sought to have the title transferred to them, and this was agreed to in principle as the land had been occupied by reservoirs since the 19th century. However, the transfer was never concluded. Legal Services advise that as YW has effectively been occupying the property for reservoirs for a long time, it would be able to establish adverse possession without difficulty and might also have an estoppel argument based on the Council's previous agreement to enter into the transfer of land. Accordingly, the Council would be receiving a real benefit from the deal.

9. Human Resources Implications

- 9.1 Not applicable with regards to this report.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 Not applicable with regards to this report

11. Equalities and Human Rights Implications

- 11.1 Not Applicable with regards to this report.

12. Implications for Partners and Other Directorates

- 12.1 None Identified

13. Risks and Mitigation

- 13.1 A land exchange could not happen if YW failed to secure planning permission for the new reservoir. The proposed land exchange and associated park improvements are expected to minimise this risk.
- 13.2 The local community may oppose the development of a new reservoir on existing parkland. It is hoped that the proposed park improvements will help to address such opposition.

14. Accountable Officer(s)

- 14.1 Damien Wilson, Strategic Director, Regeneration and Environment

Approvals Obtained from:-

Strategic Director of Finance and Customer Services:- Pete Bratley, Principal Finance Officer

Assistant Director of Legal Services:- Stuart Fletcher, Service Manager (Commercial and Governance), Sumera Shabir, Planning Solicitor

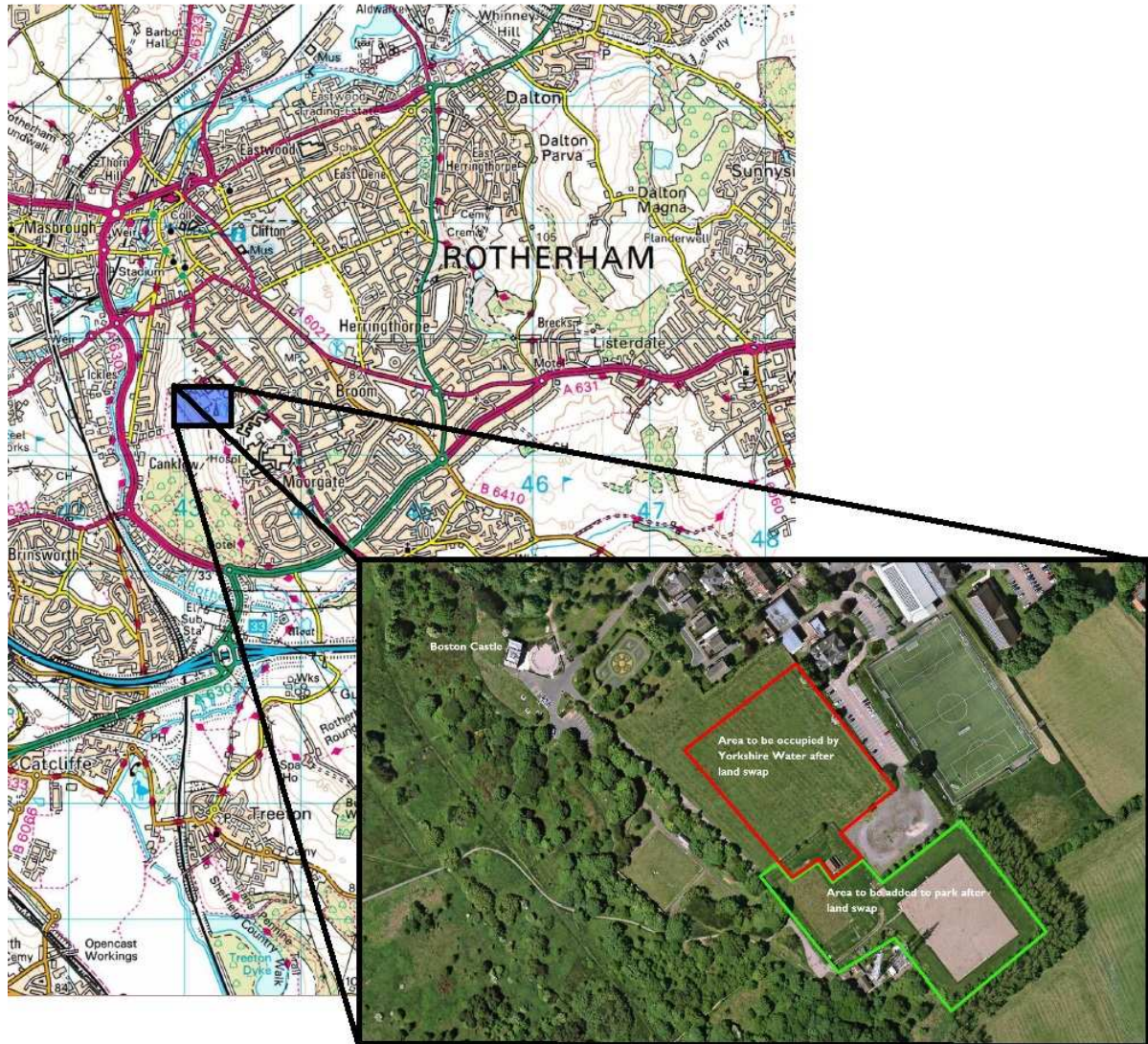
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Cabinet and Commissioner Decision Making Meeting: 12th December 2016

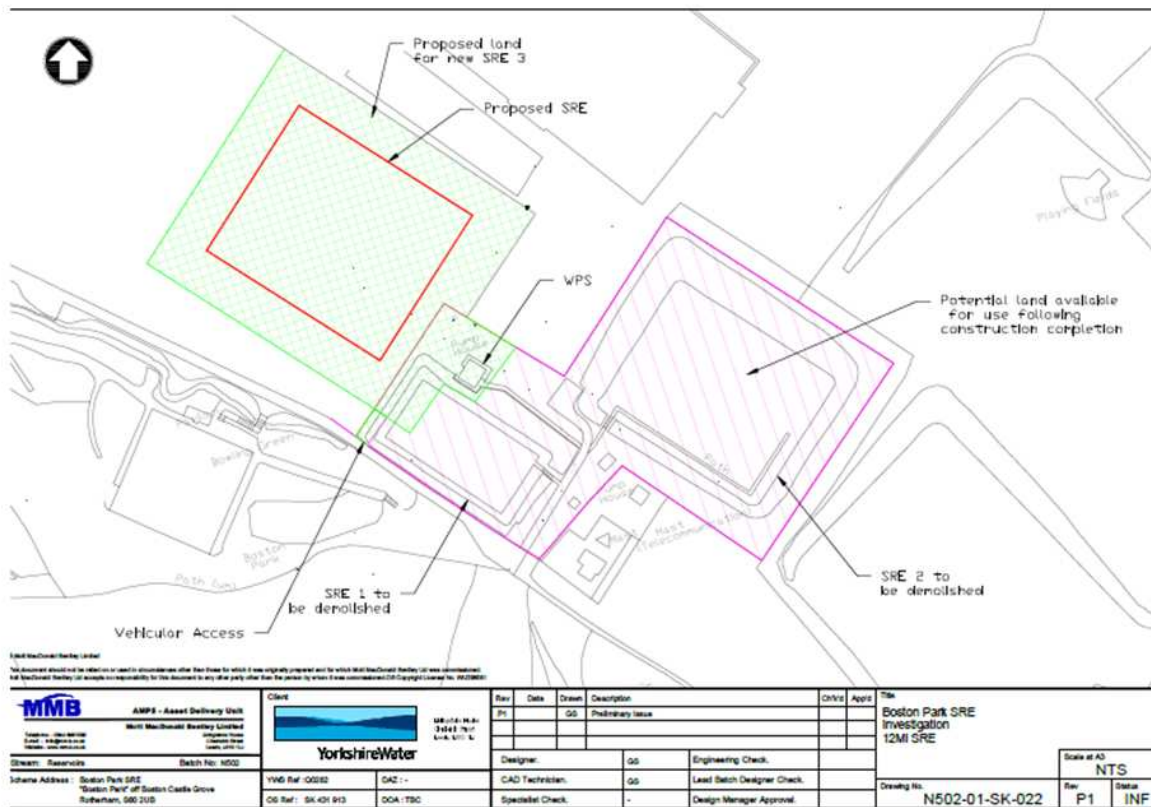
Boston Park Reservoir

APPENDIX 1

Site Location



Site Layout



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Summary Sheet

Council – 25 January 2017

Title:

Addition of Barkers Park Changing Rooms to the Capital Programme

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

Yes – key decision taken by Cabinet on 12 December 2016

Strategic Director Approving Submission of the Report

Damien Wilson, Strategic Director, Regeneration & Environment

Report Author(s)

Andy Lee, Urban Green Spaces Manager

Ward(s) Affected

Keppel

Summary

At the Cabinet and Commissioners' Decision Making Meeting on 12 December 2016, Commissioner Kenny agreed to repairs and the introduction of security measures at the Barkers Park Changing Rooms and to recommend to Council that the scheme be included within the Capital Programme.

In order to give effect to the recommendation from Commissioner Kenny, consideration and approval by Council must be given to the recommendation set out below. The report detailing the reasoning behind the recommendations is appended in order to provide Members with sufficient knowledge to agree the proposals.

Recommendation

That Council be recommended to approve the inclusion of the Barkers Park Changing Room scheme in the Capital Programme.

List of Appendices Included

Report to Cabinet and Commissioners' Decision Making Meeting – 12 December 2016 'Addition of Barkers Park Changing Rooms to the Capital Programme'

Background Papers

Minutes of the Cabinet and Commissioners' Decision Making Meeting – 12 December 2016

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Cabinet and Commissioners' Decision Making Meeting – 12 December 2016

Council Approval Required

Yes

Exempt from the Press and Public

No

Summary Sheet

Council Report

Cabinet and Commissioner Decision Making Meeting – 12 December 2016

Title

Addition of Barkers Park Changing Rooms to the Capital Programme

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

Yes and the report has been included in the forward plan.

Strategic Director Approving Submission of the Report

Damien Wilson, Strategic Director, Regeneration and Environment

Report Author(s):

Andy Lee, Urban Green Spaces Manager

Ward(s) Affected:

Keppel

Summary: As a result of significant vandalism, this report requests that repairs and security measures to Barkers Park changing rooms are included in the Council's Capital Programme. In so doing the facility will be returned to use by the local community and will support Council objectives in relation to health and well-being.

Recommendations:

That Council be recommended to approve inclusion of the scheme in the Capital Programme as identified in Paragraph 7.1 of this report.

List of Appendices Included

None

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Strategic Capital Investment Group (SCIG)

Council Approval Required

Yes

Exempt from the Press and Public

No

Addition of Barkers Park Changing Rooms to the Capital Programme

1. Recommendations

- 1.1 That Council be recommended to approve inclusion of the Scheme in the Capital Programme as identified in paragraph 7.1 of this report.

2. Background

- 2.1 In 2015 the new changing rooms at Barkers Park were broken into and vandalised. Copper piping and wiring were removed and extensive damage was caused to the sanitary ware, the boiler and various other parts of the building including external doors. Significant repair work is now needed in order to return the facility to a condition that will allow it to be used by the local community. This will then enable the Service to continue to deliver the relevant objectives and outcomes from the Council's Sport & Active Recreation Strategy and to meet external funding obligations.
- 2.2 An investment of approximately £350,000 was made in 2013 to provide good quality football changing rooms at Barkers Park, which is identified as a key site for playing pitch sports. The capital funding for the changing rooms was made up of: £103,000 insurance payment to the Council as a result of a vandalism / fire attack to a previous changing room at the site; a £50,000 grant from the Football Foundation; a £70,000 grant from Sport England; and a £127,000 capital contribution from the Council.

3. Key Issues

- 3.1 The changing rooms are currently unusable and are blighting the main entrance into the park from Redscope Crescent. There are no existing funding sources for the major repairs that are needed to allow the facility to reopen. The Council does not insure against vandalism, so there is no funding available from the Insurance Fund for these works and there is no revenue budget provision for such significant works
- 3.2 The two external funding organisations are aware of the situation and have asked to be kept updated on the Council's plans to bring the changing rooms back into operation. Failure to do so may result in a request from either of them to have their funding returned.
- 3.3 If action is not taken then the council's reputation could be compromised.
- 3.4 The buildings cannot be properly secured and are at risk of further vandalism damage. As a result the Green Space service is currently paying for extra security patrols at Barkers Park at a cost of £6,000 per year.

4. Options considered and recommended proposal

- 4.1 Do nothing. This option will mean that the facility will continue to deteriorate and the local community will not be able to benefit from the investment made in 2013. It is also likely to lead to claw back from the external funders.

- 4.2 Secure funding from the Capital Programme to carry out the repair work. The estimated cost of the repair and security works is approximately £40,000. This will allow the changing rooms to be brought back into use and mean that the local community can continue to benefit from the investment. It will also avoid any claw back from the external funders.
- 4.3 If the funding for the repair works is approved, it is proposed that additional works are carried out to improve building security (e.g. strengthening physical barriers to access and installing CCTV with off-site monitoring and call out). The cost of this works is approximately £6,000 and this figure is included in the £40,000 that is being requested from the Capital Programme.
- 4.4 The recommendation is for 4.2 and 4.3 above to be progressed together.

5. Consultation

- 5.1 Local members were consulted on the original plan to install the new changing facility and they are aware of the current situation.

6. Timetable and Accountability for Implementing this Decision

- 6.1 If approval is given to 4.2 and 4.3 above implementation by Asset Management and Green Spaces teams will begin immediately.

7. Financial and Procurement Implications

- 7.1 The estimated cost of the works to reinstate facilities vandalised and to provide enhanced security to help prevent such future incidences is £40,000. The nature of the planned works would enable the Council to treat the expenditure as capital under relevant accounting rules. If the recommendation to include the scheme works within the capital programme is approved, the proposal is to fund the works from existing, uncommitted capital receipts generated pre 1st April 2016 to avoid additional prudential borrowing and the revenue cost arising from that.
- 7.2 In accordance with Contract Procedure Rules the contract for the works will be managed by Asset Management (Facilities Management section) and the appropriate number of written quotations, from approved contractors will be sought, evaluated and contracts awarded to enable the works to progress.

8. Legal Implications

- 8.1 If a decision is taken not to carry out the repair works and reinstate the operation of the changing rooms, it is likely that the external funders would seek to claw back their funding contribution.

9. Human Resources Implications

- 9.1 None

10. Implications for Children and Young People and Vulnerable Adults

10.1 None

11 Equalities and Human Rights Implications

11.1 None

12. Implications for Partners and Other Directorates

12.1 None

13. Risks and Mitigation

13.1 If approval is given to the fund the repair works the risk of further vandalism will be reduced and the risk of claw back will be removed

14. Accountable Officer(s)

14.1 Damien Wilson, Strategic Director, Regeneration and Environment

Approvals Obtained from:-

Strategic Director of Finance and Customer Services:- Jon Baggaley, Finance Manager, Regeneration & Environment and Capital

Assistant Director of Legal Services:- N/A

Head of Procurement (if appropriate):- N/A

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Summary Sheet

Council – 25 January 2017

Title:

Upgrading of Fluorescent Street Lighting to LED

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

Yes – key decision taken by Cabinet on 12 December 2016

Strategic Director Approving Submission of the Report

Damien Wilson, Strategic Director, Regeneration & Environment

Report Author(s)

Allan Lewis, Principal Lighting Engineer, Regeneration & Environment

Tel. 01709 823069 Email: allan.lewis@rotherham.gov.uk

Ward(s) Affected

All Wards

Summary

At the Cabinet and Commissioners' Decision Making Meeting on 12 December 2016, the Cabinet agreed to replace 15,000 fluorescent street lighting units with LED lighting technology and to recommend to Council that the project be included within the Capital Programme.

In order to give effect to the recommendation from Cabinet, consideration and approval by Council must be given to the recommendation set out below. The report detailing the reasoning behind the recommendations is appended in order to provide Members with sufficient knowledge to agree the proposals.

Recommendation

That Council be recommended to approve inclusion of the scheme in the Council's Capital Programme at a cost of £1.65m, to be funded by prudential borrowing, as an invest to save scheme.

List of Appendices Included

Report to Cabinet and Commissioners' Decision Making Meeting – 12 December 2016 'Upgrading of Fluorescent Street Lighting to LED'

Background Papers

Minutes of the Cabinet and Commissioners' Decision Making Meeting – 12 December 2016

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet and Commissioners' Decision Making Meeting – 12 December 2016

Council Approval Required

Yes

Exempt from the Press and Public

No

Summary Sheet

Council Report

Cabinet and Commissioners' Decision Making Meeting – 12 December 2016

Title:

Upgrading of Fluorescent Street Lighting to LED.

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

Yes

Strategic Director Approving Submission of the Report:

Damien Wilson, Strategic Director of Regeneration & Environment

Report Author(s):

Allan Lewis, Principal Lighting Engineer, Regeneration & Environment
01709 823069 Allan.lewis@rotherham.gov.uk

Ward(s) Affected:

All Wards

Executive Summary:

To seek approval to replace 15,000 fluorescent street lighting units with LED lighting technology. There are two options available:-

1. Replace the 'internal workings' of existing lighting units with LED technology
or
2. Replace the complete lantern.

Recommendations:

1. That the remaining 15,000 fluorescent street lighting units across the Rotherham Borough be replaced with LED lanterns in accordance with Option Two of this report.
2. **That Council be recommended to approve inclusion of the scheme in the Council's Capital Programme at a cost of £1.65m, to be funded by prudential borrowing, as an invest to save scheme.**
3. That it be noted that the previously estimated savings of £138,000 to be achieved from this project (EDS24c & EDS 24e) will not be achieved in full and the shortfall will be found from within Directorate budgets.

List of Appendices Included:

None

Background Papers:

Strategic Outline Case

Consideration by any other Council Committee, Scrutiny or Advisory Panel:

Yes – Strategic Capital Investment Group (SCIG) presented on 6/9/16.

Council Approval Required:

Yes

Exempt from the Press and Public:

No

Upgrading of Fluorescent Street Lighting to LED

1. Recommendations

- 1.1. That the remaining 15,000 fluorescent street lighting units across the Rotherham Borough be replaced with LED lanterns in accordance with Option Two of this report.
- 1.2. **That Council be recommended to approve inclusion of the scheme in the Council's Capital Programme at a cost of £1.65m, to be funded by prudential borrowing, as an invest to save scheme.**
- 1.3. That it be noted that the previously estimated savings of £138,000 to be achieved from this project (EDS24c & EDS 24e) will not be achieved in full and the shortfall will be found from within Directorate budgets.

2. Background

- 2.1 An existing successful programme to replace 21,000 of the 36,000 street lighting units in Rotherham with LED technology is nearing completion and the current street lighting asset arrangement is as follows:-
 - Main Routes – 6,500 units have been replaced with LED technology between 2012 and 2015.
 - Residential Areas – 14,500 high energy consumption units are in the process of being replaced with LED units and will be complete by December 2016.
 - The remaining 15,000 units are compact fluorescent lighting units, also on residential routes. These existing units have been in place for over 5 years and as the Council operates a 'burn to extinction' policy on lamps (which means these are replaced when they fail rather than planned replacement), these are starting to show signs of failure, which puts pressure on the street lighting maintenance revenue budget. Fluorescent lighting, which whilst more energy efficient than sodium lighting, could be changed to LED units to offer further energy and revenue budget savings. The service has been monitoring LED technology developments, which has seen cost reductions per unit. The market improvement means that this is now a viable option.
- 2.2 There are a number of benefits to be gained by upgrading the fluorescent lighting to new LED technology:
 - Reduction in street lighting energy consumption
 - Reduction in carbon emissions
 - Reduction in maintenance requirements
 - Supports the corporate priority of a clean, safe environment
 - Reduction in street lighting faults will improve customer satisfaction
- 2.3 The programme will be an invest to save initiative. Replacement of fluorescent units will reduce the street lighting energy consumption. At current energy costs an overall saving of £185,000 per annum upon completion of the installation would be achieved.

3. Key Issues

- 3.1 The delivery of the programme of works will be managed within existing service arrangements which will be consistent with the two previous successful programmes of work.
- 3.2 Manufacturers offer guarantee periods of between 6 and 15 years and this will ensure revenue costs for street lighting maintenance will reduce. Lower energy costs will be achieved as a result of a drop in consumption and this will help offset any future increases in the energy market.
- 3.3 The success of this scheme would be measured in terms of:-
- Improvement in the condition of the Council's Street Lighting assets
 - Reduction in the amount of faults and associated response times
 - Improvement in customer satisfaction

4. Options considered and recommended proposal

- 4.1 There are two options available to provide LED replacements for this project.
- 4.2 Option One – Replace the existing fluorescent lamps and gear tray of the lantern with an LED insert. This reduces the cost of replacement whilst utilising the existing lantern 'housing', internal wiring and photo electric control unit – i.e.- change the 'inner workings' and the bulb. Manufacturers are currently offering between a six and twelve year guarantee period on this technology.

Benefits of Option One

- Lower Capital Cost than Option Two
- Faster installation times

Disadvantages of Option One

- Relatively new technology which the Council has only recently trialled
- Guarantee periods are shorter than for Option Two (between 6 and 12 years), therefore requiring potential earlier replacement with a significant cost implication.

- 4.3 Option Two – Replace the complete fittings with new lanterns. This option has a higher initial capital cost. However, public perception and the change in aesthetics of the lantern may result in a more positive reaction from stakeholders. The previous two successful programmes have used this type of replacement, so this will ensure consistency throughout the Borough.

Benefits of Option Two

- Technology has a proven track record both locally and nationally
- Longer guarantee periods compared to Option One (minimum of 15 years), which would lower the whole life cost
- Consistent with other neighbouring authorities' installation programmes
- Aesthetically superior

Disadvantages of Option Two

- Higher initial Capital Cost than Option One

- 4.4 The recommendation is to proceed with Option Two; full lantern replacement. Whilst the initial capital cost will be higher, guarantee periods will mean that the whole life costs will be broadly comparable and technology with a proven nationwide track record would be preferable.

5. Consultation

- 5.1 Consultation has been undertaken with other councils to review their programmes of LED upgrading works.
- 5.2 The appropriate Cabinet Member has been fully consulted on this paper.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Upon receipt of approval, a procurement exercise would commence immediately. Delivery of the programme would commence in the financial year 2017/18 and installation carried out over two and a half years.

7. Financial and Procurement Implications

- 7.1 As there are two options for delivery of the project, there are two indicative capital costs based upon previous experience and knowledge of the industry. For comparative purposes, following discussions with the Corporate Procurement team, Option One costs have been adjusted to reflect the fifteen year guarantee assumed in Option Two. This capital investment is required in order to meet existing revenue savings targets, in relation to energy savings and electricians posts.
- 7.2 Option One – will provide a useful life of twelve years, based on the guarantee period being offered. Costs have been adjusted to reflect the whole life costing over a fifteen year period for consistent comparative purposes. The total cost of the borrowing required in Option One equals £1,555,134 over fifteen years, with an annual payment of £103,676. Under this option the full year effect of energy savings will be achieved in 2019/20 based on a two year installation programme.
- 7.3 Option Two – will provide a useful life of forty years for the lanterns and fifteen years for the LED lamps based on the guarantee period available. The total cost of the borrowing required in Option Two equals £1,244,107 over fifteen years for the LED lamps, with an annual payment of £82,940 and an additional £1,595,543 over forty years, with an annual payment of £39,889 for the lanterns. Therefore, a total annual payment of £122,829. Under this option the full year effect of energy savings will be achieved in 2020/21, based on a two and a half year installation programme.
- 7.4 In 2015 indicative savings proposals of £138,000 per year were put forward for this project based on assumptions of future energy and replacement LED lanterns costs. Unfortunately, the realisation of these savings will not be achievable in full. However, the shortfall will be found from within Directorate budgets.

- 7.5 Part of these budget savings proposals included a saving of £38,000 (EDS 24c) which is required to come from the service budget from 2017 onwards. This relates to two electricians posts. However, to enable the installation of the LED units it will be necessary to retain these two posts and defer the saving until the project is completed.
- 7.6 In addition, a further saving of £100,000 (EDS 24e) relating to potential energy and LED lantern costs was based on indicative energy information available at that time. Unfortunately, the realisation of these savings will not be achievable in full due to market conditions. Details of this are outlined in the table below.

Table 7.6.1 Proposed Savings Proposals

Finance	Description	Option 1 LED Insert	Option 2 LED Lantern
Revised Proposed Savings	Estimated savings from energy consumption & reduction in Street Lighting electricians	£223,000	£223,000
Costs	Annual Borrowing Costs	£103,676	£122,829
Total Net Savings	Proposed savings minus borrowing costs	£119,324	£100,171
Previous Estimated Savings proposal EDS 24c & EDS 24e	Two electricians posts and energy savings	£138,000	£138,000
	Saving Shortfall from previous ASR (24c & 24e)	-£18,676	-£37,829

- 7.7 Based on estimated savings from energy consumption neither option fully meets the indicative savings targets proposed in 2015. However, undertaking the project the Council will protect itself from the full impact of future energy tariff increases by investing in the scheme. For comparative purposes energy savings have been calculated using current energy prices, so do not take account of energy cost inflation assumptions in the Council's Medium Term Financial Strategy.
- 7.8 EU legislation states that supply contracts with a value of over £164,176 must be advertised in the Official Journal of the European Union.
- 7.9 The procurement exercise will be carried out in accordance with the Public Contracts Regulations 2015. The envisaged timescale to complete the procurement process is 3-6 months.
- 8. Legal Implications**
- 8.1 None
- 9. Human Resources Implications**
- 9.1 As with previous projects, the Council's Street Lighting team will manage and deliver this project.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 The tender documentation will notify potential bidders that all suppliers and sub-contractors have an obligation to report any concerns about the treatment of vulnerable adults and children that they may witness in the course of their work. Any concerns must be reported to the Rotherham Multi Agency Safeguarding Hub (MASH).
- 10.2 The tender will be assessed for the appropriate safeguarding standard as agreed with the Corporate Safeguarding Board. All tenders will then be evaluated accordingly for the relevant level to ensure that organisations have the appropriate awareness, knowledge, policies and procedures in place.

11. Equalities and Human Rights Implications

- 11.1 As part of the tender process potential bidders will be required to self-certify that they meet their obligations in the field of social and labour law.

12. Implications for Partners and Other Directorates

- 12.1 This project contributes towards safety on the highway and supports corporate priority 3 - A strong community in a Clean, safe environment.

13. Risks and Mitigation

- 13.1 The main project risks would be:
- Future technological improvements may see further energy reductions in products available to the market and a potential reduced cost of units.

14. Accountable Officer(s)

Allan Lewis, Principal Lighting Engineer, Regeneration and Environment.

Approvals Obtained from:-

Strategic Director of Finance and Customer Services:- 12/10/2016
Jonathan Baggaley (Finance Manager on behalf of the Strategic Director).

Assistant Director of Legal Services: - 12/10/2016
Ian Gledhill (Solicitor and Commercial Team Manager on behalf of the Director).

Head of Procurement: - 13/10/2016
Lorna Byne (Senior Procurement Category Manager on behalf of the Head of Procurement).

Head of Human Resources: - 12/10/2016
John Crutchley (Senior HR Consultant on behalf of the Head of Human Resources).

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

Summary Sheet

Council – 25 January 2017

Title:

Capital Funding for the Development of 30 Hour Childcare Places

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

Yes – key decision taken by Cabinet on 9 January 2017

Strategic Director Approving Submission of the Report

Ian Thomas, Strategic Director of Children and Young People's Services

Report Author(s)

Aileen Chambers, Early Years & Childcare Manager (Early Education, FIS, Sufficiency)

Tel 01709 254770 Email aileen.chambers@rotherham.gov.uk

Ward(s) Affected

All Wards

Summary

At the Cabinet and Commissioners' Decision Making Meeting on 9 January 2017, the Cabinet agreed to amend the criteria for allocation of the remaining 2013/14 two year early education capital funding to increase capacity within the childcare sector and to recommend to Council to include Department for Education capital funding applied for in Summer 2016 into the Capital Strategy, if successful.

In order to give effect to the recommendation from Cabinet, consideration and approval by Council must be given to the recommendation set out below. The report detailing the reasoning behind the recommendations is appended in order to provide Members with sufficient knowledge to agree the proposals.

Recommendation

That, subject to the funding bid being successful, Council be recommended to approve in principle the inclusion of the DfE capital funded projects into the Capital Programme.

List of Appendices Included

Report to Cabinet and Commissioners' Decision Making Meeting – 9 January 2017
'Capital Funding for the Development of 30 Hour Childcare Places'

Background Papers

Minutes of the Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Council Approval Required

Yes

Exempt from the Press and Public

No

Summary Sheet

Council Report

Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Title

Capital Funding for the Development of 30 Hour Childcare Places

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

Yes, and has been included on the Forward Plan

Strategic Director Approving Submission of the Report

Ian Thomas, Strategic Director for Children and Young People's Services

Report Author(s)

Aileen Chambers, Early Years & Childcare Manager (Early Education, FIS, Sufficiency)
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Ward(s) Affected

All

Summary

The purpose of this report is to provide an update on the introduction of the Department for Education (DfE) 30 Hour Childcare entitlement which comes into force in September 2017, doubling the entitlement to early education for three and four year olds from 15 to 30 hours a week for children with working parents. To ensure there is sufficient early education provision to meet projected increased demand, approval is requested to amend the criteria for allocation of the remaining 2013/14 two year early education capital funding to increase capacity within the childcare sector and to include Department for Education capital funding applied for in Summer 2016 into the Capital Strategy if successful.

Approximately 60% of children (3195 children in autumn 2017, 4199 children in spring 2018, 4891 children in summer 2018) in the age range of three to four years old in Rotherham are expected to be eligible for the increased childcare entitlement. The report highlights the projected shortfall of childcare / early education places currently available to meet the anticipated demand and the potential capital funding available to increase places

Recommendations

1. That Council be recommended to approve the inclusion of the DfE capital funded projects into the Capital Programme, if the funding bid is successful.
2. That the revised criteria for distribution of local two year old Early Education capital funding to create 30 Hour Childcare Places be approved.
3. That the purchase of an additional module for the existing IT system to support the eligibility checking and processing of payments to providers be approved.

List of Appendices Included

None

Background Papers

Early Education and Childcare Statutory Guidance for Local Authorities (Draft), March 2016

Early Years Capital Fund Information for Applicants, June 2016

Childcare Free Entitlement: Delivery Model Government Consultation, April 2016

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

Yes

Exempt from the Press and Public

No

Title (Main Report)

Capital Funding for the Development of 30 Hour Childcare Places

1. Recommendations

- 1.1 That Council is recommended to approve the inclusion of the DfE capital funded projects into the Capital Programme, if the funding bid is successful.
- 1.2 That the revised criteria for distribution of local two year old Early Education capital funding to create 30 Hour Childcare Places be approved.
- 1.3 That the purchase of an additional module for the existing IT system to support the eligibility checking and processing of payments to providers be approved.

2. Background

- 2.1 The Government is doubling the entitlement to early education for three and four year olds from 15 to 30 hours a week for children with working parents. The entitlement will come into force from September 2017. It is anticipated that in Rotherham approximately 60% children (3195 children in autumn 2017, 4199 children in spring 2018, 4891 children in summer 2018) of children in the age range of three to four years old may be eligible for the increased entitlement.

Government consultation on the details of the proposals ended on 6th June 2016 and final guidance is awaited.

Schools and childcare providers have been made aware of the changes and plans are in place to hold geographical meetings in the autumn and spring terms to develop partnership models between providers and identify potential opportunities for expansion of places to meet likely demand.

- 2.2 Parents will be responsible for applying online to confirm their eligibility for a 30 hour place and re-applying every 3 months. The local authority will be responsible for confirming the validity of parent eligibility initially and on an ongoing basis as well as processing of payments for the 30 hour places to schools and providers on a termly basis.
- 2.3 Analysis was carried out in 2015/16 on the capacity of the childcare / early education sector to meet the proposed future demand and it was anticipated that there will be a potential shortage of approximately 600 places across the Borough, with 15 specific areas being identified as requiring action. Further data analysis is currently taking place following the capture of childcare sufficiency data from all schools/childcare providers in the summer term 2016. The local authority communicated with all providers in the 15 identified areas requiring action in April 2016 and requested details of the potential to increase capacity in anticipation of future funding opportunities from the Department for Education (DfE).

2.4 The DfE invited local authorities in June 2016 to bid for capital funding to increase capacity. The deadline for the capital funding applications was 31st August 2016 and based on criteria up to four projects were permissible from Rotherham Metropolitan Borough Council (RMBC). The DfE will fund 75% of each successful project with 25% to be funded locally. Details of the 25% contribution for each proposed project are shown in the table in 2.3.2 below. The DfE will notify the outcome of the application process in December 2016.

2.4.1 Based on responses received from providers in April 2016, the Early Years and Childcare Service identified the projects detailed below which met the DfE requirements and submitted a capital funding application which included detailed costings and implementation plans.

2.4.2

Name of Early Education Provider	Proposal	25% funding contribution	Total Project Cost	Local Authority Funding Contribution from 2 Year Early Education Capital Budget
Thorpe Hesley Primary	Removal of wall and addition of children's toilets to create 52 new places	LA to provide from two year early education capital funding. This funding is in the approved Capital Programme (2016-2021)	£50,962	£12,740
High Greave Primary	Re-siting of existing mobile units and development of outside area to create 25 new places	Moving of units is already budgeted for in the approved Capital Programme (2016 – 2021) – this will be used as LA 25% contribution to overall costs	£174,611	£0
Thurcroft Junior School (Aston Community Education Trust)	Building alterations at Thurcroft Junior school to create 24 new places	Aston Community Education Trust to fund 25% contribution	£326,340	£0
Flanderwell Primary (The DS Academies Trust)	Options currently being considered to create up to 52 places	The DS Academies Trust to contribute £20k to the 25% contribution	£192,649	£28,162

- 2.4.3 The DfE has allocated a capital fund of £40m to support the increase of childcare places but indicated that they expect to receive applications in excess of this amount and therefore a number of applications are likely to be unsuccessful.
- 2.5 The DfE provided £450k capital funding to RMBC in 2012/13 to increase two year early education places to meet demand with the introduction of the two year early education entitlement for eligible families. The DfE did not set any clawback provisions with the funding or restrict the usage to a specific capital purpose.
- 2.6 £245k of the funding was allocated to childcare / early education providers and over 400 additional two year early education places were created in areas of need. The remaining £205k budget was retained to meet future needs for early education places and is reviewed on an annual basis.

3. Key Issues

- 3.1 Increase in processing requirements of the local authority to confirm eligibility of children and termly payments to providers.
- 3.2 Potential lack of capacity to meet future demand for 30 hour places. Childcare sufficiency analysis carried out in 2015/16 had indicated a potential shortfall of approximately 500/600 places to meet demand in the busiest term (summer term each year).
- 3.3 The timescale to submit an application for capital funding to the DfE was very short. Due to the short time available to submit a capital funding application and the level of information that the DfE requested, it was necessary to work with schools/ providers in areas of need which had already identified potential to expand.
- 3.4 The need for additional local capital funding to support the expansion of places to meet needs. Without an expansion of places in the Borough the introduction of the 30 hour entitlement could have a detrimental effect on the ability of providers to offer two year early education places which is a Corporate Plan priority.
- 3.5 Outline proposal for use of remaining two year Early Education capital funding:
- 3.5.1 It is proposed to initially give existing providers (schools/childcare providers) the opportunity to submit applications for capital funding to increase the availability of early education places for 3 and 4 year olds in areas with identified lack of capacity. Applications will be assessed by a panel and funding awarded to the application which best meets needs in each area (value for money / number of places to be created / confirmation that places can be created by September 2017). Each successful provider will enter into a contract with the local authority to guarantee the delivery of the agreed places. Should there still be a lack of capacity, the application process will be opened to new providers.

3.5.2 The previous application process for 2 year early education places awarded £480 per place created. This was based on total places needed and the budget available. It is proposed to use the same methodology for allocation of the remaining budget i.e. following the completion of the childcare sufficiency analysis 2016 an amount of funding per place to be created will be set depending on the total number of places to be created with the remaining £205k budget, having taken into account any match funding requirements, in the event of the DfE capital bids being successful.

4. Options considered and recommended proposal

- 4.1 It is recommended that Cabinet recommends that Council approves the inclusion of the DfE capital funded projects into the Capital Programme, if the funding bid is successful and that Cabinet approve the revised criteria for distribution of local two year old Early Education capital funding to create 30 Hour Childcare Places
- 4.2 The 2 year old capital funding could be retained to develop future 2 year old provision only. However, it is likely that if no new 3 and 4 year old provision is created, there will be a reduction in 2 year old provision available as providers choose to offer more 3 and 4 year old provision to meet increased demand from working parents. It is essential that the sufficiency of 2 year old provision is maintained to ensure vulnerable 2 year olds access high quality provision. By making capital funding available to develop 3 and 4 year old provision this will reduce the risk of a reduction in 2 year old provision.
- 4.3 It is recommended that approval be given to use approximately £8k of the remaining £205k capital funding to purchase an additional module for the existing IT system to support the eligibility checking and processing of payments to providers

5. Consultation

- 5.1 Consultation with parents is planned for January 2017 to identify the likely take-up levels of the 30 hour entitlement as well as the preferred delivery models (e.g. out of school sessions, school Foundation 1 places, daycare / pre-school places, all year round or term time places)

6. Timetable and Accountability for Implementing this Decision

- 6.1 A recommendation to Council is needed by Cabinet on the inclusion of the DfE capital funding into the Capital Programme if the bids are successful by the 31.12.16 in order that the funding can be distributed to enable the projects to meet the DfE completion deadlines of 31.8.17.
- 6.2 A decision is needed by Cabinet on revised criteria for distribution of local two year old Early Education capital funding to create 30 Hour Childcare Places by 31.12.16 to enable bids to be submitted by providers and the funding to be distributed in a timely manner to ensure additional places can be created by September 2017.

- 6.3 The Early Years and Childcare Service will carry out the following actions between January and March 2017: development of capital funding application process; hold geographical meetings with all providers in the borough to begin development of delivery models in preparation for September 2017; assess applications and award capital funding grants to increase capacity.

7. Financial and Procurement Implications

- 7.1 The total value of the projects for which a funding bid has been submitted to the DfE is £744,562k. If successful in all 4 bids, capital grant of £558,422 will be provided. The 25% match funding requirements will be provided by a combination of Academy funding, existing 2 year old Early Education funding and other Education Funding Agency (EFA) Capital Grant funding, which has been included in the existing approved Capital Programme. If the applications are successful the local authority will tender and manage three of the projects directly and distribute the funding to an academy for completion of the fourth project. Should the funding bids be unsuccessful, alternative solutions would be sought to develop additional capacity in the identified areas.
- 7.2 A balance of £205k of the capital funding allocated to the local authority in 2012/13 to support the creation of additional childcare / early education places is available. This is included within the approved Capital Programme. There were no clawback provisions with the funding and it could be used for any capital purpose. It is proposed that this funding is used to create additional places to both ensure continued availability of two year early education places and an increase in places to meet the 30 hour entitlement.
- 7.3 With reference to 4.3 above, it is proposed that approximately £8k of the remaining £205k capital funding is used to purchase an additional IT module to support the eligibility checking and processing of payments to providers to reduce the extra processing burden on the local authority. The additional module will fully integrate with the existing IT system to streamline processing and could be added into the existing 3 year contract.
- 7.4 In line with Standing Order 47 specifically 47.6.2 two quotations are required for this value. RMBC have contacted Capita, the main system competitor to provide a further quotation and they have indicated they will be developing a solution during 2017. From the recent tender exercise for the main Servelec early education processing system it is not believed that any other IT suppliers will have yet developed a solution to manage the 30 hour entitlement processing.

8. Legal Implications

- 8.1 The local authority has a statutory duty (Childcare Act 2006 and 2016) to ensure that sufficient childcare and early education places are available to meet the needs of qualifying children.

9. Human Resources Implications

- 9.1 There are limited human resource implications for RMBC. It is anticipated that in many cases schools will work in partnership with private / independent childcare providers to meet the need for additional childcare / early education places. A number of schools may change their current delivery models to accommodate the entitlement which could require additional staffing / require staff to operate over different hours. This would require schools to complete the appropriate consultation with affected staff.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 At present the early years and childcare sector across Rotherham are effectively supporting the corporate vision priority:

- Every child making the best start in life

And the CYPS vision:

- Children and young people start school ready to learn for life.

The creation of additional childcare provision for working parents which parents can access free as part of their early education/childcare entitlement will also contribute to the corporate vision priority:

- Extending opportunity, prosperity and planning for the future

- 10.2 Without funding to support the creation of additional places to accommodate the children of working parents who will be eligible for the 30 hour early education place from September 2017, schools and childcare providers could reduce the number of two year old places offered to vulnerable children to accommodate the additional 15 hour entitlement to their existing 3 / 4 year old children.

11 Equalities and Human Rights Implications

- 11.1 Children who are eligible for two year early education places and the new 30 hour childcare offer have an entitlement to access a place. The local authority has a duty to ensure that sufficient places are available across the borough to enable all children to have access to their entitlement.

12. Implications for Partners and Other Directorates

- 12.1 The introduction of the 30 hour entitlement will require schools and childcare providers to work in partnership to create local delivery models to meet needs.

13. Risks and Mitigation

- 13.1 There is a risk that there will be insufficient childcare / early education places to meet needs. This risk is being mitigated through the above proposals.

- 13.2 There is a risk that without the creation of additional places to accommodate the increased 30 hour entitlement, schools and childcare providers could reduce the number of two year old places offered to vulnerable children, which is a corporate priority, to accommodate the additional 15 hour entitlement to their existing 3 / 4 year old children. This risk is being mitigated through the above proposals.
- 13.3 There is a risk that the DfE will not approve the projects submitted for capital funding. Should this be the case the local authority would review the projects with the individual providers to identify whether they can go ahead (possibly at a reduced level) with investment from the provider and possibly for consideration for a contribution from the two year early education capital funding budget.
- 13.4 There is a risk that the Local Authority two year capital funding will be insufficient to create the additional places needed. To mitigate this risk, the local authority will be working with existing local childcare / early education providers to look at a variety of methods to increase capacity which will not require capital investment, including offering childcare places all year round rather than term time and encouraging the creation of additional childminders.

14. Accountable Officer(s)

Karen Borthwick – Assistant Director Education and Skills
Aileen Chambers - Early Years and Childcare Manager

Approvals Obtained from:-

Strategic Director of Finance &
Corporate Services:-

Jon Baggaley, Finance Manager, Regeneration
& Environment and Capital

Assistant Director of Legal Services:-

Neil Concannon, Service Manager – Litigation
& Social Care

Human Resources: -

Paul Fitzpatrick, HR Business Partner, CYPS

Procurement:

Lorna Byne, Senior Category Manager

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Summary Sheet

Council – 25 January 2017

Title:

November Financial Monitoring Report 2016/17 and Mid-Year Treasury Review

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

Yes – key decision taken by Cabinet on 9 January 2017

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

Pete Hudson – Chief Finance Manager, Finance & Customer Services Email:
peter.hudson@rotherham.gov.uk

Ward(s) Affected

All Wards

Summary

At the Cabinet and Commissioners' Decision Making Meeting on 9 January 2017, the Cabinet agreed to recommend the inclusion of a number of schemes in the 2016-17 Capital Programme, changes to budgets already within the approved Capital Programme and changes to the 2016-17 prudential indicators.

In order to give effect to the recommendations from Cabinet, consideration and approval by Council must be given to the recommendations set out below. The report detailing the reasoning behind the recommendations is appended in order to provide Members with sufficient knowledge to agree the proposals.

Recommendations

1. That the following schemes be included in the 2016/17 Capital Programme (paragraphs 2.13):
 - Capitalisation of Building Repair and Maintenance Costs - £157,00
 - Capitalisation of costs relating to Pit House West - £85,000
 - Capitalisation of Grass Cutter - Rother Valley Country Park - £35,000
2. That changes to budgets identified in Appendix 3 for projects which are already included in the Approved Capital Programme be agreed.

3. That the position in respect of the Mid-Year Treasury Review be noted and the changes to the 2016/17 prudential indicators be approved.

List of Appendices Included

Report to Cabinet and Commissioners' Decision Making Meeting – 9 January 2017
'November Financial Monitoring Report 2016/17 and Mid-Year Treasury Review'

Background Papers

Minutes of the Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet and Commissioners' Decision Making Meeting – 9 January 2017
Overview and Scrutiny Management Board – 13 January 2017

Council Approval Required

Yes

Exempt from the Press and Public

No

Summary Sheet

Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Title

November Financial Monitoring Report 2016/17 and Mid-Year Treasury Review

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

Yes

Strategic Director Approving Submission of the Report

Judith Badger – Strategic Director of Finance and Customer Services

Report Author(s)

Pete Hudson – Chief Finance Manager, Finance & Customer Services

Email: peter.hudson@rotherham.gov.uk

Ward(s) Affected

All

Executive Summary

This report sets out the financial position for both the Revenue Budget and the Capital Programme at the end of November and is based on actual costs and income for the first eight months of the financial year and forecast costs and income for the remaining four months of 2016/17. The report also includes a mid-year Treasury Review which incorporates changes to 2016/17 prudential indicators for subsequent consideration and approval by Council.

The revenue position, before adjusting for the additional budget allocation approved by Council on 7th December, shows a forecast overspend of £9.623m after currently identified management actions. The additional in year budget approval has reduced the forecast overspend down to £1.775m, however this additional budget approval has to be funded and the extent to which in year revenue spend across the whole Council cannot be reduced, will inevitably impact the Council's reserves and future financial sustainability.

The Council report approved additional in-year funding to address pressures, predominantly in Children's services (£7.848m) and £608k for new investments for Adults, Children's and Corporate services which will enable the delivery of significant savings in future years. The report also approved additional funding for 2017/18 of £11.005m which will be built into the Medium Term Financial Strategy and specific budget plans for next year.

To help mitigate the potential impact on reserves, robust controls have been implemented to drive down costs over the remaining months of the financial year. All Directorates are considering what spend could be stopped, scaled back or delayed. The key controls implemented are:

- The newly established Workforce Management Board which will scrutinise and decide on all requests for recruitment, the engagement of agency staff and consultants, and overtime requests.
- Procurement controls – all orders in respect of revenue spend on the Council's procurement system now require senior management (M3 or above) approval. The senior manager is also required to provide reasons to justify their authorisation.
- Budget 'deep dives' to look at all planned spend which has not yet happened but is included in Directorate's forecast outturns to determine what spend could potentially be stopped, scaled back or delayed.

The above actions will have due regard for the safeguarding of vulnerable children and adults, the needs of clients and the potential impact on the citizens of Rotherham.

The majority of the approved budget savings for 2016/17 have or are being achieved, the main exception being the £1 million saving from the review of staff terms and conditions of employment agreed by Council in March 2016 which will not now be delivered in 2016/17. Further work is in train to bring forward options for consideration in due course. There is a further £1m to be achieved within 2017/18 (£2m full year effect). The non-delivery of this saving is reflected in the forecast outturn in this report.

There is also a significant forecast overspend (£5.505m) on the Dedicated Schools Grant (DSG) High Needs Block. This is a forecast increase of £4.5m in an eight month period. Whilst this doesn't affect the Council's financial position directly at this time it is imperative that the recovery strategy reported in September Financial Monitoring Report to Cabinet is implemented in order to address this position and avoid any risk to the Council in the future. Options for consultation regarding addressing the High Needs overspend were taken to Schools Forum on the 9th December. A detailed Sufficiency Strategy and Financial Plan to address funding and provision will be discussed and consulted upon at the 13th January 2017 Schools Forum meeting.

Clifton Community School is scheduled to convert to a sponsored Academy in February 2017 and the school currently has a deficit of £1.2m. A reserve of £1.2m was created in finalising the 2015/16 accounts specifically to mitigate deficit balances falling on the Council as a result of sponsored academy conversions during 2016/17.

In response to reduced Government funding, the Council needs to reduce its net spending by around £42m over the next 3 years with at least £13m of that falling in 2017/18. Following Council approval of the MTFS update report on 7th December, the 2017/18 funding gap has increased by a further £11m; from £13m to £24m. Financial planning assumptions are currently being reviewed and revised where appropriate along with consideration of savings options which are currently out to public consultation. The intention is to propose a robust budget for 2017/18 for consideration by Cabinet in February and Council in March along with an updated medium term financial strategy setting out the clear direction for the future.

Control over spending is critical to a robust medium term financial strategy as unplanned spending impacts on reserves levels which are the bedrock of a financially stable organisation and unplanned spending depletes reserves..

Appendix 1 to this report shows the detailed reasons for forecast revenue under and over spends by Directorate after management actions which have/are already being implemented.

The Capital Programme is currently on target to deliver within the overall approved budget. This report provides a detailed update and seeks Cabinet support to recommend to Council the inclusion of £277k costs capitalisation in the 2016/17 programme and the re-profiling of some approved budgets to reflect revised timescales for project delivery.

Appendix 2 to this report provides details of key forecast variations by project within the Capital Programme and Appendix 3 provides details of variations for which approval is sought.

Appendix 4 to the report incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs). It is a requirement that changes to the PIs for 2016/17 are approved by Council.

Recommendations

Revenue

That Cabinet:

- Notes the current 2016/17 forecast overspend of £1.775m, after management actions and the allocation of additional in year budget. (Paragraph 3.1)
- Notes and endorses the specific actions being implemented to challenge planned spend between now and the end of March to reduce the forecast overspend and minimise the call on reserves. (Paragraph 2.7)
- Recommend any additional actions which could be implemented to help manage down the current forecast overspend.

- Notes that a detailed Dedicated Schools Grant (DSG) High Needs Sufficiency Strategy and Financial Plan to address funding and provision will be discussed and consulted upon at the 13th January 2017 Schools Forum meeting. (Paragraph 3.16)

Capital & Mid-Year Treasury Review

That Cabinet:

- Recommends to Council the inclusion of the following schemes in the 2016/17 Capital Programme (paragraphs 2.13):
 - Capitalisation of Building Repair and Maintenance Costs - £157,000
 - Capitalisation of costs relating to Pit House West - £85,000
 - Capitalisation of Grass Cutter - Rother Valley Country Park - £35,000
- Recommends to Council the approval of changes to budgets identified in Appendix 3 for projects which are already included in the Approved Capital Programme.
- Notes the position in respect of the Mid-Year Treasury Review and recommends that Council approves the changes to the 2016/17 prudential indicators.

List of Appendices Included

Appendix 1 – Detailed Directorate analysis of revenue forecast under and overspends

Appendix 2 – Summary of key variances to the Capital Programme by Directorate

Appendix 3 – Summary of Budget Variations seeking Cabinet approval 2016/17 to 2020/21

Appendix 4 – Mid-Year Prudential Indicators and Treasury Management Monitoring

Background Papers

Revenue Budget and Council Tax Setting Report for 2016/17 to Council 2nd March 2016

Capital Programme Budget Setting Report - 2016/17 to 2020/21 to Council on 2nd March 2016

October 2016/17 Financial Monitoring Report to Cabinet – 12th December 2016

MTFS Update Report to Cabinet and Council - 14th November 2016 and 7th December respectively

Consultation with Strategic Directors

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Yes – Overview and Scrutiny Management Board

Council Approval Required

No

Exempt from the Press and Public

No

November Financial Monitoring Report 2016/17 and Mid-Year Treasury Review

1. Recommendations

That Cabinet:

- 1.1 Notes the current 2016/17 forecast overspend of £1.775m, after management actions and the allocation of additional in year budget. (Paragraph 3.1)
- 1.2 Notes and endorses the specific actions being implemented to challenge planned spend between now and the end of March to reduce the forecast overspend and minimise the potential call on reserves. (Paragraph 2.7)
- 1.3 Recommend any additional actions which could be implemented to help manage down the current forecast overspend.
- 1.4 Notes that a detailed Dedicated Schools Grant (DSG) High Needs Sufficiency Strategy and Financial Plan to address funding and provision will be discussed and consulted upon at the 13th January 2017 Schools Forum meeting. (Paragraph 3.16)

Capital & Mid-Year Treasury Review

That Cabinet:

- 1.5 Recommends to Council the inclusion of the following schemes in the 2016/17 Capital Programme (paragraphs 2.13):
 - Capitalisation of Building Repair and Maintenance Costs - £157,000
 - Capitalisation of costs relating to Pit House West - £85,000
 - Capitalisation of Grass Cutter - Rother Valley Country Park - £35,000
- 1.6 Recommends to Council the approval of changes to budgets identified in Appendix 3 for projects which are already included in the Approved Capital Programme.
- 1.7 Notes the position in respect of the Mid-Year Treasury Review and recommends that Council approves the changes to the 2016/17 prudential indicators.

2. Background

- 2.1 As part of its performance and control framework the Council is required to produce regular reports for the Strategic Leadership Team and Cabinet to keep them informed of financial performance on a timely basis such that where necessary, actions can be agreed and implemented to bring spend in line with the approved budget for the financial year.
- 2.2 Delivery of the Council's Revenue Budget and Medium Term Financial Strategy, and Capital Programme within the parameters agreed at the start of the current financial year is essential if the objectives of the Council's Policy Agenda are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.

- 2.3 This report sets out the financial position at the end of November and is based on actual costs and income for the first eight months of the financial year and forecast costs and income for the remaining four months of 2016/17.
- 2.4 The current position shows a forecast revenue overspend of £1.775m after currently identified management actions and the allocation of £8.456m additional budget in 2016/17 by Council on 7th December 2016. There is also a significant and increasing overspend on DSG which has now reached £5.6m.
- 2.5 This additional 2016/17 budget approval has to be funded and the extent to which in year revenue spend across the whole Council cannot be reduced, will inevitably impact the Council's reserves and future financial sustainability.
- 2.6 The majority of the approved budget savings for 2016/17 are being achieved, the main exception being the £1 million saving from the review of staff terms and conditions of employment agreed by Council in March which will not now be delivered in 2016/17. Further work is progressing to bring this matter to a conclusion and determine the final decision and necessary actions. The full year saving required is £2m from April 2017 and this is assumed within financial plans. The non-delivery of this saving in the current year is reflected in the forecast outturn in this report.
- 2.7 To reduce the significant forecast overspend the following controls have been implemented:
- The newly established Workforce Management Board which will scrutinise and decide on all requests for recruitment, the engagement of agency staff and consultants, and overtime requests
 - Procurement controls – all orders in respect of revenue spend on the Council's procurement system now require senior management (M3 or above) approval. The senior manager is also required to provide reasons for justifying their authorisation.
 - Budget 'deep dives' to look at all planned spend which has not yet happened but is included in Directorate's forecast outturns to determine what spend could potentially be stopped, scaled back or delayed.
- 2.8 This action is essential if the Council is to reduce spending as soon as possible and minimise the use of reserves. All actions implemented will have due regard for the safeguarding of vulnerable children and adults, the needs of clients and the potential impact on the citizens of Rotherham.

- 2.9 There is also a significant forecast overspend (£5.505m) on the Dedicated Schools Grant (DSG) High Needs Block. This is a forecast increase of £4.5m in an eight month period. Whilst this doesn't affect the Council's financial position directly at this time it is imperative that the recovery strategy reported in September Financial Monitoring Report to Cabinet is implemented in order to address this position and avoid any risk to the Council in the future. Options for consultation regarding addressing the High Needs overspend were taken to Schools Forum on the 9th December. A detailed Sufficiency Strategy and Financial Plan to address funding and provision will be discussed and consulted upon at the 13th January 2017 meeting.
- 2.10 Clifton Community School is scheduled to convert to a sponsored Academy in February 2017 and the school currently has a deficit of £1.2m. A reserve of £1.2m was created in finalising the 2015/16 accounts specifically to mitigate deficit balances falling on the Council as a result of sponsored academy conversions during 2016/17.
- 2.11 In response to reduced Government funding, the Council needs to reduce its net spending by around £42m over the next 3 years with at least £13m of that falling in 2017/18. Following Council approval of the recommendations in the MTFS update report on 7th December the revised 2017/18 funding gap is now £24m; an increase of £11m in 2017/18. Financial planning assumptions are currently being reviewed and revised where appropriate along with consideration of savings options which are currently out to public consultation. The intention is to propose a robust budget for 2017/18 for consideration by Cabinet in February and Council in March along with an updated Medium Term Financial Strategy setting out the clear direction for the future. control over spending is critical to a robust medium term financial strategy as unplanned spending impacts on reserves levels which are the bedrock of a financially stable organisation and unplanned spending depletes reserves.
- 2.12 Appendix 1 to this report shows the detailed reasons for forecast under and over spends by Directorate after management actions which have/are already being implemented.
- 2.13 The Capital Programme is currently on target to deliver within the overall approved budget. This report provides a detailed update and seeks Cabinet support to recommend to Council the inclusion of £277k costs capitalisation in the 2016/17 programme and the re-profiling of some approved budgets to reflect revised timescales for project delivery.
- 2.13 Cabinet is asked to recommend to Council the inclusion of the following schemes in the 2016/17 Capital Programme:
- Capitalisation of Building Repair and Maintenance Costs - £157,000
 - Capitalisation of costs relating to Pit House West - £85,000
 - Capitalisation of Grass Cutter - Rother Valley Country Park - £35,000

Mid-Year Treasury Review

- 2.14 Revisions to the regulatory framework of treasury management during 2009 introduced a requirement that the Council receive a mid-year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury report required previously.
- 2.15 This review as fully set out in Appendix 4 meets that revised requirement. It also incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs). The Treasury Strategy and PIs were previously reported to Audit Committee and Cabinet and Commissioners Decision Making meeting in February 2016 and approved by Council on 2 March 2016.
- 2.16 The review as set out in Appendix 4 keeps Members up to date and informs on performance against the plan. Key messages for Members are:
- Investments – the primary governing principle remains 'security' over return and the criteria for selecting counterparties continues to reflect this.
 - 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 cost of carrying debt. New borrowing will generally only be taken up as debt matures. This is in line with financial planning assumptions.
 - Governance – strategies and monitoring are undertaken by Audit Committee

3. Key Issues

- 3.1 Table 1 below shows the summary forecast revenue outturn position by Directorate. The table shows the forecast outturn position after any management actions which have already been quantified and implemented. As Directorates agree further management actions to mitigate forecast overspends this will be incorporated within future budget monitoring reports. The annual budgets have been updated to include the additional Council budget approvals, agreed 7th December 2016. The Adult Social Care budget also now includes the £1m social care contingency budget which has transferred from Central Services following Cabinet approval on 12th December. A more detailed analysis of each of the Directorate's forecast under and overspends is included in Appendix 1.

Table 1: November Cumulative - Forecast Revenue Outturn 2016/17

Directorate / Service	Revised Annual Budget 2016/17	Forecast Outturn 2016/17	Forecast Variance (over (+) / under (-) spend) AFTER management actions
	£'000	£'000	£'000
Children & Young People's Services	63,875	64,423	+548
Adult Care & Housing	68,418	71,932	+3,514
Regeneration & Environment Services	46,193	45,025	-1,168
Finance & Customer Services	14,702	14,394	-308
Assistant Chief Executive	5,340	5,284	-56
Capital Financing, Levies and Central Services	9,449	8,694	-755
TOTAL	207,977	209,752	+1,775
Public Health (Specific Grant)	17,157	17,157	0
Dedicated Schools Grant (Non Delegated)	20,440	26,028	+5,588
Housing Revenue Account (HRA)	83,584	79,447	-4,137

It should be noted the above £1.775m forecast overspend is **AFTER** reflecting £8.5m use of £8.456m of reserves for 2016/17.

The following sections (paragraphs 3.2 to 3.38) provide key reasons for the forecast level of annual revenue under or overspend within Directorates. More detailed information is included in Appendix 1.

Children & Young People's Directorate (+£548k forecast overspend after additional funding for demand cost pressures of £7.578m)

- 3.2 The November revenue full year forecast is £548k over budget after adjusting for the additional in year budget allocation of £7.578m to address the Directorate's demand cost pressures.
- 3.3 The in-year budgetary position for Children's Services remains challenging and reflects the national picture of growing looked after children (LAC) numbers. The current LAC budget would support approximately 400 placements, 68 less than Rotherham's total of 468 LAC as at 30th November 2016. There has been a requirement to engage a significant number of agency social workers and team managers to fill vacant posts and to secure the right knowledge, skills and leadership and reduce average caseloads to a reasonable level. The staffing budget pressure will gradually reduce as new social care employees are appointed and allocated appropriate caseloads.

- 3.4 In addition Operation Stovewood, an active National Crime Agency (NCA) operation, is being progressed with the support of Children's Services. This operation will result in additional costs being incurred. A funding bid to address these additional resource requirements has been lodged with the Government and is receiving ministerial consideration. Should the funding not be received this will result in a further cost pressure of £124k in 2016/17. This pressure is reflected in the reported outturn position for Children's Services (net £548k overspend above).
- 3.5 First Response, which includes Rotherham's Multi-Agency Safeguarding Hub (The MASH), and the Child Sexual Exploitation Team (EVOLVE) are two examples of services that have had to engage temporary staff (£89k) with locality social work teams (£84k), Safeguarding and Social Care Management (£40k) being the other main areas of pressure within the Children's Social Care Service employee budget. These costs represent the additional cost of agency staff over the budget for the approved social care establishment.
- 3.6 The Children in Care Service is projecting an over spend of £518k. The adverse movement in the variation is due to additional staffing costs for reasons outlined above; a position accentuated for a time limited period resulting from dual working as recently appointed newly qualified social workers work alongside existing agency staff to ensure the smooth and successful transition of caseloads. There is mounting pressure on the LAC placements budget which includes the cost of Independent Fostering Placements, Out of Authority provision and Fostering Allowances. If numbers continue to increase then there will be further pressure on social care budgets and a risk that the reported position will worsen before the end of the financial year.
- 3.7 At the end of September with actual LAC numbers at 448, the service and finance agreed a forward projection up to 460 by the end of March 2017. This has subsequently been proven too low an estimate – the current number of LAC is 468 (30th November). Therefore the November forecast has been re-modelled to include further phased growth at approximately eight placements per month to 500 LAC by 31st March 2017.
- 3.8 Expenditure on Leaving Care allowances has doubled over the last two years. This is due to a number of reasons including: a reduction in Supporting People funding; closure of Nelson Street as the building was not fit for purpose - meaning six placements had to be commissioned through other providers at a premium; Staying Put costs exceed the grant support we receive (£71k grant compared with £188k costs due to higher numbers and higher costs of placements); and generally there are more placements at higher costs. Remedial action is being put in place to address the rising costs and includes: reviewing placements to ensure provision is appropriate; providing lower cost accommodation for over 18's through a transitional landlord scheme and in partnership with Housing; and increasing lower cost provision via new providers.

- 3.9 The financial position on Complex Needs has improved since last month following a realignment and apportionment of costs for the social care residential element on placements. The forecast outturn on the Special Educational Needs and Disabilities (SEND) budget, within Education and Skills, is now an under spend of £196k. There remains a forecast overspend on School Effectiveness due to reduced income assumptions (£197k) although this is offset by savings arising from vacancy management within Children's centres (-£258k).
- 3.10 The Commissioning, Performance and Quality Service are experiencing a £36k pressure due to additional Business Support Staff required to support the social work activity within Children's Social Care.

CYPS Recovery Strategy Update

- 3.11 In the September report the service committed to implementing management actions to mitigate the impact of the pressures reported above. In addition to those outlined in detail in the previous two budget monitoring reports to Cabinet, this month an additional £261k of planned spend has been put on hold until at least the new financial year. This includes:
- Vacancy freeze (circa 5 posts)
 - Publicity
 - Transfer of allowable expenditure to the DSG
- 3.12 A great deal of progress has been made in recruiting to permanent positions this year. To date 60 permanent positions have been filled which is testament to the success of the CYPS Resourcing Team who have brought new and innovative methods to the search for the best social care professionals. The team and the resourcing costs will be retrospectively funded in 2016/17 from the funding support agreed by Council on 7th December 2016.
- 3.13 There can often be a period of between two and four months from the end of the recruitment process to a new officer starting in post. The Social Care Service aim to release agency staff within two weeks of a permanent employee's start date. Recruitment activity was particularly successful over the summer and into autumn and so a net reduction in the number of agency staff will begin to show from December.

Dedicated Schools Grant

- 3.14 The Directorate is also currently forecasting an over spend on its Dedicated Schools Grant (DSG) High Needs Block of £5.505m. At the end of 2015/16 the outturn position showed an overall underspend of £24k on the non-delegated DSG, comprised as follows:
- Early Years Block: £0.430m Underspend
 - Schools Block: £0.598m Underspend
 - High Needs Block: £1.004m Overspend

3.15 The current forecast outturn for 2016/17 is estimating a £5.588m over spend:

- Early Years Block: £0.000m Balanced
- Schools Block: £0.083m Overspend
- High Needs Block: £5.505m Overspend

3.16 The service has developed a Recovery Strategy, which was included in the September and October Financial Monitoring Reports to Cabinet. The latest High Needs position was presented to Schools Forum on the 9th December. A detailed Sufficiency Strategy and Financial Plan to address funding and provision will be discussed and consulted upon at the 13th January 2017 meeting.

Adult Services (+£4.227m forecast overspend) and Housing (-£713k forecast underspend)

3.17 The Directorate is currently forecasting an overspend of £3.514m across the two main functions of Adult Care and Housing after mitigating actions agreed by the Directorate Management Team. This position also reflects the allocation of the £1 million Social Care contingency budget to Adult Social Care as approved by Cabinet on 12th December 2016.

3.18 Adult Care Services are currently forecasting an overall overspend of £4.227m after mitigating actions. The main budget pressures continue to be in respect of Direct Payments and Managed Accounts, Residential and Domiciliary care across all client groups.

3.19 The main budget pressure within the Directorate continues to be the increased demand for Direct Payments and Managed Accounts (£2.9m). This forecast pressure includes the full year impact in 2016/17 of the 29% increase in clients receiving a Direct Payment in 2015/16. The increase in client base is due to a mixture of demographic pressures and clients moving from a domiciliary care contract. In total this has seen 180 new clients in 2015/16, plus an additional net increase of 86 (+7%) new clients since April 2016.

3.20 A task group established to review Direct Payments is still in place and continues to analyse high cost care packages to ensure they are appropriately aligned to client need and to review the processes and procedures associated with assessment to ensure they are fit for purpose. An action plan is being developed by senior managers to address the ongoing issues, which includes reviewing Managed Accounts and capacity within the service to carry out the reviews. The expected financial impact of this action plan will be reflected in future financial monitoring reports.

- 3.21 There are also pressures on the residential and nursing care budgets across all client groups as a result of an increase in the average cost of placements and lower than forecast 'Continuing Health Care' income contributions against the approved budget (forecast overspend of £1m across all client groups). The Assistant Director of Commissioning is providing oversight on the review of Learning Disability high cost placements which is anticipated to make significant savings (£1.380m). As these are quantified they will be reflected in future financial monitoring reports, £115k has been achieved to-date. However, there have been a further three additional placements into Learning Disability residential and nursing care since last month, including one from Children's services which has resulted in increased costs.
- 3.22 There is also a forecast budget pressure of £1.2m in respect of the provision of Domiciliary Care across all client groups due to an increase in the number of clients (97) and a 7% increase in the number of commissioned and delivered hours plus a recurrent income pressure on fees and charges (£300k).
- 3.23 The above forecast overspends are being partially reduced by projected underspends within Learning Disability Day Care Services and Supported Living provision due to higher than anticipated staff turnover (-£512k) and higher than anticipated staff turnover in social work teams (-£319k).
- 3.24 Neighbourhood services' (Housing) latest forecast is an underspend of -£713k mainly due to the recruitment to staff vacancies being put on hold pending the outcome of a review of the Neighbourhood Partnerships service plus further additional income from the Furnished Homes scheme.

Adult Care & Housing – Recovery Strategy Update

- 3.25 The demand for residential placements is reducing however budget pressures remain due to the increasing cost of care packages. However, the demand for domiciliary care and direct payments is increasing. There are also underlying budget pressures from unachieved budget savings from previous years, for example, Continuing Health Care funding and a reduction in the level of client contributions to services after financial assessment. A number of management actions have been put in place to reduce the forecast overspend within the Adult Care and Housing Directorate.
- 3.26 The continued review of out of area and high cost care packages across all services to identify opportunities to reduce costs and rigorously pursue all Continuing Health Care funding applications with the Clinical Commissioning Group remains operational. To-date a total of £146k savings have been achieved against management actions. Weekly budget meetings are held with senior managers to review in detail the budget forecasts, monitor demographic pressures and identify further savings opportunities and mitigate the pressures. All spend is now being authorised by Heads of Service and above. Further progress continues on the delivery of the Adult Services Development Programme to improve the outcomes for service users and this is largely on track to deliver the 2016/17 approved savings included in the budget setting process.

- 3.27 Other management actions include the introduction of a Practice Scrutiny Group (PSG) which meets bi-weekly to review and challenge all care assessments prior to discussion with users and carers.
- 3.28 Further investment has now been approved for a brokerage team and additional resources to review Direct Payments and Managed Accounts, which should lead to further reductions in expenditure in the final quarter of the financial year.

Public Health (Forecast balanced outturn)

- 3.29 The forecast outturn is to spend to budget at this stage including a transfer to the Public Health Reserve. This forecast outturn takes into account the Government's 2016/17 reduction in grant funding which has largely been mitigated through the use of the balance on the Public Health grant reserve.

Regeneration and Environment Services (-£1.168m forecast underspend)

- 3.30 The Regeneration and Environment Directorate Management Team have reviewed the forecast outturn position following the November monitoring cycle. The Directorate is now reporting a forecast underspend of £1.168m following the agreed implementation of a number of additional management actions to help address the Council's overall overspend position. This is an improvement of £704k on the position reported last month.
- 3.31 Detailed information on the key forecast variances that make up the overall underspend of £1.168m are included in Appendix 1. This net underspend consists of a number of overspends and underspends; in summary, the main forecast overspends within the Directorate remain within Street Scene Services (£187k), Transportation (£86k), Planning and Building Control (£146k), and Community Safety and Streetscene Corporate Accounts (£92k). These forecast overspends are fully mitigated by forecast underspends in other areas such as Facilities Management (-£312k), Rotherham Investment and Development Office (RIDO) (-£287k), Safer Neighbourhoods (-£265k) and Facilities Services (-£169k).
- 3.32 As a result of the first stage of the 2016/17 budget 'deep dive', an additional £376k of planned spend will not now be incurred in 2016/17. The process identified additional items that can be capitalised and expenditure that can be stopped or deferred, including the deferring of recruitment to vacant posts. Further work is ongoing to identify further options to reduce planned spend during the remainder of 2016/17.
- 3.33 The current Directorate forecast underspend excludes any pressure which may be incurred on the Winter Maintenance budget. This is weather dependent and is highlighted as a risk at this stage.

Finance & Customer Services (-£308k forecast underspend)

- 3.34 Overall the Directorate is forecasting an underspend of -£308k. The main pressures relate to a forecast overspend on statutory and planning notices (£38k) and unachievable income targets within central and planned print (£99k), partially offset by a vacant post (-£29k).

- 3.35 These pressures will be fully mitigated by underspends within Electoral Services (-£44k), staffing underspends within Procurement due to vacant posts (-£61k), reduced pension charges and training budget underspends (-£31k), staffing savings from vacancies within Internal Audit (-£26k) and Customer, Information and Digital Services (CIDS) (-£73k) and an underspend in the Revenues and Benefits service from vacant posts and maximising flexibility in the use of grant funding (-£195k).

Assistant Chief Executive (-£56k forecast underspend)

- 3.36 Overall the Directorate is forecasting to deliver a forecast underspend of -£56k. However, there are various forecast pressures and savings within this that should be noted. The main forecast pressure in Communications and Media of £121k is in respect of additional staff costs (£71k), subscription and system costs (£33k) and reduced income generation within the Design Studio (£17k). There are also increased staff cost pressures due to increased management support arrangements (£34k).
- 3.37 These pressures will be fully mitigated by staff cost savings within Policy and Partnerships -£73k, additional one year funding from Local Government Association (LGA) -£29k, reduced costs relating to members including Member Allowances -£146k, and from a number of management actions agreed across the Directorate to ensure spend is minimised where it is appropriate to do so.

Corporate & Central Services (-£755k forecast underspend)

- 3.38 The Corporate and Central services forecast now assumes that a £755k underspend will be delivered, and will be used to help mitigate the Council's current forecast overspend. £1m of the reduction in the level of forecast underspend on central services since the last report relates to the allocation of the social care contingency budget to Adult Social care as approved by Cabinet on 12th December 2016.

The net forecast underspend includes key components:

- Non-delivery in 2016/17 of the budgeted savings in relation to changes in staff terms & conditions of £1m;
- Cost of legal investigations (£140k);
- A forecast £1.4m underspend on the capital financing budget as a result of the Council being able to reschedule a market loan, changing interest rate forecasts post-Brexit Referenda, and a reduced borrowing need in year;
- Less superannuation payments to the South Yorkshire Pensions Fund than budgeted creating a forecast saving of £338k this financial year;
- The cost of the Integrated Transport Authority and Coroners levies are less than budgeted by £244k; and
- £304k forecast reduction in the level for Education Support Grant from the Department for Education due to the increased number of schools now expecting to convert to academies by the year end. (The grant is scaled back each quarter as further schools convert).

Housing Revenue Account (HRA) – (Forecast -£4.137m underspend)

- 3.39 The Housing Revenue Account is a statutory ring-fenced account that the Council has to maintain in respect of the income and expenditure incurred in relation to its council dwellings and associated assets. The forecast for the HRA is a transfer to reserves of -£4.137m mainly due to delays in the strategic acquisitions programme until 2017/18. There is also a forecast underspend in respect of lower than anticipated HRA capital financing costs (-£180k), a forecast underspend on the provision for bad debts (-£296k) and additional rental income due to more property acquisitions than budgeted plus a reduction in loss of income through void properties (-£575k).

Collection Fund

- 3.40 The Collection Fund is the technical term for the statutory fund into which Council Tax and Business Rates income and costs are accounted for. It is forecast that the budgeted level of Council Tax and Business Rates will both be achieved.

Capital Programme

Background

- 3.41 The Council's Capital Strategy and Capital Programme (2016-2021) was approved by Council on the 2nd March 2016. Further updates to the Capital Programme were approved by the Cabinet/Commissioners Decision Making Meeting of the 11th April 2016 in relation to the Housing Investment Programme 2016/17 and the CYPs Capital Programme 2016-2018. In addition, Cabinet/Commissioners Decision Making Meeting of the 11th July 2016 approved carry forwards totalling £4.363m from 2015/16 into the 2016/17 Capital Programme. In year financial monitoring reports have included requests for variations to the Capital Programme which have been approved by Council.

Current Summary Position

- 3.42 The table below shows the current forecast outturn position for the approved Capital Programme (2016-2021) by Directorate. This is showing a forecast underspend of £3.603m in 2016/17. In addition, in respect of future years, the forecast against budget shows an underspend of £8.172m. The majority of this underspend relates to the Adult Care & Housing Directorate, following a review of current and future years HRA investment as a result of changes to Government policy leading to a reduction in available funding. Underspends in 2016/17 in the Regeneration & Environment and Children & Young People's Services Directorates have in the majority of cases been reprofiled into 2017/18. The key reasons for the underspends are identified in the Directorate commentaries below.

Directorate	Current Year				Future Years		
	Budget	Forecast	Variance		Budget	Forecast	Variance
Adult Care & Housing	31,699,956	30,352,488	-1,347,468		39,327,864	29,475,509	-9,852,355
Children & Young Peoples Services	8,311,136	8,016,993	-294,143		9,971,803	10,204,803	233,000
Finance & Customer Services	3,528,039	3,370,159	-157,880		2,365,600	2,396,775	31,175
Regeneration & Environment	17,880,012	16,076,915	-1,803,097		10,629,781	12,046,053	1,416,272
Total	61,419,143	57,816,556	-3,602,587		62,295,048	54,123,140	-8,171,908

Directorate	Total Project		
	Budget	Forecast	Variance
Adult Care & Housing	71,027,820	59,827,997	-11,199,823
Children & Young Peoples Services	18,282,939	18,221,796	-61,143
Finance & Customer Services	5,893,639	5,766,934	-126,705
Regeneration & Environment	28,509,793	28,122,968	-386,825
Total	123,714,191	111,939,695	-11,774,496

Appendix 2 shows the detailed Expenditure and Funding breakdown by Directorate.

Directorate Programme Area Commentaries

Adult Care and Housing (ACH) Capital Programme 2016/17 to 2017/18

- 3.43 The key element of the ACH programme is the 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. These properties currently meet Rotherham decent homes plus standard and we continue to improve access and reduce CO2 emissions.
- 3.44 There have been significant national policy changes since the original Housing Investment Programme was set for 2016-17. These include a rent reduction of 1% per year for the period 2016-17 to 2019-20 and the introduction of a High Value Property Levy. As a result of these changes, there has already been a significant reduction in forecast income to the HRA. The pressures on HRA budgets will increase further once the Council has been informed from government how the High Value Property Levy will be calculated. Based on information published to date this may result in a charge of up to £3.5m per annum.
- 3.45 The policy changes in the Housing and Planning Bill and Welfare reform bill, will potentially also increase Right to Buy sales. Although this will generate capital receipts, over the longer term income to the HRA will reduce. This will mean there are fewer resources to invest in Council housing throughout the borough. As a result the Housing Investment Programme for 2016-17 and 2017/18 has been reduced to reflect this. Alongside the review of capital costs the Housing Service are also embarking on a review of HRA revenue costs.

3.46 The Adult Care and Housing (ACH) Capital Programme 2016/17 forecast programme outturn is £30.352m, which represents a projected underspend of £1.347m. The majority of the underspend relates to Aids and Adaptations (£903,000), External Insulation (£180,000) and re-profiling in respect of Neighbourhood Regeneration Projects and Assistive Technology which are highlighted below. In addition, following the work undertaken to refresh the HRA Business Plan it is proposed that the Housing Capital Programme Budget for 2017/18 is revised to £38.608m, a reduction of £9.952 from the previous approved budget. The detailed budget changes are shown in Appendix 5. However, the headline changes are as follows:

- Improving Council Housing – 2017/18 Current Budget - £34.008m; Revised Budget - £24.824m; representing a £9.184m budget reduction.
- Neighbourhood Regeneration – 2017/18 Current Budget - £0; Revised Budget - £132,000. As a result of slippage on the Bellows Road scheme and re-profiling of the Monksbridge Demolition project into 2017/18.
- Aids and Adaptations – 2017/18 Current Budget - £4.6m; Revised Budget - £3.7m; representing a budget reduction of £900,000. The revised budget has been set at a level where it is considered to be deliverable.
- Assistive Technology – 2017/18 Current Budget - £0; Revised Budget - £100,000.

Children and Young People's Services (CYPS) Capital Programme 2016/17 to 2017/18

3.47 The CYPS Capital Team's priorities for the available capital grant funding are;

- Schools to be kept safe, dry and warm for all its pupils;
- Sufficient pupil places for a rising population.

There are two main grant funding streams available, the details of which are below:

- **School Condition Allocation** is a grant fund that is devolved to local authorities to improve the infrastructure of the school estate in line with the local asset management plans. It places the emphasis on the local authority to prioritise essential building condition work within their school estate; which includes primary schools, secondary schools, special schools, City Learning Centres and Children's Centres. The projects which will benefit from this grant funding over the period are the capital maintenance projects. A budget is allocated each year and the individual school priorities are assessed according to need and the priority of keeping schools safe, dry and warm.
- **Basic Need** grant funding enables local authorities to provide additional school places to cope with growing numbers. This grant is allocated by the Department for Education (DfE) over 3 years and is in recognition of the unprecedented increase in pupil numbers being experienced by many local authorities.

- 3.48 The CYPS programme forecast outturn for 2016/17 is £8.017m, which represents a forecast underspend of £294,000. This reflects a re-profiling of expenditure on the Foster Care Adaptations project of £474,000 into 2017/18, a bringing forward of expenditure into 2017/18 on the Laughton J&I additional classrooms projects and 3 small overspends on projects which are highlighted in Appendix 4. The total forecast planned expenditure over the remaining year of the programme is £10.205m, which represents an increase of £233,000 from the previous budget.

Finance and Customer Services

- 3.49 The Finance and Customer Services programme 2016/17 forecast outturn is £3.370m, which represents a forecast underspend of £158,000. The total planned expenditure over the remaining years of the programme is £2.397m. Projects within this Directorate relate to the Council's ICT and Digital Strategy. The underspend relates to the Liquidlogic system implementation (£127,000), the budget for which is currently being reviewed, with a view to part of the budget being re-profiled into 2017/18 to address some post implementation issues and the Customer Access Delivery Plan (£31,000), where project slippage has occurred as a result of the project lead leaving.
- 3.50 Projects relating to the Council's Internet Firewall Replacement and Network Infrastructure Refresh, approved by the Cabinet and Commissioners Decision making Meeting of the 12th September 2016 have now been included in the monitoring report.

Regeneration and Environment

- 3.51 The key themes for capital expenditure within the Regeneration and Environment (R&E) Directorate include:
- Investment in Highways infrastructure projects and maintenance. This includes £2m 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 £3m investment in 2015/16 with works being clearly targeted at maximising the improvement to the durability and condition of the network.
 - Works focussed on maintaining the operational functionality of Council-owned buildings such as office spaces, schools, markets, libraries and museums. This includes works to CYPS properties (£900,000).
- 3.52 The R&E forecast programme outturn is £16.077m, which represents an underspend of £1.803m. The majority of spend in relation to the Holmes Tail Goit Pumping Station (£1.388m) has been re-profiled into 2017/18, as the tender process has not yet commenced, as referenced in the report to Cabinet/Commissioners' Decision Making Meeting of the 14th November 2016. In addition, issues with the SCR approval processes in respect of the Sustainable Transport Exemplar Programme (STEP 2), have led to delays in projects commencing. Currently we are forecasting an underspend of £482,000 on the programme in 2016/17. No decision has been made on whether any unspent monies can be carried forward into 2017/18. Clarification from the SCR is awaited.

- 3.53 The R&E forecast for future years is £12.046m, an increase of £1.416m from the budget, representing the re-profiling. In addition, there is some small re-profiling of expenditure on 3 play area schemes, which are referenced in Appendix 5. The capitalisation of replacement damaged waste bins, approved in the September Financial Monitoring Reports, has been added to CP and now included in the report.
- 3.54 In addition, there are a number of projects, referred to in Appendix 5, for which approval is sought to add them to the Capital Programme. These include an increase in the cost of the Riverside House LED lighting project from £340,000 to £369,000 following the outcome of the tender process. As a result the funding mix for this project has changed, with an increase in the loan from the LAEF Fund to £121,000 from £78,000 and a reduction in the prudential borrowing requirement to £248,000 from £262,000. In addition, approval is sought to capitalise expenditure that has been identified as part of the first stage of the revenue budget 2016/17 deep-dive. This relates to repair and maintenance expenditure on Council operational buildings that is capital in nature and site surveys in respect of land adjacent to the Gulliver's development site at Pit House West.

Funding of the Capital Programme

- 3.55 The table below shows the current forecast outturn position for the funding of the approved Capital Programme (2016-2021) by Directorate. This reflects the forecast underspend of £3.602m in 2016/17 and the forecast underspend in future years of £8.172m. In 2016/17 funding changes reflect the reduction in the element of the Aids and Adaptations Programme that is funded through HRA Capital Receipts and the re-profiling of other elements of the Capital Programme into 2017/18 that are funded by General Fund Capital Receipts and Prudential Borrowing. In addition, changes to future years funding in relation to the HRA funding reflect the reduced programme, principally in the use of the MRA and Revenue Contributions.

Funding Stream	Current Year				Future Years		
	Budget	Forecast	Variance		Budget	Forecast	Variance
Grants And Contributions	16,976,883	16,596,555	-380,328		14,597,276	14,597,601	325
Major Repairs Allowance	21,050,352	20,748,379	-301,973		23,466,000	15,473,509	-7,992,491
Prudential Borrowing	13,147,492	12,065,990	-1,081,502		8,345,908	9,209,030	863,122
Revenue Contribution	5,465,685	5,143,618	-322,067		13,041,864	11,150,000	-1,891,864
Usable Capital Receipts	4,778,731	3,262,013	-1,516,718		2,844,000	3,693,000	849,000
Total	61,419,143	57,816,555	-3,602,588		62,295,048	54,123,140	-8,171,908

Funding Stream	Total Project		
	Budget	Forecast	Variance
Grants And Contributions	31,574,159	31,194,156	-380,003
Major Repairs Allowance	44,516,352	36,221,888	-8,294,464
Prudential Borrowing	23,244,400	23,026,020	-218,380
Revenue Contribution	18,507,549	16,293,618	-2,213,931
Usable Capital Receipts	5,871,731	5,204,013	-667,718
Total	123,714,191	111,939,695	-11,774,496

Pipeline Projects

- 3.56 The following projects were approved for inclusion in the Capital Programme at the Cabinet and Commissioners' Decision Making Meeting of the 14th November 2016.
- Bassingthorpe Farm Development
 - Town Centre Regeneration – Riverside Precinct Acquisition
- 3.57 The following projects were approved for inclusion in the Capital Programme at the Cabinet and Commissioners' Decision Making Meeting of the 12th December 2016.
- Operational Property Maintenance Programme
 - Boston Park Reservoir Improvement Works
 - Barkers Park Changing Facility
 - Wath C of E Expansion
 - Upgrading of Fluorescent Street Lighting to LEDs
- 3.58 In addition, work has progressed on a number of projects that were included in the Capital Strategy (2016-2021), in particular as part of the Stage 2 – Agreed in Principle projects, for which reports are either on this agenda or will be presented to future Cabinet and Commissioners Decision Making Meetings as part of the refresh of the Capital Strategy. These include:
Stage 2: Agreed in Principle
- Highways Improvement Plan – Unclassified Road Network - £10m
 - Traffic Signal Renewal Programme - £1m
 - Development Fund - £5m
- 3.59 Work is now progressing on the development of the town centre master plan, which will inform the additional schemes being put forward for consideration in respect of the £17m funding identified for town centre regeneration.

General Fund Capital Receipts Position as at 28th November 2016

- 3.60 The Council is continuing to undertake a comprehensive review of its assets and buildings portfolio with the aim of rationalising both its operational and non-operational asset holdings. This will contribute future capital receipts which can be used to support the revenue budget, using the new capital receipts flexibilities introduced from the 1st April 2016 aimed at generating revenue savings. Within the 2016/17 Revenue Budget, an assumption has been made that Capital Receipts of £2m will be generated in 2016/17, to fund expenditure relating to transforming Council services to generate future revenue efficiency savings. The table below provides the latest estimated General Fund capital receipts position as at 28th November 2016. There are £2.587m of brought forward uncommitted capital resources as at 1st April 2016. In addition, £18.614m of capital receipts were committed to part finance the capital expenditure plans set out in the approved Capital Strategy.

Table 2: Capital Receipts and current planned usage to 2020/21

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000
General Fund Capital Receipts B/F 01/04/2016	21,201					21,201
Capital Receipts Allocated to Capital Strategy (2016-2021)	18,614					18,614
Unallocated Capital Receipts as at 01/04/2016	2,587	0	0	0	0	2,587
Completed	615	0	0	0	0	615
Low Risk	1,687	175	0	0	0	1,862
Medium Risk	720	240	0	1,325	41	2,326
High Risk	603	1,700	4,280	1,030	0	7,613
Maximum Total Capital Receipts	6,212	2,115	4,280	2,355	41	15,003

3.61 As can be seen from the table above, the Council is on track to exceed the required £2m sales in 2016/17. On the basis of received and low risk receipts, total receipts of £2.302m are being forecast. This rises to £3.022m when medium risk receipts are factored in and could be as much as £3.625m if high risk receipts are included. It is anticipated that capital receipts will form a key part of the future financial strategy to be proposed in February as part of the Budget report.

3.62 The completed sales in the year to date include land at Rawson Road, (Eastwood), Maltby Craggs Nursery site and 49-53 St. Ann's Road. In addition, major receipts are expected this financial year in respect of Parkstone House, Greasbrough Road Depot and Kirk House.

4. Options considered and recommended proposal

4.1 With regard to the current forecast revenue overspend, significant management actions have been implemented (paragraph 2.7) and the impact of these will be included in future financial monitoring reports to Cabinet.

4.2 It is inevitable that to the extent that spend cannot be reduced in year or be legitimately capitalised, there will be an impact on the Council's reserves.

- 4.3 The Mid-Year Treasury Review as set out in Appendix 4 indicates performance is in line with the plan and there are no proposals to vary the approach for the remainder of the year.

5. Consultation

- 5.1 Budget Managers, Holders and Operators across the Council and the Strategic Leadership Team (SLT). Monthly budget challenge meetings are taking place to review the forecast positions for each Directorate before they are finalised with the aim of improving the Council's overall forecast position. These involve each Directorate Management Team, the relevant Cabinet Members, the Cabinet Member for Finance and the Assistant Director of Finance.
- 5.2 The continuing approach to treasury management has been discussed with the Council's External Treasury Management Advisors, Capita Asset Services, who have confirmed that this is a prudent approach given current market conditions.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Strategic Directors, Managers and Budget Holders will ensure continued close management and scrutiny of spend for the remainder of the financial year.
- 6.2 Financial Monitoring reports will be taken to Cabinet and Overview and Scrutiny meetings during the year. The next Financial Monitoring Report to Cabinet on 13th February 2017 will be the Estimated Outturn report.

7. Financial and Procurement Implications

- 7.1 There is currently a projected overspend of £1.775m after management actions and specific financial details and implications are set out within section 3 of this report. It is imperative that this forecast overspend is fully addressed and in addition strict management of spend is in place within all Directorates in order that the required use of reserves to fund the additional budget approval by Council on 7th December is minimised.
- 7.2 In addition to the need to identify £42m of further savings and cost reductions over the next 3 years, Council approval of the recommendations in the MTFS Update report on 7th December has now increased the 2017/18 funding gap by an additional £11m to £24m.
- 7.3 Recognising the likely need to use reserves to fund some or all of this in the short term, the Council's current financial (financing) plans are being reviewed to consider a variety of options for re-profiling the current planned use of reserves and to identify any areas of spend that can be properly capitalised in order to reduce the pressure on the revenue budget. There will be choices in this regard all with different implications on the Medium Term Financial Plan and respective annual budget gaps.

7.4 The means of funding the in-year additional budget approval will be contained within the Outturn report once the final position is known. The proposed means of funding the additional 2017/18 £11m investment will be included in the 2017/18 Budget Setting Report to Cabinet on 13th February and to Council on 1st March 2017.

7.5 Treasury Management forms an integral part of the Council's overall financial arrangements. The assumptions supporting the capital financing budget for 2016/17 and for future years covered by the Council's MTFS were reviewed in light of economic and financial conditions and the capital programme. At this stage the Treasury Management and Investment Strategy is not forecast to have any further revenue consequences other than those identified and reported in the 2016/17 Revenue Budget monitoring.

8. Legal Implications

8.1 It is a requirement that changes to the Council's prudential indicators are approved by Council.

9. Human Resources Implications

9.1 No direct implications.

10. Implications for Children and Young People and Vulnerable Adults

10.1 This report includes reference to the cost pressures on both Children's and Adults Social care and refers to investments in those services.

11 Equalities and Human Rights Implications

11.1 No direct implications.

12. Implications for Partners and Other Directorates

12.1 No direct implications. As management actions are developed some of these may impact Partners. Timely and effective communication will therefore be essential in these circumstances.

13. Risks and Mitigation

13.1 At a time of economic difficulty and tight financial constraints, managing spend in line with the Council's Budget is paramount. Careful scrutiny of expenditure and income across all services and close budget monitoring therefore remain a top priority if the Council is to deliver both its annual and medium term financial plans while sustaining its overall financial resilience.

13.2 Any potential further cost of CSE claims over and above that already provided for in the 2015/16 accounts or identified in-year to date is not included in this report.

13.3 Potential pressures on the winter maintenance budget arising from adverse weather are not reflected in this report.

- 13.4 There is a risk that the costs falling on the Council for sponsored academy conversions in- year may exceed the funding set aside for this purpose.
- 13.5 Although both Council Tax and Business Rates collection levels are on target there is a minimal risk that this could change during the remaining months of the year.
- 13.6 The Council's 2016/17 Budget included a requirement to fund the first £2m of severance costs from in-year capital receipts. The forecast level of receipts for 2016/17 is circa £2.302m however the confirmed level of capital receipts for the first eight months of 2016/17 is £615k. £1.687m receipts are yet to be delivered during the remainder of 2016/17.

14. Accountable Officer(s)

Pete Hudson – Chief Finance Manager

Approvals Obtained from:-

Strategic Director of Finance and Customer Services:- Judith Badger

Assistant Director of Legal Services:- Dermot Pearson

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

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

Directorate:

Children & Young People's Services

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Child Sexual Exploitation team (EVOLVE)	52		Staffing	Presently vacant posts are being covered via agency & interim staff whose costs are greater than the substantive budgets for these vacant posts.
Operation Stovewood	124		Staffing	Costs of initial team, including agency staff to check and screen enquiries (120 to date) from ongoing/active investigations. Funding bid with Government receiving ministerial consideration.
First response	84		Staffing	Presently vacant posts are being covered via agency & interim staff whose costs are greater than the substantive budgets for these vacant posts.
Locality Social Work teams	84		Staffing, Direct payments	Pressure of using agency staff in the interim until vacancies are filled. This forecast allows for the full recruitment of the additional Newly Qualified Social Workers. Also included are pressures on additional Direct Payments from an increase in numbers (83 cases in total) and from clients who have more complex needs.
Children's Rights Team, Safeguarding Board,	34		Staffing	Presently vacant posts are being covered via agency & interim staff whose costs are greater than the substantive budgets for these vacant posts.
Directorate and Social Care Management	43		Staffing, supplies & services	Staff cost pressure from interim costs, additional temporary recruitment of staff and recruitment agency costs
Children in Care staffing, Fostering allowances, Fostering placements, Adoption placements	1,268		Placements, staffing, allowances, supplies & services	Forecast includes overspends Residential Out of Authority placements (£659k) and Independent Fostering Placements (£741k) with a saving following investment in Children in Care staffing and other areas (-£132k). These forecasts allow for LAC numbers to be at 468 as at March 2017 and provide for more higher cost 16+ placements. Any increase above the current 468 will result in a further pressure on social care budgets.
Education, Health and Care assessment and processing, Special Educational Needs and Disability (SEND)		-96	Placements	Social care contribution towards Complex Needs placements (based on 29 in year placements and 9 placements on Social Care). Realignment of placement costs between Education and Social Care during November has resulted in savings with the increased Education element attracting DSG High Needs Block funding.

Directorate:

Children & Young People's Services

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Rockingham PDC, School Music Service, School Effectiveness, School planning, admission and appeals	197		Income	Reduced income assumptions from traded activities
Commissioning, Business Support, Performance	36		Staffing, supplies & services	Insufficient budget in Business Support to manage increased caseload work. To be addressed through the CYPs Business Support review which will address the pressure whilst delivering further savings (£252k). Pressures from CSE commissioned contracts (£72k)
Training budget		-70	Staffing, supplies & services	Reduction in use of training development budget to mitigate overspend position
Residential homes		-750	Various	Savings expected to achieve in year including the saving from the closure of St Edmunds. To be used to offset pressure on LAC placements budgets
Early Help Localities, Children's Centres		-258	Staffing, supplies & services	In year savings against Children's Centres. Forecast savings due to vacancy management
Early Years		-100	Various	Forecast saving following a review of expenditure transferred to Early Years DSG Block
Early Help Localities		-100	Staffing	Forecast savings due to vacancy management.
Total	1,922	-1,374		
Net Under/Overspend	548			

Directorate:

Adult Care & Housing

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
<u>Adult Social Care</u>				
Adults General	28		staffing & Income	Forecast staff cost pressure due to extension of employment contract for agency worker to end December 2016 as part of the Adults Development Programme.
<u>Older People</u>				
Independent Residential Care	565		Third Party Payments & Income	Budget pressure due to reduction in Care Act funding, plus Continuing Health Care budget shortfall (£260k). Although the number of placements reduced since April (-70) however, average net cost per client has risen costing additional £6,700 per week.
Direct Provision residential Care	44		Client Income	Income pressure as beds have been converted to intermediate care provision and are no longer eligible to be charged to clients plus reduction in full cost paying clients.
Enabling/Domiciliary Care	1,154		Third Party Payments	Continued increase in average weekly cost of Domiciliary Care due to additional demand (+97 clients), impact of national living wage plus recurrent budget pressure in respect of income from fees and charges (charges are based on financial assessments and currently 58% of clients do not pay towards the cost of their care).
Assessment & Care Management		-155	Staffing & Income	Non recurrent Health Funding brought forward from 2015/16 & Higher than anticipated staff turnover includes assumption vacancies remain vacant for remainder of financial year.
Direct Payments	1,504		Third Party Payments	Full year impact of 46% increase in clients in 2015/16, reduced by Better Care Funding (£500k). Increase in client base is due to a mixture of demographic pressures and clients moving from a Domiciliary Care Contract, in total this has seen 168 new clients. There has also been a net increase of 20 new clients from April (+4%) which includes an additional 13 new clients since last month. Action being taken to review packages & reduce overall costs.
Extra Care/Day Care/Transport		-77	Staffing and Income	Higher than anticipated staff turnover. Forecast additional Income from the increase in charges from 1 January 2017 plus savings on review of non essential spend.

Directorate:

Adult Care & Housing

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Client Community Support Services		-85	Staffing/Third Party Payments	Higher than anticipated staff turnover, delayed implementation of Advocacy Contract plus review of non essential spend.
<u>Learning Disabilities</u>				
Supported Living		-215	Staffing	Higher than anticipated staff turnover & Carers costs lower on Shared Lives schemes due to lower than anticipated take up.
Residential Care		-334	Third Party Payments & Income	Includes anticipated outcome of the review of high cost placements, the current forecast underspend is based on actual expenditure and activity less the calculated impact of service review and an increase in the level of Continuing Health Care Income recoverable by the service. The forecast includes Management Actions of £1.380m , to date £115k has been achieved in respect of 10 placement reviews. Since last month there has been 3 additional placements to residential and nursing care including transitional placements from Children's services. Also included is the non achievement of the budget saving on in-house residential and respite care.
Day Care		-172	Staffing	Current Transport provision £135k pressure offset by higher than anticipated staff turnover plus efficiency savings on non essential spend. Service under review as part of Adults Transformation Programme and consultation now commenced.
Direct Payments	133		Third Party Payments	Full year impact of 30% increase in clients in 2015/16, additional 29 service users since April 2016 (+10%) includes an increase of 12 service users since last month. Offset by further savings as a result of management actions to review managed accounts (£40k).
Domiciliary Care/ community support		-40	Third Party Payments	Forecast saving due to decline in demand for community support services
Health Authority Supported Living		-125	Third Party Payments	Savings from the change in provision from residential care to supported living schemes.

Directorate:

Adult Care & Housing

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Assessment & Care Management	98		Third Party Payments	Forecast staff cost pressure from use of agency staff to undertake review of high cost care packages
<u>Mental Health</u>				
Independent Residential Care	496		Third Party Payments	Full year impact of high cost placements in 2015/16, including transfer of cost of a Rotherham resident placement by a Neighbouring Authority and loss of Continuing Health Care funding for another placement. Additional 3 placements since April.
Direct Payments	306		Third Party Payments	Full impact of 12% increase in demand in 2015/16 plus loss of one -off funding from Public Health. Includes expected savings as result of reviewing managed accounts (£67.5k). Additional 10 service users since April (+7%) including 4 since last month.
Day Care/Community Support		-19	Staffing & Third Party	Contract Efficiency Savings & Higher than anticipated staff turnover
Assessment & Care		-164	Staffing	Higher than anticipated staff turnover
<u>Physical & Sensory</u>				
Direct Payments	929		Third Party Payments	Full impact of 10% increase in demand in 2015/16 plus additional increase of 20 clients since April 2016 (+10%) including additional 8 clients since last month. Includes savings as a result of management actions to review managed accounts (£237.5k).
Independent Residential Care	532		Third Party Payments	Full year impact of significant increase in client numbers in 2015/16 (12 placements - 5 new clients plus loss of CHC for 7 clients).
Domiciliary Care	50		Third Party Payments	Initial decrease in client numbers (-7%) but steady increase starting to emerge from September, also an increase in the average cost of package.
Day Care/Equipment/Advice & Information		-169	Third Party Payments/Supplies and Services	Reduction in demand for Independent Day care including transport plus savings from alternative provision of some day care services

Directorate:

Adult Care & Housing

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
<u>Safeguarding</u>		-200	Staffing & income	Higher than anticipated staff turnover, additional income from partners and income from administration of Court of Protection
<u>Housing Related Support</u>	74		Third Party Payments	Forecast shortfall in achieving 2016/17 budget savings on service contracts, partially offset by other minor variances.
<u>Commissioning & Performance</u>	69		Staffing & income	Forecast pressure from employment of temporary staff in commissioning plus reduction in contribution from HRA.
<u>Housing</u>				
Strategic Housing Investment	4		Staffing	Small forecast overspend due to lower than anticipated staff turnover
Housing Options		-627	Staffing/Income	Delay in recruitment to vacant post plus increase in fee income in respect of Furnished homes scheme
Central		-10	Supplies and Services	Review of non essential spend plus small savings on insurance and pension costs
Neighbourhood Partnerships		-80	Staffing	Recruitment to staff vacancies on hold pending review of Area Assembly and Community Cohesion services
Total	5,986	-2,472		
Net Under/Overspend	3,514			

Directorate:

Regeneration & Environment

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Business Unit				Service Total (£k) overspend
Business Unit		-72	Staffing	Forecast underspend on the training budget due to delivery of a controlled, Health & Safety training programme -£52k. Savings on management code -£17k, due to revised non-pay budgets. Small saving on corporate costs now updated -£3k, due to reducing expenditure on pension costs.
Community Safety & Street Scene				Service Total (£k) overspend
Network Management		-66	Staffing, Supplies and Services & Income	There are currently expected savings from Street Lighting -£67k, a forecast surplus on Parking income -£13k, and staff savings due to vacant posts in Streetworks -£9k. There are some small pressures totalling +£23k across the rest of Network Management. The Street Lighting savings are generated through reduced energy bills following the capital improvement works to the authority's Street Lamps. As in previous years there is a risk that the Winter Service budget will over spend (weather dependant).
Street Scene Services	187		Staffing, Supplies and Services & Income	Corporate Transport Unit has an overspend +£219k , due to delayed implementation of the savings proposals within the Corporate Transport Unit (CTU) +£81k, and Home to School Transport +£102k due to new term changes in demand, and further requests are being worked through. Stores +£33k due to a reduced income recovery from street lighting, lantern replacement programme. Depot +£3k mainly due to loss of parking bay income from London Hire. Cleansing and Grounds Services net position -£32k . Due to forecast savings on the Community Services group account -£24K as a result of the vacant Grounds Maintenance Manager post. Cleansing Services +£49k pressure on Street Cleansing environment based on the average of work undertaken to date on graffiti and fly tipping, this is being mitigated by savings across the rest of the Cleansing budgets -£52k. Grounds Maintenance small saving -£5k. A review of waste services is to be undertaken therefore reporting a break even position.

Directorate:

Regeneration & Environment

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
CSS Corporate Accounts	92		Staffing	Overall forecast £82K overspend on Community Safety & Streetscene Corporate accounts due to the delayed implementation of a staffing restructure in relation to M3 Manager posts and a budget virement to Love My Streets to fund a new co-ordinator post. The swing from last month is due to a proportion of additional management costs are now being absorbed (+£10k).
Community Safety		-1	Staffing	Overall reporting -£10k underspend on Community Safety, this is due to a budget virement for a Domestic Violence post being filled wef October. Anti-Social Behaviour is showing a £9K overspend mainly as a result of the vacancy factor pressure. The position has worsened from last month due to an employee returning from secondment from January 2017.
Business Regulation	25		Staffing	Staff cost pressures remain on Licensing as a result of the high vacancy factor and the use of agency staff +£109k, with all appointments likely to be completed by December 2016. There are staff savings within Food, Safety and Animal Health & Safety -£41k, and Trading Standards due to vacant posts -£38k. Bereavement Services -£5k due to a reduction in the expected spend on essential maintenance at chapels/cemeteries.
Safer Neighbourhoods		-265	Staffing & Supplies and Services	Community Protection -£280k projected underspend as a result of vacant posts and spend for agency work to deliver statutory duties in Eastwood for 12 weeks. +£16K overspend on Landfill. Spend remains contractual in many areas and essential in relation to health and safety risks to public and staff. The works undertaken within this budget discharge the Council's statutory obligations in relation to the maintenance of closed landfill sites.
EP & Health & Safety		-50	Staffing	Forecast saving due to vacant posts within Emergency Planning (-£20k) and within Health & Safety (-£30k).
Culture, Sport & Tourism				Service Total (£k) overspend
Green Spaces	53		Premises & Income	Key pressure on Green Spaces is under recovery of income at RVCP, which is being mitigated across the rest of Green Spaces.

Directorate:

Regeneration & Environment

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Sports Development	0			
Leisure Facilities	0			
Trees & Woodlands		-29	Staffing & Income	Forecast over recovery of income on rechargeable tree works -£19k and reduced staffing costs -£10k.
Landscape Design		0	Income	Income projections now reflect a balanced forecast for the year end.
Leisure, Tourism & Green Spaces - General Management		-24	Staffing	A decision taken to capitalise some Green Spaces expenditure has generated revenue savings
Tourism & Marketing		-58		The underspend is new to R&E this month following the transfer of the Events budget, this is mainly due to staff vacancies
Libraries		-135	Staffing & Supplies and Services	The current underspend is due to staff savings whilst being in the consultation period -£49k and savings on non pay budgets -£89k, including a reduced spend on books and materials forecast at this stage in the financial year. This is reduced by a small pressure +£3k on income recovery.
Cultural Services Management	211		Supplies and Services	This account is now showing the balance of the savings for 2016/17 which has not yet been allocated across Culture and Customer Services.
Customer Services		-154	Staffing, Supplies & Services and Income	Post consultation work now shows staff and small non pay savings -£94k, with an improved income forecast due to confirmation of HRA and grant funding -£4k, and a review of non pay budgets is now showing an increased saving -£56k.
Heritage Service		0		
Theatres		-61	Staffing, Supplies and Services & Income	Forecast underspend due to vacant posts for part of the year, with a decision taken to now backfill some posts. A small over recovery of income is also included in the figures.
Museum, Galleries & Archives		-22	Staffing & Supplies and Services	Forecast staff savings due to non filling of vacant posts.
Culture, Sport & Tourism Management		-13	Staffing & Supplies and Services	Variance due to staff savings due to post holder commencing employment mid-October.

Directorate:

Regeneration & Environment

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Planning, Regeneration & Transportation				Service Total (£k) overspend
Estates	37		Staffing & Income	Forecast pressure from reduced capacity for income generation on this account is reduced due to a vacant post +£24k, and an increase in the amount of non fee earning jobs undertaken by the team which would previously have been paid for. Miscellaneous In addition there are a number of properties projecting and under recovery of income +£13k.
Facilities Management		-312	Premises & Income	Net forecast saving from Land and Property Bank - £209k underspend due to reduced estate (this forecast includes -£42k movement from dilapidations provision for Phoenix Riverside/Innovations Centre). Facilities Management Team - £43k underspend (pay vacancies) and Corporate Property Portfolio -£105k underspend. These are being reduced by some pressures - Community Buildings +£47k which includes an historic unachievable saving (+£40k) due to the delay in the planned closure programme.
Building Design and Corporate Projects	2		Staffing & Income	Forecast staff cost saving -£40k, offset by small non pay pressure +£3k and +£39k under recovery of income. NAS still to confirm all projects and budgets, there remains a level of uncertainty and makes forecasting more problematic.
Corporate Environmental Team	13		Staffing & Supplies and Services	Forecast pressure from a Carbon Reduction payment being +£7k higher than budgeted and a staff cost pressure +£6k.
Children's Capital Team	3		Staffing	Forecast staff cost pressure
Corporate Property Management	3		Staffing	Forecast staff cost pressure
CYPS Property	66		Premises related costs	High levels of reactive maintenance and increased costs of building cleaning offset by savings on closed properties.

Directorate:

Regeneration & Environment

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
R&E Property		-6	Premises related costs	Pressure reported last month on Civic Theatre now taken out as agreement to capitalise these costs has been confirmed, therefore, an underspend is now being reported.
ACH Property		-10	Premises related costs	Saving due to closure of some buildings, improvement from last month due to adjustments to incorrect utility bills.
Regeneration/Economic Development	21		Income	Small forecast pressure relating to rental properties across the Town Centre, partially mitigated by a small underspend on the RERF budget.
Managed Workspace (Business Centres) Management	0			DMT decision to ensure these budgets are balanced by the financial year end.
	13		Staffing	Small variance due to increased costs on Employer Liability Insurance
Markets	19			Overspend primarily due to higher than expected CEC charges and Estates Team Fees. Improved income offsetting other pressures.
Planning & Building Control	146		Supplies & Services and Income	£100k pressure anticipated due to reduced Development Control income. Steps being taken across the board to reduce this pressure where possible. Approval at SCIG was given to capitalise the purchase of the CIL software. Demolition costs incurred by Building Control +£25k for an unstable building at Rawmarsh may not be recoverable and +£15k pressure in relation to Local Land Charges due to current market conditions.
Rotherham Investment & Development Office (RIDO)		-287	Income	This forecast is based on DMT Star Chamber 3/8/16 - decision taken to adjust the forecast to use balance sheet monies plus funding from Department of Business, Energy and Industrial Strategy (BEIS), to improve the overall budget position for the service.
Transportation	86		Staffing and income	Pressure due to lack of fee earning work in highways +£57k, partially mitigated by savings on Bridges -£10k, and lower than forecast traffic signal charges -£10k. The cost of agency staff for the interim management cover is +£85k, +£27k under recovery of fee income which is the to date position, this is partially offset by -£60K underspend on pay due to a vacancy. Further work to be undertaken to assess full year impact.

Directorate: Regeneration & Environment

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Forecast:		Nature of under/overspend: (eg. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Facilities Services		-169	Staffing and income	Living wage increase lower than anticipated. Charges set on basis of higher living wage. (This excludes the School Catering Service figure which is reported as a note only).
School Crossing Patrol		-35	Staffing	Service making use of relief staff and minimal cover, on a risk assessment basis, rather than recruiting to vacant posts, in anticipation of future years savings.
Directorate Wide		-376	Staffing, Supplies & Services and Income	Confirmed actions to avoid spend following 'budget deep dive' phase one. These 'savings' will be allocated across their respective services in the next monitoring report.
Total	977	-2,145		
Net Under/Overspend	-1,168			

Directorate:

Assistant Chief Executive

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Outturn Variance 2016/17		Nature of under/overspend: (e.g.. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Communications and Media	121		Staffing & Supplies & Services, income	Unfunded Systems & Subscription costs £33k, staff pressures due to maternity leave/contract extension £71k. There is also an under achievement on income from Design studio £17k.
Democratic Services		-84	Staffing, supplies & services, income & Members allowances	Additional staff cost pressure £39k, estimated under achieved Town Hall Catering income £28k, offset by savings on members allowances and national insurance/pension payments and projected underspend on room hire/hospitality/travel/development costs for members - £146k, projected underspend on Town Twinning Events -£5k.
Human Resources (HR) & Payroll - Corporate Services	27		Staffing, supplies & services, income	There are staff pressures due to interim management arrangements, maternity cover costs, costs relating to Trade Union staff and the cost of advertising Head of HR post £87k, forecast pressure on Management Development budget £11k, and a loss of income from schools £35k. However these pressures are partially offset by forecast additional income on the council's salary sacrifice schemes and recharges on staff advertisement -£99k and a delay in the Employee survey -£7k.
HR & Payroll - Service Centre		-49	Staffing, supplies & services, income	Forecast pressures from loss of traded income from schools £20k, unachieved income on VAT reclaim from mileage receipts £20k and loss of income due to drop in demand for DBS checks £7k. Pressures on the printing/postages and contracted services budgets £40k. These pressure are offset by underspends on salaries due to vacant posts, maternity leave and staff working less than contracted hours -£136k.
Policy and Partnerships		-112	Staffing, income	Staff underspend due to vacant posts -£73K, and use of additional 1 year funding from the Local Government Association (LGA) -£29K, projected underspend on Information & Corporate Initiatives budget -£10k.
Chief Executives Office	7		Staffing, Supplies & services	Additional pressures relating to printing, subsistence, transport costs
Management Support	34		Staffing	Additional staff pressure due to management support arrangements.
Total	189	-245		
Net Under/Overspend	-56			

Directorate:

Finance & Customer & Corporate Services

Appendix 1

Budget Monitoring Period: Forecast Outturn as at November 2016

Service	Outturn Variance 2016/17		Nature of under/overspend: (e.g.. Staffing, Supplies & Services, income, etc)	Reason(s) for forecast under/overspend
	Overspend (+) £'000	Underspend (-) £'000		
Legal Services	8		Supplies & Services	Pressures on Children & Young People's legal fees offset in part by projected underspend on training budget.
Elections		-44	Staffing & Supplies & Services	Staff cost pressure £16k, projected overspend on postages £13k, offset by underspend on Municipal election due to shared May election -£73k
Statutory Costs	38		Supplies and services	Forecast overspend due to volume of statutory notices/planning notices and Local Plan Inquiry.
Business Unit	70		Staffing & Income	Unachievable income target relating to Central Print and Planned Print £99k, partially offset in part by vacant post -29k.
CIDS		-73		Forecast underspend due to vacancy control.
Procurement		-61	Staffing, Supplies & Services & Income	Underspend on salaries due to vacancies within the team less cost of advertising -£75k, additional income relating to System Management Fee -£5k and grant towards Improvement and Development -£6k. These are offset in part by costs associated with service review £25k
Financial Services		-31	Staffing, supplies & services	Underspend on staffing due to vacancy control -£8k, lower than anticipated pension charges (former employees) -£16k and underspend on training budget -£7k.
Revenues & Benefits		-195	Staffing, income	Forecast underspend due to vacancy control and maximising flexible use of grants.
Internal Audit	-26		Staff, supplies & Services, income	Staff underspend due to vacant posts -£37k and unbudgeted income -£27k, offset by pressures within contracted services £38k
Directorate Wide	6		Supplies & Services	Forecast pressures on printing and training
Total	88	-404		
Net Under/Overspend	-308			

Capital Programme Monitoring Report

Appendix 2

Summary of key variances to the Capital Programme by Directorate

Adult Care and Housing

Project	2016/17 Budget £000	2016/17 Forecast £000	Variance £000	Comments
External Insulation	250	70	-180	Budget transferred to Refurbishment Budget for schemes at Rawmarsh and Herringthorpe
Bellows Road	200	140	-60	Awaiting details in respect of compensation payment, as a result to be re-profiled into 2017/18
Monksbridge Demolition	72	0	-72	Site matters still to be resolved, as a result expenditure re-profiled into 2017/18.
Aids and Adaptations	4,200	3,297	-903	Programme scaled back to what is considered a deliverable level, given contractor capacity.
Furnished Homes	960	1,075	115	Increase in uptake of new furnished tenancies. Revenue saving by capitalising spend on new furniture and white goods.
Assistive Technology	450	350	-100	Spend re-profiled into 2017/18 to reflect current spend profile.

Children and Young People's Service

Project	2016/17 Budget £000	2016/17 Forecast £000	Variance £000	Comments
Dalton Listerdale J& I School	0	16	+16	Additional work to the balcony as agreed with the School.
Aston Lodge Replacement Nursery	0	9	+9	Overspend due to an extension of time cost and the dismantling of a canopy.
Badsley Moor Primary Classroom	195	271	+76	Additional works to the dining room, roof and a replacement boiler.
Kiveton Park Infants Nursery Provision	470	438	-32	New nursery building to replace the old dilapidated nursery modular classroom building. Small underspend currently being reported.
Brampton Ellis Primary Additional Classrooms	826	810	-16	Three additional classrooms to cater for increase in admission numbers. Small underspend currently being reported.
Dalton Foljambe Primary Additional Classrooms	614	580	-34	Two additional classrooms to cater for increase in admission numbers. Small underspend currently being reported.
Laughton J&I Additional Classrooms	0	167	+167	Additional classrooms to deal with capacity issues at the school. Start on site brought forward from 2017/18, so budget re-profiled
Adaptations – Foster Care	774	300	-474	Works to private properties to increase the Borough capacity for foster care placements. Budget re-profiled into 2017/18.

Finance and Customer Services

Project	2016/17 Budget £000	2016/17 Forecast £000	Variance £000	Comments
Liquid Logic Implementation	1,412	1,285	-127	Implementation of new ICT system to meet key requirements of the Jay report to rectify severe deficiencies within the existing CYPS and Adult Care. Budget currently being reviewed with a view to part of the budget being re-profiled into 2017/18 to address some post implementation issues.
Customer Access Delivery Plan	298	267	-31	Project slippage as a result of the project lead leaving and a delay in replacing them.

Regeneration and Environment

Project	2016/17 Budget £000	2016/17 Forecast £000	Variance £000	Comments
Holmes Tail Goit Pumping Station	1,600	212	-1,388	Now anticipated that works will commence on site in Summer 2017, awaiting receipt of tenders.
Replacement / Upgrade Street Lighting	1,388	1,429	+41	Programme ahead of schedule, so proposed that budget be brought forward from future years
Various Play Area Schemes	201	132	-69	Delays to schemes at Alexandra Park, Sanctuary Fields, Wath Park and Packman Way leading to re-profiling of expenditure.
Traffic Signal Digital Camera Upgrade	225	325	+100	Increase in grant funding from South Yorkshire Police
Sustainable Transport Exemplar Programme (STEP 2)	1,232	750	-482	Delay to the programme as a result of changes to SCR approval processes, which are still being worked through. As yet no confirmation that any underspends will be able to be carried forward into 2017/18.

Appendix 3

Summary of Budget Variations seeking Cabinet approval 2016/17 to 2020/21

Project Inclusions for approval:

Regeneration and Environment

Project Name &	2016/17 Budget to be approved £000	Funding	Description	Comment
Operational Buildings – Repair & Maintenance	157	Capital Receipts	Capitalisation to create revenue saving	Part of R&E forecast revenue outturn position, following deep-dive exercise. Capitalisation generates an annual revenue saving.
Pit House West Site Investigations	85	Capital Receipts	Capitalisation to create revenue saving	Part of R&E forecast revenue outturn position, following deep-dive exercise. Capitalisation generates an annual revenue saving.
Grass Cutter – RVCP	35	Capital Receipts	Capitalisation to create revenue saving	Part of R&E forecast revenue outturn position. Capitalisation generates an annual revenue saving.

Adult Care and Housing

Project Variations to be approved

Project	2016/17 Current Budget £000	Variation £000	2016/17 New Budget £000	2017/18 Current Budget £000	Variation £000	2017/18 New Budget £000	Comment
Bellows Road	200	-60	140	0	+60	60	Awaiting details in respect of compensation payment, as a result to be re-profiled into 2017/18.
Monksbridge Demolition	72	-72	0	0	+72	72	Site matters still to be resolved, as a result expenditure re-profiled into 2017/18.
Aids and Adaptations	4,200	-903	3,297	4,600	-900	3,700	Programme scaled back to what is considered a deliverable level, given contractor capacity.
Assistive Technology	450	-100	350	0	+100	100	Spend re-profiled into 2017/18 to reflect current spend profile.
Improving Council Housing				34,008	-9,184	24,824	Revised Budgets highlighted in Appendix 3 following HRA Business Plan review.

Children and Young People's Service

Project	2016/17 Current Budget £000	Variation £000	2016/17 New Budget £000	2017/18 Current Budget £000	Variation £000	2017/18 New Budget £000	Comment
Dalton Listerdale J&I School	0	+16	16				Additional work to balcony as agreed with School. To be funded by grant.
Aston Lodge Replacement Nursery	0	+9	9				Overspend due to an extension of time cost and the dismantling of a canopy. To be funded by grant.
Badsley Moor Primary Classroom	195	+76	271				Additional works to the dining room, roof and a replacement boiler. To be funded by grant.
Laughton J&I Additional Classrooms	0	+167	167	1,200	-167	1,033	Additional classrooms to deal with capacity issues at the school. Start on site brought forward from 2017/18 year, so budget re-profiled
Adaptations – Foster Care	774	-474	300	883	+400	1,283	Works to private properties to increase the Borough capacity for foster care placements. Budget re-profiled into 2017/18.

Finance and Customer Services

Project	2016/17 Current Budget £000	Variation £000	2016/17 New Budget £000	2017/18 Current Budget £000	Variation £000	2017/18 New Budget £000	Comments
Customer Access Delivery Plan	298	-31	267	0	+31	31	Project slippage as a result of the project lead leaving and a delay in replacing them.

Regeneration and Environment

Project	2016/17 Current Budget £000	Variation £000	2016/17 New Budget £000	2017/18 Current Budget £000	Variation £000	2017/18 New Budget £000	Comment
Holmes Tail Goit Pumping Station	1,600	-1,388	212	0	1,388	1,388	Now anticipated that works will commence on site in Summer 2017, awaiting receipt of tenders.
Replacement / Upgrade Street Lighting	1,388	+41	1,429	709	-21	688	Programme ahead of schedule, so proposed that budget be brought forward from future years
Various Play Area Schemes	201	-69	132	0	+69	69	Delays to schemes at Alexandra Park, Sanctuary Fields, Wath Park and Packman Way leading to re-profiling of expenditure
Traffic Signal Digital Camera Upgrade	225	+100	325	0	0	0	Increase in grant funding from South Yorkshire Police

Mid-Year Prudential Indicators and Treasury Management Monitoring**1. Introduction and Background**

- 1.1 Revisions to the regulatory framework of treasury management during 2009 introduced a requirement that the Council receive a mid-year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury report required previously.
- 1.2 This report meets that revised requirement. It also incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs). The Treasury Strategy and PIs were previously reported to Audit Committee and Commissioners Decision Making meeting in February 2016 and approved by Council on 2 March 2016.
- 1.3 The Council's revised capital expenditure plans (Section 2.2 of this Appendix) and the impact of these revised plans on its financing are set out in Section 2.3. The Council's capital spend plans provide a framework for the subsequent treasury management activity. Section 3 onwards sets out the impact of the revised plans on the Council's treasury management indicators.
- 1.4 The underlying purpose of the report supports the objective in the revised CIPFA Code of Practice on Treasury Management and the Communities & Local Government Investment Guidance. These state that Members receive and adequately scrutinise the treasury management service.
- 1.5 The underlying economic and financial environment remains difficult for the Council, foremost being the improving, but still challenging, concerns over investment counterparty risk. This background encourages the Council to continue maintaining investments short term and with high quality counterparties. The downside of such a policy is that investment returns remain low.
- 1.6 The Strategic Director for Finance & Customer Services can report that the basis of the treasury management strategy, the investment strategy and the PIs are not materially changed from that set out in the approved Treasury Management Strategy (March 2016).

2. Key Prudential Indicators

- 2.1. This part of the report is structured to update:
 - The Council's latest capital expenditure plans;
 - How these plans are being financed;
 - The impact of the changes in the capital expenditure plans on the PIs and the underlying need to borrow; and
 - Compliance with the limits in place for borrowing activity.

2.2 Capital Expenditure (PI)

2.2.1 This table shows the forecast estimates for capital expenditure as reported in the September Financial Monitoring Report presented to the Cabinet and Commissioners' Decision Making meeting held on the 14 November 2016.

Capital Expenditure by Service	2016/17 Original Estimate £m	2016/17 Revised Estimate £m
Children & Young People Services	4.726	8.209
Regeneration & Environment	21.465	15.831
Adult Care & Housing – Non-HRA	5.013	4.664
Finance & Customer Services	4.108	2.783
Total Non-HRA	35.312	31.487
Adult Care & Housing – HRA	32.992	26.909
Total HRA	32.992	26.909
Total	68.304	58.396

2.3 Impact of Capital Expenditure Plans

2.3.1 **Changes to the Financing of the Capital Programme**

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the expected financing arrangements of this capital expenditure.

Capital Expenditure	2016/17 Original Estimate £m	2016/17 Revised Estimate £m
Total spend	68.304	58.396
Financed by:		
Capital receipts	5.746	2.409
Capital grants, capital contributions & other sources of capital funding	44.691	43.550
Borrowing Need	17.867	12.437
Total Financing	68.304	58.396
Unsupported Borrowing	17.867	12.437
Borrowing Need	17.867	12.437

The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision (MRP)). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

2.3.2 The decrease in borrowing need for 2016/17 reflects the re-profiling of capital expenditure & financing and new approvals since the original estimate was approved (£5.430m).

2.3.3 **Changes to the Capital Financing Requirement (PI), External Debt and the Operational Boundary (PI)**

The table below shows the CFR, which is the underlying external need to borrow for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary which was set at the beginning of the financial year at £628.393m.

2.3.4 **Prudential Indicators – Capital Financing Requirement & External Debt / the Operational Boundary**

In addition to showing the underlying need to borrow, the Council's CFR has since 2009/10, also included other long term liabilities which have been brought on balance sheet, for example, PFI schemes and finance lease assets. No borrowing is actually required against these schemes as a borrowing facility is already included in the contract. The estimate for 2016/17 does not require any revision as there is no change in the borrowing need from such arrangements.

2.3.5 The revised CFR estimate for 2016/17 is £797.150m and this figure represents an increase of £9.903m when compared to the 2015/16 year-end position of £787.247m. The increase is due to:

- The estimated borrowing need for the year (£12.430m) net of the Minimum Revenue Provision charge for the year (£0.347m)
- The repayments of borrowing contained within PFI and similar schemes (£2.187m).

RMBC	2016/17 Original Estimate £m	Current Position £m	2016/17 Revised Estimate £m
Prudential Indicator – Capital Financing Requirement			
CFR – Non Housing	363.529		357.470
CFR – Housing	304.125		304.125
Total CFR excluding PFI, finance leases and similar arrangements	667.654		661.595
Net movement in CFR	17.480		12.090
Cumulative adjustment for PFI, finance leases and similar arrangements	135.434		135.555
Net movement in CFR	-2.154		-2.187
Total CFR including PFI, finance leases and similar arrangements	803.088		797.150
Net movement in overall CFR	15.326		9.903
Prudential Indicator – External Debt / the Operational Boundary			
Borrowing	490.805	460.453	483.132
Other long term liabilities*	137.588	136.646	135.555
Total Debt 31 March	628.393	597.099	618.687

* - Includes on balance sheet PFI schemes, finance leases and similar arrangements, etc.

Former SYCC	2016/17 Original Estimate £m	Current Position £m	2016/17 Revised Estimate £m
Prudential Indicator – External Debt / the Operational Boundary			
Borrowing	86.709	86.709	86.709
Other long term liabilities	0	0	0
Total Debt 31 March	86.709	86.709	86.709

3. **Limits to Borrowing Activity**

- 3.1 The first key controls over the treasury activity is a PI to ensure that over the medium term, gross and net borrowing will only be for a capital purpose. Gross and net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which would only be adhered to if this proves prudent to do so.

RMBC	2016/17 Original Estimate £m	Current Position £m	2016/17 Revised Estimate £m
Gross Borrowing	490.805	460.453	483.132
Plus Other Long Term liabilities*	135.434	136.646	135.555
Total Gross Borrowing	626.239	597.099	618.687
CFR*	803.088	792.196	797.150
Total Gross Borrowing	626.239	597.099	618.687
Less Investments	20.000	11.280	20.000
Net Borrowing	606.239	585.819	598.687
CFR*	803.088	792.196	797.150

* - Includes on balance sheet PFI schemes, finance leases and similar arrangements, etc.

- 3.2 The Strategic Director for Finance & Customer Services reports that no difficulties are envisaged for the current or future years in complying with this PI.
- 3.3 A further PI controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt (RMBC)	2016/17 Original Indicator £m	Current Position £m	2016/17 Revised Indicator £m
Borrowing	698.201	460.453	700.700
Other long term liabilities*	137.588	136.646	137.588
Total	835.789	597.099	838.288

* - Includes on balance sheet PFI schemes, finance leases and similar arrangements, etc.

Authorised limit for external debt (Former SYCC)	2016/17 Original Indicator £m	Current Position £m	2016/17 Revised Indicator £m
Borrowing	86.709	86.709	86.709
Other long term liabilities	0.000	0.000	0.000
Total	86.709	86.709	86.709

4. Treasury Strategy 2016/17 – 2018/19

4.1 Debt Activity during 2016/17

4.1.1 The expected borrowing need is set out below:

RMBC	2016/17 Original Estimate £m	Current Position £m	2016/17 Revised Estimate £m
CFR	808.088	792.196	797.150
Less Other Long Term Liabilities*	135.434	136.646	135.555
Net Adjusted CFR (y/e position)	667.654	655.550	661.595
Borrowed at 30/09/16	463.453	460.453	460.453
Under borrowing at 30/09/16	204.201	195.097	201.142
Borrowed at 30/09/16	463.453		460.453
Estimated to 31/03/17	27.352		22.679
Total Borrowing	490.805		483.132
Under borrowing at 31/03/17	176.849		178.463

* - Includes on balance sheet PFI schemes, finance leases and similar arrangements, etc.

4.1.2 The Council is currently under-borrowed and the delay in borrowing reduces the cost of carrying the borrowed monies when yields on investments are low relative to the borrowing rates. Based on current borrowing rates and investment returns the differential is around 2% and if the Council was fully borrowed the additional cost per year would amount to approximately £3.5m. The delay in borrowing gives rise to interest rate risk, as longer term borrowing rates may rise, but this position is being closely monitored and the overall position carefully managed.

4.1.3 During the six months to 30 September 2016 the Council has borrowed the following amount:

Principal	Type	Term	Interest Rate
£10,000,000	Fixed Rate	5 Years	1.05%

4.1.4 During the six months to 30 September 2016, the Council has repaid the following amounts:

Lender	Principal	Type	Interest Rate
PWLB	£10,000,000	Variable rate	0.69%
PWLB	£5,000,000	Fixed rate	2.18%
PWLB	£1,000,000	Fixed rate (EIP)	3.46%
PWLB	£65,000	Fixed rate (EIP)	3.79%
PWLB	£80,225	Fixed rate (Annuity)	Various

One Equal Instalment of Principal (EIP) loan for £20m is being repaid in equal half yearly instalments of £1m over its 10 year term. A second EIP loan for £1.3m is being repaid in equal half yearly instalments of £65,000 over its 10 year term. There are 5 Annuity loans on which variable amounts of principal are repaid each six months.

4.1.5 During the six months to 30 September 2016, the Council had the “unexpected” opportunity to restructure the following LOBO loans with Siemens Financial Services:

One loan of £10m with an interest rate of 3.22% and maturity date in June 2021 has been fully repaid. This has been refinanced by taking out the equivalent PWLB loan referred to at 4.1.3.

The second Siemens loan of £10m with an interest rate of 3.14% and maturity date in April 2026 has been restructured to £10m with an interest rate of 2.66% and maturity date in September 2031.

Over the next five years the effect of this restructuring will save the Council £1.325m in interest costs and this has been included in current year’s revenue monitoring and longer-term financial plans.

4.1.6 In June 2016 Council was informed by Barclays Bank that it has given up its right to amend the loan rates on the Council’s LOBO loans at any point up to maturity. The interest rates on these loans totalling £62m are therefore now fixed and the risk of rates increasing in future has been removed.

- 4.1.7 As a result of the restructuring referred to at 4.1.5 and the unilateral change made by Barclays the Council's total LOBO loans at risk of future interest rate increases now amounts to £141m compared to the £213m at the start of the financial year and risk exposure to longer term interest rate rises has been diminished significantly.

5. Investment Strategy 2016/17 – 2018/19

5.1 Key Objectives

The primary objective of the Council's investment strategy is safeguarding the repayment of the principal and interest of its investments on time – the investment return being a secondary objective. The current difficult economic and financial climate has heightened the Council's over-riding risk consideration with regard to "Counterparty Risk". As a result of these underlying market concerns officers continue to implement an operational investment strategy which further tightens the controls already in place in the approved investment strategy.

5.2 Current Investment Position

The Council held £11.280m of investments at 30 September 2016 (excluding Icelandic Banks), and the constituent parts of the investment position are:

Sector	Country	Up to 1 year £m	1 - 2 years £m	2 – 3 years £m
Banks	UK	4.500	0	0
DMO	UK	6.780	0	0
Local Authorities	UK	0	0	0
Total		11.280	0	0

One 'call' account with the top rated bank Handelsbanken is operated. This bank meets the Council's highest investment criteria.

This enables the Council to minimise the risk of having to leave unexpected receipts with the Council's current bankers, it allows immediate access to a small amount of funds to cover or part cover any short-term borrowing requirements and based on current rates there is a small benefit of approx. 0.05% over the rate achievable from the Debt Management Office.

5.3 Risk Benchmarking

A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are requirements to Member reporting and the following reports the current position against the benchmarks.

- 5.3.1 **Security** – The Council monitors its investments against historic levels of default by continually assessing these against the minimum criteria used in the investment strategy. The Council's approach to risk, the choice of

counterparty criteria and length of investment ensures any risk of default is minimal when viewed against these historic default levels.

5.3.2 Liquidity – In respect of this area the Council set liquidity facilities/benchmarks 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 within a week's notice.

The Strategic Director for Finance & Customer Services can report that liquidity arrangements were adequate during the year to date.

5.3.3 Yield – a local measure for investment yield benchmark is internal returns above the 7 day LIBID rate

The Strategic Director for Finance & Customer Services can report that the return to date averages 0.20%, against a 7 day LIBID to the end of September 2016 of 0.28%. This is reflective of the Council's current approach to risk whereby security has been maximised by using the Debt Management Office and other Local Authorities as the principal investment counterparties.

It is important to recognise that based on the Council's current average cash investments of £14m the difference in return at the benchmark when compared to the return achieved at the current rate would be £11.2k. This increase in return has to be measured against the additional risk of placing cash elsewhere.

6. Revisions to the Investment Strategy

- 6.1 The counterparty criteria are continually under regular review but in the light of the current market conditions no recommendations are being put to Members to revise the Investment Strategy.

7. Treasury Management Prudential Indicators

7.1 Actual and estimates of the ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (financing costs net of interest and investment income) against the net revenue stream.

	2016/17 Original Indicator %	2016/17 Revised Indicator %
Non-HRA	6.46	5.93
HRA	16.43	15.98

- 7.2 The revised non HRA indicator reflects the impact of the restructured debt and borrowing being at rates less than originally anticipated for 2016/17. The HRA indicator has also decreased due to the HRA's internal borrowing, which is calculated using the Council's overall average rate of interest, now being at a lower rate than that which had been assumed in the original indicator.

7.3 **Prudential indicator limits based on debt net of investments**

- **Upper Limits On Fixed Rate Exposure** – This indicator covers a maximum limit on fixed interest rates.
- **Upper Limits On Variable Rate Exposure** – Similar to the previous indicator this identifies a maximum limit for variable interest rates based upon the debt position net of investments.

RMBC	2016/17 Original Indicator	Current Position	2016/17 Revised Indicator
Prudential indicator limits based on debt net of investments			
Limits on fixed interest rates based on net debt	100%	84.70%	100%
Limits on variable interest rates based on net debt	30%	14.93%	30%

7.4 **Maturity Structures Of Borrowing**

These gross limits are set to reduce the Council's exposure to large fixed rate loans (those instruments which carry a fixed interest rate for the duration of the instrument) falling due for refinancing.

The current position shown below reflects the next call dates on those Council's LOBO loans (£132m) that are not callable in 2016/17 and thus are regarded as fixed rate. The actual maturity date for most of these loans is greater than 50 years. This approach gives a better indication of risk and whilst there is a possibility that a loan is called with an increase in interest payable the likelihood of any LOBO loans being called in the current climate is assessed as zero for the next three years.

RMBC	2016/17 Original Indicator		Current Position		2016/17 Revised Indicator	
	Lower	Upper	%	£m	Lower	Upper
Maturity Structure of fixed borrowing						
Under 12 months	0%	35%	0.29%	1.147	0%	35%
12 months to 2 years	0%	35%	5.73%	22.299	0%	35%
2 years to 5 years	0%	40%	18.47%	71.938	0%	40%
5 years to 10 years	0%	40%	25.44%	99.069	0%	40%
10 years to 20 years	0%	45%	8.67%	12.914	0%	45%
20 years to 30 years	0%	50%	14.47%	33.750	0%	50%
30 years to 40 years	0%	50%	14.47%	56.336	0%	50%
40 years to 50 years	0%	55%	13.35%	52.000	0%	55%
50 years and above	0%	60%	10.27%	40.000	0%	60%

The former SYCC account is due to be wound up by the end of 2020/21 and the maturity structure is now largely fixed as the need and indeed opportunities to re-finance within the remaining 5 years will be limited. As a result future limits are currently set in line with the on-going maturity profile.

Former SYCC	2016/17 Original Indicator		Current Position		2016/17 Revised Indicator	
	Lower	Upper	%	£m	Lower	Upper
Maturity Structure of fixed borrowing						
Under 12 months	0%	25%	11.53%	10.000	0%	25%
12 months to 2 years	0%	50%	45.80%	39.709	0%	50%
2 years to 5 years	0%	100%	42.67%	37.000	0%	100%

7.5 **Total Principal Funds Invested**

These limits are set to reduce the need for the early sale of an investment, and show limits to be placed on investments with final maturities beyond each year-end.

The Council currently has no sums invested for periods exceeding 364 days due to market conditions. To allow for any changes in those conditions the indicator has been left unchanged. This also excludes any Icelandic investments that are due to be recovered after more than 364 days.

RMBC	2016/17 Original Indicator £m	Current Position £m	2016/17 Revised Indicator £m
Maximum principal sums invested > 364 days	10	0	10
Comprising			
Cash deposits	10	0	10

7.6 **Treasury Management Advisers**

The Council's three year contract for the provision of treasury management and asset finance services expired on 6 October 2016.

In accordance with the Council's Standing Orders, a tendering exercise was carried out for the re-procurement of these services for a further three year period.

An open tender exercise was held from which two submissions were received – one from Capita Asset Services Treasury Solutions and a second from Arlingclose.

These were evaluated on quality and price with Capita Asset Services Treasury Solutions bid ranking slightly higher on both criteria.

Accordingly, a decision has been taken to re-appoint Capita Asset Services Treasury Solutions for a further term of three years with effect from 7 October 2016.

Summary Sheet

Council – 25 January 2017

Title:

Calculation of the Council Tax Base for 2017/18

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

Yes – key decision taken by Cabinet on 9 January 2017

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

Anne Ellis, Strategic Finance Manager, Finance & Customer Services Directorate
Tel: 01709 822019 Email: anne.ellis@rotherham.gov.uk

Ward(s) Affected

All Wards

Summary

At the Cabinet and Commissioners' Decision Making Meeting on 9 January 2017, the Cabinet agreed to recommend no changes to the Council Tax Reduction Scheme and to Council Tax Premiums and Discounts, as well as the calculation for the Council Tax Base for 2017-18.

In order to give effect to the recommendations from Cabinet, consideration and approval by Council must be given to the recommendations set out below. The report detailing the reasoning behind the recommendations is appended in order to provide Members with sufficient knowledge to agree the proposals.

Recommendations

1. That Rotherham's Council Tax Reduction Scheme for 2017/18 be unchanged from 2016/17.
2. That Council Tax discounts and premiums are not changed for 2017/18.
3. That the amount calculated by Rotherham Metropolitan Borough Council as its Council Tax Base and those of the Parish Councils shown at Appendix A for 2017/18 shall be a total of 68,235.14 Band D Equivalent Properties.

List of Appendices Included

Report to Cabinet and Commissioners' Decision Making Meeting – 9 January 2017
'Calculation of the Council Tax Base for 2017/18'

Background Papers

Minutes of the Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Council Approval Required

Yes

Exempt from the Press and Public

No

Summary Sheet

Council Report

Cabinet and Commissioners Decision Making Meeting – 9 January 2017

Title

Calculation of the Council Tax Base for 2017/18

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

Yes

Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s):

Anne Ellis, Strategic Finance Manager, Finance & Customer Services Directorate
Tel: 01709 822019 Email: anne.ellis@rotherham.gov.uk

Ward(s) Affected

All

Summary

This report sets out the calculation of the Council's proposed Council Tax base for the forthcoming financial year 2017/18.

This calculation takes into account: the Council's own Local Council Tax Reduction Scheme (CTRS), discretionary discounts and premiums on second homes, projected future tax collection rate in 2017/18 and estimates of the changes and adjustments in the tax base that occur during the financial year.

In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 governing its calculation, it is determined that the Council's Tax Base for the financial year 2017/18 is 68,235.14 Band D Equivalent Properties.

Recommendations

That Cabinet resolve to recommend to Council:

- That Rotherham's Council Tax Reduction Scheme for 2017/18 is unchanged from 2016/17;
- That Council Tax discounts and premiums are not changed for 2017/18; and
- That the amount calculated by Rotherham Metropolitan Borough Council as its Council Tax Base and those of the Parish Councils shown at Appendix A for 2017/18 shall be a total of 68,235.14 Band D Equivalent Properties.

List of Appendices Included

Appendix A - The Council Tax Base for 2017/18

Background Papers

The Localism Act 2011

Local Government Finance Act 1992.

Local Authorities (Calculation of Council Tax Base) Regulations 2012 (Statutory Instrument 2012 no 2914)

Local Authorities (Calculation of Council Tax Base) Regulations (Statutory Instruments 1992 no.612 and 1999 no.3123).

Local Authorities (Calculation of Council Tax Base/Supply of Information) Regulations 1992 (Statutory Instrument 2904).

Section 84 of the Local Government Act 2003

The Council Tax Reduction Schemes (prescribed requirements)

England)(Amendment) Regulations 2013

Housing Benefit circular A24/2013

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

Yes

Exempt from the Press and Public

No

Calculation of the Council Tax Base for 2017/18

1. Recommendations

1.1 That Cabinet resolve to recommend to Council that:

- 1.1.1 Rotherham's Council Tax Reduction Scheme for 2017/18 is unchanged from 2016/17;
- 1.1.2 That Council Tax discounts and premiums are not changed for 2017/18; and
- 1.1.3 That the amount calculated by Rotherham Metropolitan Borough Council as its Council Tax Base and those of the Parish Councils shown at Appendix A for 2017/18 shall be a total of 68,235.14 Band D Equivalent Properties.

2. Background

- 2.1 Setting the Tax Base is a precursor within the Budget setting process to the determination of the Council Tax level.
- 2.2 The formula for calculating the Council's Tax Base is set out by the Local Authorities (Calculation of Council Tax Base) Regulations 2012 and the projected Tax Base is shown in Appendix A. The Council Tax Base is derived from the total number of properties within the Council's area as at the 1st December 2016, which, in the opinion of the Government's Valuation Office Listing Officer, were subject to Council Tax. The Tax base is set in Band D equivalent properties – that is properties are placed into one of 8 valuation bands (A-H) and these are converted to Band D Equivalent properties using the proportions set out in the 1992 Act which are weighted in relation to the Band D property - Band A is 6/9^{ths}, Band B 7/9ths etc.

3. Key Issues

3.1 The calculation of the Tax Base takes into account several factors:

- The Council's own Local Council Tax Reduction Scheme (CTRS),
- Council Tax Discounts and Premiums on second homes;
- The projected level of Council Tax discounts and exemptions;
- Estimates and projections reflecting the changes and adjustments in the Tax Base that occur during the financial year, in particular, newly built properties;
- and
- An estimate of the future tax collection rate.

Council Tax Reduction Scheme (CTRS)

3.2 Rotherham's current Council Tax Reduction scheme has been in place since the introduction of local Council Tax Reduction Schemes in 2013/14 and it is proposed that Rotherham's local CTRS for 2017/18 should be unchanged from 2016/17 so that the Council's scheme is retained in its present format. This will include maintaining the disregards of income used in calculating Council Tax Support:

- the DWP means-tested scheme of allowances, premiums and income;
- the disregard of child benefit and child maintenance;
- the disregard of disability allowances; and
- the disregard of 100% of all monies received in respect of war widows and war disablement pensions.

3.3 This means that working age claimants will continue to be required to contribute a minimum 8.5% of their Council Tax liability. Local Council Tax Reduction Schemes are required by statute to protect pensioners and provided their financial circumstances do not change there will be no change in the Council Tax support that a pensioner receives.

3.4 The impact of the CTRS on the Tax Base across the Borough is determined by assessing the number and value of claims by Tax Band across the Borough (including in parishes) and converting them to Band D Equivalent properties which are then deducted from the Council Tax Base. Experience since 2013/14 indicates that the number of claimants is reducing year on year. During 2016/17 the caseload reduced by 2.9%, leading to the cost of the scheme reducing by around 1%.

Council Tax Discounts and Premiums

3.5 From 2013, technical changes in Council Tax Regulations allowed the Council to reduce the discretionary discounts awarded to empty properties and second homes and in some cases charge tax premiums. The Council Tax premiums charged on long term empty properties have been set at the maximum level for some time but in 2016/17 the discounts the Council allowed for empty and unfurnished properties and properties undergoing major structural repairs were reviewed. As a result the Council Tax discounts for empty and unfurnished properties and those undergoing major structural repairs were reduced from 25% for both 6 months and a year respectively, to 0%. The Council has no further scope to increase the premiums or reduce the discounts on Council Tax and it is proposed to maintain both at current levels for 2017/18.

Changes and adjustments to the Tax Base

- 3.6 The Council Tax Base in previous years has included estimates and projections reflecting the changes and adjustments in the Tax Base that occur during the financial year. These have included:

- The build and completion of new properties;
- Changes in banding as a result of adjustments and appeals;
- Discounts, exemptions and reliefs (for example, single person discounts, and reductions in liabilities for disabled persons).
- The ending of the discount period on empty properties on their reoccupation.

For 2017/18, it is estimated that overall the Council's Tax Base will increase by 1,085.57 Band D Equivalent properties to 68,235.14 compared to 67,149.57 in 2016/17– a rise of 1.62%.

- 3.7 The Council's Medium Term Financial Strategy has assumed growth of 0.9% per annum in Rotherham's Council Tax Base for 2017/18, the actual increase in Band D equivalent properties is 1.62%. Within the overall tax base, parish tax bases have increased by 1.72% and unparished areas by 1.5%. The growth is most significant in Orgreave where the continued development on the Waverley site has resulted in a 19.1% growth in tax base and at Catcliffe where the tax base has increased by 6.8%. Around 86% of the new properties fall in the Band A-C.

Council Tax Collection Rate

- 3.8 An estimated Council Tax collection rate of 97.0% was applied to the Council Tax base in 2016/17, 0.5% higher than had been assumed in the two preceding financial years which had assumed 96.5% collection rates. This change was implemented as the Council has had a good record in respect of Council Tax collection - having been the 4th best performing Metropolitan District in 2015/16, when Rotherham collected 97.30% of Council Tax, a collection rate substantially above the Metropolitan Councils' average of 95.6%. It was, however, considered at the time (March 2016) prudent to retain Council Tax collection rates of 96.5% in the Medium Term Financial Strategy (MTFS) projections for the two subsequent years 2017/18 and 2018/19 respectively.
- 3.9 As collection rates have remained high during the current financial year and it is expected that the Council should achieve the challenging target of 97% in year collection, it is considered appropriate to revise the MTFS assumptions and to increase the estimated collection rate to 97% for 2017/18 so that the provision for losses on collection in the tax base calculation will be set at 3%.
- 3.10 However, given the expected continuing effect on payment and default levels of the Government's ongoing welfare reform it is at present considered prudent to retain 96.5% Tax Collection rates for the two subsequent years 2018/19 and 2019/20 respectively within the Council's MTFS. Council Tax collection rates are closely monitored and will continue to be in the coming financial year. In so doing assumptions on Collection Rates will be reviewed in light of the Council's performance.

- 3.11 The combined effect of the higher than forecast growth in the Tax Base and the 0.5% reduction in the estimated level of losses on collection is to increase projected Council Tax income for 2017/18 by £1.1m which will be reflected in the Council's Budget and MTFS.

Council Tax Base

- 3.12 The Tax Base for the Council as a whole (both parished and unparished areas) is made up as follows:

<u>Tax Band</u>	<u>Band D Equivalent Properties</u>
Band A	26,074.35
Band B	14,224.28
Band C	11,482.45
Band D	8,008.81
Band E	5,057.22
Band F	2,258.50
Band G	1,064.54
Band H	64.99
TOTAL	68,235.14

Details of the Council Tax Base by Band for parish Councils are set out in the attached Appendix.

4. Options considered and recommended proposals

- 4.1 Council Tax Reduction Scheme (CTRS) – the operation of Rotherham's local CTRS was considered but in light of the expected reduction in claimant numbers and Government's ongoing welfare reform programme, it is recommended that the scheme for 2017/18 should be retained in its present format.
- 4.2 In preparing this report, the reduction in the assumed level of losses on collection was considered, particularly in light of the Council's record of good performance in Council Tax collection and the recommendation to revise the adjustment for losses on collection from the MTFS provision of 3.5% to 3.0% is considered a prudent and realistic target. The Council's MTFS assumptions in respect of Council Tax collection rates and the growth in the tax base for the financial years after 2017/18 will be reviewed and revised in light of the 2017/18 performance, which will be closely monitored during the year.

5. Consultation

- 5.1 The South Yorkshire Police and Crime Commissioner and the South Yorkshire Fire and Rescue Authority will be notified of their Council Tax Bases for 2017/18 by the end of January 2017. Details of the proposed Council Tax base have been circulated to Parish and Town Councils to assist them in preparing their budgets.

- 5.2 As it is intended to retain the Council's current CTRS as unchanged and to maintain the disregards of income used in calculating Council Tax Support (including the DWP means-tested scheme of allowances, premiums and income and the disregard of child benefit and child maintenance, disability allowances and 100% of all monies received in respect of war widows and war disablement pensions) no further consultation is required.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Rotherham's Council Tax Reduction Scheme (CTRS) must be approved annually by Full Council and as the CTRS affects the calculation of the Council Tax Base, approval to retain the 2016/17 scheme for the coming financial year 2017/18 is included in this report.
- 6.2 Regulations under the Local Government Finance Act 1992 require the Council to have determined and approved the Council's annual Council Tax Base before 31 January in the preceding financial year and to notify both major and local precepting authorities of their tax base.

7. Financial and Procurement Implications

- 7.1 Determining the Council Tax Base is also a fundamental part of the Council's budget setting process. The Tax Base is central in determining the amount of Council Tax income to be raised, which represents a significant proportion of the Council's resources for the coming financial year.
- 7.2 The increase in the Council's Tax Base due to the number of additional properties, the reduction in cost of the CTRS and the revised provision for losses on collection plus the consequent £1.1m increase in Council Tax income (before any increase in Tax Rate) will be reflected in the Council's Revenue Budget plans for next year and in the MTFS.

8. Legal Implications

- 8.1 The Calculation of the Council Tax Base and the operation of the Council Tax Reduction Scheme as set out in this report are in compliance with the relevant Regulations.

9. Human Resources Implications

- 9.1 None directly from this report

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 None directly from this report

11 Equalities and Human Rights Implications

- 11.1 The Council must be mindful of the potential impact on service users. Section 149 of the Equality Act 2010 in particular 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 (such as: age; disability; gender re-assignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation).
- 11.2 From April 2013, the Government abolished the national Council Tax Benefit (CTB) scheme and asked local authorities to set up their own local schemes to meet the needs of their local area. Rotherham's local scheme was introduced on 1st April 2013 and is known as Council Tax Reduction Scheme (CTRS). Prior to the introduction of the scheme the Council undertook an extensive Public Consultation Exercise and a detailed Equalities Impact Assessment.
- 11.3 The Authority is required to confirm the scheme each year and it is proposed that for 2017/18 the current CTRS is retained unchanged (as it has been for the last three financial years) and that the disregards of income used in calculating Council Tax Support will be maintained. This includes: the DWP means-tested scheme of allowances, premiums and income; the disregard of child benefit and child maintenance; the disregard of disability allowances and 100% of all monies received in respect of war widows and war disablement pensions. This will ensure that the Council's CTRS will retain its original structure keeping the protections for vulnerable groups including claimants with relevant protected characteristics, which were in place when the scheme was established. In light of this no further consultation is required.

12. Implications for Partners and Other Directorates

- 12.1 None directly.

13. Risks and Mitigation

- 13.1 As the Council Tax Base must be set by the 31 January 2017, it contains projections in respect of the additions, adjustments, discounts and reliefs to be granted before the 31 March 2017 and during the financial year 2017/18, including the projected cost of the Council's CTRS and an estimate of future collection rates. As, however, the Council has maintained its position as one of the best performing metropolitan authorities in terms of Council Tax collection nationally over several years these assumptions appear robust and performance in Council Tax Collection will continue to be closely monitored.

14. Accountable Officer(s)

Judith Badger Strategic Director of Finance and Customer Services

Approvals Obtained from:-

Strategic Director of Finance and Customer Services:- Judith Badger

Assistant Director of Legal Services:- Dermot Pearson

Head of Procurement (if appropriate):- Not Applicable

ROTHERHAM MBC COUNCIL TAX BASE 2017/18

Appendix A

Band D Equivalent Properties

Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total	Losses on collection	Total after losses on collection
Anston	416.81	1,089.69	415.80	386.97	367.79	178.21	66.70	11.50	2,933.47	88.00	2,845.47
Aston	1,129.95	1,309.91	668.30	599.49	505.69	119.66	23.80	1.00	4,357.80	130.73	4,227.07
Bramley	584.49	403.65	655.11	433.95	211.77	15.90	6.30	1.00	2,312.17	69.37	2,242.80
Brampton Bierlow	570.54	164.09	119.76	279.20	144.41	-	1.70	-	1,279.70	38.39	1,241.31
Brinsworth	706.61	1,176.22	342.75	145.63	14.01	2.50	-	-	2,387.72	71.63	2,316.09
Catcliffe	265.21	133.85	127.26	93.00	22.04	3.60	-	-	644.96	19.35	625.61
Dalton	1,064.51	367.67	567.04	220.21	256.92	28.20	10.16	1.00	2,515.71	75.47	2,440.24
Dinnington	1,042.73	356.25	325.64	452.94	99.82	48.84	14.20	3.00	2,343.42	70.30	2,273.12
Firbeck	5.87	17.19	14.66	13.30	32.40	36.11	22.50	-	142.03	4.26	137.77
Gildingwells	2.50	1.27	1.60	8.00	10.86	17.00	1.70	-	42.93	1.29	41.64
Harthill	145.43	79.40	94.86	114.80	90.22	93.54	45.80	-	664.05	19.92	644.13
Hellaby	28.95	175.42	21.34	17.30	10.34	-	-	-	253.35	7.60	245.75
Hooton Levitt	3.23	5.86	1.80	4.05	14.70	15.50	6.70	1.00	52.84	1.59	51.25
Hooton Roberts	7.50	1.50	8.26	13.75	26.90	16.22	8.86	-	82.99	2.49	80.50
Laughton	88.23	54.44	43.34	107.33	77.90	54.20	27.10	-	452.54	13.58	438.96
Letwell	0.74	2.10	0.90	3.30	19.28	22.40	18.80	-	67.52	2.03	65.49
Maltby	2,115.69	653.01	659.70	546.84	97.79	31.80	39.60	2.00	4,146.43	124.39	4,022.04
Orgreave	51.30	225.40	136.38	169.65	80.40	4.30	-	-	667.43	20.02	647.41
Ravenfield	92.15	104.92	279.05	240.96	212.55	106.29	12.53	-	1,048.45	31.45	1,017.00
Thorpe Salvin	8.95	9.30	11.45	28.34	43.38	57.80	42.90	2.00	204.12	6.12	198.00
Thrybergh	587.82	52.63	52.21	52.12	38.32	41.39	20.47	-	844.96	25.35	819.61
Thurcroft	929.42	405.18	326.11	306.85	72.26	40.28	21.70	-	2,101.80	63.05	2,038.75
Todwick	28.33	70.82	77.90	252.35	137.66	52.43	49.17	-	668.66	20.06	648.60
Treeton	375.37	199.36	31.47	163.17	93.66	16.60	-	1.00	880.63	26.42	854.21
Ulley	9.77	8.07	13.06	6.23	13.71	11.90	6.70	-	69.44	2.08	67.36
Wales	782.84	391.09	424.72	246.85	115.68	70.52	22.50	2.00	2,056.20	61.69	1,994.51
Wentworth	30.35	101.38	110.96	105.64	103.98	67.90	41.70	4.00	565.91	16.98	548.93
Whiston	334.12	355.71	340.55	123.35	206.43	92.17	50.40	4.00	1,506.73	45.20	1,461.53
Wickersley	190.04	679.89	593.54	270.98	349.85	413.29	282.58	2.00	2,782.17	83.47	2,698.70
Woodsetts	61.06	189.65	132.49	93.38	60.54	36.10	30.87	10.00	614.09	18.42	595.67
Total Parished	11,660.51	8,784.92	6,598.01	5,499.93	3,531.26	1,694.65	875.44	45.50	38,690.22	1,160.70	37,529.52
Un-Parished	15,220.27	5,879.29	5,239.57	2,756.57	1,682.37	633.69	222.02	21.50	31,655.28	949.66	30,705.62
TOTAL	26,880.78	14,664.21	11,837.58	8,256.50	5,213.63	2,328.34	1,097.46	67.00	70,345.50	2,110.36	68,235.14
Adjusted Total After Losses on Collection	26,074.35	14,224.28	11,482.45	8,008.81	5,057.22	2,258.50	1,064.54	64.99	68,235.13		68,235.14

Summary Sheet

Council – 25 January 2017

Title:

Housing Rents 2017/18

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

Yes – key decision taken by Cabinet on 9 January 2017

Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director of Adult Care and Housing

Report Author(s)

Mark Scarrott, Finance Manager Adult Care & Housing,
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Tom Bell, Assistant Director of Housing and Neighbourhoods

Tel: 01709 254954 Email: tom.bell@rotherham.gov.uk

Ward(s) Affected

All Wards

Summary

At the Cabinet and Commissioners' Decision Making Meeting on 9 January 2017, the Cabinet agreed to recommend proposed values for the setting of the housing rents and non-dwelling rents for 2017-18.

In order to give effect to the recommendations from Cabinet, consideration and approval by Council must be given to the recommendations set out below. The report detailing the reasoning behind the recommendations is appended in order to provide Members with sufficient knowledge to agree the proposals.

Recommendations

1. That dwelling rents be reduced by 1% for 2017/18 in line with the requirements outlined in the Welfare Reform and Work Act 2016. The average dwelling rent for 2017/18 will be £73.29 per week over 52 weeks, an average reduction of £0.74 per week.
2. The average rent for the energy efficient council properties be reduced by 1% to £94.48 per week, an average reduction of £0.95 per week.

3. That there be a 1% increase to charges for garage rents, communal facilities, laundry facilities and cooking gas in 2017/18 in line with the increase in Consumer Price Index (CPI) as at September 2016.

List of Appendices Included

Report to Cabinet and Commissioners' Decision Making Meeting – 9 January 2017
'Housing Rents 2017/18'

Background Papers

Minutes of the Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Council Approval Required

Yes

Exempt from the Press and Public

No

Summary Sheet

Council Report

Cabinet and Commissioners' Decision Making Meeting - 9 January 2017

Title

Housing Rents 2017/18

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

Yes

Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director Adult Care and Housing

Report Author(s)

Mark Scarrott, Finance Manager Adult Care & Housing,

Tel: 01709 822007 Email: mark.scarrott@rotherham.gov.uk

Tom Bell, Interim Assistant Director of Housing and Neighbourhoods

Tel: 01709 254954 Email: tom.bell@rotherham.gov.uk

Ward(s) Affected

All

Executive Summary

The purpose of the report is to seek approval for the proposed values for the setting of the housing rents and non-dwelling rents for 2017-18.

Recommendations

1. That Cabinet note the content of the report.
2. That Cabinet resolves to recommend to Council the following changes to Housing Rents charges:-
 - (a) That dwelling rents are reduced by 1% for 2017/18 in line with the requirements outlined in the Welfare Reform and Work Act 2016. The average dwelling rent for 2017/18 will be £73.29 per week over 52 weeks, an average reduction of £0.74 per week.
 - (b) The average rent for the energy efficient council properties will also reduce by 1% to £94.48 per week, an average reduction of £0.95 per week.
 - (c) That there is a 1% increase to charges for garage rents, communal facilities, laundry facilities and cooking gas in 2017/18 in line with the increase in Consumer Price Index (CPI) as at September 2016.

- (d) That Cabinet note the draft Housing Revenue Account budget for 2017/18 (Appendix A).

List of Appendices Included

Appendix A HRA Draft Budget Operating Statement

Background Papers

Welfare Reform and Work Act 2016

DCLG Guidance on Rents for Social Housing from 2015/16 (May 2014)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Council Meeting (25 January 2017)

Council Approval Required

Yes

Exempt from the Press and Public

No

Title: Housing Rents Charges 2017/18

1. Recommendations

- 1.1 That Cabinet notes the content of the report.
- 1.2 That Cabinet resolves to recommend to Council the following changes to Housing Rents charges:
 - That dwelling rents are reduced by 1% for 2017/18 in line with the requirements outlined in the Welfare Reform and Work Act 2016. The average dwelling rent for 2017/18 will be £73.29 per week over 52 weeks, an average reduction of £0.74 per week.
 - The average rent for the energy efficient council properties will also reduce by 1% to £94.48 per week, an average reduction of £0.95 per week.
 - That there is a 1% increase to charges for garage rents, communal facilities, laundry facilities and cooking gas in 2017/18 in line with the increase in Consumer Price Index (CPI) as at September 2016.
 - That Cabinet note the draft Housing Revenue Account budget for 2017/18 (Appendix A).

2. Background

- 2.1 The previous Government rent policy (published in May 2014) limited rent increases from April 2015 to the Consumer Price Index (CPI) in September of the previous year plus 1% per annum for 10 years.
- 2.2 The Government expects that all similar properties in the same local area will have equitable rent levels, even if properties are owned by different social landlords. This process is known as 'rent convergence'. The Government set a target for Authorities to achieve rent convergence by 2015/16. However, changes to the rent formula removed the flexibility to increase rents by an additional £2 above the increase in formula rent where rent is below convergence. Therefore 2014/15 was the final year to achieve full convergence.
- 2.3 The Government replaced the former Housing Revenue Account (HRA) subsidy system with a devolved system of council housing finance called self-financing in April 2012. The purpose of which was to give local authorities the resources, incentives and flexibility they need to manage their own housing stock for the long term and give tenants greater transparency and accountability as to how the rent collected is spent on the services provided. Changes to the formula rent from April 2015 resulted in the council not meeting rent convergence and therefore lower levels of income which impacted on the investment plans within the HRA Business Plan. Due to historical decisions to limit rent increases, Rotherham's rents were not scheduled to reach full convergence until 2016/17. Government guidance states that where properties have not reached formula rent by April 2015 it is expected that the rent is moved up to formula rent when the property is re-let following vacancy. On average 1700 properties are re-let each year; this will generate additional income of approximately £126k in 2017/18.

- 2.4 Section 21 of The Welfare Reform and Work Act 2016 sets out the Government's policy on social housing rents which requires providers of social housing to reduce rents by 1% per year for four years with effect from April 2016. The new policy applies to all registered providers of social housing including local authority landlords, who have a statutory obligation to implement the policy.
- 2.5 This report also considers the charges for garages, garage plot sites, cooking gas and communal facilities including laundry services, where provided, for 2017/18 and summarises the draft HRA budget.

3. Key Issues

Housing Rents

- 3.1 The current average rent in 2016/17 is £74.03 when aggregated over 52 weeks. The 2017/18 average weekly rent based on the statutory 1% reduction collected over 52 weeks will be £73.29, an average reduction of £0.74 per week.
- 3.2 Total housing rent income generated through the proposed revised weekly rents is estimated to be £77.341m in 2017/18 (compared with £77.851m in 2016/17) assuming 170 Right to Buy sales, and voids and rent adjustments at 1.6%. The reduction of 1% on the weekly rent charge will result in a loss in rent income of £510k compared with the 2016/17.
- 3.3 The Council completed the building of 132 new energy efficient properties in 2011/12. These rents are assumed to be fully converged and are therefore set higher than those of the existing Council stock. Consequently the proposed average rent to be charged across these properties will be £94.48 over 52 weeks based on the statutory 1% reduction, an average reduction of £0.96 per week.

Garage Rents

- 3.4 The Council has continued with its garage site improvement programme with plans to invest a further £320k in 2016/17.

In previous years' increases in charges have been linked to changes in CPI. At September 2016 CPI was 1%; therefore, it is proposed that there will be an increase of 1% to the current charge. Therefore, the charge for garage rents for 2017/18 will increase by 5p to £4.75 per week.

It is proposed that there will also be a 1% increase to the charge for garage plot sites which will increase by 57p to £57.14 per annum in 2017/18.

Cooking Gas

- 3.5 The Council also charges for cooking gas facility at 80p per week. It is proposed to increase the charge by 1% for 2017/18 in line with other non-dwelling charges. The new charge will be 81p per week from April 2017.

Communal Facilities

- 3.6 In line with other non-dwelling charges it is proposed to increase the communal facilities charge and the laundry charge by 1%. The communal facilities charge will increase by 4p to £4.50 per week and the laundry charge will increase by 2p to £1.50 per week.

4. Options considered and recommended proposal

- 4.1 Changes to the Government's policy on social housing rents resulted in the requirement to reduce dwelling rents by 1% over four years from April 2016. To comply with the legislation rents will be reduced by 1% for a second year from April 2017.
- 4.2 In previous years increases to charges for non-dwelling rents have been linked to changes in CPI. As at September 2016 CPI was 1% and therefore it is proposed to increase charges for garages, cooking gas and communal facilities including laundry by 1% as follows:

Non Dwelling Rents	52 Week Charge 2016/17	Proposed 52 week Charge 2017/18	Weekly Increase
Garage Rent	£4.70	£4.75	£0.05
Garage Plots	£56.57	£57.14	£0.57
Cooking Gas	£0.80	£0.81	£0.01
Communal Facility	£4.46	£4.50	£0.04
Laundry	£1.48	£1.50	£0.02

The proposed increase is expected to generate additional income of £15k in 2017/18.

5. Consultation

- 5.1 This report will be subject to review by the Overview and Scrutiny Management Board before final decision by the council.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Final approval is required by the Council on 25th January 2017 with full implementation from 1st April 2017.

7. Financial and Procurement Implications

- 7.1 Appendix A of this report presents the 2017/18 detailed Draft Operating Statement which is effectively "The HRA Budget".

The table below presents an overall summary position of the Income and expenditure budgets:-

Housing Revenue Account	Proposed Budget 2017/18 £'000
Expenditure	75,414
Income (including service charges)	-83,305
Net Cost of Service	-7,891
Interest Received	-100
Net Operating Expenditure	-7,991
Revenue Contribution to Capital Outlay	9,150
Transfer from Reserves	-1,159
Surplus/Deficit for the Year	0

It can be seen that based on the 1% reduction in dwelling rent income and increase in service charges by 1% outlined in this report, the budgeted income of £83.305m is anticipated to be collected in 2017/18 and that this is offset by £75.413m of budgeted expenditure, which represents the net cost of delivering the service. As budgeted income is greater than the net cost of delivering the service, there is an overall net income of £7.991m to the service.

Once capital financing interest has been charged to the HRA, a Revenue Contribution to Capital of £9.150m has been made towards the HRA Capital Programme (in accordance with the HRA Business Plan), there will need to be a planned transfer from HRA Reserves of £1.159m in order to support capital investment in existing stock including strategic acquisitions. This will provide an overall balanced budget for 2017/18.

8. Legal Implications

8.1 No direct implications.

9. Human Resources Implications

9.1 There are no Human Resources implications arising from this report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 No direct implications.

11 Equalities and Human Rights Implications

11.1 No direct implications.

12. Implications for Partners and Other Directorates

12.1 No direct implications for partners and other directorates.

13. Risks and Mitigation

13.1 The greatest risk and uncertainty surrounds the level of rent income received into the Housing Revenue Account. This is dependent upon the number of properties available to generate income.

13.2 The level of properties is directly affected by the level of sales and demolitions which may vary to those used in the budget assumptions. New rules regarding Right to Buy (RTB) receipts were implemented in April 2012 included increasing the discount cap, which is now £77,900. This has seen the number of RTB sales increase significantly as a result of the higher discount cap. Total sales in 2015/16 were 143, it is estimated that there will be 160 RTB by the end of 2016/17 and the HRA Business Plan assumes a further increase to 170 sales in 2017/18.

13.3 The changes to the rent formula from 2016/17 will result in the Council receiving less income than under the current formula over four years, therefore impacting on the 30 year business plan.

13.4 The Government's changes to welfare benefits and the introduction of Universal Credit will also impact on the level of rent income collected including the level of arrears and therefore be reflected in the Housing Revenue Account balances. All budgets carry a certain level of risk in that unforeseen circumstances may arise, causing additional pressures on the level of resources applied.

14. Accountable Officer(s)

Tom Bell, Assistant Director of Housing and Neighbourhoods

Approvals Obtained from:-

Assistant Director of Finance and Corporate Services:-

Named officer: Stuart Booth

Assistant Director of Legal Services:- Dermot Pearson.

Head of Procurement (if appropriate):- not applicable

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

APPENDIX A

HRA - Draft Budget Operating Statement 2017/18 (-1% Rent Decrease)

Narrative	Full-year Budget 2016/17	Full-year Budget 2017/18	Year on Year Change
	£	£	£
Contributions to Housing Repairs Account	19,075,000	19,395,000	320,000
Supervision and Management	20,658,200	20,860,000	201,800
Rents, Rates, Taxes etc.	210,000	230,000	20,000
Provision for Bad Debts	1,545,520	1,332,400	-213,120
Cost of capital Charge	13,785,000	13,389,000	-396,000
Depreciation of Fixed Assets	19,975,350	20,082,240	106,890
Debt Management Costs	175,000	125,000	-50,000
Expenditure	75,424,070	75,413,640	-10,430
Dwelling Rents	-77,851,130	-77,341,010	510,120
Non-dwelling Rents	-750,510	-772,810	-22,300
Charges for Services and facilities	-4,487,120	-4,790,700	-303,580
Other fees and charges	-323,800	-299,310	24,490
Leaseholder Income	-81,000	-100,880	-19,880
Income	-83,493,560	-83,304,710	188,850
Net Cost of Services	-8,069,490	-7,891,070	178,420
Interest received	-90,000	-100,000	-10,000
Net Operating Expenditure	-8,159,490	-7,991,070	168,420
Appropriations:			
Revenue Contributions to Capital Outlay	8,159,490	9,150,000	990,510
Transfer from Reserves		-1,158,930	-1,158,930
Surplus/Deficit for the year	0	0	0

Summary Sheet

Council – 25 January 2017

Title:

District Heating Scheme Charges 2017/18

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

Yes – key decision taken by Cabinet on 9 January 2017

Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director of Adult Care and Housing

Report Author(s)

Mark Scarrott, Finance Manager Adult Care & Housing,
Tel: 01709 822007 Email: mark.scarrott@rotherham.gov.uk

Tom Bell, Assistant Director of Housing and Neighbourhoods
Tel: 01709 254954 Email: tom.bell@rotherham.gov.uk

Ward(s) Affected

All Wards

Summary

At the Cabinet and Commissioners' Decision Making Meeting on 9 January 2017, the Cabinet agreed to recommend proposed charges for the Council's District Heating schemes for 2017-18.

In order to give effect to the recommendations from Cabinet, consideration and approval by Council must be given to the recommendations set out below. The report detailing the reasoning behind the recommendations is appended in order to provide Members with sufficient knowledge to agree the proposals.

Recommendations

1. That there be no increase to the unit charge for the pooled district heating schemes.
2. That there be no increase to the pre-payment weekly charge for the pooled and unmetered scheme at Beeversleigh.
3. That there be no increase to the unit KWh charge at the Swinton district heating scheme.

4. That a further review of the performance of the pooled schemes be undertaken in 2017/18 including the extent to which full cost recovery has been achieved.

List of Appendices Included

Report to Cabinet and Commissioners' Decision Making Meeting – 9 January 2017
'District Heating Scheme Charges 2017/18'

Background Papers

Minutes of the Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet and Commissioners' Decision Making Meeting – 9 January 2017

Council Approval Required

Yes

Exempt from the Press and Public

No

Summary Sheet

Council Report

Cabinet and Commissioners' Decision Making Report - 9 January 2017

Title

District Heating Scheme Charges 2017/18

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

Yes

Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director Adult Care & Housing

Report Author(s)

Mark Scarrott, Finance Manager Adult Care & Housing
01709 822007, mark.scarrott@rotherham.gov.uk

Tom Bell, Interim Director of Housing, Adult Care & Housing Directorate,
01709 254954, tom.bell@rotherham.gov.uk

Ward(s) Affected

All

Executive Summary

The purpose of the report is to seek approval for the proposed charges for the Council's District Heating schemes for 2017-18.

Recommendations

1. That the Cabinet note the content of the report.
2. That Cabinet resolve to recommend to Council:-
 - a) That there is no increase to the unit charge for the pooled district heating schemes.
 - b) That there is no increase to the pre-payment weekly charge for the pooled and unmetered scheme at Beeversleigh.
 - c) That there is no increase to the unit KWh charge at the Swinton district heating scheme
 - d) That a further review of the performance of the pooled schemes will be undertaken in 2017/18 including the extent to which full cost recovery has been achieved.

List of Appendices Included

None

Background Papers

Self-Regulation Select Commission – Review of RMBC’s District Heating Schemes (November 2012).

District Heating Scheme Charges 2016/17 (January 2016)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board (23 December 2016)

Council Meeting (25 January 2017)

Council Approval Required

Yes

Exempt from the Press and Public

No

District Heating Scheme charges 2017-18

1. Recommendations

1.1 That the Cabinet note the content of the report.

1.2 That Cabinet resolve to recommend to Council:-

- a) That there is no increase to the unit charge for the pooled district heating schemes.
- b) That there is no increase to the pre-payment weekly charge for the pooled and unmetered scheme at Beeversleigh.
- c) That there is no increase to the unit KWh charge at the Swinton district heating scheme
- d) That a further review of the performance of the pooled schemes will be undertaken in 2017/18 including the extent to which full cost recovery has been achieved.

2. Background

2.1 The Council operate three distinct District Heating schemes:

- A pooled metered scheme;
- An unmetered scheme at Beeversleigh; and
- A pre-paid card meter scheme at Swinton.

Over the last few years charges for each scheme have been brought into line with a phased increase in the kilowatt hour charge towards achieving full cost recovery. In 2015/16 district heating cost the authority £835k and of this total cost, £807k was received as income, resulting in a deficit of £28k.

2.2 In general district heating charges are made up of two components, a weekly pre-payment charge and a metered charge per kilowatt hour of heating used. Weekly charges for most schemes exceed the actual metered costs and hence 22% of all income received from weekly charges was returned to customers via a refund in 2015/16. The Cabinet in January 2013 recommended that the cost of District Heating is fully recovered on a phased basis and therefore charges are set at the appropriate level.

This report examines each of the three distinct schemes taking into account the cost of the schemes, weekly pre-payment charge and the impact of the level of refunds and tenant arrears owed to the Council.

3. Key Issues

3.1 Pooled Metered Schemes

Pooled metered schemes have a weekly pre-payment flat rate charge collected through the rent system, applied to all properties dependent upon the size of the property.

The actual cost of each property's heating is determined by meter readings of the amount of kilowatt hours of heating actually used. In the vast majority of cases (73%) this results in a refund to the tenant. Based on 2015/16 actual income and expenditure, there was an overall deficit on pooled schemes of £49k, however, there are two pooled schemes which require further review:

- St Ann's Sheltered Scheme (Shaftsbury House) which had an actual deficit of £43k in 2015/16. Officers are of the view that this is a result of costs for heating the communal areas of the building not being excluded from the running costs for heating tenant's homes. The future of this site is currently being reviewed.
- Munsbrough estate had a deficit of £13k in 2015/16 which was likely a result of inaccurate apportioning of costs between tenant charges and Munsbrough School. This is currently based on a ratio of 90% tenants: 10% the school under a lease agreement until 2020. A new meter has been fitted to measure the actual heat being used by the school to determine how best to fairly apportion costs in future agreements.

There are sixteen pooled schemes with a total of 1,031 properties and current charges for 2016/17 are:

Pooled district heating charges	2016/17
Unit Cost KWh	8.72
Pre-payment Charges per week	
Bedsit	£12.80
1 Bed	£14.90
2 Bed	£17.10
3/4 Bed	£19.78

3.2 Beeversleigh

The 48 properties at Beeversleigh are currently not metered and therefore not part of the pooled metered district heating scheme. Weekly charges are in line with the pooled schemes and in 2015/16 income collected exceeded the cost of the scheme.

Current weekly charges for 2016/17 are:

Beeversleigh	2016/17
One bed flat	£14.90
Two bed flat	£17.10

Installation of individual meters is currently being undertaken and should be complete by the end of March 2017. In 2017/18 tenants will receive refunds based on individual usage bringing Beeversleigh into line with the other Pooled Metered schemes. It is therefore recommended that there are no changes to the weekly charges for 2017/18.

3.3 **Swinton**

The third category of district heating is the dwellings charged by a pre-paid card meter scheme at the 238 properties at Fitzwilliam, Swinton. A programme to replace and upgrade all existing meters was completed in March 2016. In 2015/16 the scheme achieved a surplus of £10k, based on a mix of both new and old meters whilst the full installation of new meters was completed. A review of the charges including any potential refunds to tenants will be made in 2017/18 based on a full year operation of the new meters.

4. **Options considered and recommended proposal**

4.1 It is recommended that the following options are considered:

4.1.1 **Pooled Schemes**

Based on the expected reduction in the contract price of gas and the continued high level of refunds it is proposed that no increase to either the unit charge per Kwh or the pre-paid charge for 2017/18.

The unit charge was increased by 10% per year over a three year period from 2013 to 2016 as a move towards recovering the full cost of the schemes, (the Council is currently subsidising pooled schemes by £49k). It is the view of Officers that full cost recovery across each scheme could be achieved if metering issues identified at St Ann's and Munsborough are resolved without the need for increasing the unit charge. The charge was not increased in 2016/17.

Recommendation – No change to the unit charge and pre-payment weekly charge in 2017/18.

4.1.2 **Beeversleigh**

It is proposed that the current level of pre-payment charge remains the same for 2016/17 as this scheme recovers the full cost and individual meters should be fully installed by March 2017, which will therefore mean that tenants will pay for the actual heating used rather than a standard weekly charge based on the size of the property.

Recommendation – No increase to existing weekly pre-payment charge in 2017/18.

4.1.3 **Swinton**

It is proposed to keep the unit charge at 8.72p per KWh, the same level as 2016/17 and the proposal for the pooled schemes.

Tenants using this scheme have received significant increases in the unit charge from 2013-16 in order to recover the full cost of the scheme. In 2015/16 the average payments made by tenants was £539 per annum compared with £623 per annum on the pooled meter schemes. Given the expected reduction in the contract price of gas, the recovery of costs and the installation of new and more reliable meters, it would seem appropriate not to increase the unit charge and review in 2017/18 based on the actual usage.

Recommendation – no increase in the unit charge in 2017/18.

5. Consultation

- 5.1 This report will be subject to review by the Overview and Scrutiny Management Board before final decision by the Council.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Final approval is required by the Council on 25th January 2017 with full implementation from 1st April 2017.

7. Financial and Procurement Implications

- 7.1 The financial implications are outlined in sections 3 and 4 of the report.

8. Legal Implications

- 8.1 No direct implications.

9. Human Resources Implications

- 9.1 There are no Human Resources implications arising from this report.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 No direct implications.

11 Equalities and Human Rights Implications

- 11.1 No direct implications.

12. Implications for Partners and Other Directorates

- 12.1 No direct implications for partners and other directorates..

13. Risks and Mitigation

- 13.1 Not recovering the full cost of district heating in the long term would have an adverse impact on the Housing Revenue Account business plan. Also, any significant increase in the future prices of gas could also result in further increases in charges.

14. Accountable Officer(s)

Tom Bell, Assistant Director of Housing and Neighbourhoods Services

Approvals Obtained from:-

Assistant Director of Finance and Customer Services:-
Named officer : Stuart Booth

Assistant Director of Legal Services:-
Named Officer Dermot Pearson

Head of Procurement (if appropriate):- not applicable

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Summary Sheet

Council Report

Council – 25 January 2017

Title

Proposed Constitutional Amendments - Financial Regulations and Contract Standing Orders

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

No

Strategic Director Approving Submission of the Report

Judith Badger – Strategic Director of Finance and Customer Services

Report Author(s)

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Ward(s) Affected

All

Executive Summary

A review of the Council's constitution is currently taking place and Council has already approved amendments to the constitution at its Annual meeting and at its meeting on 7 December. Financial Regulations and Contract Standing Orders are part of the constitution and are therefore also being reviewed and updated. These two components fall within the terms of reference of the Standards and Ethics Committee with the final decision on constitutional amendments being a matter for Full Council.

The attached report summarises the main changes proposed to be made. The Financial Regulations have been shortened and modernised and consequently been converted into more active language with more responsibility given to the Chief Finance Officer and Strategic Director to manage the Council's finances in line with the Council's policy framework and budget and to be accountable to Members in doing so.

The Contract Standing Orders have been updated to reflect the Public Contract Regulations 2015, the move to always using electronic tenders and the introduction of a procurement business case process for planning procurements along with a section on contract management.

Recommendations

1. That the constitutional amendments relating to the Financial Regulations and Contract Standing Orders set out in appendices 2 and 3 to this report be approved.
2. That the Financial Regulations be renamed Financial Procedure Rules and the Contract Standing Orders be renamed Contract Procedure Rules and that all relevant documents be amended to reflect this change in wording.
3. That, subject to the proposed amendments being approved, the relevant renumbering of the documents be undertaken.
4. That a review of the effectiveness of the changes be reported to the Standards and Ethics Committee by the end of the calendar year.

Background Papers

N/A

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Standards and Ethics Committee – 12 January 2017

Council Approval Required

Yes

Exempt from the Press and Public

No

Review of Financial Regulations and Contract Standing Orders

1. Recommendations

- 1.1 That the constitutional amendments relating to the Financial Regulations and Contract Standing Orders set out in appendices 2 and 3 to this report be approved.
- 1.2 That the Financial Regulations be renamed Financial Procedure Rules and the Contract Standing Orders be renamed Contract Procedure Rules and that all relevant documents be amended to reflect this change in wording.
- 1.3 That, subject to the proposed amendments being approved, the relevant renumbering of the documents be undertaken.
- 1.4 That a review of the effectiveness of the changes be reported to the Standards and Ethics Committee by the end of the calendar year.

2. Background

- 2.1 A review of the Council's constitution is currently taking place and Council has already approved previous amendments to the constitution at the Annual meeting of Council and at its meeting on 7 December. Financial Regulations and Contract Standing Orders are part of the constitution and are therefore also being reviewed and updated.
- 2.2 The review of the existing documents and preparation of the new ones was conducted by an independent consultant, who has formerly held the post of chief finance officer in a local authority. The review involved comparing the Council's existing arrangements with five other metropolitan councils to produce proposals that are up-to-date and practical.
- 2.3 The Standards and Ethics Committee considered the proposed amendments at its meeting on 12 January 2017. The Committee recommended a number of further amendments and these are detailed at Appendix 1. It also recommended that a review on the effectiveness of the changes, if agreed by Council, be considered by the Standards and Ethics Committee by the end of the calendar year. In addition to this, the Committee also recommended that a training plan be developed as part of the implementation of the proposed changes.
- 2.4 The proposed Financial Regulations are attached as appendix 2 and the proposed Contract Standing Orders are attached as appendix 3. The main changes to the Financial Regulations and Contract Standing Orders are set out in section 3.

3. Main Changes

Financial Regulations

- 3.1 The Financial Regulations have been reduced in length by half, mainly by removing duplication.
- 3.2 The main changes to the Financial Regulations are set out below, with references to the regulation number:
- Changing the status of guidance notes (reg 2.5) so that they can be issued by the Chief Finance Officer at any time, and officers and members must comply with them;
 - Using definitions (para 3.1) for roles so that it is easier to make changes to the regulations if job titles and management structures change;
 - A clear statement that members and officers should seek value for money (reg 4.5);
 - A duty for officers to consult the Chief Finance Officer about financial matters (reg 5);
 - The virement rules (reg 7) have been clarified;
 - The procurement of goods and services (reg 10) now lines up with the way the financial system works by placing the key controls on the authorisation of requisitions and certification of goods or services being received;
 - A new regulation 11 has been introduced to cover grants to voluntary and community sector organisations;
 - The writing-off of debts (reg 13.11) is to be done by the Chief Finance Officer, with arrangements for consultation on larger debts;
 - The general assumption about overspends and underspends is that they will not carry forward to the following year's budget (reg 19);
 - A new regulation 25 has been included about the settlement of claims against the Council;
 - The limits for the disposal of land and buildings without separate Member approval have been increased (reg 27.11);
 - Regulation 31 has been added to deal with petty cash imprests;
 - Regulation 34 has been added to deal with gifts, loans and sponsorships;
 - Regulation 37 has been added to deal with emergency situations.

Contract Standing Orders

- 3.3 The Contract Standing Orders have been updated to reflect the Public Contract Regulations 2015, the move to always using electronic tenders and the introduction of a procurement business case process for planning procurements and a section on contract management.
- 3.4 For now they commence at number 32 but the numbering may change once they are slotted into their place in the revised constitution. That is why the cross-references in the draft Contract Standing Orders have not yet been completed.

3.5 The main changes to the Contract Standing Orders are set out below, with references to the standing order number:

- Using definitions (SO 32.5) for roles so that it is easier to make changes to the regulations if job titles and management structures change;
- The guiding principles (SO 33) have been extended;
- There is a requirement for Strategic Directors to prepare procurement business cases for each procurement (SO 37);
- The use of approved lists of contractors has been aligned with the Public Contract Regulations 2015;
- The tendering process (SO 42 to 46) reflects the Public Contract Regulations 2015;
- All tendering processes for £25,000 or more should be carried out using the YORTender system and advertised on Contracts Finder (SO 46);
- All tendering should be done electronically, using the security features and audit trail built into the YORTender system (SO 47.6);
- A new section (SO 52 to 54) has been added to set out what is expected from officers who are appointed as the contract manager for a contract.

4. Options considered and recommended proposal

4.1 Both the Financial Regulations and Contract Standing Orders were out of date and did not reflect the systems and practices being operated in the Council. The option of making no changes was, therefore, inappropriate.

5. Consultation

5.1 Consultation took place with a range of officers who are involved in financial management or procurement to identify what the issues and problem areas were. A sub-set of those officers were then consulted on the first and subsequent drafts of new Financial Regulations and Contract Standing Orders and invited to submit comments and improvements.

5.2 The Constitution Working Group was consulted on the proposed amendments on 10 January 2017 and provided feedback which was verbally reported to the Standards and Ethics Committee meeting on 12 January 2017. Both the working group and the committees were consulted and the views expressed have informed the proposals.

6. Timetable and Accountability for Implementing this Decision

6.1 The Strategic Director of Finance and Customer Services is responsible for ensuring implementation of the changes.

7. Financial and Procurement Implications

- 7.1 The revised Financial Regulations and Contract Standing Orders will enable quicker action and decision making whilst helping to strengthen record keeping and professional standards and also the requirement to seek advice and guidance from the Chief Finance Officer. They will assist the Council in functioning as a modern and efficient council in relation to financial and procurement matters and so help to meet one of the key Corporate Plan priorities.

8. Legal Implications

- 8.1 The revised regulations will be adopted into the Council's Constitution if approved.

9. Human Resources Implications

- 9.1 None arising from this report.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 None arising from this report.

11. Equalities and Human Rights Implications

- 11.1 None arising from this report.

12. Implications for Partners and Other Directorates

- 12.1 The proposed Financial Regulations and Contract Standing Orders will have an impact on the way that Strategic Directors carry out the day to day business of the Council. It is anticipated they will be able to do things more quickly and efficiently, but there will likely be some disruption as officers adapt to the changes.

13. Risks and Mitigation

- 13.1 The current regulations and standing orders are out of date, in some places, and this creates potential for confusion, errors and misunderstandings. Updating the documents will attempt to deal with these issues and problems but there are risks associated with making the change.

Risk	Mitigation
Officers may be unaware of the new rules	<p>Clear communication of the changes is needed</p> <p>Making them available on the intranet</p> <p>Develop a training programme to cover the main changes</p>
New rules may be unclear or have ambiguities	<p>Monitor the situation and keep notes of problem areas that arise</p> <p>The Chief Finance Officer to issue new/revised guidance notes to clarify the rules</p> <p>Review and revise the new rules within a year</p>
New rules may have gaps	<p>The Chief Finance Officer to issue a guidance note to fill the gap on an interim basis, until the next review can fill the gap permanently</p>
External changes (e.g. in laws)	<p>The Chief Finance Officer to issue new/revised guidance notes to clarify the rules in respect of the external change</p> <p>Review and revise the new rules within a year</p>

14. Accountable Officer(s)

Approvals Obtained from:-
Strategic Director of Finance and Customer Services, Judith Badger

Appendix 1

Proposed amendments to Financial Regulations and Contract Standing Orders

General

In order to reflect the modernisation of the rules and regulations and the operational content to guide officers and members about the processes and procedures:

- It is proposed that the Financial Regulations be renamed Financial Procedure Rules and the Contract Standing Orders be renamed Contract Procedure Rules and that all relevant documents be amended to reflect this change in wording.
- It is also proposed that once approved, relevant renumbering of the documents will be carried out.

Proposed amendments to Financial Regulations

Para 3.1

- Reword to ensure excludes secretaries etc.
- Check/change contract stg orders as well

Para 4.5

- Add 'if in doubt, seek advice of CFO'

Paragraph 7 re Budget Virements and Supplementary Estimates

7.3.2 – add “in consultation with the Leader

Current 7.3

7.3 Proposals for in-year virement *between* Directorates must be approved as follows (provided first that the affected Strategic Directors have been consulted):

7.3.1 up to £100,000 by the Chief Finance Officer;

7.3.2 £100,000 to £400,000 by the Chief Executive;

7.3.3 above £400,000 by Cabinet.

Proposed 7.3

7.3 Proposals for in-year virement *between* Directorates must be approved as follows (provided first that the affected Strategic Directors have been consulted):

7.3.1 up to £100,000 by the Chief Finance Officer;

7.3.2 £100,000 to £400,000 by the Chief Executive in consultation with the Leader;

7.3.3 above £400,000 by Cabinet.

Add new paragraph after 7.4 – “All virements in excess of £100,000 will be reported within financial monitoring reports.”

Add new paragraph – No virement is allowed from budgets that are funded from specific, ringfenced or restricted resources.

Paragraph 11 re Grants to Voluntary and Community Sector Organisations

Amend 11.2 to add “at a time”.

Current 11.2

Grants can be awarded for a maximum of three calendar years.

Proposed 11.2

Grants can be awarded for a maximum of three calendar years at a time.

Add new paragraph to say “All values refer to the value of the full programme (over the full term).

Add new paragraph to say “A full list of grants to voluntary and community sector organisations is to be maintained and will be published on the Council’s website.

Para 13.1

- Reword from “Consider” to “Arrange” on the training programme
- Review of new rules to be reported back to Standards & Ethics Committee

Paragraph 13 re Income

Split paragraph 13.8 into 2 separate paragraphs for clarity as shown below:

Current 13.8

Where an application for grant funding is successful (unconditionally or conditionally), the Strategic Director shall inform the Chief Finance Officer of the details of awarded funding and provide him/her with a copy of relevant documents. If the grant funding was not contemplated when the budget for the relevant financial year was set then the Chief Finance Officer shall make the appropriate changes to the directorate cash limit and/or capital programme and these revised amounts will be used in the budget monitoring and year-end balances processes.

Proposed 13.8

Where an application for grant funding is successful (unconditionally or conditionally), the Strategic Director shall inform the Chief Finance Officer of the details of awarded funding and provide him/her with a copy of relevant documents.

If the grant funding was not contemplated when the budget for the relevant financial year was set then the Chief Finance Officer shall make the appropriate changes to the directorate cash limit and/or capital programme and these revised amounts will be used in the budget monitoring and year-end balances processes.

Paragraph 27 re Assets

Add a financial limit and require consultation with Cabinet Member.

Current paragraph 27.10.1

27.10 In respect of the acquisition of land and property:

- 27.10.1 where sufficient budget provision for an acquisition exists within the total Council budget, the Property Officer may approve a purchase of land or buildings; or

Proposed paragraph 27.10.1

27.10 In respect of the acquisition of land and property:

- 27.10.1 where sufficient budget provision for an acquisition exists within the total Council budget and the cost of the acquisition is less than £100,000 the Property Officer may approve a purchase of land or buildings in consultation with the relevant Cabinet Member; or

Para 32.1

- Change 'registered' to 'operated'

Para 34

- Add in that the Mayor should also comply with these rules

Proposed amendments to Contract Standing Orders

Para 32.5

- Reword to ensure excludes secretaries etc.

Paragraphs 43 - 56 need renumbering

Exemption from Competition

Amend paragraph 44.4 to add “A summary of agreed exemptions will be reported in quarterly performance monitoring reports.”

Current 44.4

A copy of all approved exemption requests must be provided to the Corporate Procurement Team, where a record of all approved exemptions will be maintained. The relevant Strategic Director is responsible for ensuring the appropriate Cabinet Member is kept informed.

Proposed 44.4

A copy of all approved exemption requests must be provided to the Corporate Procurement Team, where a record of all approved exemptions will be maintained. The relevant Strategic Director is responsible for ensuring the appropriate Cabinet Member is kept informed. A summary of agreed exemptions will be reported in quarterly performance monitoring reports.

APPENDIX 2

Rotherham MBC – Draft Financial Regulations, January 2017

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1. Status and Scope of these Regulations

- 1.1. Article 18 of the Council's Constitution says "The Council's Financial Regulations govern the financial management of the Council."
- 1.2. The Regulations shall apply to all of the Council's activities (except schools with delegated budgets) including any activities undertaken on behalf of third parties or under separate financial/funding regimes.
- 1.3. These Regulations do not apply to schools with delegated budgets in respect of the administration of those delegated budgets, and for which separate, specific, Financial Regulations shall apply.
- 1.4. These Financial Regulations shall not be changed, revoked or otherwise set aside without the prior agreement of the Council acting on a recommendation from the Cabinet or the Standards Committee. The Chief Finance Officer shall comment in writing upon any proposal to change, revoke or otherwise set aside any part of these Regulations, prior to any decision of the Council on this matter.

2. Interpretation

- 2.1. These Financial Regulations and Procedures should be read in conjunction with any other instructions of the Council relating to financial matters, particularly:-
 - the Constitution;
 - the Council's Terms of Reference and Scheme of Delegation;

- the “Proper Officer” arrangements approved by the Council under the Local Government Act 1972; and
 - Contract Standing Orders.
- 2.2. The Constitution sets out the responsibilities of the Full Council, Cabinet, executive members, committees and panels, the Chief Executive, the Monitoring Officer, the Chief Finance Officer, Strategic Directors, etc.
- 2.3. Strategic Directors may delegate responsibility to officers for some aspects of financial management. Strategic Directors should maintain a written record where responsibility for financial decision making has been delegated to members of their staff, including to seconded staff. Where decisions have been delegated or devolved to other responsible officers, references to Strategic Directors in these Financial Regulations should be read as referring to them.
- 2.4. The Chief Finance Officer, along with the Assistant Director Legal Services, shall determine any dispute as to the interpretation of these Financial Regulations.

Guidance Notes

- 2.5. The Chief Finance Officer is responsible for issuing advice and guidance to underpin the Financial Regulations that members, officers and others acting on behalf of the Council are required to follow.
- 2.6. To assist officers and members in their roles the Chief Finance Officer may, from time to time, issue written guidance or procedure notes which set out in more detail how the Council’s financial arrangements shall operate. Officers and Members must comply with the procedures in all such guidance notes.
- 2.7. Upon issuing a new or revised guidance note the Chief Finance Officer shall ensure that it is communicated to appropriate officers and members and is made available on the Council’s intranet.

3. Definitions

- 3.1. In these regulations the terms below shall be interpreted as follows:

Strategic Director means an officer who is a member of the Strategic Leadership Team and reports directly to the Chief Executive (irrespective of their actual job title) and other than a person whose duties are solely secretarial or clerical or are otherwise in the nature of support services.

Assistant Director means an officer who reports directly to a Strategic Director (irrespective of their actual job title) and other than a person

whose duties are solely secretarial or clerical or are otherwise in the nature of support services.

Budget Manager means an officer who is given responsibility for controlling the expenditure for one or more cost centres or projects.

Chief Finance Officer (or CFO) means the person designated as the Section 151 Officer (currently the Strategic Director – Finance and Customer Services).

Chief Internal Auditor means the Head of Internal Audit.

Financial Signatory means an officer approved by a Strategic Director to authorise requisitions for specified service areas and within specified financial amounts.

Monitoring Officer means the person designated as the Monitoring Officer (currently the Assistant Director – Legal Services).

Property Officer means person designated as the Corporate Officer (currently the Assistant Director – Planning, Regeneration and Transport).

Senior Information Risk Owner (or SIRO) means the person designated as the SIRO (currently the Assistant Director – Customer, Information and Digital Services).

4. General Requirements

- 4.1. Strategic Directors shall ensure all staff in their directorates are aware of the content of these Financial Regulations and other internal regulatory documents and that staff comply with them. In particular, Strategic Directors shall ensure that staff induction processes include making new staff aware of these Financial Regulations as well as their own responsibilities for financial management.
- 4.2. All members and officers of the Council must comply with these financial regulations and all the associated guidance at all times.
- 4.3. The Council may take disciplinary or other action against anyone to whom these Regulations apply who fails to comply with them.
- 4.4. The Chief Finance Officer is responsible for reporting, where appropriate, significant breaches of Financial Regulations to the Council and/or to the executive members.
- 4.5. All Members and officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of the Council's resources is legal,

properly authorised and provides value for money. What that means is, before spending any of the Council's money or entering into a commitment with financial consequences, officers and members need to answer "Yes" to these three questions:

- Is this spending within the regulations?
- Can the Council afford it?
- Is it value for money?

If in doubt, advice should be sought from the Chief Finance Officer.

- 4.6. The Chief Finance Officer shall be notified and receive copies of all Government or other circulars, orders, sanctions, approvals and regulations affecting finance which are received by the Authority.
- 4.7. Strategic Directors and Assistant Directors shall furnish the Chief Finance Officer with such information as he/she may from time to time require for financial administration of the Council's affairs. In the case of any dispute or difference of opinion on whether provision of information is necessary, the decision of the Chief Finance Officer will be final.
- 4.8. It is the responsibility of each Strategic Director to ensure that a proper Scheme of Delegation has been established in their Directorate, in accordance with Standing Order 34, and is operating effectively. The Scheme of Delegation should identify staff authorised to act on the Strategic Director's behalf in respect of payments, income collection and the requisitioning of goods and services, writing off debts, together with the limits of their authority.

5. Duty to Consult the Chief Finance Officer

- 5.1. Any report prepared by Strategic Directors or other officers for consideration by the Full Council, Cabinet, a Committee, Panel, Working Group or similar, which has financial implications must be prepared in consultation with the Chief Finance Officer. The Chief Finance Officer shall be consulted on the contents of the report in good time to be able to assess the financial implications and the Chief Finance Officer shall incorporate into the report such comment on the financial aspects as he/she considers necessary or appropriate. The Chief Finance Officer may delegate some or all of these duties to appropriate representatives e.g. Finance Business Partners who will carry out these duties on behalf of the Chief Finance Officer, subject to formal delegation arrangements.

6. Financial Planning and Budget Setting

- 6.1. The Full Council is responsible for approving the Budget and Policy Framework which will be proposed by the Cabinet. Officers are responsible for implementing these Budget and Policy decisions and for managing their budgets within the parameters set.
- 6.2. The Chief Finance Officer will be responsible for ensuring that a Medium Term Financial Strategy for the Authority is prepared and updated at least annually for consideration by the Cabinet and approval by the Council.
- 6.3. The Medium Term Financial Strategy will be consistent with and designed to further the achievement of the Council's priorities.

Revenue budget

- 6.4. The Chief Finance Officer will be responsible for ensuring that a Revenue Budget for the coming financial year (and as appropriate the two subsequent financial years) is prepared and brought forward for approval by the Council upon recommendation of the Cabinet, on or before the statutory date for such approval (currently 11th March). The adoption of the Budget by the Council shall be accompanied by a resolution as to the level of Council Tax required for the coming financial year in order to sustain the Budget.
- 6.5. The Chief Finance Officer shall:
 - 6.5.1 prepare and submit reports to the Cabinet on the overall prospects for the Council's income and expenditure over the medium term, including the implications of any resource constraints set or proposed by Government;
 - 6.5.2 prepare and submit reports to the Cabinet on the aggregate spending plans of departments and on the resources available to fund them, identifying, where appropriate, the implications for the level of Council Tax to be levied and on the level of housing rents/service charges;
 - 6.5.3 advise Cabinet and the Strategic Leadership Team on the medium term implications of spending decisions;
 - 6.5.4 encourage the best use of resources and value for money by working with Strategic Directors to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options and in developing financial aspects of service planning;

- 6.5.5 advise the Full Council about the credibility and sustainability of the Cabinet's Budget proposals, in accordance with his or her responsibilities under section 151 of the Local Government Act 1972.
- 6.6. The Revenue Budget for the year will:-
 - 6.6.1 be consistent with the Council's priorities as expressed in the Corporate Plan;
 - 6.6.2 reflect the content of the Medium Term Financial Strategy for the appropriate year;
 - 6.6.3 be balanced, affordable and sustainable;
 - 6.6.4 not commit the Council to unplanned or unaffordable expenditure in subsequent years;
 - 6.6.5 leave the Council with an adequate level of uncommitted balances/reserves;
 - 6.6.6 be accompanied by a prudent risk assessment of the possible implications in terms of both affordability and service delivery.
- 6.7. When the proposed Budget for the coming year is being considered by the Cabinet and the Council, the Chief Finance Officer shall advise as to what would constitute a prudent and necessary minimum level of uncommitted balances/reserves for the Council to retain and also as to whether the budget being proposed is consistent with such a requirement. In forming their professional judgement, the Chief Finance Officer will consider guidance from CIPFA or the external auditor.
- 6.8. In setting its annual Revenue Budget, the Council determines a cash-limited allocation for each Directorate, calculated at forecasted outturn prices. These cash limits may be amended subsequently through presenting a Revised Estimate to the Full Council following a recommendation from Cabinet.
- 6.9. Within the overall cash limited budget allocated by the Council to his/her Directorate, each Strategic Director will set a detailed budget. In setting the detailed budget, each Strategic Director will take account of any policies, priorities, or specific allocations prescribed by the Cabinet in the determination of the budget total, and shall ensure that all cash limited budget allocations are in accordance with the Council's declared intentions.
- 6.10. When a cash limited budget has been agreed for the year for each Directorate (as part of the Council's approved Budget) it shall be the

responsibility of the Strategic Director to ensure that their budget is not overspent.

Capital programme

- 6.11. Capital schemes and projects shall be collected together into a Capital Programme for approval by Members.
- 6.12. Full Council shall approve at least annually a Capital Strategy which sets out the Council's priorities for capital investment.
- 6.13. Strategic Directors shall submit proposals for any future capital schemes by such dates, and in such form, as the Chief Finance Officer shall determine, subject to Council approval.
- 6.14. The Chief Finance Officer shall collate the proposed Capital Programme jointly with Strategic Directors and the Chief Executive and the programme will be submitted to the Cabinet for approval and recommendation to Full Council at the same time as the Revenue Budget proposal.
- 6.15. The Capital Programme will be based on the following principles:
 - 6.15.1 That all items/projects to be included in the Authority's Capital Programme will be processed through the Strategic Capital Investment Group (SCIG) and be subject to proper assessment and evaluation. A scheme and estimate, including project plan, progress targets, a clear identification of the method/source of capital funding and the associated revenue expenditure must be prepared for each capital project to enable such an evaluation.
 - 6.15.2 That the ongoing revenue consequences are identified (both in terms of capital financing costs and operational expenditure) for all capital investments. Such ongoing consequences/commitments shall be fed into the Medium Term Financial Strategy and into the Revenue Budget at the appropriate time.
 - 6.15.3 That the Programme will be updated at least annually and monitored regularly throughout the year. Monitoring shall be carried out to a timetable and in a format prescribed by the Chief Finance Officer. Any significant variance from the capital expenditure profile must be notified immediately to the Strategic Capital Investment Group and reported to Cabinet and Council if appropriate, subject to any application of the virement rules set out in section 7.

- 6.16. Each year, through the Chief Finance Officer, the Strategic Capital Investment Group shall recommend to Cabinet for approval a balanced Capital Programme which best meets the Council's objectives and priorities and its Medium Term Financial Strategy. Cabinet may make amendments to the proposed Capital Programme provided that it remains balanced and affordable. The Cabinet will then recommend its Capital Programme proposal to Full Council in advance of each financial year.
- 6.17. Additional Capital Programme items may be added to the Capital Programme during the year subject to specific additional (new) funding being identified e.g. grant, or the funding being identified from relevant and appropriate revenue budgets. In all cases the item must be in line with the Budget and Policy Framework set by Council and must not commit the Council to future years' expenditure that is not already set within the Budget and Medium Term Financial Strategy. Any such additions to the programme should be reported to Cabinet as part of the regular financial reporting and the Executive Procedure Rules in relation to Key Decisions must be observed at all times.

7. Budget Virements and Supplementary Estimates

- 7.1. Virement is the transfer of resources from one budget heading to another.
- 7.2. Strategic Directors may authorise in-year virements **within** their Directorate budgets, subject to Financial Regulation 7.7 and excluding budgets funded by:
 - 7.2.1 corporate capital resources including prudential borrowing;
 - 7.2.2 earmarked reserves.
- 7.3. Proposals for in-year virement **between** Directorates must be approved as follows (provided first that the affected Strategic Directors have been consulted):
 - 7.3.1 up to £100,000 by the Chief Finance Officer;
 - 7.3.2 £100,000 to £400,000 by the Chief Executive in consultation with the Leader;
 - 7.3.3 above £400,000 by Cabinet.
- 7.4. Virement is not permitted from certain budget heads as these impact on the Council's ability to fund non-discretionary expenditure. These excluded heads may be determined from time to time by the Chief Finance Officer and shall include:

- 7.4.1 depreciation;
- 7.4.2 corporate recharges;
- 7.4.3 administration and building recharges.
- 7.5. All virements in excess of £100,000 will be reported within financial monitoring reports.
- 7.6. No virement is allowed from budgets that are funded from specific, ringfenced or restricted resources.
- 7.7. Notwithstanding the availability of the virement regulations, **no expenditure shall be incurred on any new policy or purpose, or any extension of existing policy, without the specific approval of the Council** given on the recommendation of the Executive Cabinet; and no commitment for future years shall be entered into in excess of that previously anticipated by the Full Council when approving the Revenue Budget and Capital Programme.
- 7.8. No Budget Manager will be authorised to incur expenditure in excess of his/her cash-limited budget without either:
 - 7.8.1 a virement being approved in accordance with these Regulations (which, in effect, will increase the cash limited budget for the current financial year); or
 - 7.8.2 a supplementary estimate being approved by the Council.
- 7.9. No request for a supplementary estimate may be presented to Members without prior consultation with the Strategic Leadership Team and the Chief Finance Officer, whose recommendations shall accompany any formal request.
- 7.10. Budget adjustments and realignments that relate to a transfer of responsibility or to technical accounting changes and requirements will not be deemed to be virement and will therefore not be subject to the restrictions of these regulations. These changes may only be made in consultation with the Chief Finance Officer.

8. Controlling Income and Expenditure (Budget Monitoring)

- 8.1. The Chief Finance Officer shall establish an appropriate framework of budgetary monitoring and reporting that ensures:
 - 8.1.1 Budget management is exercised within annual cash limits unless the Full Council agrees otherwise;

- 8.1.2 Each month each Budget Manager receives timely information on expenditure and income on each budget which is sufficiently detailed to enable them to fulfil their budgetary responsibilities;
- 8.1.3 After reviewing their monthly budget information each budget manager provides to their Strategic Director a forecast of their outturn position on each service and/or project budget; and the Strategic Director will provide a consolidated forecast for their directorate to the Chief Finance Officer and relevant Cabinet Member;
- 8.1.4 A budget monitoring report, which includes an up-to-date outturn forecast, information about significant variances from approved budgets and proposals for dealing with them, is submitted to Cabinet at least 6 times a year.
- 8.2. In connection with the framework the Chief Finance Officer will issue guidance on:
 - 8.2.1 Frequency of reporting;
 - 8.2.2 The format and content of reports (including the degree of detail, risk analysis undertaken and any corrective actions taken or proposed);
 - 8.2.3 The nomination of Budget Managers.

Budget Managers

- 8.3. Strategic Directors shall ensure there is a nominated Budget Manager for each budget heading and cost centre. This applies to the budget headings and cost centres for Capital Programme projects as well as revenue account items.
- 8.4. Strategic Directors and Budget Managers are authorised to incur expenditure in accordance with the estimates that make up the budget and the Capital Programme within their delegated area of control.
- 8.5. Strategic Directors and Budget Managers must:
 - 8.5.1 Accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities;
 - 8.5.2 Work within the authorised cash limits and utilise the resources allocated to them in the most efficient, effective and economic way;
 - 8.5.3 Identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service or project delivery;

- 8.5.4 Follow the approved certification process for requisitioning and authorising of all types of expenditure;
 - 8.5.5 Record all income and expenditure properly;
 - 8.5.6 Monitor performance levels/levels of service in conjunction with the budget and take necessary action to align service outputs and budget;
 - 8.5.7 Investigate budget variances and report on them to their line manager.
- 8.6. Strategic Directors shall ensure Budget Managers are appropriately trained to carry out their responsibilities.

Budget Monitoring

- 8.7. The Chief Finance Officer will ensure that appropriate financial information is available to Budget Managers to enable them to monitor their budgets effectively.
- 8.8. Budget monitoring will be carried out in accordance with guidance and requirements issued by the Chief Finance Officer.
- 8.9. In undertaking budget monitoring within their Directorate, Strategic Directors should be mindful of the overriding requirement to deliver an outturn within budget. Actions necessary within the detail of the budget in order to deliver a balanced outturn shall be brought to the attention of elected members, through the Chief Finance Officer and the Strategic Leadership Team so that any corrective action can be set in motion.
- 8.10. Where it appears that an overspending on their overall budget is unavoidable, the Strategic Director shall immediately advise the Chief Finance Officer. The Strategic Director, having consulted with the Chief Finance Officer, shall prepare a report to the Strategic Leadership Team outlining the options for recovering the overspend. After considering the report, the Strategic Leadership Team will then submit their recommendations in a report to the Cabinet.
- 8.11. Each Budget Manager shall keep under constant review the programme of capital payments on capital projects under their control and the Chief Finance Officer shall provide such information on capital costs and payments as is necessary for this purpose.
- 8.12. If a Strategic Director has reason to think that the estimated cost of any Capital Programme item will be exceeded by more than the lesser of 10% or £100,000, he/she should immediately report the matter to the appropriate Executive Member and the Chief Finance Officer along with any options available to mitigate the position.

9. Staffing, Remuneration and Payroll

- 9.1. The Chief Executive is responsible for providing overall management of staff. He or she will also be responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.
- 9.2. Strategic Directors are responsible for controlling total staff numbers by:
 - 9.2.1 advising the Executive on the budget necessary in any given year to cover estimated staffing levels;
 - 9.2.2 adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs.
- 9.3. The Assistant Chief Executive will ensure the operation and maintenance of effective and efficient systems for the payment and recording of staff salaries, wages, pensions and other emoluments and payments of Members' allowances.
- 9.4. Each Strategic Director shall notify the Assistant Chief Executive as required and in the form prescribed by him/her, of all matters affecting the payment of such emolument, and in particular:
 - 9.4.1 appointments, resignations, dismissals, suspensions, secondments, and transfers;
 - 9.4.2 absence from duty for sickness or other reason, apart from approved leave;
 - 9.4.3 changes in remuneration, other than normal increments and pay awards and agreements of general application; and
 - 9.4.4 information necessary to maintain records or service for pensions, income tax, national insurance and the like.

10. Procurement of Works, Goods and Services

- 10.1. Strategic Directors shall be responsible for all procurement originating from their Service for the execution of any works, the supply of goods, materials or services and shall:-
 - 10.1.1 ensure that Contract Standing Orders, and UK and EU legislation are adhered to in relation to procurements;
 - 10.1.2 make full use of contracts, frameworks, and purchasing consortium arrangements available to the Council (the

corporate procurement team will be able to advise on what is available for any given procurement);

- 10.1.3 enter details of all contracts and partnerships in the corporate contract register.
- 10.2. All purchases of goods and services shall be initiated by the creation and authorisation of a requisition, which should state, as a minimum:
 - 10.2.1 the nature, quantity, and agreed or estimated costs of the works, goods or services being requisitioned; and
 - 10.2.2 the address for deliveries.
- 10.3. Strategic Directors shall keep the Chief Finance Officer informed of the names of their Financial Signatories and the limits of each Financial Signatory's authority.
- 10.4. The authorising of a requisition by a Financial Signatory shall signify:
 - 10.4.1 the goods or services are necessary for the discharge of the functions of the Council;
 - 10.4.2 there is sufficient budget provision for the goods or services; and
 - 10.4.3 Financial Regulations and Contract Standing Orders have been complied with.
- 10.5. Official purchase orders, with unique purchase order numbers, shall be created (in an electronic format approved by the Chief Finance Officer) and despatched centrally.
- 10.6. Verbal orders must be restricted to absolutely urgent matters, must be followed immediately by an official order marked 'Confirmation'.
- 10.7. The use of corporate purchasing cards is restricted to authorised staff who have been issued with guidelines and signed to confirm their understanding of them. Holders of purchasing cards must comply with instructions and guidance on the use of purchasing cards issued by the Chief Finance Officer from time to time.

11. Grants to Voluntary and Community Sector Organisations

- 11.1. Often when the Council wishes to commission services to be provided by third parties (whether in the public, private, voluntary or community sectors) it will put in place a contract after following a procurement process in line with the requirements of Contract Standing Orders. Where a Budget Manager believes that the Council's interest will be

better served by operating a grant programme and such a programme will provide value for money, then the following process may be used:

- 11.1.1 The Budget Manager shall design a grant programme that will meet the Council's objectives and be open, transparent and accountable.
- 11.1.2 The Budget Manager shall publicise the grant programme, including instructions for applicants, via the Council's website and through any other channels which are appropriate in the circumstances.
- 11.1.3 There must be a reasonable period for applicants to prepare and submit their applications and the process should be designed to avoid placing onerous tasks and/or excessive costs on the applicant organisations.
- 11.1.4 The applications for grant funding shall be evaluated by an evaluation panel of three to five people using the scoring criteria previously shared with the applicants. The evaluation panel shall comprise council officers and, if appropriate, community representatives who are independent of all the applicants. Members of the Council shall not be members of evaluation panels.
- 11.2 Grants can be awarded for a maximum of three calendar years at a time. All values refer to the value of the full programme (over the full term) and not an annual amount.
- 11.3 Grant recipients must provide monitoring reports to the Budget Manager with the following frequency:
 - 11.3.1 for grants of £2,000 or less, at the end of the grant programme;
 - 11.3.2 for grants between £2,001 and £10,000, at the end of each financial year during the grant programme;
 - 11.3.3 for grants over £10,000 at the end of each quarter of the financial year.
- 11.4 The level of detail required by the Budget Manager in the monitoring reports shall be proportional to the value and nature of the grant awarded.
- 11.5 The Assistant Chief Executive may, from time to time, issue guidance notes and document templates to assist Budget Managers to operate grant programmes in a consistent fashion across the Council.
- 11.6 A full list of grants to voluntary and community sector organisations is to be maintained and will be published on the Council's website.

12. Payments

- 12.1. Apart from petty cash payments and purchases made using official purchasing cards, all payments shall be made by the Chief Finance Officer. The normal method of payment of money due from the Council shall be by BACS drawn on the Council's bank account.
- 12.2. The Chief Finance Officer will be responsible for ensuring the operation and maintenance of effective systems for the payment of invoices from creditors.
- 12.3. No creditor shall be paid other than through systems operated by the Chief Finance Officer except where specifically approved by him/her in writing.
- 12.4. A creditor's invoice will only be paid after it has been matched to a purchase order and the works, goods or services to which the invoice relates have been received, carried out, examined and accepted. The person who certifies that the works, goods or services have been received, etc. must not be the person who authorised the requisition for those works, goods or services.
- 12.5. Payments should not normally be made if goods, works or services have not been received by the Council. However, if, in exceptional circumstances, it is deemed necessary to make a payment in advance of goods, works and services being supplied, the Chief Finance Officer will require written authorisation from an approved Financial Signatory.
- 12.6. All purchasing should be carried out in accordance with guidance and procedures set out by the Head of Procurement.

13. Income

- 13.1. The Chief Finance Officer will ensure that adequate systems are available, and are maintained, for the recording of all income received by, and due to, the Council.
- 13.2. Where practical income from fees and charges should be collected in advance of or at the same time as the delivery of service being charged for.
- 13.3. It will be the responsibility of every employee of the Council to ensure that all sums of money due to the Council are promptly invoiced or otherwise demanded and that all sums of money received are promptly paid into the Council's accounts.
- 13.4. All receipts, forms, books, tickets or other official acknowledgements or monies received shall be in the form approved by the Chief Finance

Officer which shall be ordered and issued to departments by him/her and controlled under arrangements approved by him/her. All receipts and issues thereof shall be properly recorded and acknowledged.

Scales of Charges

- 13.5. All charges for services or facilities provided by the Council shall be reviewed by the relevant Strategic Director together with the relevant Executive Member not less frequently than annually and not later than September in each financial year.
- 13.6. When a Strategic Director proposes to amend any scale of charges, he/she shall consult with the relevant Cabinet Member, the Chief Finance Officer about the financial implications, and with the Monitoring Officer about any legal requirements.

Grant Income

- 13.7. Strategic Directors shall consult the relevant executive Member and the Chief Finance Officer prior to submitting applications for grant funding to government departments or other grant-giving bodies.
- 13.8. Where an application for grant funding is successful (unconditionally or conditionally), the Strategic Director shall inform the Chief Finance Officer of the details of awarded funding and provide him/her with a copy of relevant documents.
- 13.9. If the grant funding was not contemplated when the budget for the relevant financial year was set then the Chief Finance Officer shall make the appropriate changes to the directorate cash limit and/or capital programme and these revised amounts will be used in the budget monitoring and year-end balances processes.
- 13.10. Strategic Directors will ensure that all claims for grant funding, including government grants, for which he or she is responsible, are properly authorised, meet all the grant funder's conditions and are submitted by the due date.

Service Provided to Third Parties

- 13.11. Where there are contractual arrangements (made in accordance with the Contract Standing Orders) in place for the provision of goods or services to third parties or external bodies the relevant Strategic Director:
 - 13.11.1 shall ensure that fees are charges are promptly invoiced in full accordance with the terms of the contract; and
 - 13.11.2 shall suspend the delivery of the goods/service if invoices are not settled in a reasonable time.

Writing off Debts

- 13.12. Only the Chief Finance Officer has the legal authority to write-off bad debts and will delegate responsibilities as necessary for debts up to £5,000.
- 13.13. For larger debts, the following arrangements apply:
- 13.13.1 bad or doubtful debts below £50,000 can be authorised by the Chief Finance Officer;
 - 13.13.2 the Chief Finance Officer will consult with the executive member for finance before authorising the writing-off of debts between £50,000 and £400,000;
 - 13.13.3 for the write-off of bad or doubtful debts of £400,000 or over the Chief Finance Officer will seek the approval of Cabinet.
- 13.14. Debts written-off over £50,000 will be included in financial management reports to Cabinet.
- 13.15. In all cases, debts will not be written-off unless processes for collection have proved fruitless or where the continued pursuit of the debt would prove to be poor value for money. All write-offs should be properly recorded and such records retained, with due explanation for non-collection.

14. Taxation

- 14.1. The Chief Finance Officer shall ensure that adequate procedures are in place and adequate advice is available to Directorates so as to ensure that the Authority is at all times compliant with the specific requirements of the various tax regimes which affect its operations and delivery of services.
- 14.2. In the discharge of this responsibility, the Chief Finance Officer will maintain the Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate. In appropriate circumstances (e.g. where part of this function may have been devolved to a partner organisation) the Chief Finance Officer will ensure compliance with the requirements of the particular tax regimes.
- 14.3. Each Strategic Director will at all times conduct the financial arrangements of their services in accordance with advice or instructions issued by the Chief Finance Officer with regard to taxation issues, and shall provide to the Chief Finance Officer any related information or documents upon request.

15. Accounting Systems

- 15.1. The Chief Finance Officer will be responsible for the operation of the corporate accounting systems, the form of accounts and the supporting financial records. No changes shall be made to the existing financial systems, or new systems be established, without the prior approval of the Chief Finance Officer.
- 15.2. The Chief Finance Officer shall prepare and issue such accounting and procedural instructions as he/she considers to be necessary for the financial administration of the Council's affairs.
- 15.3. Strategic Directors will be responsible for the proper operation of financial processes in their own service areas and for ensuring that their staff receive relevant financial training. If Strategic Directors wish to make changes to the financial management procedures within their directorate (for example, to improve efficiency) they must obtain the written approval of the Chief Finance Officer prior to making the changes.
- 15.4. Where directorates (with the knowledge and approval of the Chief Finance Officer) have independent financial systems that hold and/or process financial data then the Strategic Director shall ensure the systems be reconciled with the Council's main accounting system at a frequency agreed with the Chief Finance Officer. (A financial system is any system, manual or computerised, that records transactions or the value or ownership of an asset.)

16. Accounting Policies

- 16.1. The Chief Finance Officer will determine suitable accounting policies to be adopted by the Authority and will ensure that they are applied consistently. Strategic Directors will ensure that they and their staff comply with all of the prevailing accounting policies and, if requested, they will assist the Chief Finance Officer in restating accounts as a result of any change in accounting policies.

17. Trading Accounts

- 17.1. The Chief Finance Officer will advise Members and Strategic Directors on the establishment and operation of trading accounts within the Authority.

18. Statement of Accounts

- 18.1. The Chief Finance Officer will prepare an overall outturn report for the Council each year for submission to the Strategic Leadership Team and the Cabinet. He/she will also ensure that the statutory Statement of Accounts is prepared and submitted to Members in the prescribed format and to the prescribed timetable.
- 18.2. In order to prepare the Statement of Accounts Strategic Directors shall provide all accounting information requested by the Chief Finance Officer in accordance with the accounts closedown timetable prepared by the Chief Finance Officer and in the format requested by the Chief Finance Officer. The additional accounting information may include, for example:
- 18.2.1 an outturn report of expenditure versus approved budget for their Directorate;
 - 18.2.2 value of stocks, stores and work in progress at the end of each financial year and the basis of valuation including writing out of obsolete stock;
 - 18.2.3 any sums due to suppliers that are currently unpaid at the end of the financial year;
 - 18.2.4 any sums due to the Council that have not been credited at the end of the financial year;
 - 18.2.5 income received relating to the subsequent financial year;
 - 18.2.6 pre-payments made relating to the subsequent financial year;
- 18.3. The Chief Finance Officer will make proper arrangements for the audit of the Authority's accounts in accordance with the Accounts and Audit Regulations 2011.
- 18.4. Once the external audit is complete, the Chief Finance Officer will present the Statement of Accounts to the Audit Committee for approval and, subject to that approval, will arrange for the publication of the Statement of Accounts.

19. Treatment of Year-end Balances

- 19.1. The principle of cash limited budgets presupposes that, in general terms, underspendings and overspendings at the end of one financial year will be carried forward and the following year's budget allocation be adjusted accordingly.
- 19.2. In its practical application, however, it is imperative that any such carry forwards are first considered against the overall financial position of the

Authority. Therefore, except where statutory requirements dictate otherwise, the following policies are to be applied.

- 19.3. Underspends and overspends will be calculated at Directorate level on the basis of the prevailing accounting policies. In general:
 - 19.3.1 any underspend on General Fund revenue budgets will go into General Fund Balances to be applied subsequently, as necessary, in accordance with Council-wide priorities.
 - 19.3.2 any overspend on General Fund revenue budgets will be financed from balances or reserves subject to any arrangements approved by Cabinet in connection with the recovery plan prepared under Financial Regulation 8.10.
 - 19.3.3 any surpluses or deficits generated by trading services will be taken into account in future years' business plans.
- 19.4. In exceptional cases Cabinet may approve the carrying forward of an underspend by a specific directorate. Applications and supporting cases to carry forward any underspending are to be made to Strategic Leadership Team to recommend to Cabinet for approval.
- 19.5. Prior to the consideration of any report by the Council on the carry forward of any budget under/overspending, the Chief Finance Officer will prepare a composite outturn report, for the consideration of the Strategic Leadership Team outlining the totality of the Council's funds and balances, together with any specific commitments or known pressures which are expected to affect materially the level of those funds and balances.

20. Reserves

- 20.1. The Chief Finance Officer shall advise the Cabinet and the Full Council on prudent levels of reserves for the Authority (having taken into account any advice from the external auditor).
- 20.2. The Chief Finance Officer shall maintain reserves in accordance with the relevant codes of practice on local authority accounting in the United Kingdom and agreed accounting policies.
- 20.3. For each reserve account, the purpose, usage and basis of transactions should be clearly identified and reported in the Statement of Accounts. The use of reserves to finance expenditure should be authorised by the Chief Finance Officer unless it is explicitly authorised within the approved Budget or Capital Programme.

21. Internal Control

- 21.1. Internal control refers to the systems of control devised by management to help ensure the Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.
- 21.2. It is the responsibility of Strategic Directors to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets. These arrangements need to ensure compliance with all applicable statutes and Regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- 21.3. Every transfer of monies from an officer, employee or agent of the Council to another officer, employee or agent is evidenced by an official receipt bearing the signature of the receiving officer.
- 21.4. Strategic Directors shall ensure that the staffing structure and management arrangements within their directorates separate duties such that:
 - 21.4.1 providing information about or calculating, checking and recording sums due to or from the Authority are carried out by different people from the people who have duty of collecting or disbursing the sums;
 - 21.4.2 people with the duty of examining or checking accounts, financial transactions, completion of grant claims/returns and cash balances are not themselves engaged in those transactions.

22. Prevention of Fraud and Corruption

- 22.1. Strategic Directors are responsible for ensuring that efficient and effective internal controls are operated to prevent the loss of the Council's assets through any means. They therefore have the prime responsibility for preventing and detecting any loss through fraud or corruption.
- 22.2. The Chief Finance Officer is responsible for the development and maintenance of an anti-fraud and anti-corruption policy.

- 22.3. If an instance of fraud or corruption is identified or suspected then Strategic Directors shall follow the procedures in the Council's anti-fraud and anti-corruption policy.

23. Risk Management

- 23.1. The Council is responsible for approving the Authority's risk management policy statement and strategy and for reviewing the effectiveness of risk management. It is also responsible for ensuring that proper insurance arrangements exist where appropriate.
- 23.2. The Assistant Chief Executive is responsible for preparing the Authority's risk management policy statement, for promoting it throughout the Authority and for advising the Strategic Leadership Team on proper insurance cover where appropriate.
- 23.3. The Strategic Leadership Team shall promote the Council's Risk Management Policy and Strategy and develop, implement and monitor risk management controls in its capacity as the Council's corporate risk management group.
- 23.4. Each Strategic Director shall:
- 23.4.1 take responsibility for risk management of their service, having regard to advice from the specialist officers e.g. Health and Safety, Risk Management and Insurance. This should include having procedures in place to identify, assess, prevent or contain material known risks.
 - 23.4.2 undertake regular reviews of risk within their service areas to review the effectiveness of risk reduction strategies and the operation of controls.
 - 23.4.3 prepare and maintain a business continuity plan for implementation in the event of a disaster that results in significant loss or damage to its resources.

24. Insurance

- 24.1. The Chief Finance Officer shall ensure that the Council has appropriate insurance cover in place in respect of all its assets and risks as an employer and provider of services and facilities. All Strategic Directors will be responsible for ensuring that the Chief Finance Officer is provided with all relevant information applicable to their Directorate, and in a timely manner, as he/she may reasonably require in order to enable him to discharge effectively the responsibility.

- 24.2. The Chief Finance Officer shall effect and keep under constant review all insurance cover and negotiate all claims (in consultation with Strategic Directors where appropriate).
- 24.3. Each Strategic Director shall:
- 24.3.1 give prompt notification to the Chief Finance Officer of all new risks, properties or vehicles which require to be insured and, if any, alterations affecting existing risks or insurances.
 - 24.3.2 notify in writing the Chief Finance Officer of any loss, liability, or damage or any other event likely to lead to a claim under any of the Council's insurances, together with any information or explanation required by the Chief Finance Officer or the Council's insurers.
 - 24.3.3 keep suitable records to ensure that inspections of engineering plant under their control are duly carried out by the Insurance Company within the periods prescribed and shall take any necessary action arising there from. Any failure by the Council's insurers to carry out such inspections shall be notified to the Chief Finance Officer.
 - 24.3.4 ensure that employees or anyone covered by the Council's insurances, are aware that they should not admit liability or make an offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

25. Settlement of Claims Against the Council

- 25.1. Where a claim against the Council, other than a contractual claim covered by Contract Standing Orders, is covered by an insurance policy the Chief Finance Officer shall negotiate settlement of the claims against such insurance in consultation with the appropriate Strategic Director.
- 25.2. Where a claim against the Council, other than a contractual claim covered by Contract Standing Orders, is not covered by an insurance policy (e.g. because the value is below the excess figure for the policy) the Chief Finance Officer shall negotiate settlement of the claims in consultation with the Monitoring Officer and appropriate Strategic Director.
- 25.3. Provided there is sufficient funding available and the negotiated settlement is, in the opinion of the Chief Finance Officer, a fair settlement from the Council's point of view, the Chief Finance Officer may approve the settlement of such claims.

- 25.4. If there is not sufficient funding available, or it is not possible to negotiate an acceptable settlement with the claimant, the Chief Finance Officer shall report the matter to Cabinet.

26. Internal Audit

- 26.1. The Chief Internal Auditor is responsible for advising on effective systems of internal control.
- 26.2. The Chief Internal Auditor will have overall responsibility for Internal Audit throughout the Authority. Internal Auditors will operate as a managerial control by examining, evaluating and reporting upon the effectiveness of internal financial and operational controls and the efficient use of Council resources.
- 26.3. The Chief Internal Auditor will:
- 26.3.1 prepare an annual plan which takes account of the characteristics and relative risks of the activities involved;
 - 26.3.2 liaise with the external auditor to ensure the internal and external audit plans are complementary;
 - 26.3.3 seek the approval of the Audit Committee for the annual audit plan;
 - 26.3.4 ensure periodic reporting to the Audit Committee of progress against the annual audit plan;
 - 26.3.5 ensure the Internal Annual Audit Annual Report (and any interim report), including outlining actual performance against the annual audit plan, is produced and approved by the Audit Committee, and duly considered by the responsible officer for production of the Annual Governance Statement;
 - 26.3.6 manage the internal audit function and ensure it complies with the Public Sector Internal Audit Standards issued by the Chartered Institute of Internal Auditors and the Chartered Institute of Public Finance and Accountancy;
 - 26.3.7 ensure that effective procedures are in place within the Authority to investigate promptly any fraud or irregularity. Note that this does not mean that internal auditors will conduct all investigations.
- 26.4. Internal auditors have the authority to:
- 26.4.1 access all Authority premises at reasonable times;

- 26.4.2 access all assets, records, documents, correspondence and control systems;
 - 26.4.3 require from officers, members and suppliers any information and explanation considered necessary concerning any matter under their consideration;
 - 26.4.4 require any officer of the Authority to account for cash, stores or any other authority asset under his or her control;
 - 26.4.5 access records belonging to third parties, such as contractors, when required.
- 26.5. All internal audits will result in a written report. Strategic Directors shall ensure that all agreed actions are implemented in a timely and efficient manner.

27. Assets

- 27.1. Each Strategic Director is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, moveable plant, machinery, vehicles, ICT equipment and devices, cash, information/data etc., under his/her control (whether owned or leased). Each Strategic Director shall also record a description of all these items in an inventory in the form required by the Chief Finance Officer.
- 27.2. As far as is considered to be necessary and practical, items appearing on the inventory shall be effectively marked as Council property.
- 27.3. Each Strategic Director shall arrange for a complete check of their inventories at least once in each financial year. Any discrepancies shall be dealt with in consultation with the Chief Finance Officer.
- 27.4. The Chief Finance Officer shall maintain a complete and up to date register of all the Authority's tangible assets under the Council's control.
- 27.5. The Chief Finance Officer shall calculate and process the appropriate capital financing charges in accordance with the prevailing accounting code of practice for local authorities.
- 27.6. Each Strategic Director and Director will inform promptly the Chief Finance Officer of all additions, deletions, enhancements/impairments or other changes to the Authority's portfolio of capital assets, such as might affect the preparation of the Council's accounts.

Disposal of Assets (other than land and buildings)

- 27.7. Surplus plant, vehicles, furniture, equipment and stock items (owned by the Council and not leased) should be disposed of by sale via

competitive tender or public auction unless the interests of the Council would be better served by disposal in some other way.

- 27.8. All IT equipment should be disposed of in accordance with the contract arrangements put in place by IT services to ensure equipment is securely and safely dealt with in line with legal requirements.

Land and Buildings

- 27.9. All arrangements for the acquisition and disposal of land and buildings shall be robust and transparent, in accordance with prevailing legislation, and be conducted by the Property Officer, including all negotiations and the preparation and certification of valuation certificates.

- 27.10. In respect of the acquisition of land and property:

27.10.1 where sufficient budget provision for an acquisition exists within the total Council budget, and the cost of the acquisition is less than £100,000 the Property Officer may approve a purchase of land or buildings in consultation with the relevant Cabinet Member; or

27.10.2 where the land or property is to be acquired by entering into a lease as tenant, the Property Officer must ensure that there is sufficient provision in the current Council budget for the lease payments and also that the lease payments can be sustained in future budgets.

- 27.11. In respect of disposals of land and property the processes followed should be robust and transparent and in accordance with prevailing legislation. In all cases of planned disposal of land or property:

27.11.1 where the estimated disposal value is less than £100,000 the Property Officer, having taken financial and legal advice, may arrange for the disposal of land or property;

27.11.2 where the estimated disposal value of individual property assets is equal to or greater than £100,000, a decision of Cabinet is required;

27.11.3 in respect of disposal at less than the best consideration that can reasonably be obtained, the Property Officer shall prepare a report to Cabinet, requesting approval to proceed with the disposal in accordance with the relevant legislation (Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003).

- 27.12. The Property Officer shall maintain a terrier of all properties owned by the Council (except dwellings provided under the Housing Acts),

recording the purpose for which the property is held, location, extent and plan reference, purchase details, nature of interest, details of all rents and other charges payable and receivable, and particulars of all tenancies granted.

- 27.13. The Monitoring Officer shall have custody of all title deeds for property held by the Council.

28. Stocks

- 28.1. Where a service keeps goods or finished products in stock the relevant Strategic Director shall ensure that a proper stock control system is operated, appropriate to the value of the stock being held. The Strategic Director shall ensure that stock checks and revaluations are carried out at regular intervals (which shall be no less frequent than yearly) and promptly inform the Accountancy team so that appropriate accounting adjustments can be made.
- 28.2. Where stock discrepancies (surpluses or deficiencies) are material the relevant Strategic Director shall investigate the discrepancy and inform the Chief Finance Officer to make appropriate changes to accounts and records. Where the Chief Finance Officer considers it to be appropriate by reason of circumstances and/or value, he/she may require the Strategic Director to report to the appropriate Executive Member.
- 28.3. Surplus or obsolete stocks should not be held. These should be disposed of at the best prices available in accordance with procedures agreed with the Chief Finance Officer.

29. Banking Arrangements

- 29.1. The Chief Finance Officer will be responsible for the opening of all bank accounts in the name of, and on behalf of, the Council. No employee or member of the Council shall open any bank account (or equivalent) without the express written approval of the Chief Finance Officer.
- 29.2. The Chief Finance Officer will ensure that sound, adequate arrangements are in place for the safe and efficient operation of all Council bank accounts, and will effect, or cause to be effected, proper and timely reconciliations.

30. Treasury Management

- 30.1. The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), and specifically adopts the key principles as described in Section 4 of the Code.
- 30.2. Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management: -
 - 30.2.1 a treasury management policy statement, stating the policies and objectives of its treasury management activities.
 - 30.2.2 suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 30.3. The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment, where necessary, to reflect the particular circumstances of this Council. Such amendments will not result in the Council materially deviating from the Code's key recommendations.
- 30.4. The Council will receive reports from the Chief Finance Officer on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the financial year, and an annual report after its close, in the form prescribed in its TMPs.
- 30.5. The Chief Finance Officer shall execute and administer treasury management decisions in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 30.6. Strategic Directors shall ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Chief Finance Officer and, if applicable, approval of the project in the Capital Programme.
- 30.7. The Audit Committee shall monitor the implementation and operation of the treasury management policies and practices. The Chief Finance Officer shall provide a report on the operation of treasury management policies and practices to the Audit Committee at least once every financial year.

31. Petty Cash Imprest Accounts

- 31.1. The Chief Finance Officer shall make imprest advances of such amounts as is considered necessary for the purpose of defraying petty cash expenses.
- 31.2. Except by arrangement with the Chief Finance Officer, petty cash disbursements shall be limited to minor items of expenditure not exceeding such sums as the Chief Finance Officer may from time to time determine.
- 31.3. No cheques shall be cashed from monies held under these arrangements.
- 31.4. Receipts for petty cash disbursements shall be obtained wherever possible and the imprest holder shall obtain a signature for all reimbursements. Wherever possible a VAT invoice must be obtained for all purchases, and care taken to isolate the VAT element in any payment made.
- 31.5. An officer responsible for an imprest account shall, if so requested, give the Chief Finance Officer, a certificate as to the state of his/her imprest account.
- 31.6. On leaving the employment of the Council or otherwise ceasing to be entitled to hold an imprest advance, an officer shall account to the Chief Finance Officer for the amount advanced to him/her.

32. Data Protection

- 32.1. Strategic Directors must ensure that, where appropriate, computer and other systems are operated in accordance with Data Protection legislation, and that staff are aware of their responsibilities under Freedom of Information legislation.
- 32.2. In particular, the implementation or alteration of any computerised financial system that is used to hold and/or process personal data requires the approval of the Authority's Data Protection Officer and the Senior Information Risk Owner, before being implemented.

33. External Arrangements and Partnerships

- 33.1. The Authority provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social

or environmental well-being of its area including to develop and achieve the furtherance of the Authority's priorities and objectives.

- 33.2. The Chief Executive, or other properly authorised individual, who represents the Council on a partnership or external body, in accordance with the Scheme of Delegation, shall carry out their duties in a financially responsible way.
- 33.3. The Chief Finance Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. In conjunction with the Monitoring Officer, he/she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He/she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- 33.4. Where the Council undertakes to carry out any work for third parties:
 - 33.4.1 arrangements should be in place to ensure that any risks associated with third party work is minimised and that such work is within the powers of the Council;
 - 33.4.2 The Monitoring Officer should approve the contractual arrangements for any work for third parties or external bodies;
 - 33.4.3 if the value of such work is in excess of £400,000 the contractual arrangements must be approved by Cabinet.
- 33.5. Strategic Directors and Directors are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

34. Gifts, Loans and Sponsorship

- 34.1. Gifts, loans and sponsorship can be defined as the voluntary provision to the Council of non-public funds, services, equipment or other resources. In some circumstances they may be accepted from a source which has genuine and well-intentioned reasons for wishing to support specific projects.
- 34.2. For the avoidance of doubt this financial regulation does not apply to any funding received pursuant to any service delivery partnership entered into with another public body or voluntary organisation.
- 34.3. Gifts, loans and sponsorship must not be accepted where there is a risk of damaging the integrity or propriety of the Council. For example, gifts, loans and sponsorships should not be accepted:

- 34.3.1 from sources which come under the direct scrutiny of the Council;
 - 34.3.2 where the provider seeks endorsement of a product or service in order to gain preferential treatment in supplying or contracting goods and services to the Council; or
 - 34.3.3 to influence the direction of a particular policy or operation.
- 34.4. Gifts, loans and sponsorship should only be used to support Council activities which can readily be discontinued, since the donations can be withdrawn at any time on the initiative of the donor.
- 34.5. Where gifts, loans, or sponsorship come from more than one organisation in a competing market, care must be taken to demonstrate an even handed approach in accepting or rejecting any offer.
- 34.6. In considering the offer of a gift, loan or sponsorship, priority must be given to meeting the needs of the Council rather than those of the donor/lender/sponsor, and should avoid:
- 34.6.1 potentially sensitive associations with inappropriate donors/lenders/sponsors;
 - 34.6.2 potentially sensitive associations with organisations already in a contractual arrangement to supply goods or services to the Council, which could be construed by competitors as preferential treatment;
 - 34.6.3 projects which could distract effort from tackling agreed priorities;
 - 34.6.4 projects of dubious or limited benefit;
 - 34.6.5 offers of gifts, loans, or sponsorship with conditions attached;
 - 34.6.6 offers of gifts, loans, or sponsorship which could involve the Council in additional net expenditure;
 - 34.6.7 offers of equipment which is incompatible with existing equipment;
 - 34.6.8 inadequate contractual arrangements; and
 - 34.6.9 the risk of becoming unduly dependent on a facility or item of equipment which is liable to be withdrawn.
- 34.7. Where publicity is sought by the donor/lender/sponsor, a commercial agreement should be signed.
- 34.8. Strategic Directors have discretion to accept individual gifts, loans, or sponsorship related to their directorates in accordance with the above

guidelines up to a value of £25,000. Above this value, the approval of Cabinet is required.

34.9. These rules also apply to the Mayor.

35. Voluntary and Trust Funds

- 35.1. Voluntary and Trust Funds shall include any fund other than an official fund of the Council, which is controlled wholly or partly by an officer by reason of his or her employment.
- 35.2. All such funds shall be held and operated in accordance with such accounting requirements as may be prescribed by the Chief Finance Officer and within the requirements of any Trust Deed or similar document.
- 35.3. The accounts of all such funds shall be made up annually, and audited under such arrangements as may be prescribed or approved by the Chief Finance Officer, and within the requirement of any Trust Deed or similar document.

36. Retention of Financial Documents

- 36.1. The Chief Finance Officer will issue guidance on the minimum periods and storage formats for retention financial documents and ensure that these formats and timescales are complied with.

37. Emergency Arrangements

- 37.1. Nothing in these Financial Regulations shall prevent a Strategic Director from incurring reasonable expenditure which is essential to meet any immediate needs created by a sudden emergency or which is referable to Section 138 (Emergency Planning) of the Local Government Act 1972, if it becomes evident that such expenditure cannot be contained within the budget approved by Council.

38. Suspension of a Financial Regulation

- 38.1. In exceptional cases, the Chief Finance Officer may suspend the application of these Regulations where it is in the best interests of the Council to do so. Any decision to suspend the Regulations shall be recorded in writing along with the reason(s) for making the decision.
- 38.2. In cases of urgency the Chief Finance Officer jointly with the Chief Executive may authorise an officer to incur any lawful expenditure which

would otherwise be contrary to these Regulations. The exercise of this regulation shall in every case be recorded in writing along with the reason(s) for making the decision.

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CHAPTER I
GENERAL

32. Contract Standing Orders and Financial Regulations

- 32.1. This Part IV set out the procedures that must be followed in relation to the making of council contracts and the persons empowered to determine select lists of tenderers, open tenders and enter into contracts in the Council's name.
- 32.2. The Council may take disciplinary action against anyone who fails to comply with the Standing Orders in this Part IV.
- 32.3. In procuring works, goods and services, every member of the Council and every officer and employee of the Council must have regard to the Corporate Procurement Strategy, the Forward Plan and must comply with the Standing Orders in this Part IV and the Council's Financial Regulations and the Public Contract Regulations 2015. □
- 32.4. To assist officers and members in their roles the Chief Finance Officer may, from time to time, issue written guidance notes which set out in more detail how the Council's procurement arrangements shall operate. Such Guidance Notes are not formally part of the Contract Standing Orders and can be issued by the Chief Finance Officer at any time.
- 32.5. In this Part IV of Standing Orders the terms below shall be interpreted as follows:

Assistant Director means an officer who reports directly to a Strategic Director (irrespective of their actual job title) and other than a person whose duties are solely secretarial or clerical or are otherwise in the nature of support services.

Approved List means a list of suppliers who are assessed as suitable to provide specified goods or services .

Authorised Officer any officer who is designated as such in accordance with Standing Order [•].

Budget Manager means an officer who is given responsibility for controlling the expenditure for one or more cost centre or project.

Chief Finance Officer means the person designated as the Section 151 Officer (currently the Strategic Director – Finance and Customer Services).

Chief Procurement Officer Head of Procurement.

Contract Manager means the officer designated by a Strategic Director as such in respect of a specified contract in accordance with Standing Order [•].

Contracts Finder means the government web service which allows businesses to find contract opportunities with the UK government and its agencies.

Dynamic Procurement System means a procurement tool available for contracts for works, services and goods commonly available on the market, procurement in line with Regulation 34 of the Public Contracts Regulations 2015.

EU Threshold means the financial threshold from time to time at which the EU procurement directives are applicable to a procurement of works, goods or services (different thresholds apply to works, goods and services).

Framework Agreement means an agreement between the Council and one or more suppliers which set out the terms and standards for the supply of goods or services (but not the volume) and the method for calling off orders.

Monitoring Officer means the Assistant Director – Legal Services.

Procurement Business Case means the business case prepared in accordance with Standing Order [•].

Professional Buying Organisation (PBO) means an organisation which runs purchases goods and/or services on behalf of other organisations.

Property Officer means Assistant Director – Planning, Regeneration and Transport.

YORtender means the on-line supplier and contract management system used by the Council to operate e-tenders and for the online management of suppliers and contracts and to advertise contracts.

Standing Guide means CIPFA's Commissioning Joint Committee's *Standing Guide to the Commissioning of Local Authority Work and Services*.

Strategic Director means an officer who is a member of the Strategic Leadership Team and reports directly to the Chief Executive and other than a person whose duties are solely secretarial or clerical or are otherwise in the nature of support services.

33. Guiding principles

- 33.1. The Standing Orders in this Part IV are founded on the principle that the making of council contracts, and the entering into of contracts under Standing Order 37.8 (functions carried out by the Council on behalf of a person, body or organisation), will be done in a business-like manner, with reasonable care, skill and caution and with due and alert regard to the interests of local communities and council taxpayers in the Council's area.
- 33.2. Contracts will, in general, be awarded following a competitive exercise designed to identify the supplier who will provide the goods, services or works to the Council in the most value for money way.
- 33.3. Contract documentation shall reflect the following ten principles of good contract management:
 - 33.3.1. there should be clearly defined contract governance and assurance from the outset including:
 - 33.3.1.1. clarity about roles and responsibilities;
 - 33.3.1.2. agreed reporting requirements and assurance plan; and
 - 33.3.1.3. clear escalation procedures.
 - 33.3.2. the contract should include robust and appropriate key performance indicators (KPIs) and set out the requirement for the supplier to report their performance regularly and transparently;
 - 33.3.3. there should be a payment mechanism which is results-driven so that the supplier is paid in full only if they provide the goods, works, or services in full, on time and to the right quality;
 - 33.3.4. there should be an agreed process for managing changes to the contract, where the implications (in terms of price, KPIs, risks, benefits) are documented and approvals are sought;
 - 33.3.5. the allocation of risks between the Council and the supplier are documented and actively managed;
 - 33.3.6. there should be a benefits log developed from the original Procurement Business Case and the achievement of the benefits managed by the Contract Manager;
 - 33.3.7. the contract should be designed to incentivise and encourage the supplier to meet the Council's requirements;

- 33.3.8. there should be suitable arrangements for communication between the Council and the supplier;
- 33.3.9. there should be regular performance reviews capturing lessons learnt from all parties that should be addressed for remaining contract life and/or included in future procurement projects; and
- 33.3.10. there should be arrangements put in place to encourage continuous improvement.

34. Delegation arrangements

- 34.1. The Cabinet has a general power to make council contracts.
- 34.2. In relation to their directorates, each Strategic Director has a general power to make council contracts, including power to determine select lists of tenderers, to accept tenders and to award contracts.
- 34.3. In the case of contracts not attributable to a particular directorate, the Chief Finance Officer and Chief Executive have the same general power to make council contracts as the other Strategic Directors.
- 34.4. Each Strategic Director has the power, in relation to their respective directorate and subject to consultation with the relevant Cabinet Member and Chief Finance Officer –
 - 34.4.1. to authorise the submission of a tender for a contract for –
 - 34.4.1.1. the supply of goods or materials to,
 - 34.4.1.2. the provision of administrative, professional or technical services to,
 - 34.4.1.3. the hire of vehicles or plant to, or
 - 34.4.1.4. the maintenance of buildings and land commissioned by,

another local authority or body designated as a public body under the Local Authorities (Goods and Services) Act 1970;
 - 34.4.2. to authorise the submission of a tender for a contract for a work or for the supply of goods, materials or services commissioned by a person, body or organisation for whom the Council is empowered to act as the agent; and
 - 34.4.3. to authorise the submission of a tender for a contract for work or the supply of goods, materials or services to a person, body or organisation in the private sector, where the Monitoring

Officer's advice on the powers of the Council to undertake the work or supply the goods, materials or services has been obtained.

34.5. The Property Officer has the power –

- 34.5.1. to agree the terms and conditions of any disposal or acquisition of land and buildings;
- 34.5.2. to approve the terms and settlement of rent reviews, assignments, lease renewals, licences, tenancies and consents both as landlord and tenant;
- 34.5.3. to approve the terms and conditions of new leases;
- 34.5.4. to grant or refuse consent to the assignment of leases, sub-lettings, ground landlord approval, variations to user clauses, the release of restrictive covenants, variations to, or the extinguishment of, easements or wayleaves, as grantor or grantee;
- 34.5.5. to assign leases, approve sub-lettings, change user clauses and grant landlord's approvals;
- 34.5.6. to approve the grant, refusal or seek consent to the assignment of leases, sub-lettings, ground landlord approval, variations to user clauses, the release of restrictive covenants, variations to, or the extinguishment of, easements or wayleaves as landlord or tenant;
- 34.5.7. to approve the granting, taking and extinguishments of wayleaves, easements and access agreements as grantor or grantee;
- 34.5.8. to determine the method of disposal of land and buildings, and to establish the appropriate price to be paid, including the appropriate guide and reserve price for disposal by auction;
- 34.5.9. to authorise the entering into of leases and licences as tenant;
- 34.5.10. to authorise the certification of valuations for insurance reinstatement, financial accounting purposes, statutory compensation, acquisition, disposal or letting of land and property;
- 34.5.11. to determine applications to place land and property on the schedule of Assets of Community Value;
- 34.5.12. to authorise the letting of land and property under the terms of the Council's adopted Asset Transfer Policy.

- 34.6. The Property Officer may approve the terms and conditions of any disposal or acquisition of land and buildings.

35. Compliance with Standing Orders, legislation and the adoption of the Standing Guide

- 35.1. Every contract made by the Council or on its behalf shall comply with this Part IV, the Council's Financial Regulations and applicable European and domestic law.

- 35.2. In conjunction with the application of this Part IV, the Council has adopted the Standing Guide.

- 35.3. The Standing Guide covers –

- commissioning strategy – deciding how projected work and services should be commissioned;
- procurement, and the many other options available for carrying out work and services, including delegation, decentralisation, and the outright transfer of functions and activities to third parties;
- managing and updating contracts once they have been completed.

- 35.4. In the case of building and construction-related contracts, the provisions of this Part IV shall apply to the nomination by the Council of a sub-contractor or supplier to carry out works or supply goods, materials or services to a main contractor appointed by the Council.

- 35.5. It shall be a condition of any contract between the Council and any person who is not an officer of the Council but who is authorised to carry out any of the Council's contracts functions that that person complies with this Part IV and the Council's Financial Regulations.

- 35.6. Subject to Standing Orders [•] (contract Standing Orders and financial regulations), Standing Order [•] (delegation arrangements) and Standing Order [•] (guiding principle in making contracts), the provisions of this Part IV do not apply to contracts in which the Council acts for –

- 35.6.1. another local authority or body designated as a public body under the Local Authorities (Goods and Services) Act 1970 or regulations made under the 1970 Act; or

- 35.6.2. a person, body or organisation for whom the Council is empowered to act as the agent,

unless the agreement with the local authority, public body, person, body or organisation, stipulates that any or all of the provisions of this Part IV are to apply to the contract.

36. Authorised Officers

- 36.1. Each Strategic Director shall –
 - 36.1.1. compile and maintain a scheme of delegation for his/her service area; and
 - 36.1.2. supply and agree the scheme of delegation with the Chief Finance Officer before the start of each financial year and on making any amendments to it.
- 36.2. Each Strategic Director's scheme of delegation must specify –
 - 36.2.1. the names, grades, post references and job titles of Authorised Officers for the purposes of –
 - 36.2.1.1. approving Procurement Business Cases;
 - 36.2.1.2. managing procurement projects; and
 - 36.2.1.3. entering into contracts
 - 36.2.2. the maximum contract value allocated to each Authorised Officer for those purposes.
- 36.3. The Chief Finance Officer shall keep a register of all schemes of delegation.
- 36.4. Authorised Officers shall –
 - 36.4.1. always seek value for money;
 - 36.4.2. act impartially towards contractors and ensure that contractors from other European Community states are not discriminated against;
 - 36.4.3. conduct tendering and price-testing in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information whilst complying with freedom of information legislation);
 - 36.4.4. do nothing that contravenes European or domestic law; and
 - 36.4.5. ensure that comprehensive contract files are kept for all contracts upon which they are engaged.

CHAPTER II
PREPARING FOR A PROCUREMENT

37. Procurement Business Cases

- 37.1. A Procurement Business Case should be developed for every procurement project. In preparing a Procurement Business Case an officer should take appropriate legal, procurement and financial advice.
- 37.2. A Procurement Business Case should explain, to the level of detail that is proportionate to the value of the works, goods or services being procured:
 - 37.2.1. the background and purpose of the procurement project;
 - 37.2.2. the strategic context (including the fit with the Council's policy framework and budget);
 - 37.2.3. details of the research undertaken in connection with the procurement, including an assessment of the relevant marketplace;
 - 37.2.4. the views of stakeholders;
 - 37.2.5. the available options in terms of variable such as service levels, contract duration, type of contract;
 - 37.2.6. the preferred option;
 - 37.2.7. the procurement route to be followed;
 - 37.2.8. risk assessment (including consideration of the need for the Council to seek additional security from the supplier);
 - 37.2.9. financial implications (including estimated costs, available funding and affordability);
 - 37.2.10. proposed management arrangements (for the procurement and the subsequent contract);
 - 37.2.11. proposed exit arrangements at the end of the contract.
- 37.3. Strategic Directors and Authorised Officers are empowered to carry out the procurement process and to award contracts in accordance with these Standing Orders, subject to consideration of any other rules set within the Constitution - in particular that the procurement is in line with the Budget and Policy Framework and that there is sufficient provision in the Revenue Budget or Capital Programme (as the case may be). Otherwise Cabinet approval must be sought.
- 37.4. For additional clarity, if the expenditure and procurement is part of day to day delivery of services, does not involve substantial service change (e.g. is simply a re-procurement of an expiring contractual arrangement and is part of normal business) and was in the reasonable contemplation

of the Council when the Revenue Budget or Capital Programme was approved (in other words the procurement activity itself is not a Key Decision) then it does not require further Cabinet approval. If in doubt the advice of the Chief Finance Officer and the Monitoring Officer should be sought.

- 37.5. For all procurements in excess of £250,000 the decision to award a contract must be recorded and published in accordance with the Access to Information Rules and the Executive Procedure Rules.

38. Approved Lists of Contractors

The Standing Guide contains guidance on approved and standing lists.

- 38.1. Where appropriate and with the agreement of the Chief Procurement Officer, Strategic Directors shall compile and maintain an Approved List for the supply of specified works, goods or services.
- 38.2. Approved Lists shall be reviewed at regular intervals and agreed with the Chief Procurement Officer.
- 38.3. An Approved List shall–
- 38.3.1. set out the criteria for inclusion, suspension and exclusion from the list, including but not by way of limitation –
 - 38.3.1.1. economic and financial standing,
 - 38.3.1.2. technical ability and capacity,
 - 38.3.1.3. insurance arrangements,
 - 38.3.1.4. quality systems,
 - 38.3.1.5. health and safety record,
 - 38.3.1.6. environmental performance and compliance with environmental legislation,
 - 38.3.1.7. compliance with age discrimination, sex discrimination, race relations and all other relevant legislation, and
 - 38.3.1.8. transparency/basis of appointment;
 - 38.3.2. indicate the categories of contracts for which the contractors listed may be invited to tender; and
 - 38.3.3. contain the names and addresses of the contractors who have met the criteria for inclusion on the list and who wish to be included on it.

- 38.4. At least four weeks before an approved list is compiled or reviewed, notices inviting applications for inclusion in the list shall be published in one or more newspapers circulating in the borough and in one or more technical journals published nationally.
- 38.5. Approved Lists must be operated so as to ensure that all contractors on the list are given a reasonable opportunity of submitting tenders for appropriate contracts let by the Council from time to time.
- 38.6. Approved Lists must not be used for any procurement exercise over the EU Threshold.

39. Open competition for contracts

- 39.1. Notwithstanding Standing Orders Standing Order [•] (approved lists of contractors) and Standing Order [•] (Authorised Officers' lists of contractors), this Standing Order shall apply where the Cabinet or the Strategic Director for the service area concerned has decided that tenders for a particular contract are to be obtained by inviting tenders for the contract on the open market.
- 39.2. Notice of all procurement competitions shall be advertised through YORtender, and where the procurement value is £25,000 or more, it shall also be advertised on Contracts Finder.
- 39.3. The notice shall –
 - 39.3.1. specify the nature and purpose of the contract, including where further details may be obtained;
 - 39.3.2. invite tenders for the contract; and
 - 39.3.3. state the last date and time when tenders for the contract will be accepted.
- 39.4. The suitability of contractors who respond to a notice issued under Standing Order Standing Order [•] to perform the contract shall be assessed using the criteria for inclusion, suspension and exclusion from an approved list, in accordance with the procurement procedure chosen for the procurement project.

CHAPTER III ASCERTAINING THE VALUE OF CONTRACTS

40. Contract value and aggregation

The Standing Guide contains guidance on whether the EU procurement rules apply and packaging contracts.

- 40.1. An Authorised Officer must estimate and record the net value of a proposed contract excluding value added tax.
- 40.2. Where a requirement for a work, service or supply of goods or materials is subdivided into several elements, the estimated value of each element must be aggregated to calculate the total overall estimated value of the contract.
- 40.3. A contract must not be –
 - 40.3.1. artificially divided into two or more separate contracts; or
 - 40.3.2. valued using a valuation method selected with the intention of avoiding the application of any of this Part IV.

41. Pre-tender quotations and enquiries

Part 41 of the Standing Guide contains guidance on selecting tenderers.

- 41.1. An Authorised Officer may make general enquiries of contractors before tenders or quotations are invited in order to –
 - 41.1.1. establish whether the work, goods, materials or services that the Council wishes to procure are available and at what price;
 - 41.1.2. prepare tender documents, price estimates and contracts; and
 - 41.1.3. for contracts under £25,000, ascertain which contractors wish to be invited to tender or quote for a particular contract.
- 41.2. In making enquiries –
 - 41.2.1. an Authorised Officer shall not disclose to one contractor information which is not also disclosed to all those of whom enquiries are made or who are subsequently invited to submit a tender or quote;
 - 41.2.2. no contractor shall be led to believe that the information he/she offers will necessarily lead to him/her being invited to submit a tender or quote or being awarded a contract; and
 - 41.2.3. a comprehensive written record, including notes of any meetings held, the responses made and the names of all individuals present shall be kept by the Authorised Officer on the contract file.

CHAPTER IV THE TENDERING PROCESS

42. Contracts not requiring tendering

42.1. A contract need not be tendered if –

- 42.1.1. it is valued at less than £25,000 and the requirements of Standing Order Standing Order [•] (contracts valued at less than £50,000) are met, except where, notwithstanding Standing Order Standing Order [•], the contract must be tendered by law;
- 42.1.2. an exemption from tendering has been granted in respect of that contract under Standing Order Standing Order [•] (exemption from competition);
- 42.1.3. it is a contract entered into through collaboration with other local authorities or other public bodies, where a competitive process has been followed that complies with the contract procedure rules of the lead authority or organisation and European and domestic law;
- 42.1.4. it is a contract made under one of the suite of framework agreement or contracts that a public sector Professional Buying Organisations (PBO) has with suppliers of works, goods and services, except where the terms and conditions of the PBO's agreement include a requirement to undertake competition between providers under the agreement in which event a tendering exercise must be conducted in compliance with the requirement;
- 42.1.5. it is a social care contract, being the provision of individual care and support services to a client or group of clients that is not obtainable under any framework agreement or contract that the Council has with a provider of such services and enquiries have established that there is only one external provider of the required individual care and support services at the time the need arises;
- 42.1.6. it is for the purpose of formalising the funding of particular voluntary or community sector bodies where the purpose of the contract is to establish the general conditions which will apply to the funding from the Council;
- 42.1.7. it is for the engagement of counsel or the provision of specialist legal advice; or

- 42.1.8. it is for the appointment of an expert witness in connection with court proceedings, tribunal proceedings, statutory inquiries, or any other proceedings in which the Council is a party; or
- 42.1.9. it is for the renewal of an ICT or property support or maintenance contract within 5 years of the original contract having been made.

43. Exemption from competition

43.1 The Strategic Director has power to waive any requirements within these contract procedure rules for specific projects, and any such decision may be a Key Decision, except where the said decision would constitute a breach of EU Legislation.

43.2 Subject to statutory requirements and Public Contract Regulations, quotations or tenders need not be invited in accordance with these Standing Orders in the following cases:

- 43.2.1 where the technical characteristics of the goods are only compatible with an existing supply or installation, such that procurement of another product other than one available from the original Contractor would result in incompatibility and/or disproportionate technical difficulties. The duration of a contract negotiated in accordance with this exemption shall not exceed 3 years;
- 43.2.2 the procurement of a unique work of art or artistic performance;
- 43.2.3 where competition is absent for technical reasons where no reasonable alternative or substitute exists;
- 43.2.4 where due to exclusive rights, including but not limited to intellectual property rights, no reasonable alternative or substitute exists;
- 43.2.5 where the price of the goods, services or works that are to be procured is controlled by statutory bodies, trade organisations or legislation and in the opinion of the appropriate Strategic Director no reasonable satisfactory alternative is available;
- 43.2.6 Where the contract is for the execution of work or the supply of goods or services that are required so urgently (the urgency not being due to the action or inaction of the Council or its officers) that compliance with any competitive process prescribed by these Standing Orders cannot be achieved;

- 43.2.7 Where the contract relates to goods, services or works in circumstances where the publication of documents detailing the Council's requirements could reasonably be considered to prejudice the security of the activity to be undertaken and the Council have considered the use of reasonable measures that would protect such security and allow the normal procurement process to be followed (e.g. the use of confidentiality agreements);
- 43.2.8 to allow for the continuation of a contract beyond its contractual term, in exceptional circumstances and where the term of such an extension is determined in accordance with the timescales required to complete a re- procurement or decommission the existing arrangement;
- 43.2.9 in any case where works are to be executed or goods or services are to be supplied, the Strategic Director believes there can be no genuine competition;
- 43.2.10 an alternative, competitive process to that prescribed by these Standing Orders may be approved for contracts with a value between £50,000 and the EU Threshold subject to reasonable justifications for such a request.
- 43.3 All exemptions require the approval of the Chief Finance Officer (in consultation with the Monitoring Officer) who is ultimately responsible for procurement within the Council, as well as the approval of the relevant Strategic Director for the service concerned.
- 43.4 An exemption request form must be completed for every instance of an exception with a total value of £10,000 or more to inform the Chief Finance Officer and the relevant Strategic Director for the service of all the relevant implications associated with the proposed course of action and aid their decision making. The request must clearly document the exemption to be applied, along with the justifications and all necessary procurement, legal and financial risks.
- 43.5 A copy of all approved exemption requests must be provided to the Corporate Procurement Team, where a record of all approved exemptions will be maintained. The relevant Strategic Director is responsible for ensuring the appropriate Cabinet Member is kept informed. A summary of agreed exemptions will be reported in quarterly performance monitoring reports.
- 43.6 Where an exemption has been approved, the Authorised Officer must ensure that the best possible balance of value for money and quality is obtained for the Council. A specification and Terms and Conditions must

be developed and a formal quote/tender must be requested from the chosen supplier. The supplier must not be told that they are the only company submitting a bid. A copy of the final Contract must be uploaded to the YORtender and managed in line with the requirements of these Standing Orders.

44 Framework Agreements and Dynamic Purchasing Systems

- 44.1 Officers must use a third party Framework Agreements and Dynamic Purchasing Systems procured by another public sector body or Professional Buying Organisation where these are available to the Council for the goods or services that are required.
- 44.2 The Chief Procurement Officer shall maintain a list of such Framework Agreements and Dynamic Purchasing Systems which officers are permitted to use and make the list available to officers.
- 44.3 Framework Agreements may also be procured and used by Strategic Directors, subject to legislative requirements and advice from the Chief Procurement Officer, as a procurement tool to manage the process of competition and sourcing of suppliers in an efficient way.
- 44.4 Where the relevant Strategic Director is satisfied that a requirement for works or services falls outside any Framework Agreement or contract that the Council has with a provider of such works or services, the particular works or services shall be procured in accordance with these Standing Orders.
- 44.5 Contracts based on Framework Agreements may be awarded by either –
 - 44.5.1 applying the terms laid down in the Framework Agreement (where such terms are sufficiently precise to cover the particular call-off) without re-opening competition; or
 - 44.5.2 where the terms laid down in the Framework Agreement are not precise enough or complete for the particular call-off, by holding a mini-competition in accordance with the following procedure –
 - 44.5.2.1 inviting the organisations within the Framework Agreement that are capable of executing the subject of the contract to submit written tenders;
 - 44.5.2.2 fixing a time limit which is sufficiently long to allow tenders for each specific contract to be submitted, taking into account factors such as the complexity of the subject of the contract;

- 44.5.2.3 awarding each contract to the tenderer who has submitted the best tender on the basis of the award criteria set out in the specification of the framework agreement.

45 Contracts valued at less than £25,000

- 45.1 This Standing Order is predicated on the presumption that the provision of works, services or supplies of goods or materials by internal trading organisations employed by the Council for that purpose is more economically efficient than inviting tenders for each contract.
- 45.2 This Standing Order applies to any internal trading organisation of the Council.
- 45.3 Where a contract for a work, service or supply of goods or materials is valued at less than £25,000 the order shall be placed with an internal trading organisation if the internal trading organisation can perform the work, carry out services or supply goods or materials and achieve value for money, after taking into consideration as appropriate –
- 45.3.1 cost effectiveness;
 - 45.3.2 quality, aesthetics and functional characteristics;
 - 45.3.3 technical assistance and technical merit;
 - 45.3.4 the period for completion or delivery;
 - 45.3.5 running costs;
 - 45.3.6 after sales service; and
 - 45.3.7 profitability.
- 45.4 A contract should be made with an external contractor on an Authorised Officer's list if but only if the condition specified in Standing Order [•] is not met.
- 45.5 Except as required by law and subject to Standing Orders Standing Order [•] (frameworks) Standing Order [•] (prohibition on artificial division of a requirement for a work, goods, material or services into two or more contracts) and Standing Order [•], a contract made under Standing Order [•] where the estimated value is –
- 45.5.1 less than £5,000 may be made without seeking competitive, written quotations;
 - 45.5.2 £5,000 but less than £25,000 may be made after inviting at least two written quotations.

- 45.6 Authorised Officers must keep a written record of all quotations sought, including the full name and address of the contractor, details of the contract and the contractor's price for its performance.
- 45.7 A written quotation must be obtained before an order is placed or a contract made in accordance with this Standing Order.

46 Contracts valued at £25,000 or more

- 46.1 Where a contract for a work, service or supply of goods or materials is valued between £25,000 and the EU Threshold it should be let on a competitive basis, advertised to the open market on YORtender and Contracts Finder.
- 46.2 a sufficient (but not disproportionate) time limit is applied to allow potential bidders to respond. This therefore needs to be considered on a case by case basis, dependent upon any prior market engagement undertaken, the complexities of the specification and the level/amount of detail required within the tender response.
- 46.3 Tenders undertaken for procurements between these thresholds must not include a pre-qualification stage or a stage in the procurement process where the authority can assess the suitability of a candidate for the purpose of reducing the number of candidates to a smaller number who will proceed to a later stage of the process.
- 46.4 Suitability questions may be included within a procurement exercise, where they are relevant to the subject matter of the procurement and proportionate, and must be considered as part of the wider overall quality evaluation.
- 46.5 Where there is a need to determine the financial standing of a potential supplier as part of the evaluation process, this should be done through due diligence with the top scoring bidder only.
- 46.6 Where the value of the proposed Contract exceeds the EU Threshold (taking account of aggregation), it must be tendered in accordance with the Public Contracts Regulations 2015, i.e. using one of the following permitted procedures:
 - 46.6.1 open tender;
 - 46.6.2 restricted tender;
 - 46.6.3 competitive procedure with negotiation;
 - 46.6.4 competitive dialogue;
 - 46.6.5 innovation partnership.

- 46.7 The Procurement Business Case should have identified which of the permitted procurement procedures would be most suitable for the procurement project and taken into account the resources and timescale needs to complete the procurement.
- 46.8 All tenders above the EU Threshold must be advertised in *the Official Journal of the European Union* (OJEU) using the YORtender portal.
- 46.9 All OJEU notices for non-routine procurements shall be referred in advance of sending to the OJEU, to the Chief Procurement Officer for advice on its wording.

47 Tender invitation and receipt of tenders

The Standing Guide contains guidance on e-procurement and e-auctions.

- 47.1 All tenderers invited to tender must be issued with the same information at the same time and subject to the same conditions and any supplementary information must be given on the same basis.
- 47.2 All invitations to tender must state that the Council is not bound to accept any tender submitted for the contract and should include the following –
 - 47.2.1 a specification that describes the works, goods or services in sufficient detail for the tenderers to provide robust, competitive tenders which can be relied upon by the Council to be a sound basis for the subsequent contract;
 - 47.2.2 the conditions of contract that will apply;
 - 47.2.3 a requirement for tenderers to declare that the contents of their tender, including the price or any other figure or particulars, have not been disclosed by the tenderer to any other party (except where the disclosure is made in confidence for a necessary purpose);
 - 47.2.4 a requirement for tenderers to complete fully and sign all tender documents including a form of tender and certificates relating to canvassing and non-collusion;
 - 47.2.5 notification that tenders are submitted to the Council on the basis that they are compiled at the tenderer's expense;
 - 47.2.6 a description of the award procedure and, unless defined in a prior advertisement, a definition of the Council's tender evaluation criteria in objective terms and if possible in descending order of importance;

- 47.2.7 the method by which any arithmetical error discovered in the submitted tenders is to be dealt with and, in particular, whether the overall price prevails over the rates in the tender or vice versa.
- 47.3 All invitations to tender should include any other information or instructions that the Monitoring Officer and Chief Finance Officer may require.
- 47.4 The Council uses an electronic supplier and contract management system (YORtender) which is designed to give suppliers, contractors, consultants and service providers direct access to procurement opportunities with the Council and other local authorities across the region. Tenderers shall be invited to submit tenders electronically.
- 47.5 The YORtender system shall be administered and managed by the corporate procurement team.
- 47.6 All tendering exercises for contracts valued at £25,000 or more shall be conducted using the YORtender system.
- 47.7 Tenderers must submit all of the tender documents electronically into the YORtender system prior to the deadline for the close of tenders otherwise the tender will be rejected.
- 47.8 The successful tenderers' details will be listed on the Council's contracts register.

48 Evaluation of tenders

- 48.1 Tenders shall be opened using the secure, auditable functionality of the YORtender system.
- 48.2 An evaluation panel must be convened for the evaluation of tenders. Representation on the panel must be from people who have knowledge of the subject area and be proportionate to the size and value of the procurement being undertaken.
- 48.3 For all Contracts, regardless of value, no person with a personal or financial interest in any of the tenderers invited to submit a quote/tender should be involved in evaluating quotations or tenders or involved in any way in influencing the decision as to which tenderer is to be awarded the Contract. A declaration of interest form must be completed by each officer involved in the evaluation process and held on file by the Authorised Officer. No access to the tender responses should be granted until this declaration of interest form has been received.
- 48.4 It is essential that during the evaluation process the principles of Public Contract Regulations are applied, i.e:

- 48.4.1 non-discrimination
 - 48.4.2 equal treatment
 - 48.4.3 transparency
 - 48.4.4 proportionality
 - 48.4.5 open competition and
 - 48.4.6 free movement of trade within Europe.
- 48.5 The evaluation of quotations/tenders must be in accordance with the evaluation criteria specified in the original request for quotation/tender documents. Under no circumstances should there be a deviation away from this.
- 48.6 The evaluation panel must keep detailed notes on the decision making process.
- 48.7 Where a tenderer submits a qualified or conditional quotation/tender, they must be given the opportunity to withdraw the qualification or condition without amendment to the bid submitted. If the tenderer fails to do so their bid must be rejected unless it is dealt with as an alteration to their submission in accordance with Standing Order [•].
- 48.8 Identifying and dealing with abnormally low bids shall be the responsibility of the Authorised Officer. Where a tender/quote appears to be abnormally low, the Council are under a statutory duty to request that the Contractor concerned provides a full and detailed response to explain the price/cost proposed. The Council may reject an abnormally low bid, where the justification does not satisfactorily account for the low level of price. Where consideration is being made to the rejection of a bid on these grounds advice must be sought from the Chief Procurement Officer.
- 48.9 Post-tender negotiation is only permissible in limited circumstances. The advice of the Monitoring Officer and Chief Procurement Officer must be followed if an Authorised Officer considers there are issues which *might* be addressed in post-tender negotiations.

49 Form and content of contracts

- 49.1 Every contract must be in writing in some form.
- 49.2 As appropriate, a contract must specify –
- 49.2.1 the parties to the contract, including any surety or guarantor;
 - 49.2.2 the goods, materials or services to be supplied or the work to be performed;

- 49.2.3 the price to be paid together with a statement as to the amounts of any discounts or other deductions;
- 49.2.4 the period within which the contract is to be performed;
- 49.2.5 the conditions and terms agreed between the Council and the contractor;
- 49.2.6 in the case of a contract for building or construction-related works, a term requiring the contractor to retain and produce at the Council's reasonable request all accounts, vouchers and documents in the contractor's possession, until the Council's accounts for the contract have been audited; and
- 49.2.7 any other terms and conditions stipulated by the Monitoring Officer (who has general powers to set standard and particular contract conditions), including a condition that –
 - 49.2.7.1 the contract may not be assigned without the prior written consent of the Council, and
 - 49.2.7.2 the Council shall be entitled to cancel the contract with immediate effect and recover any loss it has suffered as a result of the contractor offering or agreeing to give an inducement or reward to anyone in order to obtain the contract or another contract with the Council, committing an offence under the Bribery Act 2010 or giving any fee or reward the receipt of which is an offence under section 117 disclosure by officers of interest in contracts) of the Local Government Act 1972.
- 49.3 Where appropriate, a contract with an estimated value of £50,000 or more should include standard terms and conditions, in the form approved from time to time by the Monitoring Officer, in respect of –
 - 49.3.1 a right of access to relevant documentation and records of the contractor for monitoring and audit purposes;
 - 49.3.2 data protection requirements;
 - 49.3.3 discrimination and equalities requirements;
 - 49.3.4 freedom of Information Act requirements;
 - 49.3.5 health and safety requirements;
 - 49.3.6 human rights requirements;
 - 49.3.7 insurance requirements;
 - 49.3.8 indemnification of the Council;
 - 49.3.9 ombudsman requirements.

- 49.4 Where appropriate, a contract with an estimated value of £50,000 or more must provide for the contractor to pay liquidated damages (where these can be assessed and ascertained) or other damages to the Council if the terms of the contract are not carried out properly, including the method by which such damages are to be calculated and the circumstances in which they will be payable.

50 Security for performance of contract

The Standing Guide contains guidance on performance bonds.

- 50.1 Prior to the award of a contract with an estimated value of £100,000 or more, the Authorised Officer must consider whether the successful contractor should be required to provide security for the performance of the contract, in the form of a parent company guarantee or performance bond.
- 50.2 In considering the need for either form of security, the Authorised Officer must –
- 50.2.1 estimate the increase in the contract price that would result from requiring the contractor to provide security for the performance of the contract; and
 - 50.2.2 identify and assess the risks to which the Council could be exposed should the contractor fail to perform satisfactorily the contract.
- 50.3 In identifying and assessing the risks, the Authorised Officer must have regard to any guidance issued from time to time by the Chief Finance Officer and –
- 50.3.1 to any advice from the Chief Finance Officer on the contractor's financial standing;
 - 50.3.2 to the value of the contract, particularly where this is significantly higher in value than contracts for similar works, goods or services let by the Council;
 - 50.3.3 to the complexity or degree of technical difficulty of the subject matter of the contract;
 - 50.3.4 to any technical or financial evaluation undertaken prior to the letting of the contract and whether this was based on an evaluation of the contractor or the contractor's parent company;
 - 50.3.5 to any concerns about the contractor's stability or financial standing or both, particularly where the contract provides for

staged or other payments in advance of receiving the whole of the subject matter of the contract; and

- 50.3.6 to the need to repeat periodically any financial checks that were conducted prior to the award of the contract, particularly in the case of long-term contracts such as partnering contracts.

51 Signing contracts and the Common Seal

Contracts under seal

51.1 The Common Seal of the Council must be affixed to any building contract or construction-related contract with an estimated value of £100,000 or more and to any contract, instrument or other document that is required by law to be made by deed.

51.2 Contracts that are required to be made by deed include contracts made without valuable consideration, conveyances or transfers of land or any interest in land and transfers of shares in certain companies.

51.3 The affixing of the Common Seal of the Council to any contract, instrument or document shall be deemed to be duly authenticated if but only if the impress of the Seal is accompanied by the signature of –

51.3.1 the Chief Executive; or

51.3.2 the following officers in Legal and Democratic Services, namely the Director of Legal and Democratic Services, the deputy Monitoring Officer, the Service Manager of the Litigation and Social Care Teams, the Service Manager of the Property, Commercial and Information Governance Teams or the Team Manager of the Commercial Team (including any temporary appointment to any of those positions to cover a vacancy or long-term absence),

whether or not, in the case of a contract that relates to the discharge of an executive function, a member of the Cabinet also attests the Seal.

Contracts under hand

51.4 Strategic Directors have the power to sign contracts and agreements that are not required to be made by deed and, in accordance with their internal schemes of delegation, to authorise specified officers to sign such contracts on their behalf.

CHAPTER V CONTRACT MANAGEMENT

52 The role of Contract Manager

- 52.1 The arrangements for managing Council contracts should be in line with the National Audit Office's *Good Practice Contract Management Framework*.
- 52.2 For every contract the relevant Strategic Director shall appoint a suitably qualified, experienced and trained officer to be the Contract Manager.
- 52.3 The Contract Manager shall, as a minimum:
- 52.3.1 regularly review management information and supplier performance (as detailed in the tender and contract documentation);
 - 52.3.2 for contracts valued at £50,000 or more, use the YORtender to record key information about the contract throughout its lifetime;
 - 52.3.3 meet with the supplier at a frequency appropriate to the contract value (but no less frequent than annually) to discuss contract compliance, , performance, service development, innovation, etc.;
 - 52.3.4 deal with instances of off-contract and non-contract spend within the Council;
 - 52.3.5 benchmarking the contract to ensure it continues to be good value for money;
 - 52.3.6 monitoring any ongoing efficiency savings and reporting these to the Chief Procurement Officer;
 - 52.3.7 monitor that all promised outputs and outcomes, including social outcomes, are achieved;
 - 52.3.8 prepare a report for the Strategic Director at least annually on the supplier's performance, and the contract's value for money;
 - 52.3.9 make recommendations about options for future procurements/extensions to the contract.

53 Contract variations and modifications

- 53.1 During the term of a contract, variations or modifications may be proposed, which if adopted would result in changes to the volume and/or nature of the works, goods and/or services being supplied to the Council. To the extent that such changes were anticipated in the tendering process and a change mechanism exists in the contract then the relevant Strategic Director may approve the variation/modification subject to it being value for money and there being sufficient budget provision for it.

- 53.2 Where variations or modifications are proposed (either by the Council or the supplier) which were not considered when the original procurement took place then there are significant limitations upon the Council being able to make such modifications, When considering an un-anticipated variation/modification to an existing contract, advice must be sought from the Chief Procurement Officer and Monitoring Officer.

54 Contract extensions

- 54.1 An extension to a contract may only be permitted where the details of any extension provisions were included within terms and conditions of the contract, tender/quotations documents and OJEU notice (where relevant).
- 54.2 If there is not a provision in the contract for an extension an exception to these Standing Orders must be identified and dealt with in accordance with Standing Order [•].
- 54.3 Prior to extending a contract, the Authorised Officer must ensure that an options appraisal is undertaken to determine if it is in the best interest of the Council to extend the current arrangement and then seek approval of the recommended option from the appropriate Strategic Director and the Chief Finance Officer.
- 54.4 When negotiating the terms of a contract extension (if such terms are not set out in the contract documentation) the Authorised Officer must make every effort to negotiate improved contract terms with regards to cost and/or quality of the goods, services and/or works being delivered.
- 54.5 Once a contract extension has been agreed with the supplier the Authorised Officer shall update the details of the contract held in YORtender.

CHAPTER VI MISCELLANEOUS PROVISIONS

55 Community representatives

- 55.1 The Cabinet or the member of the Cabinet for the service area concerned may invite community representatives to appoint persons (who may not be members of the Council) to participate in the drawing up of specifications for council contracts, interviewing contractors and monitoring council contracts.
- 55.2 Community representatives are not Authorised Officers and, except where the law specifically allows, shall be observers with speaking rights at the discretion of the Authorised Officer.

55.3Community representatives may advise Authorised Officers where appropriate, but all decisions must be taken within the framework of the Council's Delegation Scheme for Members and Officers.

55.4Authorised Officers must ensure community representatives give a written undertaking to treat all information confidentially throughout the tender process and the life of the contract.

STAFFING COMMITTEE
Tuesday, 13th December, 2016

Present:- Councillor Alam (in the Chair); Councillors Beck, Cowles, Lelliott and Read. Commissioner Ney was also present.

Apologies for absence:- Councillor Watson

3. TO CONSIDER WHETHER THE PRESS AND PUBLIC SHOULD BE EXCLUDED FROM THE MEETING DURING CONSIDERATION OF ANY PART OF THE AGENDA.

The Chair reported that he would propose the exclusion of the press and public from the meeting during consideration of items 5 (Terms and Conditions and Section 188 Notice) and 6 (Legal Services Market Supplement).

4. TO DETERMINE ANY ITEM WHICH THE CHAIRMAN IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY.

The Chair reported that there were no items requiring urgent consideration by the committee.

5. REDUNDANCY CONSULTATION & HR1 NOTIFICATION

Consideration was given to a report which provided an overview of the consultation requirements associated with making employees redundant. The report detailed the scale of the financial challenge that the Council faced up to 2020 and referred to the inevitable requirement to meet a significant proportion of that challenge from employee costs, which in some cases would be as result of redundancies.

It was noted that the Workforce Strategy had identified a reduction of at least 1,000 full time equivalent posts by 2020/21. It was reported that where an employer envisaged changes that might result in redundancies they are required to notify the Redundancy Payments Service using Form HR1. The same rules required employers to copy the notification to recognised trade unions at the same, which in effect would initiate a period of consultation on the proposals.

It was further reported that an employer is required to seek to mitigate the impact of its proposals on the workforce, which could include such measures as reducing the use of agency staff or deleting vacant posts.

The committee was advised of two options in respect of the consultation it could undertake:

- consult on the overall position for the next three years, or
- initiate a consultation on the 2017/18 financial year only (given the level of uncertainty relating to proposals for future years).

Members noted that a consultation for 2017/18 proposals would last for 45 days, but there would need to be further periods of consultation. If the consultation related to the three year period, and more than 100 employees, the period of consultation would still be 45 days.

The committee was broadly in agreement that consultation should cover the three-year period until 2020 in order to give both staff and trade unions as much information as possible to understand the Council's direction of travel in the context of the financial challenges that lay ahead.

Resolved:-

1. That the consultation requirements be noted.
2. That consultation cover the three year period to 2020 and the HR1 form be completed accordingly.

6. EXCLUSION OF THE PRESS AND PUBLIC.

Resolved:- That under Section 100(A) 4 of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006 (information which is likely to reveal the identity of an individual).

7. TERMS & CONDITIONS AND SECTION 188 NOTICE

A verbal update was provided in respect of ongoing discussions with trade unions regarding proposed changes to Terms and Conditions. It was noted that further information had been requested to inform any future decision to amend terms and conditions. Specific reference was made to the implications associated with all of the options that were subject to discussion.

Resolved:-

That the update be noted.

8. LEGAL SERVICES MARKET SUPPLEMENT

Consideration was given to a report which sought approval to establish a market supplement for various posts within Legal Services following a peer review which had found that the Legal Services Social Care Team was understaffed.

Having considered the report, the committee supported the recommended approach to conduct a robust recruitment process to target potential staff with varying levels of knowledge, skills and experience to create an appropriate balance in the team and to enable good staff development.

Resolved:-

That, with effect from 1 December 2016, a market supplement of 10% of the salary be paid to the childcare solicitors and team and service managers in the Legal Services Social Care Team.

PLANNING BOARD
5th January, 2017

Present:- Councillor Atkin (in the Chair); Councillors Andrews, Bird, D. Cutts, M. S. Elliott, Jarvis, Sansome, R.A.J. Turner, Tweed, Walsh and Whysall.

Apologies for absence were received from Councillors Ireland, Khan and Price.

48. DECLARATIONS OF INTEREST

There were no Declarations of Interest made at this meeting.

49. MINUTES OF THE PREVIOUS MEETING HELD ON 17TH NOVEMBER, 2016

Resolved:- That the minutes of the previous meeting of the Planning Regulatory Board held on Thursday, 17th November, 2016, be approved as a correct record for signature by the Chairman.

50. DEFERMENTS/SITE VISITS

There were no site visits nor deferments recommended.

51. DEVELOPMENT PROPOSALS

Resolved:- (1) That, on the development proposals now considered, the requisite notices be issued and be made available on the Council's website and that the time limits specified in Sections 91 and 92 of the Town and Country Planning Act 1990 apply.

In accordance with the right to speak procedure, the following people attended the meeting and spoke about the applications shown below:-

- Erection of 8 No. residential blocks to provide 84 No. residential units with associated parking spaces, hard and soft landscaping and amenity area at land to south of Rotherham Road, Maltby for Boulby Davison Developments (RB2016/0268)

Mr. W. Marshall (agent for the applicant)

- Application to vary condition 03 (opening times) imposed by planning application RB2011/1601 at Café Deer Park Farm, Doncaster Road, Thrybergh for Deer Park Farm Café (RB2016/1048)

Mr. J. Lomas (representative of the applicant)

- Alterations and part change of use to café (Class A3) at The Barn, 71A Union Street, Harthill for Repton Medical Limited (RB2016/1146)

Mrs. J. Burton (representative of the applicant Company)
Borough Councillor G. Watson (supporter)
Mrs. N. Binnington (objector)
Mr. I. Leech (objector)

- Application to vary condition 16 (times heavy goods vehicles can enter and leave the site) imposed by RB2005/1533 at The Foundry, Common Lane, Wath upon Dearne for T. K. Lynskey (Excavations) Ltd. (RB2016/1382)

Mr. R. Skelton (representative of applicant Company)
Mrs. C. Clark (objector)

(2) That applications RB2016/1048, RB2016/1146 and RB2016/1527 be granted for the reasons adopted by Members at the meeting and subject to the relevant conditions listed in the submitted report.

(3)(a) That, with regard to application RB2016/0268, the Council shall enter into a Legal Agreement with the developer under Section 106 of the Town and Country Planning Act 1990 for the purposes of securing:-

- a commuted sum not exceeding £30,000 to be used towards measures aimed at reducing parking associated with the development and which may include the procuring of a Traffic Regulation Order;
- a commuted sum to secure purchasing of a TravelMaster pass per unit.
- an Open Space Management Plan detailing as to how management of open space areas within the site and maintenance of landscaping implemented as part of the development in the highway verge (Rotherham Road) would be undertaken; and

(b) That, subject to the signing of the Section 106 Legal Agreement, planning permission be granted for the proposed development subject to the conditions set out in the submitted report and to the following amended conditions, numbers 9 and 23, with condition 9 including reference to details of fencing alongside Hellaby Brook:-

09

Notwithstanding the submitted landscape masterplan, a detailed landscape scheme for the site, including a tree-planted landscaped buffer adjacent to the southern (rear) boundary of the site, with a minimum width of 6.0 metres and a tree planting scheme for the land within the highway verge adjoining the northern boundary of the site along Rotherham Road frontage, shall be submitted to, and approved in writing by, the Local Planning Authority. The landscape scheme shall be prepared to a minimum scale of 1:200 and shall clearly identify through supplementary drawings where necessary:

- The extent of existing planting, including those trees or areas of vegetation that are to be retained, and those that it is proposed to remove.
- The extent of any changes to existing ground levels, where these are proposed.
- Any constraints in the form of existing or proposed site services, or visibility requirements.
- Areas of structural and ornamental planting that are to be carried out.
- The positions, design, materials and type of any boundary treatment to be erected, including fencing alongside Hellaby Brook that would prevent unauthorised access to the Brook.
- A planting plan and schedule detailing the proposed species, siting, quality and size specification, and planting distances.
- A written specification for ground preparation and soft landscape works.
- The programme for implementation.
- Written details of the responsibility for maintenance and a schedule of operations, including replacement planting, that will be carried out for a period of five years after completion of the planting scheme.

The scheme shall thereafter be implemented in accordance with the approved landscape scheme within a timescale agreed, in writing, by the Local Planning Authority.

Reason

To ensure that there is a well laid out scheme of healthy trees and shrubs and suitable boundary treatment is provided in the interests of amenity and landscape and public safety in accordance with Core Strategy policies CS21 'Landscape,' CS28 'Sustainable Development,' and UDP policies ENV3 'Borough Landscape', ENV3.2 'Minimising the Impact of Development' and ENV3.4 'Trees, Woodlands and Hedgerows'.

23

No development shall commence until a revised Flood Risk Assessment based on existing flood risk, proposals to mitigate flood risk and sustainable drainage principles for the development, have been submitted to and approved in writing by the Local Planning Authority and the development shall be implemented in accordance with the approved details and thereafter retained and maintained for the lifetime of the development.

(4) That application RB2016/1045 be granted for the reasons adopted by Members at the meeting and subject to the relevant conditions listed in the submitted report and to the following additional condition:-

14

No piped discharge of surface water from the application site shall take place until works to provide a satisfactory outfall, other than the local public sewerage, for surface water have been completed in accordance with details submitted to and approved by the Local Planning Authority.

Reason

To ensure that the site is properly drained and in order to prevent overloading, surface water is not discharged to the foul sewer network.

(5) That application RB2016/1382 be refused for the reason set out in the submitted report.

52. UPDATES

There were no items to report.

LICENSING BOARD SUB-COMMITTEE
13th December, 2016

Present:-

Morning

Councillor Ellis (in the Chair); Councillors Beaumont, Hague, Sheppard and Williams (for items Q1, Q2, Q3 (1 to 3) and Q4).

Afternoon

Councillor Ellis (in the Chair); Councillors Buckley, Hague, Senior and Wyatt (for items Q3 (4 to 7)).

Also in attendance : Commissioner M. Ney (for items Q1, Q2 and Q3(1)).

Q1. LICENSING BOARD SUB-COMMITTEE - MEETING ARRANGEMENTS

By virtue of a direction made by the Secretaries of State for Communities and Local Government and for Education on 11th February, 2016, all the non-executive functions of the Council relating to licensing, including all related enforcement and regulatory functions, have been exercised by Commissioners appointed by the Secretaries of State. Prior to the commencement of this meeting, it was reported that the Council had just received official notification from the Secretary of State for Communities and Local Government of the return of licensing functions to the Council, effective from 00.01 hours on 13th December, 2016.

Accordingly, the Sub-Committee of the Licensing Board became the appropriate decision making body for the matters on the agenda which, until receipt of the notification from the Secretary of State, had been matters for the Commissioners and which were listed to be heard by Commissioner M. Ney sitting with Members of the Advisory Licensing Board.

In these circumstances, the requirements of Part VA of the Local Government Act 1972 had not been complied with, in that the required five clear days' notice of the meeting had not been given. The Chair of the Licensing Board Sub-Committee considered the special circumstances which had arisen, had regard to Part VA of the Act and was of the opinion that the items on the agenda should be considered at the meeting as a matter of urgency given the need for the applicants to have their individual applications and licences considered and reviewed by the Council in a timely manner.

Q2. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the Police Act 1997 and Paragraphs 3 and 7 of Part I of Schedule 12A to the Local Government Act 1972 (business affairs and prevention of crime).

Q3. APPLICATIONS FOR THE GRANT/RENEWAL/REVIEW OF HACKNEY CARRIAGE/PRIVATE HIRE DRIVERS' LICENCES

The Sub-Committee of the Licensing Board considered a report, presented by the Business Regulation Manager, relating to applications for the grant, renewal and review of hackney carriage / private hire drivers' licences in respect of Messrs. G.M., K.M., Z.A., P.G., M.A., R.A.M. and A.H.F.

Messrs. G.M., K.M., Z.A., P.G., M.A., R.A.M. and A.H.F. all attended the meeting and were interviewed by the Sub-Committee.

Resolved:- (1) That, further to Minute No. 53 of the meeting of the Licensing Board held on 17th February, 2010, the application for the renewal of a hackney carriage/private hire driver's licence in respect of Mr. G.M. be refused.

(2) That the application for the grant of a hackney carriage/private hire driver's licence in respect of Mr. K.M. be refused.

(3) That the hackney carriage/private hire driver's licence in respect of Mr. Z.A. be revoked.

(4) That the application for the renewal of a hackney carriage/private hire driver's licence in respect of Mr. P.G. be approved, the licence be renewed for a period of three years and he be warned as to his future conduct.

(5) That, further to Minute No. 7(1) of the Commissioner's Case Hearing meeting held on 29th April, 2015, the application for the grant of a hackney carriage/private hire driver's licence in respect of Mr. M.A. be refused.

(6) That the application for the grant of a hackney carriage/private hire driver's licence in respect of Mr. R.A.M. be approved and he be granted a licence for three years.

(7) That the application for the renewal of a hackney carriage/private hire driver's licence in respect of Mr. A.H.F. be approved, the licence be renewed for a period of three years and he be warned as to his future conduct.

Q4. APPLICATION FOR THE RENEWAL OF A PRIVATE HIRE VEHICLE LICENCE

The Sub-Committee of the Licensing Board considered an application, presented by the Business Regulation Manager, for the renewal of the private hire vehicle licence in respect of vehicle PHV0451, a minibus adapted for wheelchair access. The applicant's letter included an explanation of the reasons for the late submission of this renewal application.

Resolved:- That the renewal of the private hire vehicle licence in respect of vehicle PHV0451 be approved.