

CABINET/COMMISSIONERS' DECISION MAKING MEETING 09/07/18

CABINET/COMMISSIONERS' DECISION MAKING MEETING 9th July, 2018

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

Also in attendance Councillor Steele, Chair of the Overview and Scrutiny Management Board, and Councillor Short.

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

The webcast of Cabinet and Commissioners' Decision Making Meetings can be viewed at:-

<https://rotherham.public-i.tv/core/portal/webcasts/enctag/Executive%252BArea>

1. DECLARATIONS OF INTEREST

Councillor Lelliott declared a personal interest in Minute No. 169 (New Applications for Business Rates Discretionary Relief) on the grounds of attending the Magna Board, but in a non-executive capacity.

2. QUESTIONS FROM MEMBERS OF THE PUBLIC

(1) A member of the public described how the Rotherham population was less than that in Sheffield with a smaller Council budget and unlike Sheffield had many services over the past few years run by Government appointed Commissioners. The Rotherham Advertiser published last Friday the Leader having claimed £5,441 more in allowances than the Leader of Sheffield City Council, the Deputy Leader claiming £2,643 more than the Deputy Leader of Sheffield and the Cabinet Members claiming £2,109 which was more than the highest member of Sheffield's Cabinet. The member of the public, therefore, asked if he could have an explanation from each Member in turn given the role of highly paid Commissioners.

The Leader pointed out there was no need for individual comments as everyone would give the same answer. Each area had an Independent Remuneration Panel who looked at the work of Councillors and apportioned allowance accordingly. Three years ago when he was appointed as Leader the allowances for Members were reduced broadly speaking in line with the South Yorkshire averages which took out 25% of the cost of Members. Last year the allowances were reduced again by 1% in line with the terms and conditions changes to staff.

What other places paid in allowances was a matter for them. When the Leader initially started Rotherham's allowances were expensive. However, this was not now the case and reasonable process had

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followed. All reasonable steps had been taken to reduce the amount of money Councillors cost.

In a supplementary question the member of the public referred to Members claiming more than Sheffield even with Commissioners last year running services. However, a favourite cut of this Council appeared to be school crossing patrols even in his own Ward of Thrybergh. The collective extra for the Cabinet was £18,629 more than Sheffield equivalents which was over 2,000 hours of school crossing patrols or enough to put three school crossing patrols back and asked if they could be returned.

The Leader reminded the member of the public that the cost of Councillors had been reduced in Rotherham by 25% and for something like £7,000 less than his predecessor as Leader in order to protect services. Councillors needed to be remunerated accordingly and some undertook this on a full time basis. Even if it was decided to remove the amount of money that Councillors were paid this would only pay for 1/15th of the amount of money in the next financial year that needed to be saved.

On school crossing patrols the Council had tried to put in place a policy where there was a need based on national guidelines and the Council would pay for them. There were a number that did not meet the national guidelines, but schools were asked if they wanted to pay for a crossing patrol. Both funds for support to Members and school crossing patrols had been reduced and these were reasonable compromises in the circumstances.

(2) The member of the public also referred to a question he had asked at Cabinet on the 21st May, 2018, about the Chesterhill housing development at Thrybergh which was kindly responded to. In that letter the Leader had said a decision had been made to drop the Keepmoat scheme. Last Thursday at the Thrybergh Parish Council meeting neither the Chair nor the Clerk had been informed that the scheme was no longer viable considering they were involved in drawing up the consultation first time around.

Given that there were forty-four days since that Cabinet meeting why had no-one been in touch with the Parish Council to let them know what was happening.

The Leader was unable to comment on the specifics, but the Council policy had not changed with the intention of seeing development on that site. It would not necessarily mean that the Parish Council would automatically be alerted to this. The Leader was happy to check and feedback.

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3. MINUTES OF THE PREVIOUS MEETINGS HELD ON 21 MAY AND 11 JUNE 2018

Resolved:- That the minutes of the Cabinet and Commissioners' Decision Making Meeting held on 21st May and 11th June, 2018, be agreed as a true and correct record of the proceedings, subject to Councillor Steele being included in the list of attendance for 11th June, 2018.

4. 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 agenda items 10, 13 and 15 on the grounds that the appendices involve 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.

5. FINANCIAL OUTTURN 2017/18

Consideration was given to a report which outlined the final revenue and capital outturn position for 2017/18.

The revenue budget 2017/18 was approved by Council on 8th March, 2017. A budget of £221.560M (including Public Health) was set for General Fund services excluding schools' budgets and Housing Revenue Account. The final outturn position was a £3.237M underspend.

The original budget had proposed a planned use of reserves of £10.467M, therefore, only £7.230M would be utilised leaving £3.237M which would be available to support the budget in later years.

A summary of the outturn position for each Directorates was set out in the report submitted.

The Council continued to face demand pressures particularly in respect of Social Care. The total overspends for Social Care were £7.737M Children and £4,059M Adults.

The Council's General Fund minimum balance reserve remained at £11.269M. The reserve was held to protect the Council against unforeseen events and realisation of contingency liabilities.

The Cabinet Member for Adult Social Care and Health confirmed the service was determined to bring the Adult Social Care overspend down, but this was against the national crisis of under funding for social care of around £8 billion.

Resolved:- (1) That the Revenue Outturn position of a £3.237M underspend be noted.

(2) That the transfer of £2.353M HRA underspend be transferred to the HRA reserve be approved.

(3) That the carry forward of the combined Schools' balance of £1.401M in accordance with DfE regulations be noted.

(4) That the reserves position as set out in Section 3.12 of the report submitted be noted.

(5) That the capital outturn and funding position, as set out in Section 3.13 and Appendix One, of the report submitted be noted.

(6) That the inclusion into the capital programme of new schemes funded by external resources, as set out in Appendix One of the report submitted, be noted.

6. MAY FINANCIAL MONITORING REPORT 2018/19

Consideration was given to the report which set out the financial position for the Revenue and Capital Budgets at the end of May, 2018 based on actual costs and income and forecasts for the remainder of the financial year. This was the first of a series of monitoring reports for the 2018/19 financial year which would continue to be brought forward to Cabinet and Commissioners on a regular basis.

Delivery of the Council's Revenue and Capital Budget and Medium Term Financial Strategy within the parameters agreed at the start of the current financial year was essential if the Council's objectives were to be achieved. Financial performance was a key element within the assessment of the Council's overall performance framework.

As at May 2018 the Council had a net forecast year-end overspend of £5.8M on the General Fund, after taking account of the £10M budget contingency approved within the 2018/19 budget and the actions currently underway to address budget pressures, particularly in Children and Adult's Social Care

Children and Young People's Services continued to overspend against budget in 2018/19. The number of children in care was still increasing, 23.3% since May 2017 (from 509 to 628). This was exacerbated by the number of high cost placements that had arisen from a combination of complex child protection cases and Operation Stovewood. This had also placed significant and unavoidable pressure on Legal Services within the Finance and Customer Services Directorate with a current forecasted overspend for Legal Services of £1.010M.

Management activity was underway to identify areas of overspend and put mitigating measures in place whilst maintaining service delivery. The overall budget position would continue to be closely monitored with provision of regular updates through the financial monitoring reports.

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Within the 2018/19 budget, new savings of £15.2M were required to achieve a balanced budget. This was in addition to £6.5M of savings that were approved in prior years for delivery in 2018/19 making a total savings requirement of £21.7M. Progress in delivery of the savings was reflected in the forecast overspends and supporting narratives of the Directorates. Currently all savings were either on track or mitigating actions in place with the exception of savings in Adult Social Care and a small amount in Children and Young People's Directorate.

The forecast overspend should be set against a backdrop of the Council having successfully addressed cost pressures of £162M between 2011/12 to 2017/18, the requirements to save a further £21.7M in the current year and to deliver a further £30M of efficiencies and savings in the following two financial years in order to meet the estimated budget gaps to 2020/21.

Rotherham's schemes for Supporting Small Businesses and Support for Pubs based on Government guidance for those schemes had been agreed. However, the Government did not provide any detailed guidance for Revaluation Support but gave each Council a fixed amount of grant to be distributed to businesses based on locally developed criteria. Rotherham Council have received £365k for 2017/18 and Cabinet agreed Rotherham's criteria for distributing the grant in November, 2017.

Any grant which was not distributed to businesses would be clawed back by the Government and following reviews of grant applications against the original criteria, which indicated less than expected take-up of the grant, revised criteria.

A balance of grant still remained available for award. Businesses were being contacted to make them aware that the grant was available and the Council was confident all of the funding would be used.

The Deputy Leader referred to the unprecedented growth in the number of looked after children which had seen a further rise and compounded by the increasing complexity of children admitted into care. The number of "Special Guardianship Orders" was also rising, but whilst there was a cost associated with this, the outcome was positive with permanency being provided within a family setting. Officers would continue to work closely to bring the overspends under control.

The Cabinet Member for Waste, Roads and Community Safety pointed out whilst there was a net forecast year-end overspend this echoed the national picture that many Councils were facing. It was important to highlight that the Council would endeavour to ensure the most vulnerable were protected, but would have less resources moving forward.

It was also pointed out that there was a £150k pressure on Licensing due to additional legal costs and fees.

The Cabinet Member for Adult Social Care and Health confirmed social care funding was of concern, but recognised the increasing pressures against the delivery of savings.

The Council would continue to face increasing pressures with over a third of its budget lost through savings, but would continue to have further implications for financial years 2019/20 and 2020/21 where the Medium Term Financial Strategy identified a further £30M as being required to balance the budget.

Resolved:- (1) That the current General Fund Revenue budget forecast overspend of £5.8M be noted.

(2) That the management actions that continue to be developed to address areas of overspend be noted and alternative and additional savings be identified to mitigate shortfalls in achieving planned savings in 2018/19.

(3) That the Capital Programme position and Treasury Management key indicators for the first quarter of 2018/19 be included within the financial monitoring report to be submitted in September, 2018.

(4) That the changes to the Business Rates Revaluation Support Scheme, as set out in paragraphs 3.67 to 3.68 of the report, be approved and that any further changes which may be required be delegated to the Strategic Director, Finance and Customer Services in consultation with the Cabinet Member for Corporate Services and Finance.

(5) That the virement of budget within Children and Young People's Services of £500k to Special Guardianship Orders from the placements budget, as referenced in paragraphs 3.2.8 to 3.2.14 of the report, be approved.

7. ANNUAL TREASURY MANAGEMENT REPORT AND ACTUAL PRUDENTIAL INDICATORS 2017/18

Consideration was given to the Annual Treasury Management Report, which was submitted to review the treasury activity for 2017/18 against the strategy agreed at the start of the year.

The report covered the actual Prudential Indicators for 2017/18 in accordance with the requirements of the Prudential Code. The report met the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. It was noted that the Council was required to comply with both Codes through Regulations issued under the Local Government Act 2003.

Resolved:- (1) That the Treasury Management Prudential Indicators outturn position as set out in Section 3 and Appendices A and B of the Annual Treasury Management Report for 2017/18 be noted .

(2) That the report be forwarded to Audit Committee for information

8. NEW APPLICATIONS FOR BUSINESS RATES DISCRETIONARY RELIEF

Consideration was given to the report which set out in detail three applications for the award of a business rate discretionary relief.

Resolved:- (1) That 20% discretionary top up relief be awarded to Bramley Scouts, 62A main Street, Bramley Rotherham S66 2SQ for the period 1st April, 2018 to 31st March, 2019.

(2) That 20% discretionary top up relief be awarded to Rotherham Talking Newspaper, Park Hall, Victoria Park, Rosehill Road, Rawmarsh, Rotherham S62 7HJ for the period 1st April to 31st March, 2019.

(3) That 20% discretionary top up relief be awarded to Magna Trust, Templeborough, Rotherham S60 1DX for the period 21st February 2018 to 31st March, 2019.

(Councillor Lelliott declared a personal interest on the grounds of attending the Magna Board, but in a non-executive capacity)

9. MODERN METHODS OF CONSTRUCTION PILOT TO BUILD AFFORDABLE HOMES

Consideration was given to a report proposing the delivery of twelve bungalows for older people through a pilot to test alternative modern construction methods. Funding for the pilot would come from the Housing Revenue Account and, subject to confirmation, grant funding from the Sheffield City Region's Housing Fund.

'Modern methods of construction' (MMC) was a generic term used to cover several different types of homes that were manufactured in a factory environment and either fully or partially assembled in the factory, or the component parts were assembled on site. MMC could provide an efficient alternative to traditional construction methods.

Until the procurement exercise had been completed, it was not possible to analysis property lifespan and lifecycle costings. A robust appraisal would be carried out to ensure the property demonstrated long term value for money to the Council.

The proposal for each site was set out below:-

- Symonds Avenue, Rawmarsh – eight bungalows.
- Hounsfeld Crescent, East Herringthorpe – two bungalows.
- Hounsfeld Road, East Herringthorpe – two bungalows.

The bungalow sites were either low demand garage sites or undeveloped HRA land, which have varying degrees of nuisance issues. If this pilot proved to be successful this could provide a delivery route for many of the other 200-300 HRA owned small sites in the borough. Whilst groundworks and the construction of foundations were still required, the homes could be delivered to the site as completed units (depending on the specific product). Consequently the number of traffic movements to and from site was reduced as there were fewer large delivery vehicles.

Relevant Ward Members had been briefed

The estimated project costs were set out in Appendix 2, but it was noted the funding for the MMC was via HRA Revenue Reserves and Sheffield City Region.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations, but were asking Cabinet to consider aligning this project with the work of the Scrutiny Task and Finish Group on housing to avoid duplication and for future proposals to detail how the Council would market and promote the benefits of modern methods of construction for affordable homes.

Resolved:- (1) That the use of the identified sites to deliver affordable housing using modern methods of construction be approved.

(2) That a further report be submitted to the November 2018 Cabinet meeting detailing the outline business case, recommending contract partners and seeking approval for the use of Housing Revenue Account capital resources for the pilot up to maximum of the amount set out in Appendix 2 of the report submitted following a procurement exercise.

(3) That this project be aligned with the work of the Scrutiny Task and Finish Group on housing to avoid duplication.

(4) That future proposals set out in detail how the Council would market and promote the benefits of modern methods of construction for affordable homes.

10. DELIVERY OF HOUSING ASSOCIATION HOMES ON HOUSING REVENUE ACCOUNT SITES

Consideration was given to the report which sought approval to transfer four parcels of Housing Revenue Account (HRA) land to Arches Housing Association and one parcel of HRA land to Johnnie Johnson Housing Association.

The sites to transfer to Arches Housing and Johnnie Johnson Housing Associations would result in the delivery of twenty-two new homes for affordable rent and the Council would receive nomination rights to the

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properties. The total scheme cost for the Arches development and the Johnnie Johnson represented £3.23m of investment into the borough. Both organisations would request grant funding from Homes England to support their schemes. This funding was time bound and all the developments have to be completed by March, 2021 or the funding offer would be withdrawn.

Evidence of demand for these properties was strong. Housing needs data showed that there were over 6,000 people on the waiting list across the borough.

Delivery of affordable housing schemes was always financially challenging and both housing associations have requested a land transfer for the value of £5K per plot. This reduced land value was in line with funding guidance issued by Homes England, and the Council's longstanding custom and practice, to enable housing associations to develop new affordable homes in Rotherham. The full open market values for each site have been calculated as well as the reduced transfer values.

Local Ward Members have been consulted on the proposals and their feedback taken into account.

Cabinet Members supported these proposals and any scheme that would reduce the waiting list for properties across the borough was welcomed.

Resolved:- (1) That the transfer of four parcels of HRA land as detailed above to Arches Housing Association for £5K per plot value be approved.

(2) That the transfer of one parcel of HRA land at Orchard Place, West Melton for £5K per plot value be approved.

(3) That the transfer of four parcels of HRA land as detailed above to Arches Housing Association for £5K per plot value be approved.

(4) That the transfer of one parcel of HRA land at Orchard Place, West Melton for £5K per plot value be approved.

11. STREET CLEANSING ALLOCATION OF CAPITAL EXPENDITURE

Consideration was given to the report that detailed that as part of the Budget and Council Tax 2018/19 £610,000 of Priority Capital Investment monies were identified for 'Street Cleansing Equipment and Bins'. This investment was intended for service improvements for cleansing and bins with options for Solar Compactor Bins to be explored.

This report, therefore, sought approval to spend £408,500 of this allocation on a range of capital investments in street cleansing equipment and bins, balancing the need for short-term investment in 'traditional' approaches, and the longer term need to assess more innovative

approaches to litter bin provision. In particular, the project sought to pilot the provision of solar litter bins, in order to assess their potential to support wider investment in litter bin provision, via the delivery of efficiencies in operational street cleansing services and increased advertising revenues.

Resolved:- (1) That £408,500 of Capital Expenditure be released for investment in Street Cleansing Equipment and Bins.

(2) That the proposed approach to expenditure of the Capital Investment in Street Cleansing Equipment and Bins be approved, as outlined in Section 4.10 to 4.13 below.

(3) That the Assistant Director of Community Safety and Street Scene be authorised to make all necessary arrangements for the delivery of the proposed approach, in consultation with the Cabinet Member for Cleaner, Greener Communities.

12. STRATEGIC PROPERTY - RIVERSIDE HOUSE LEASE

Consideration was given to a report which sought approval to restructure the lease for Riverside House and to delegate the final details and future lease arrangements for Riverside House to the Strategic Director for Regeneration and Environment, in consultation with the Strategic Director for Finance and Customer Services and the Assistant Director for Legal Services.

In September 2011 the Council entered into a 35 year lease for Riverside House and this was a commercial full repairing and insuring lease with fixed rate five year rent reviews and no break clause.

There were restrictions within the lease, the main restriction being the use to which the building could be utilised, with further restrictions on subletting parts of the building. There was also a requirement to obtain Landlord's permission to modify or make any additions or alterations to the building.

The lease had 28 years of the 35 year term remaining. An opportunity had arisen via the Landlord to restructure the lease. The basis of the restructure would be that the existing lease be extended by a further seven years, though the rent payable and rent review clause, along with user clause, would be revised. The restructured lease would also contain the provision that at the end of the 35 year term the ownership of the building and site would revert to the Council for £1.

Under the current lease at the end of the 35 year term the Council would have to return the building to the Landlord in a state of repair and at an agreed specification, which could include the payment of any dilapidations claim. There would also be the need to either negotiate a further lease with the Landlord or seek alternative premises.

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Under the terms of the existing lease and the terms of the proposed restructure the Council was responsible for all the property running costs including repairs, maintenance and insurance.

The lease restructure would allow the Council more freedoms and flexibilities in the use of the building, along with full flexibility on sub-lease arrangements which would offer future income generation opportunities. The proposal would also deliver annual revenue savings to the Council.

Cabinet Members welcomed this significant opportunity to review the costs associated with Riverside House and the securing of a long term deal.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations, that an "in principle" decision be made to approve the restructure of the lease arrangement for Riverside House and delegate authority as outlined in the published officer recommendations and that efforts to co-locate more public services within Riverside House be supported.

Resolved:- (1) That a lease restructure be entered into for Riverside House and the final terms of the agreement be delegated to the Strategic Director for Regeneration and Environment, in consultation with the Cabinet Member for Jobs and the Local Economy, the Strategic Director for Finance and Customer Services and the Assistant Director for Legal Services be approved.

(2) That the Assistant Director of Legal Services be authorised to negotiate and complete the necessary legal agreements.

13. ALLOTMENTS SELF MANAGEMENT

Consideration was given to a report which detailed how the Council and Rotherham and District Allotments Association have worked together to review the current allotments service and explore possible alternative service models to drive long-term improvement. This recognised the pressure the service had been under since 2011 due to reduced public spending.

The Rotherham and District Allotments Association (RaDAA) had embraced the opportunity to engage with the Council to jointly review how the allotment service was managed, and what steps might be taken to overcome current challenges, including remodelling the service to secure the best possible outcomes for allotment users within the limited available resources.

The review had gathered evidence to support the assessment of options, including a survey of existing plot-holders, an audit of Council-owned allotment sites, and information about management models in place

elsewhere in Britain. Consequently, the review had concluded that the adoption of a self-management model offered best prospects for service improvement and involving allotment users more in this.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations, subject to the Improving Places Select Commission receiving an update on the implementation of this project, at a time to be agreed by the Chair and Vice-Chair of the Select Commission.

Resolved:- (1) That Council adopt a new vision and specification for allotments, as proposed in this report.

(2) That Council approve the transfer of management of Council-owned allotments to a new borough-wide self-management body, and authorises officers to work with Rotherham and District Allotments Association, Voluntary Action Rotherham and others to establish a Community Benefit Society for this purpose.

(3) That the Improving Places Select Commission receiving an update on the implementation of this project, at a time to be agreed by the Chair and Vice-Chair of the Select Commission.

14. COMMUNITY ENERGY SWITCHING SCHEME

Consideration was given to a report which sought approval to assess the feasibility of developing a community energy switching scheme in Rotherham to reduce the number of people in Rotherham paying high tariffs for gas and electricity.

Various options were considered as part of the report and it was recommended that Option 3 be progressed as the outcome of the feasibility study and subsequent development of a Community Energy Switching Scheme could reduce the number of people in Rotherham paying high tariffs for gas and electricity.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations, for Cabinet to encourage officers to deliver this project swiftly and subject to the outcome of the study, consideration be given to the marketing and promotion of the scheme

Resolved:- (1) That a detailed feasibility study be undertaken in order to assess the viability of developing a Community Energy Switching Scheme.

(2) That a detailed feasibility report be brought back to Cabinet for consideration.

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(3) That officers be encouraged to deliver this project swiftly.

(4) That, subject to the outcome of the study, consideration be given to the marketing and promotion of the scheme

15. RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Consideration was given to the circulated report, the contents of which were included as part of the relevant items and the details included accordingly.