



CABINET AND COMMISSIONERS' DECISION MAKING MEETING

Monday, 9 July 2018

10.00 a.m.

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

Cabinet Members:-

Leader of the Council
Deputy Leader of the Council,
Children's Services and Neighbourhood Working Portfolio
Adult Social Care and Health Portfolio
Cleaner, Greener Communities
Corporate Services and Finance Portfolio
Housing Portfolio
Jobs and the Local Economy Portfolio
Waste, Roads and Community Safety Portfolio

Councillor Chris Read
Councillor Gordon Watson

Councillor David Roche
Councillor Sarah Allen
Councillor Saghir Alam
Councillor Dominic Beck
Councillor Denise Lelliott
Councillor Emma Hoddinott

Commissioners:-

Lead Commissioner Mary Ney
Commissioner Patricia Bradwell
Commissioner Julie Kenny

CABINET AND COMMISSIONERS' DECISION MAKING MEETING

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

Date: Monday, 9th July, 2018

Time: 10.00 a.m.

A G E N D A

1. Apologies for Absence

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

2. Declarations of Interest

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

3. Questions from Members of the Public

To receive questions from members of the public who wish to ask a general question in respect of matters within the Council's area of responsibility or influence.

Subject to the Chair's discretion, members of the public may ask one question and one supplementary question, which should relate to the original question and answered received.

Members of the Council may also ask questions under this agenda item.

4. Minutes of the previous meetings held on 21 May and 11 June 2018 (Pages 1 - 27)

To receive the record of proceedings of the Cabinet and Commissioners' Decision Making Meetings held on 21 May and 11 June 2018.

5. Exclusion of the Press and Public

Agenda Items 10, 13 and 15 have exempt appendices. Therefore, if necessary when considering those items, the Chair will move the following resolution:-

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 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.

DECISIONS FOR CABINET

6. Financial Outturn 2017/18 (Pages 29 - 67)

Report of the Strategic Director of Finance and Customer Services

Cabinet Member: Councillor Alam

Commissioner: Ney (in advisory role)

Recommendations:-

1. That the Revenue Outturn position of a £3.237m underspend be noted.
2. That approval be given to the transfer to the HRA reserve of the £2.353m HRA underspend.
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 be noted.
5. That the capital outturn and funding position as set out in section 3.13 and Appendix One be noted.
6. That the inclusion into the capital programme of new schemes funded by external resources as set out in Appendix One be noted.

7. May Financial Monitoring Report 2018/19 (Pages 69 - 85)

Report of the Strategic Director of Finance and Customer Services

Cabinet Member: Councillor Alam

Commissioner: Ney (in advisory role)

Recommendations:-

1. That Cabinet note the current General Fund Revenue Budget forecast overspend of £5.8m.
2. That Cabinet note that management actions continue to be developed and implemented to address areas of overspend and to identify alternative and additional savings to mitigate shortfalls in achieving planned savings in 2018/19.
3. That Cabinet note that the Capital Programme position and Treasury Management key indicators for the first quarter of 2018/19 will be reported in the Financial Monitoring Report to Cabinet in September.

4. That Cabinet agree the changes to the Business Rates Revaluation Support Scheme as set out in paragraphs 3.11.1 to 3.11.3 of this report and that any further changes which may be required are delegated to the Strategic Director - Finance and Customer Services in consultation with the Cabinet Member for Corporate Services and Finance.
5. That Cabinet approve the virement of budget within Children's and Young Peoples Services of £500k to Special Guardianship Orders from the placements budget, as referenced in paragraphs 3.2.8 to 3.2.14 of this report.

8. Annual Treasury Management Report and Actual Prudential Indicators 2017/18 (Pages 87 - 99)

Report of the Strategic Director of Finance and Customer Services

Cabinet Member: Councillor Alam
Commissioner: Ney (in advisory role)

Recommendations:-

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 the Audit Committee for information .

9. New Applications for Business Rates Discretionary Relief (Pages 101 - 107)

Report of the Strategic Director of Finance and Customer Services

Cabinet Member: Councillor Alam
Commissioner: Ney (in advisory role)

Recommendations:-

That 20% top up relief is awarded to:-

- Bramley Scouts, 62A Main Street, Bramley Rotherham, S66 2SQ for the period 1 April 2018 to 31 March 2019
- Rotherham Talking Newspaper, Park Hall, Victoria Park, Rosehill Road, Rawmarsh, Rotherham, S62 7HJ for the period 1 April 2018 to 31 March 2019 and
- Magna Trust, Sheffield Road, Templeborough, Rotherham, S60 1DX for the period 21 February 2018 to 31 March 2019.

10. Modern Methods of Construction Pilot to Build Affordable Homes (Pages 109 - 122)

Report of the Strategic Director of Adult Care, Housing and Public Health
(Exempt Appendix)

Cabinet Member: Councillor Beck
Commissioner: Kenny (in advisory role)

Recommendations:-

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 Cabinet in November 2018 to:
 - detail the Outline Business Case
 - recommend contract partners and
 - seek approval for use of Housing Revenue Account capital resources for the pilot up to a maximum of the amount set out in exempt Appendix 2, following a procurement exercise.

11. Delivery of housing association homes on Housing Revenue Account sites (Pages 123 - 129)

Report of the Strategic Director of Adult Care, Housing and Public Health

Cabinet Member: Councillor Beck
Commissioner: Kenny (in advisory role)

Recommendations:-

1. That approval be given to the transfer of four parcels of HRA land as detailed above to Arches Housing Association for £5K per plot value.
2. That approval be given to the transfer of one parcel of HRA land at Orchard Place, West Melton for £5K per plot value.

12. Street Cleansing Allocation of Capital Expenditure (Pages 131 - 140)

Report of the Strategic Director of Regeneration and Environment

Cabinet Member: Councillor Allen
Commissioner: Kenny (in advisory role)

Recommendations:-

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.

13. Strategic Property - Riverside House Lease (Pages 141 - 152)
Report of the Strategic Director of Regeneration and Environment
(Exempt Appendix)

Cabinet Member: Councillor Lelliott
Commissioner: Kenny (in advisory role)

Recommendations:-

1. That final approval to enter into a lease restructure for Riverside House and the final terms of the agreement be delegated to the Strategic Director – Regeneration and Environment, in consultation with the Cabinet Member for Jobs and the Local Economy, the Strategic Director – Finance and Customer Services and the Assistant Director - Legal Services.
2. That the Assistant Director of Legal Services be authorised to negotiate and complete the necessary legal agreements.

14. Allotments Self Management (Pages 153 - 194)
Report of the Strategic Director of Regeneration and Environment

Cabinet Member: Councillor Hoddinott
Commissioner: Kenny (in advisory role)

Recommendations:-

1. That the Council be recommended to adopt a new vision and specification for allotments, as proposed in this report.
2. That the Council be recommended to 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.

15. Community Energy Switching Scheme (Pages 195 - 206)

Report of the Strategic Director of Regeneration and Environment
(Exempt Appendix)

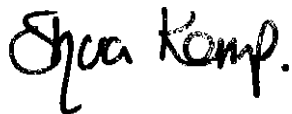
Cabinet Member: Councillor Lelliott
Commissioner: Kenny (in advisory role)

Recommendations:-

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.

16. Recommendations from Overview and Scrutiny Management Board

To receive a report detailing the recommendations of the Overview and Scrutiny Management Board in respect of the items of business that were subject to pre-decision scrutiny on 4 July 2018.



SHARON KEMP,
Chief Executive.

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**CABINET/COMMISSIONERS'
DECISION MAKING MEETING
21st May, 2018**

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

Apologies for absence were received from Councillors Allen, Beck, 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>

137. DECLARATIONS OF INTEREST

There were no Declarations of Interest to report.

138. QUESTIONS FROM MEMBERS OF THE PUBLIC

(1) A member of the public explained she had only learnt of these proposals on the 8th May, 2018 of the action to be taken with the closure of Parkhill Lodge. She expressed shock the family had faced when learning the accommodation used by her sister may be closing. She had attended a meeting at the Holiday Inn, but there appeared to be no one advocating for service users against the closures or proposing alternative options or repairs to buildings.

She was passionate for her sister's welfare as she would struggle with any proposed move from Parkhill Lodge due to her health and being institutionalised. She appreciated that some changes needed to be made, but wanted to ensure that her sister would continue to receive the highest level of care she had always received.

Councillor Roche, Cabinet Member for Adult Social Care and Health, confirmed Parkhill Lodge had been added late into the report and due to this it was recommended by Scrutiny that further consultation was required on Parkhill Lodge's future.

In a supplementary question the member of the public expressed her concern as she had read recommendations that the home would close during 2019/2020, but because of findings in April closure may be initiated sooner. She requested that as part of the further consultation all family members of service users should be fully informed.

Councillor Roche confirmed an earlier closure had been talked about, but this was due to some issues with some of the utilities. Once the recommendation to further consult on the future of Parkhill Lodge had been accepted, families and service users would be informed.

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 21/05/18

(2) A member of the public asked what had been the response and reactions to the recommendations in the report by people with learning disabilities and autism, the service users.

Councillor Roche confirmed the report set out the consultation details and involved in a series of mediums talking to service users.

Janine Moorcroft, Head of Service, confirmed the details of the consultation process which involved talking about various options with stakeholders, service users etc., including proposed closure of some facilities, the timelines and what may happen. Following the publication of the report it was not considered appropriate to engage with service users further until a decision had been made. However, once a decision was made on the recommendations of the report it was planned to create an easy read version that would be cascaded to service users and their families and to work closely as to what this would mean to them.

In a supplementary question the member of the public asked about the timeframes and if this would include feeding back to the service users with learning disabilities and autism as she was fearful services would start to be closed and service users would be unaware what was happening.

Janine Moorcroft explained that once the meeting had concluded and able to take recommendations forward there would be further communication with service users and families to ensure proper plans were put in place to full ascertain what was needed in the future.

The Strategic Director for Adult Care, Housing and Public Health explained that if and when any decisions were taken individual assessments would take place. This would involve discussions with the individual and people involved in their lives within an individual process rather than a group process alongside work by provider services.

(3) A member of the public, who was a relative of a person residing in Parkhill Lodge and attending Addison Day Centre, asked if consideration had really been given to service users' health and wellbeing and the impact this would have on their lives if these services closed. It was disgraceful that there had been little communication at Parkhill as this was a massive decision that affected people's lives. Other Councils had tried this approach and come full circle. The decision focused around finances, but it was far more expensive to run direct payments and in addition there was very limited availability for personal carers.

Councillor Roche had explained the position with regards to Parkhill and could not pre-judge the Cabinet's decision. He was in support of further consultation. The member of the public had referred to all Councils trying this approach and reverting back; this was not the case and some Councils had actually put their day care services out to tender. The Council was simply recommending decommissioning of buildings and

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 21/05/18

providing individual services instead. With regards to direct payments being more expensive to run this was not the case and only one option that would be available.

In a supplementary question the member of the public asked if service users could be advised of alternatives for day care with a proper list on what was available with full costs as some of these services were not affordable to people on benefits.

Councillor Roche confirmed details on agencies would be made available, but emphasised this was not about cost or care.

The Strategic Director for Adult Care, Housing and Public Health addressed the concerns about the health and wellbeing of service users and the need for empathy which was central to everything being undertaken. It was important to the service to ensure this process was done right with the transition being done properly and sensitively with work with the individual and family members.

Carers strongly asked for a directory and this had been taken as an action from the Carers' Meeting on Thursday and would be produced over the next few weeks so all service users could access. Decisions could then be made as Councillor Roche indicated direct payments were not for everyone.

(4) A member of the public wanted to speak up for Quarryhill, which was an excellent facility and well run by staff. This building was not old, but fit for purpose. There had been plans to extend the building with hoist rooms, but these plans have clearly been shelved.

Councillor Roche pointed out that this report was not about closing Addison and Oaks it was about how the Council could work with people with learning disabilities to help improve the service, to improve their lives and raise aspirations. It was not primarily about the buildings at all.

(5) A member of the public referred to her own son who attended Addison Day Centre and Kiveton Outreach. She pointed out that closing date centres and respite care did not make financial sense and in the longer term could cost the Council more money. She made reference to Page 5, Appendix B and drew comparisons of 64 young people who lived at home with parents attending Addison 5 days a week for a minimum of 35 hours at a cost of £7.00 and those in residential care for 7 days a week which was over 168 hours. This was 5 times more and at a much greater cost. The shared lives options would not work and various points had been made at the meeting about this on Thursday. This would transfer the care of these young people back onto parents as carers, which could leave them exhausted.

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 21/05/18

The member of the public also drew comparisons with her own son who also attended Treefields for respite care. At Treefields there were 6 beds. This was a fit for purpose venue which was refurbished in 2010 and looked after 50 people. There was no comparison against the cost of 6 beds in full time residential care and it took a lot of effort and energy to look after someone with a disability. The member of the public asked if the Council could please reconsider the options and look again as the decisions being made as this would devastate people's lives.

Councillor Roche confirmed he had visited the 2 respite centres being mentioned and had been advised by staff that they were unsuitable, not just for wheelchair use, but in caring for the people who used those centres effectively. They were fine as ordinary homes, but the majority of the respite care was commissioned from other centres. There were sufficient respite places already in the community. In financial terms the cost for these places to the customer was subsidised by the Council and transport was also provided. This decision was not about finance, but about providing an individualised approach.

The Leader asked if further information could be provided on the capacity for shared lives and how this would be increased to ensure places were available over the next few years.

Councillor Roche was aware a shared lives event was to be arranged in the Maltby/Wickersley area, but pointed out that shared lives was only one approach within the report.

The Strategic Director further explained that over the next 12 months a campaign would be launched with the Shared Lives Team providing more insight into how people were employed/trained and the options available. Some local authorities had the shared lives work as an external offer, but Rotherham had theirs as an internal offer and would ensure that the information was widely shared and made available.

In a supplementary comment the member of the public urged Cabinet Members to have some compassion for the young people and the carers before everything was shut in 18 months' time.

(6) A member of the public described how her son attended Oaks Day Centre and had done so for the past 9 years. This change in future of day services commenced about 20 months ago and in that 20 months nothing new had been heard and no alternatives had been offered. Upon personal investigation there appeared to be very little available for families other than Angel Nook.

The member of the public expressed her frustration over wasted money and resources with little outcome. She had come to this important meeting, but was sad to learn she was no further on or wiser for the future of the young people, many of whom had complex needs and would struggle with plans to integrate as part of the community.

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 21/05/18

The member of the public thought today she would have clearer answers, but 2 years on she was still living within this uncertainty for the young people's futures. She found it soul destroying and only those that were involved with the care of these young people knew the actual impact on people's lives if these services were closed. Her own son had a happy persona, but would not cope with community-based provision. He had made friends at his building-based provision, which he would now lose. Oaks was a happy place and it was inevitable that places would be lost. It all boiled down to money. She was interested in the list of provision because as far as she could see there were very little choice available.

The Leader noted the valuable point made by the member of the public about the availability of other services in the community and asked if the Cabinet Member could elaborate on about the plans to assist families like hers.

Councillor Roche confirmed there were a number organisations being run by former members of staff from Addison and Oaks and would ensure a directory of services was provided. He shared information about a number of case studies of people with learning difficulties and their involvement in the community catalyst programme and the positive messages coming forward.

Janine Moorcroft, Head of Service, confirmed the community catalyst project was now in its second year and there had been some success in terms of the alternative provision now available for customers to move into.

She shared information on the 30 Oaks customers who had moved onto other provision. There had been some discussion at the meeting on Thursday with regard those people with more complex needs and how some would still require safe-building bases. The report did identify that this kind of provision would still be required, but would require further development on what shape and form this would take to meet the needs of those individuals. Community catalyst projects would be closely worked with commissioning colleagues to ensure the market was ready and part of the process.

Councillor Roche pointed out the report did make it clear and recognised that there would still be people with complex needs requiring a building-based approach.

(7) A member of the public referred to the numbers of housing developments in Rotherham and the new ones coming forward. This year marked the 10 year anniversary of when Chesterhill Avenue, Thrybergh was knocked down and even longer since Whinney Hill was demolished. At the time Councillor Sue Ellis, Cabinet Member, made a number of promises about the regeneration. In 2013 Keepmoat were brought forward as partners and a plan put forward to build 260 homes including 15 Council homes. On the website it indicated that building was due to start in 2016 and he asked what was happening and why the delay.

Councillor Read confirmed no-one was available to answer the question, but would ensure the member of the public received an appropriate answer in writing.

In a supplementary question the member of the public asked in the intervening 2 years since 2016 Dalton/Thrybergh had lost its last public house. A few hundred yards away from this development the Dalton Progressive Club had closed, on the edge of the development the last Post Office had closed and at the centre the closure of the Thrybergh Legion Club. There were many businesses that were struggling to survive that could do with the extra 600 people that this development would bring and asked given the delay how the Council was going learn from it and what it was going to do to support the businesses in Thrybergh who were struggling with the delay.

Councillor Read confirmed that a full response on the details of the housing development would be provided in writing.

139. MINUTES OF THE PREVIOUS MEETING HELD ON 16 APRIL 2018

Resolved:- That the minutes of the Cabinet and Commissioners' Decision Making Meeting held on 16th April, 2018, be agreed as a true and correct record of the proceedings.

140. 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 agenda item 9 on the grounds that the appendix 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.

141. CUSTOMER ACCESS STRATEGY

Consideration was given to a report proposed a new Customer Access Strategy to replace the now expired Strategy.

The Customer Service and Efficiency Board was established in September 2017, to deliver a strategic approach to service delivery and support the Council in the realisation of significant efficiencies.

The Board's Customer Service and Efficiency work programme included a comprehensive range of projects and was highlighted in the report as well as responsible for the Council's Customer Access Strategy.

It was important that all customers continued to have access to the services they needed irrespective of their personal situation and that the information and advice they received was simple and easy to understand.

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 21/05/18

The purpose of the Strategy was to set out how the Council aimed to achieve such building on the Council's values to strengthen customer relationships and improve service delivery.

The new Strategy formed the framework for the way customers accessed services and the way the Council delivered them, cutting across all areas of business to deliver greater efficiency, make better use of resources and improve customer experience.

The new Strategy was aligned to the Council Plan and the Council's Digital Strategy. It had a greater digital focus to reflect the vision for a modern, efficient council that made best use of available resources and provided value for money, customer-focused services.

Resolved:- (1) That the progress of the Customer Service and Efficiency Board work programme be noted.

(2) That the Customer Access Strategy be approved for publication.

(3) That any significant changes required following annual reviews of the Strategy be subject to further reports for Cabinet consideration and approval.

142. FREE PUBLIC WI-FI FOR ROTHERHAM TOWN CENTRE

Further to Minute No. 72 of 12th September, 2016, consideration was given to a report seeking approval to enable the delivery of a free public access Rotherham Town Centre Wi-Fi service as part of implementing the Digital Council Strategy and at no cost to the Council.

The project would provide a public access Wi-Fi service in public spaces and public buildings within Rotherham's Town Centre area to make it more vibrant and an attractive place for citizens, visitors, businesses and shoppers in order to increase footfall and to help local businesses thrive and grow. This had also been requested by local businesses.

It was proposed that the Council undertake a competitive procurement for a concession contract for the provision of a service and, subject to the required objectives set out in the report being met, to enter into a concession contract for the provision of those services.

Resolved:- That the delivery of a public access Wi-Fi across Rotherham Town Centre be approved.

143. REVIEW OF COUNCIL PLAN INDICATORS FOR 2018/19

Consideration was given to the report which detailed the proposed annual review of the Performance Indicators included within the 2017-2020 Council Plan

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 21/05/18

Since the publication of the 2017-2020 Council Plan work had taken place alongside Cabinet Members and performance leads to refine the headline measures for the 2018-2019 financial year. At the same time, Service Plans had been refreshed for 2018-2019.

The proposed revised Council Plan Indicators for 2018-2019 was attached at Appendix A of the submitted report. It now included a total of 70 measures (reduced from 72 in the previous version) which formed the priority actions under each of the 4 themes of the Council's vision as well as the fifth, cross-cutting corporate commitment to operate as a modern and efficient Council.

Appendix A included green highlighting where a change was proposed compared to 2018-2019. In total 47 individual target measures had been revised, with a number showing a tightening of targets from 2017-2018.

The 2017-20 Council Plan included 25 measures which were highlighted as headline priorities, informed by discussions with the Leader and Cabinet. This highlight had been removed from the 2018-2019 revised Council Plan Indicators for 2018-2019 to ensure all measures were perceived as priorities.

In total 8 Indicators had been removed compared to 2017-2018; 4 had been added and 12 had been replaced by 14 refreshed Indicators.

Cabinet Members highlighted particular indicators within the suite that had either been added, refreshed and readily understandable or removed, including the percentage of looked after children in family based settings, domestic abuse, licensing and reliance on external annual data for anti-social behaviour and hate crime.

Resolved:- That the Council Plan Indicators for 2018-2019 be approved.

144. NEW APPLICATIONS FOR BUSINESS RATES DISCRETIONARY RELIEF

Consideration was given to a report which detailed two applications for the award of a discretionary business rate relief for Dinnington School of Swimming and Fitness CIC and Rotherham and District Citizens Advice Bureau. This was in accordance with the Council's Discretionary Business Rates Relief Policy (approved 12th December, 2016).

Resolved:- (1) That discretionary relief for Dinnington School of Swimming and Fitness CIC, Unit 6 Brooklands Park, Brooklands Way, Dinnington, Sheffield be refused.

(2) That 20% discretionary top up rate relief for the period 1st April, 2017 to 31st March, 2018 to Rotherham and District Citizens Advice Bureau, 5 Eastwood Lane, Rotherham be awarded.

145. ENABLING SCHOOL IMPROVEMENT

Consideration was given to a report containing an overview of proposals for the future enablement of School Improvement in Rotherham and proposals to bring together key strategic partners to create a Rotherham Strategic Education Partnership Board to set and oversee Rotherham Education priorities and avoid duplication.

The report considered the wider aspects of school improvement in Rotherham for consultation and had been circulated widely to all Head Teachers, Chairs of Governors, Chief Executives of Teaching School Alliances, Diocesan Authorities and other stakeholders including sub-regional partners and a period of consultation with key stakeholders had taken place between 7th February and 23rd March, 2018.

The report outlined a range of models implemented by other local authorities that were assessed against the educational needs of Rotherham.

It was proposed that the single overarching Strategic Education Partnership Board would give schools and key education partners even greater ownership and responsibility for setting the priorities for improvement and leading the work to deliver them. It would bring together directly or indirectly the expertise of staff employed directly by the local authority, individual schools, teaching schools and other school-to-school support providers. It would establish an even stronger education system for all children, shared by political, Council and school leaders, building stronger connections with other key partners in the region such as the Regional Schools Commissioner and senior Ofsted Inspectors.

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 members of the Rotherham Youth Cabinet being appointed to the Rotherham Strategic Education Partnership Board to ensure that the voice of young people was heard, that the governance arrangements be clarified to include provision for oversight by non-executive Members and that reports from the Board on progress made against priorities be presented to Scrutiny Members on as and when basis.

Resolved:- (1) That the outcome of the consultation on Enabling School Improvement be noted.

(2) That the commitment to working with individual settings, schools and strategic partners with pace, pride and passion to further develop good and outstanding provision be noted.

(3) That the establishment of a Rotherham Strategic Education Partnership Board, as set out in section 4 of the report submitted, to create opportunities to exploit synergies; identify both gaps in provision

and duplication and create greater strategic coherence and help to secure improved outcomes, be endorsed and include members of Rotherham Youth and/or Looked After Children Council to ensure that the voice of young people is heard.

(4) That the proposal to recruit to the substantive post of Assistant Director (Education) recognising this may be through a permanent appointment or a fixed term full-time/part-time seconded appointment, be noted.

(5) That the governance arrangements be clarified to include provision for oversight by non-executive Members, with reports on progress made against priorities presented to Scrutiny Members on as and when basis.

146. REVISED ROTHERHAM MBC CODE OF PRACTICE FOR HIGHWAY INSPECTION AND ASSESSMENT

Consideration was given to a report proposing a revised Rotherham Metropolitan Borough Council Code of Practice for Highway Inspection and Assessment which included policies for both Highway Safety Inspection and Skidding Resistance.

The Reviewed Code took account of recommendations within "Well-managed Highway Infrastructure (A Code of Practice)", a report commissioned by the Department for Transport. This new Code of Practice would replace "Well-maintained Highways", "Management of Highway Structures" and "Well-lit Highways" in October 2018.

The new code varied significantly from the current reliance on specific guidance and recommendations to a more flexible risk-based approach to highway asset management. The purpose of the new risk-based approach was that highway safety inspections determined the scale and likelihood of the risk presented by a highway defect and used this to determine the appropriate category of response.

The introduction of a risk-based approach to highway inspection moved away from a highway inspection system based on specific defect intervention/repair levels and replaced it with a system that required risk assessment to determine the need for repair works. Therefore, the proposed "Rotherham MBC Code of Practice for Highway Inspection and Assessment" had been developed taking into account the change in national guidance and training of the Highway Inspectors would now commence in readiness to meet the October, 2018 implementation.

The report had been considered by the Improving Places Select Commission on 14th March, 2018.

It was also noted that customer satisfaction rates for work already completed had been very positive.

Resolved:- (1) That the revised Rotherham Borough Council Code of Practice for Highway Inspection and Assessment (Appendix A) be approved and implemented by October, 2018. This would ensure that Rotherham's highway network was safely maintained thereby safeguarding users.

(2) That a further update, incorporating additional performance management data, be submitted to the Improving Places Select Commission and Cabinet Member for Waste, Roads and Community Safety.

147. REMOVAL OF THE PUBLIC PHONE BOX AT THE JUNCTION OF STUBBIN ROAD AND CORTWORTH LANE, NETHER HAUGH

Consideration was given to a report regarding the request for the removal of the public telephone box at the junction of Stubbin Road and Cortworth Lane, Nether Haugh.

Under Ofcom guidance the Council was required to undertake a 2 stage public consultation on the proposal. After considering any consultation responses the Council must then make a final decision as to whether it agreed or objected to removal of the telephone box. The final decision must be made within 90 days of the Council being notified of the proposal by BT.

It had not been possible within the 90 day timeframe for the Council's final decision to be made by Cabinet. The final decision to agree to the closure and removal of the telephone box was made in consultation with the Cabinet Member for Jobs and the Local Economy. The decision took into account an assessment of the telephone box against a number of criteria, that the request for the removal had come from the community and not a cost cutting exercise from BT and that no consultation responses had been received objecting to the removal.

Resolved:- That the final decision agreeing to the proposal to permanently remove the public telephone box at the junction of Stubbin Road and Cortworth Lane, Nether Haugh, be noted.

148. THE TRANSFORMATION OF SERVICES AND SUPPORT FOR PEOPLE WITH A LEARNING DISABILITY

Consideration was given to a report which set out the details for the next steps in the transformation of services and support for people with a learning disability in line with the Learning Disability Strategy, vision and the learning from the consultation with people and families.

The needs of people with a learning disability were continuing to change and were becoming more diverse. People and families had higher expectations of what it meant to have an independent life in their community and wanted more control over their lives.

The challenges facing the Council were being recognised and the review of the Learning Disability Services which began in 2015 had resulted in a number of reports and consultation with the people who used the services.

The review was integral to the Council's overall vision for transforming Social Care and built on the principles of the Care Act 2014 with the need to move away from traditional building-based support. This would result in Oaks Day Centre, Addison Day Centre, Treefields and Quarryhill being decommissioned with further consultation on the future of Parkhill Lodge.

The Council fully understood that changes could create anxiety and would be respectful of this and would consider and take into account the learning from the consultations that have taken place to develop a robust communication and engagement strategy. This would be to ensure people with learning disabilities, their families and carers, received reliable and timely information and were fully engaged and included throughout the development of plans.

Moving forward all service users would undergo a person-centred approach through individual assessment of need before alternative provision was put in place.

Cabinet Members acknowledged the sensitivity around this Service, but reflected on the lessons learnt from other local authorities and welcomed the opportunities that may arise for Service users from within their own communities. However, Members, families and Service users were reassured that needs would be carefully looked at by a dedicated team and that no changes would take place until a full assessment had been undertaken.

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 monitoring reports being submitted to Overview and Scrutiny Management Board and/or Health Select Commission 6 months after implementation of the Strategy and underlying work streams, the Cabinet Member for Adult Social Care and Health consider how non-executive Members could become involved in the evaluations of client experience in the delivery of the Learning Disability Strategy, visits to other authorities that have implemented a similar approach be arranged for Members and carers to observe the benefits outlined within the report and that prior to any decision on the future of Parkhill Lodge being made, a specific and formal consultation exercise is carried out on the proposed closure.

Resolved:- (1) That the draft Learning Disability Strategy and future stakeholder engagement be approved.

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 21/05/18

(2) That the development of a Rotherham Supported Living and Better Days Framework as detailed in the Learning Disability Strategy (Appendix C) be approved.

(3) That the transformation of the Learning Disability Services over the next 2 years, which will see the Services move from existing building-based locations to alternative care and support that will be situated as close to the person as possible in their local community, using and developing existing resources and community buildings i.e. leisure centres and community provision, be approved. Oaks Day Centre, Addison Day Centre, Treefields and Quarryhill will be decommissioned with further consultation on the future of Parkhill Lodge.

(4) That the Council continue to provide a service to people with high complex needs. The Elliott Centre and Maple Avenue buildings will be reviewed and may be moved to more suitable alternative premises should they become available.

(5) That the delivery plan which sets out how the Council will make sure all people with a learning disability have access to community-based services that promote independence, wellbeing and social inclusion be approved. This will ensure that:-

- Each person with a learning disability has a review based on a person centred approach, which will inform the support and services the Council needs to provide to meet their individual needs by 2020. A dedicated team of social workers with the support of the existing staff will undertake the reviews. This will also include advocacy support and engagement with carers.
- Each person will have the opportunity to make sure every day in their life is meaningful, of value and leads to them having a 'Good Day'. Doing things which have a purpose; being in ordinary places doing things most other people in the community would be doing; doing things that are for the individual; making sure they receive the right amount of support; and are in touch with local people, developing friendships.
- More people have the opportunity to participate in paid employment.
- A strength based approach will be taken to develop a range of opportunities, including shared lives, use of personal budgets, develop skills for independent living provide support when the carer needs it and making sure more people have their own front door.

(6) That monitoring reports be submitted to the Overview and Scrutiny Management Board and/or Health Select Commission 6 months after implementation of the Strategy and underlying workstreams.

(7) That the Cabinet Member for Adult Social Care and Health consider how non-executive Members could become involved in the evaluations of client experience in the delivery of the Learning Disability Strategy.

(8) That visits to other authorities that have implemented a similar approach be arranged for Members and carers to observe the benefits outlined within the report.

149. PROPOSALS FOR THE FUTURE OF ROTHERHAM INTERMEDIATE CARE CENTRE (RICC)

Consideration was given to proposals for the future of Rotherham Intermediate Care Centre (RICC) at Badsley Moor Lane.

The RICC was delivered in partnership by the Council and The Rotherham Foundation Trust. It contributed to the aims, objectives and outcomes set out in the Intermediate Care Service specification and Better Care Fund Plan 2017-19.

The Centre was jointly commissioned by the Rotherham Clinical Commissioning Group and the Council through a Section 75 Agreement under the Better Care Fund to provide rehabilitation and community integration facilities within a day setting for residents of Rotherham or who were registered with a Rotherham GP practice.

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 Health Select Commission receiving updates on the performance of re-designed Intermediate Care Service to ensure there was no negative implications for the client experience.

Resolved:- (1) That Option 2 of the report submitted be approved i.e. to move the provision of rehabilitation out of the building base (RICC at Badsley Moor lane) and re-provide within the community.

(2) That Health Select Commission receive updates on the performance of re-designed Intermediate Care Service to ensure there was no negative implications for the client experience.

150. 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.

**CABINET/COMMISSIONERS'
DECISION MAKING MEETING
11th June, 2018**

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

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>

151. DECLARATIONS OF INTEREST

There were no declarations of interest to report.

152. QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

153. 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 agenda items 9 and 11 on the grounds that the appendix 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.

154. THE HOUSE PROJECT

Consideration was given to a report which detailed how the House Project (HP), a Department for Education (DfE) Social Care Innovation Fund Project, looked at creating a new model of supported housing for young people leaving care which had been initiated in Stoke-on-Trent.

The project was the first of its kind for care leavers in the UK and involved young people having a lead role in developing and running the overall project, as well as choosing and refurbishing their own tenancy and identifying the support needed to sustain it.

The key elements of the project were the offer of suitable, safe and long-term post-care housing alongside a holistic and bespoke package of training and support that focused on increasing young people's independent living and personal skills and their participation in education, employment and training (EET).

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 11/06/18

A key aim of the project was to reduce the feelings of isolation and powerlessness that many care leavers could experience after leaving care.

The House Project (HP) was based on a tenant-managed housing co-operative model, run for, and by, young people aged 16-18 who were leaving care. The aim was to secure 10 properties at any one time, replacing allocated properties when they reverted to the Council alongside a bespoke package of support until the young person was considered ready and able to transition out of the project, at which point they and their home reverted to a standard long-term Council tenancy.

Rotherham had been approached by the DfE to become part of the next phase of Innovation projects and attracted £370,000 of DfE funding so was at no cost to the Council.

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 governance arrangements being clarified to include provision for oversight by non-executive Members, the Leaving Care Team linked into the Scrutiny Review of Modular Housing Solutions to examine how care leavers could be involved in its development and how care leavers with additional needs were included in the project.

Commissioner Kenny agreed:-

(1) That Rotherham Metropolitan Borough Council (RMBC) become part of the next phase of DfE Innovation Funded Projects to explore the feasibility of developing an alternative housing solution for Care Leavers in Rotherham.

(2) That it be acknowledged that Rotherham Care Leavers will be responsible for the design, development and delivery of the project and will be supported by a range of officers from across the Council to ensure the project is delivered within the principles and practices of RMBC as well as the vision and principles of the project.

(3) That the following recommendations of the Overview and Scrutiny Management Board be accepted:-

- (i) That the governance arrangements be clarified to include provision for oversight by non-executive Members.
- (ii) That the Leaving Care Team links to the Scrutiny Review of Modular Housing Solutions to examine how care leavers can be involved in its development.
- (iii) That consideration be given to how care leavers with additional needs are included in the project.

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 11/06/18

155. APPOINTMENT OF COUNCILLORS TO SERVE ON OUTSIDE BODIES

Consideration was given to the report which set out the nominations received and the appointments of those nominees to the various organisations and partnerships.

Resolved:- That Councillors be appointed to serve on Outside Bodies, as follows:-

Outside Body	Nominations
B.D.R Joint Waste Board	Cabinet Member for Waste, Roads and Community Safety: Councillor Emma Hoddinott Councillor Stuart Sansome
B.D.R. Property Limited	Mr K. Billington
Chesterfield Canal Partnership	Councillor Beck
Chesterfield Canal Steering Group	Ward Members for Anston & Woodsetts: Councillors Jonathan Ireland, Clive Jepson & Katherine Wilson Ward Members for Wales: Councillors Dominic Beck, Gordon Watson and Jenny Whysall
Clinical Commissioning Group	Cabinet Member for Adult Social Care and Health: Councillor David Roche
Clinical Commissioning Group Working Groups: Rotherham Heart Town Self-Harm and Suicide Prevention Group	Councillor Ken Wyatt Councillor Roche
Dinnington Resource Centre and Recreation Ground – Board of Trustees	Councillor Jeanette Mallinder Mrs. J. Havenhand
Don Catchment Working Group	Councillor Stuart Sansome
Emergency Shared (Rotherham and Sheffield) Planning Services and Joint Committee	Cabinet Member for Jobs and the Local Economy: Councillor Denise Lelliott Cabinet Member for Corporate Services and Finance: Councillor Saghir Alam
Environmental Protection UK – Yorkshire and Humberside Division	To be appointed by the Improving Places Select Commission
Health and Safety Commission	Cabinet Member for Corporate Services and Finance: Councillor Saghir Alam

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 11/06/18

Joint Health Overview and Scrutiny Committee	Chair of the Health Select Commission: Councillor Simon Evans
Learning Disability Partnership Board	Councillor Jayne Elliot
Local Government Association: General Assembly Meetings Special Interest Group – SIGOMA (Special Interest Group of Metropolitan Authorities)	Leader of the Council, Deputy Leader of the Council and Councillor Bob Walsh Cabinet Member for Corporate Services and Finance: Councillor Saghir Alam Substitute: Councillor Ken Wyatt
Local Government Yorkshire and the Humber – Health and Wellbeing Group	Cabinet Member for Adult Social Care and Health: Councillor David Roche
National Association of British Market Authorities	Councillor Stuart Sansome
National Association of Councillors	Councillor Ken Wyatt
National Coal Mining Museum for England – Board	Councillor Jonathan Ireland
Phoenix Enterprises Ltd.	Councillor Denise Lelliott
Robin Hood Airport Consultative Committee	Councillor Denise Lelliott Substitute: Councillor John Williams
Rotherham and Barnsley Chamber of Commerce	Cabinet Member for Jobs and the Local Economy: Councillor Denise Lelliott
Rotherham Citizen's Advice Bureau – Trustee Board	Councillor Brian Steele
Rotherham Diversity Festival Steering Group	Waheed Akhtar, Voluntary Sector Liaison Officer
Rotherham Holiday Aid	Councillor Christine Beaumont
Rotherham Together Partnership Board	Leader of the Council (Chair of the Partnership) Cabinet Members Chair of the Children's Trust Board Chief Executive Councillor Jeanette Mallinder Councillor Allen Cowles
Rotherham Together Partnership – Business Growth Board	Councillor Denise Lelliott

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 11/06/18

Rotherham Together Partnership – Health and Wellbeing Board	Cabinet Member for Adult Social Care and Health: Councillor David Roche Deputy Leader of the Council: Councillor Gordon Watson Councillor Jeanette Mallinder
Rotherham Together Partnership – Children and Young People's Partnership	Deputy Leader of the Council: Councillor Gordon Watson
Rotherham Together Partnership – Safer Rotherham Partnership	Cabinet Member for Waste, Roads and Community Safety: Councillor Emma Hodinott
Rotherham, Doncaster and South Humber Foundation Health Trust Partner Governor	Councillor Jayne Elliot
Regional Joint Health Overview and Scrutiny Committee	To be appointed by the Health Select Commission
Rotherham Ethnic Minority Alliance Board	Councillor Tajamal Khan Waheed Akhtar, Voluntary Sector Liaison Officer
Rotherham Foundation Health Trust – Council of Governors	Councillor Pat Jarvis
Rotherham Licence Watch Steering Group	Chair of the Licensing Board: Councillor Sue Ellis
Rotherham Local Safeguarding Adults Board	Cabinet Member for Adult Social Care and Health: Councillor David Roche
Rotherham Local Safeguarding Children Board	Deputy Leader of the Council: Councillor Gordon Watson
Rotherham Schools' Forum	Deputy Leader of the Council: Councillor Gordon Watson
RUSH House Management Committee	To be appointed by Improving Places Select Commission
Sheffield City Region Combined Authority	Leader of the Council: Councillor Chris Read Substitute: Deputy Leader of the Council, Councillor Gordon Watson
Sheffield City Region Combined Authority – Scrutiny Committee	Chair of Overview and Scrutiny Management Board: Councillor Brian Steele Councillor Peter Short
Sheffield City Region Combined Authority – Audit Committee	Chair of Audit Committee: Councillor Ken Wyatt Councillor Allen Cowles

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 11/06/18

Sheffield City Region Local Enterprise Partnership	Leader of the Councillor: Councillor Chris Read
South Yorkshire Joint Committee on Archaeology	Councillor Amy Brookes Councillor Ken Wyatt
South Yorkshire Joint Committee on Archives	Councillor Amy Brookes Councillor Ken Wyatt
South Yorkshire Joint Waste Procurement Board	Cabinet Member for Waste, Roads and Community Safety: Councillor Emma Hoddinott
South Yorkshire Leaders' Meeting	Leader of the Council: Councillor Chris Read Substitute: Deputy Leader of the Council: Councillor Gordon Watson
South Yorkshire Roads Partnership	Cabinet Member for Waste, Roads and Community Safety: Councillor Emma Hoddinott Substitute – Councillor Robert Taylor
Trans-Pennine Properties (Wakefield) Ltd – Yorkshire Purchasing Organisation	Councillor Alan Atkin
Trans-Pennine Trail	Vice-Chair of Planning Board: Councillor John Williams
Trent Regional Flood and Coastal Committee	Lead Councillor from Doncaster Substitute Member
Unity Centre Steering Group	Waheed Akhtar, Voluntary Sector Liaison Officer
Voluntary Action Rotherham	Councillor Christine Beaumont
Women's Refuge	To be appointed by Improving Places Select Commission
Women's Strategy Group	Councillor Taiba Yasseen
Yorkshire and Humber (Local Authorities) Employers Association	Cabinet Member for Corporate Services and Finance: Councillor Saghir Alam
Yorkshire and Humber Strategic Migration Group	Two Members appointed from South Yorkshire (currently Councillor J. Platts from Barnsley and Councillor G. Jones from Doncaster)
Yorkshire and Humberside Grid for Learning – Foundation Board	Deputy Leader of the Council: Councillor Gordon Watson Head of Performance and Quality – Sue Wilson

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 11/06/18

Yorkshire and Humberside Children and Young People Lead Member Network	Deputy Leader of the Council: Councillor Gordon Watson
Yorkshire and the Humber Reserve Forces and Cadets Association	Councillor Ian Jones – Armed Forces Champion
Yorkshire Purchasing Organisation	Councillor Alan Atkin Councillor John Vjestica Substitute: Councillor Alan Buckley
Yorkshire Purchasing Organisation Appeals Hearings	The Leader of the Council to appoint two councillors as required
Yorkshire Region and Coastal Flood Committee	Councillor David Sheppard

156. COUNCIL PLAN 2017/18 QUARTER 4 PERFORMANCE REPORT

Consideration was given to the report which confirmed how the Council Plan represented the core document that underpinned the Council's overall vision, setting out headline priorities, indicators and measures that would demonstrate its delivery. Alongside it sat the Council's Performance Management Framework which explained to all Council staff how robust performance monitoring and management arrangements were required to ensure effective implementation.

To ensure that the delivery of actions and their impact was assessed, formal quarterly performance reports were required to be submitted to the public Cabinet and Commissioners' Decision-Making meeting, with an opportunity for pre-Scrutiny consideration in line with new governance arrangements. This report was the fourth and final report in the 2017/18 reporting cycle covering quarter 4 (1st January 2018 to 31st March 2018).

The Performance Report and Performance Dashboard/Scorecard (Appendices A and B) provided an analysis of the Council's current performance against 14 key delivery outcomes and 72 measures.

This report was based on the current position of available data, along with an overview of progress on key projects and activities which also contributed towards the delivery of the Council Plan.

At the end of the fourth and final quarter (January to March 2018) 25 measures had either met or had exceeded the target set in the Council Plan. This represented 43.9% of the total number of indicators where data was available or where targets have been set. The direction of travel was positive for 32 (49.2%) of the indicators measured in this quarter. The

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 11/06/18

Priority area with the highest proportion of targets met was Priority 4 (Extending Opportunity and Prosperity).

Cabinet Members provided an update in accordance with current performance for service areas:-

Councillor Beck, Cabinet Member for Housing, confirmed the measure relating to number of new homes delivered during the year had seen an increase of 10% from the previous year with the delivery of 479 homes, which was 162 properties below target. There were a couple of external factors why this measure had not been met, but it was hoped with the approval of the Rotherham Local Plan developers would be more confident in bringing sites forward. A new indicator would be introduced next year that would more specifically measure and report the number of new homes delivery that were as a result of direct Council intervention.

In terms of Measure 4.B2 property standards were continuing to improve and all housing stock owned and rented to tenants by the Council now met minimum standards of decency.

87% properties eligible to register under the Selective Licensing Scheme have registered and 90% of these properties have been inspected to test landlord compliance. 94.2% of these properties are compliant with the standards set for private landlords renting accommodation in the Borough.

Councillor Roche, Cabinet Member for Adult Social Care and Health, confirmed the data for 2.A1(a) and (b) was of concern and whilst it had seen some improvement, this was still outside the local comparators top quartile. A new provider was now in place and work would take place with them to improve services.

For Adults 8 of the 9 measures had seen improvements when compared to the previous year. Targets have not been achieved for 5 of the indicators, but the direction of travel was positive. 2.B1 and 2.B2 had achieved their targets and had improved performance on previous quarters.

2.B8 had not met its performance target of 351 with only 315 admissions.

Councillor Watson, Deputy Leader, reported on the Families for Change cohort and how the increase in demand was affecting the targets for the Children in Need rate, reduction in the number of children subject to a Child Protection Plan and the reduction in the number of Looked after Children.

Improved performance in Early Years was pleasing in line with the national average. There had been a dip in NEETS which was 0.3% below target. Services were working hard to improve performance.'

CABINET/COMMISSIONERS' DECISION MAKING MEETING - 11/06/18

Councillor Hoddinott, Cabinet Member for Waste, Roads and Community Safety, reported the positive outcome of the measures relating to 3.B4 number of missed bin collections and 3.B5 recycling. There was a need to ensure this continued when the new waste management changes came into operation.

In terms of roads, measure 3.B1 (a) and (b) percentage of principal and non-principal roads in need of repair, the latest information confirmed the Council currently had 2% and 5% of the adopted highway that were in need of repair. Unfortunately, in terms of 3B1 (c) the Council's unclassified roads were currently not in as good condition as the national average. This had been recognised and the Council was at the start of the second year of a 3 year award of investment to address the deterioration of the unclassified road network.

This quarter had again been affected by system changes by South Yorkshire Police to gather the statistics to form the basis of the Council's measures in tackling anti-social behaviour, hate crime and domestic abuse.

The Licensing Service continued to progress towards 100% compliance in all 4 components of the Hackney Carriage and Private Hire Policy.

Effective enforcement action had been taken where evidence was found and had resulted in 42 fly-tipping prosecutions and 6,673 fixed penalty notices being issued in the Council's efforts to combat fly tipping and other environmental crime.

Councillor Allen, Cabinet Member for Cleaner Greener Communities, confirmed more than 3.2 million visits had taken place during the baseline year for 2017/18.

21 complaints have been received in Quarter 4 bringing the cumulative figure 9 above the target for the year of 75. Although the target had not been achieved there was a very small margin for change with the number of operations undertaken by the services.

Councillor Lelliott, Cabinet Member for Jobs and the Local Economy, confirmed the total number of businesses in the Borough had risen by 420 over the year.

Rotherham was also narrowing the gap to the UK average on the rate of the work age population economically active in the Borough.

Rotherham's Planning Service also continued to determine 100% of the applications received within the specified periods.

Business Centres continued to perform well with average occupancy figures of 90%.

The Leader himself highlighted that whilst efforts to reduce the use of agency staff would continue, this had reduced by 18%. The Workforce Management Board would continue to challenge and scrutinise the use of agency workers across the organisation and expenditure was expected to fall further in next 12 months.

In terms of sickness absence, performance had improved from 10.97 to 10.26 days this meeting the target of 10.3 days. Performance was also at 93% against a 95% target for the completion of PDR's.

Resolved:- (1) That the overall position and direction of travel in relation to performance be noted.

(2) That those measures which have not progressed in accordance with the target set and the actions required to improve performance, including future performance clinics, be discussed

(3) That the performance reporting timetable for 2018/19 be noted.

157. NEW APPLICATIONS FOR BUSINESS RATES DISCRETIONARY RELIEF

Consideration was given to the report which set out detail of 2 applications for the award of a business rate discretionary relief.

Resolved:- That 20% discretionary top up relief is awarded to Headway Rotherham, Rawmarsh CLC, Rosehill Road, Rawmarsh, Rotherham S62 7HJ for the period 31st May 2017 to 31st March 2019 and to Open Minds Theatre Company (South Yorkshire), Rotherham Underground, Corporation Street, Rotherham S60 1NG for the period 6 February 2018 to 31st March 2019.

158. STRATEGIC PROPERTY - LAND OFF STOCKWELL AVENUE, KIVETON PARK

Consideration was given to the report which sought approval to the joint disposal of approximately 24 acres of land off Stockwell Avenue, Kiveton Park, in partnership with the Rotherham North Notts Group (RNN). This site was allocated as a residential development site in the Local Plan that would potentially deliver 268 homes.

The options for disposal of this land were set out in detail as part of the report, including further information regarding the ransom strips which formed part of the considerations.

Relevant Ward Members had been consulted on the proposal and were supportive of the recommendations.

Resolved:- (1) That the disposal of a strategic property as shown edged in red and hatched in pink at Appendix 1 and as detailed within Option 1 of this report, be approved.

(2) That if the necessary verification is not obtained in relation to Option 1 then Option 2 be approved.

(3) That the Assistant Director of Planning, Regeneration and Transport negotiates and agrees the terms and conditions of the proposed disposal, with the Assistant Director of Legal Services negotiating and completing the necessary legal documentation.

159. ROTHERHAM LOCAL PLAN - ADOPTION OF THE SITES AND POLICIES DOCUMENT

Consideration was given to the report which sought approval for the Sites and Policies Document to be referred to Council for formal adoption as part of Rotherham's Local Plan.

The document had been examined by an independent Planning Inspector and found to be "sound" subject to some changes. The Inspector's final report sets out these changes, known as Main Modifications.

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 specific briefings in respect major planning developments be delivered to Ward Members on a ward-by-ward basis and for Equality Impact Assessments to be explicitly referenced in the cover report of all items submitted for Cabinet and Pre-Decision Scrutiny.

Resolved:- (1) That the Inspector's final report and the recommended Main Modifications be noted.

(2) That the Sites and Policies Document, as modified, be referred to Council for formal adoption as part of the Development Plan for Rotherham.

(3) That the following recommendations from Overview and Scrutiny Management Board be accepted:-

- (i) That specific briefings in respect major planning developments be delivered to Ward Members on a ward-by-ward basis.
- (ii) That Equality Impact Assessments be explicitly referenced in the cover report of all items submitted for Cabinet and Pre-Decision Scrutiny.

160. FORGE ISLAND DEVELOPMENT

Further to Minute No. 44 of the meeting of Cabinet held on 11th September, 2017 consideration was given to the report which detailed how the Council was currently out to the market to secure a development partner for Forge Island. Stage 1 of the process had already been completed and the Council had since invited 3 potential development partners to submit detailed development proposals. The deadline for proposals to be received was 29th June, 2018.

To allow a scheme to progress as quickly as possible it was proposed that the Strategic Director of Regeneration and Environment, in consultation with the Cabinet Member for Jobs and the Local Economy, and the Strategic Director of Finance and Customer Services be given the appropriate authority to select a development partner from among the bids submitted in June.

In addition, authority was requested to complete outstanding property purchases at Riverside Precinct and to progress with the flood defence work required for development to take place.

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 how it would hold decision makers to account for exercising delegated powers in respect of the Forge Island redevelopment aspects of the Town Centre Masterplan, for quarterly updates to be provided to the Overview and Scrutiny Management Board on decision making and the implementation of the project for the flood alleviation programme to be referred to Improving Places as part of its powers to scrutinise flood risk management functions.

The Cabinet welcomed the developments on Forge Island and were advised by the Cabinet Member that she was fully involved in the robust arrangements which would be reported back to Cabinet as a matter of course.

Resolved:- (1) That the decision to appoint a development partner for Forge Island and the terms of that appointment be delegated to the Strategic Director of Regeneration and Environment in consultation with the Cabinet Member for Jobs and the Local Economy.

(2) That the Strategic Director of Regeneration and Environment be delegated authority to use the powers available to the Council to agree the purchase and terms of the leaseholds at Riverside Precinct and that funding for these acquisitions be provided from the Town Centre Investment scheme within the approved Capital Programme.

(3) That, subject to an assessment of the financial viability of the proposed final terms of the development agreement, the Strategic Director of Regeneration and Environment, in consultation with the Strategic Director of Finance and Customer Services, be delegated authority to commit resources from the Town Centre Investment scheme within the approved Capital Programme to deliver a preferred scheme for the development of Forge Island.

(4) That the Strategic Director of Regeneration and Environment, in consultation with the Strategic Director of Finance and Customer Services, be delegated authority to instruct Legal Services or a third party legal provider to negotiate and complete the necessary legal documentation to give effect to the recommendations above.

(5) That approval be given to implement the flood defence works and the funding for implementation is taken from the allocated Town Centre Investment scheme.

(6) That Cabinet receive information on the Town Centre Investment scheme spend profile at appropriate trigger points.

(7) That the following recommendations from the Overview and Scrutiny Management Board be accepted:-

- (i) That Cabinet be recommended to confirm how it will hold decisions makers to account for exercising delegated powers in respect of the Forge Island redevelopment aspects of the Town Centre Masterplan.
- (ii) That the quarterly updates are provided to the Overview and Scrutiny Management Board on decision making and the implementation of the project.
- (iii) That the flood alleviation programme be referred to Improving Places Select Commission, as part of its powers to scrutinise flood risk management functions.

161. 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.

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Summary Sheet

Committee Name and Date of Committee Meeting

Cabinet and Commissioners' Decision Making Meeting – 9 July 2018

Report Title

Financial Outturn 2017/18

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 Authors

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Ward(s) Affected

All

Summary

The report outlines the final revenue and capital outturn position for 2017/18.

The Revenue Budget 2017/18 was approved by Council on 8 March 2017. A budget of £221.560m (including Public Health) was set for General Fund services; this excludes schools budgets and Housing Revenue Account (HRA). The final outturn position was a £3.237m underspend. The original budget proposed a planned use of reserves of £10.467m, therefore only £7.230m will be utilised leaving £3.237m which will be available to support the budget in later years.

A summary of the outturn position for each Directorate is shown in the table in Section 3.1 below. The Council continues to face demand pressures, in particular, in respect of social care. The total overspends on Social Care were £7.737m on Children's and £4.059m on Adults.

The Council's General Fund minimum balance reserve remains at £11.269m. The reserve is held to protect the Council against unforeseen events and realisation of contingent liabilities.

The Housing Revenue Account (HRA) had an underspend of £2.353m.

The schools outturn position which is funded by the ring-fenced Dedicated Schools Grant had an underspend of £0.097m

The Capital Outturn shows an underspend of £13.359m against the estimated spend for 2017/18 included within the Capital Programme

Recommendations

1. That the Revenue Outturn position of a £3.237m underspend be noted.
2. That approval be given to the transfer to the HRA reserve of the £2.353m HRA underspend.
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 be noted.
5. That the capital outturn and funding position as set out in section 3.13 and Appendix One be noted.
6. That the inclusion into the capital programme of new schemes funded by external resources as set out in Appendix One be noted.

List of Appendices Included

Background Papers

Revenue Budget and Council Tax Setting Report for 2017/18 to Council 8th March 2017

May Financial Monitoring Report 2017/18 - 10th July 2017

July Financial Monitoring Report 2017/18 – 11th September 2017

September Financial Monitoring Report 2017/18 - 13th November 2017

October Financial Monitoring Report 2017/18 – 11 December 2017

December Financial Monitoring Report 2017/18 – 19th February 2018

January Financial Monitoring Report 2017/18 – 20th February 2018

Unlocking Property Investment Brighton Link Report to Cabinet and Commissioners' Decision Making Meeting - 11th September 2017.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board

Council Approval Required

Yes

Exempt from the Press and Public

No

Financial Outturn 2017/18

1. Recommendations

- 1.1. That the Revenue Outturn position of a £3.237m underspend be noted.
- 1.2. That approval be given to the transfer to the HRA reserve of the £2.353m HRA underspend.
- 1.3. That the carry forward of the combined schools balance of £1.401m in accordance with DfE regulations be noted.
- 1.4. That the reserves position as set out in section 3.12 be noted.
- 1.5. That the capital outturn and funding position as set out in section 3.13 and Appendix One be noted.
- 1.6. That the inclusion into the capital programme of new schemes funded by external resources as set out in Appendix One be noted.

2. Background

- 2.1. This reports sets out the Council's revenue, capital, HRA and schools outturn position in 2017/18. The Council set a revenue budget of £221.560m and a capital programme budget of £66.064m.
- 2.2. The report illustrates the Council's financial position on a management accounts basis which is used to monitor performance throughout the financial year. The Audit Committee considered the Council's draft unaudited Statement of Accounts 2017/18 on 19th June 2018, and will consider the final Statement of Accounts on 30th July 2018 following the audit of the accounts by the Council's external auditors KPMG. The Statement of Accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and appropriate accounting standards. As such, the reporting in the Statement of Accounts is different in format to the management reporting.
- 2.3. In understanding the outturn position it is helpful to set out the financial context of the Council.
- 2.4. The Council has made savings of £162m between the period 2011/12 to 2017/18 in response to the Government's austerity measures which has seen substantial cuts to local authority funding. In 2018/19, the Council is required to find savings of £15.2m, with further savings of £30m required over the period 2019/20 and 2020/21. In response to meeting the challenge of funding reductions and rising cost pressures as a result of increased demand for services, the Council will continue to examine service change and improvement work across the Council.

- 2.5. In common with other local authorities across the country, there continues to be increasing demand pressures on social care services. Throughout 2017/18, the Council's financial position has been monitored and appropriate mitigations have been implemented by management to ensure that total expenditure remained within the overall budget set by Council in March 2017.
- 2.6. The Council has a programme to identify, track and deliver a savings programme over the medium term in order to set a balanced budget. The process draws on an approach that ensures that both investment and savings options are not considered in isolation and contribute to the principles and priorities as set out in the Council Plan and Medium Term Financial Strategy.

3. Key Issues

- 3.1. The table below provides a summary of the Revenue Outturn for 2017/18. This is followed by a summary of the position by Directorate which includes an explanation of the key variances.

Table 1: Revenue Outturn 2017/18

Directorate / Service	Budget 2017/18	Outturn 2017/18	Variance (over (+) / under (-))
	£'000	£'000	£'000
Children & Young People's Services	62,401	69,805	+7,404
Adult Care & Housing	62,050	65,453	+2,121
Regeneration & Environment Services	43,561	43,514	-47
Finance & Customer Services	13,242	13,139	-103
Assistant Chief Executive	6,205	5,452	-753
Central Services	17,367	4,326	-11,759
SUB TOTAL*	204,826	201,689	-3,137
Public Health (Specific Grant)	16,734	16,634	-100
TOTAL*	221,560	218,323	-3,237
<i>*Figures above include budgeted and actual use of reserves</i>	10,467	7,230	-3,237

3.2. Children & Young People's Services

The Directorate (excluding schools) has an overspend of £7.404m. The main reasons for the variance are described as follows:

- **Children's Social Care - £7.737m overspend** - the service continues to face significant demand pressures particularly in the numbers of looked after children and emergency placements. The number of looked after children was 617 as at 31 March 2018 compared to the budgeted number of 487. In addition, there were additional costs associated with leaving care allowances and supported accommodation costs due to the increase in Leaving Care numbers during the year, some of whom are in high cost supported accommodation. These additional costs have been partially offset by additional continuing health care contributions and the Dedicated Schools Grant (DSG) High Needs Block to fund some of these placement costs.

- **Commissioning Performance and Quality - £97k overspend** – this is largely due to unachieved savings within the service.
- **Early Help Services - £0.978m underspend** – there has been effective vacancy management pending the planned full restructure which is scheduled to be implemented in February 2019.
- **Education and Skills - £0.334m underspend** – this is mainly due to the redistribution of SEND funding in respect of Education Psychology within the service.

3.3. **Adult Care and Housing**

The Directorate overspend was £2.121m. The reasons for this are as follows:

Adult Social Care - £4.059m overspend. The gross overspend of £4.059m was partly offset by realignment of General Fund and Housing Revenue Account apportionment of costs, resulting in £2.777m net remaining overspend. The main reasons for this net overall overspend are in respect of delays in the delivery of agreed budget savings. This has resulted in budget pressures within residential and nursing care, domiciliary care and direct payments/managed accounts across all client groups. These pressures have been reduced by the use of Improved and additional Better Care Funding, holding staff vacancies within the Commissioning team pending a review of the service and delays in recruiting to posts across the service, higher than anticipated staff turnover within Adults Safeguarding and efficiency savings within day care provision and supported living schemes. Further detail of the significant variances are shown below:

- **Independent Sector Residential and Nursing Care - £2.681m overspend** – there continues to be demand led pressures on the service together with savings of £2.2m being unachieved. The overspend has been offset by allocations from the Better Care Fund.
- **Independent Sector Supported Living - £0.691m underspend** – there has been an overall reduction in client numbers, with some costs supported by an allocation of the Better Care Fund.
- **Learning Disabilities Budget Savings - £0.567m overspend** – this represents unachieved budget savings.
- **Older People Enabling Care and Sitting Services - £0.300m overspend** – due to unachieved budget savings in relation to the staffing of extra care housing.
- **Older People Client Community Support Services - £0.378m underspend** – there were unachieved budget savings in respect of the review of Rothercare savings, however these were offset by contributions from the Housing Revenue Account in respect of housing benefit subsidy for council tenants.

- **Older People Independent Sector Domiciliary Care - £1.471m overspend** – the number of service users has increased since the start of the 2017/18 financial year. The pressure on the budget for the service was reduced by an allocation from the Better Care Fund for 2017/18.
- **Supporting People - £0.446m underspend** – there were overspends due to delays in tendering services and the provision of contract extensions which were offset by HRA contributions of Homelessness Floating support contracts in respect of council tenants.
- **Commissioning and Performance - £0.772m underspend** – vacancy control pending the finalisation of the restructure and efficiency savings on the advocacy contract.

Housing - £0.656m underspend – mainly due to additional income from increased take-up of the Furnished Homes scheme, additional fee income within the Adaptations Service and vacancy savings within Neighbourhoods.

3.4. **Regeneration and Environment**

The Directorate had a net underspend of £46k. A summary of the main variances within this are:

- **Network Management - £0.217m overspend** – there were pressures on the Winter Service due to the harsh weather and increased works to clear/investigate drains, offset by energy savings on Street Lighting and over-recovery of parking income .
- **Streetscene Services - £0.170m** – there was an overspend on Corporate Transport mainly due to increased demand for Home to School Transport services. However, this was offset by underspends in the Street Cleansing and Grounds service due to vacancy control, revised schedules and planned delays of cleansing works.
- **Regulation and Enforcement - £0.502m underspend** – predominantly due to vacancy control in a number of services and additional income.
- **Customer Services - £0.199m** – additional income and savings in respect of the Registrars service.
- **Planning and Building Control - £0.179m overspend** – in the main this was due to the national increase in Land Charge fees which has impacted on the number of customers utilising the service and reduced income in respect of Development Control.
- **Facilities Services - £0.137m overspend** – adverse weather conditions contributed to the closure of schools which resulted in a loss of income in respect of the Schools Catering service. This was partly offset by additional income on Caretaking services due to increased demand for the service.
- **Facilities Management- £0.838m overspend** – due to unachieved savings and the holding costs of closed buildings pending disposal

3.5. Finance and Customer Services

There was an underspend of £0.103m in the Directorate, details of which are set out below.

- **Legal Services - £1.1m overspend** - The number of childcare proceedings requiring legal input has increased by 55% on last year's figures, requiring additional resourcing in-line with the recommendations of the Peer Review. In addition the service has carried a number of vacancies that have been difficult to fill. Interim staffing arrangements have been put in place through the use of locums and an agency agreement with Sheffield Council until vacancies are filled and a permanent solution is found for the increased demand. The increase in cases has also resulted in an increase in expenditure relating to court fees, counsel fees, expert fees and process server fees. These cost pressures have been slightly offset by underspends on Print and Postage within the Business Unit.
- **Financial Services £1.0m underspend** – additional income from recovery of housing benefit overpayments, whilst greater income and reduced costs relating to Council tax and NNDR generated additional income. In addition there was vacancy control within Revenues and Benefits and Finance Business Partnering pending the implementation of a restructure.
- **Customer Information and Digital Services £0.2m underspend** - an underspend of £0.564m due to vacancy control whilst Management, Customer Service and Business Application Support reviews progress and to mitigate against overspends elsewhere within the service. The main areas of overspend are ICT Contracts (mainly Microsoft EA renewal) and telephony, which are to be addressed in 2018-19.

3.6. Assistant Chief Executive

There was an underspend of £0.753m, in the main due to vacancy control across the Directorate. This included underspends in the following areas:

- **Human Resources and Payroll - £0.297m underspend** - this is, in the main, due to vacancy control, maternity leave and staff working less than contracted hours.
- **Policy and Partnerships - £0.151m underspend** – vacancy control across the service.
- **Chief Executives Office - £0.157m underspend** – delay in the recruitment in the Business and Innovation Team and staff savings within the Management Support Service.

3.7. Central Services

There was an underspend of £11.759m. As part of updating the Council's Medium Term Financial Strategy which was reported to Cabinet in December 2017, a thorough review has been undertaken of all the Council's Central Services Budgets and Provisions, Corporate Funding, and Accounting and Apportionments, including classification of expenditure between revenue and capital, and between the Housing Revenue Account and General Fund. In the main, the underspend relates to treasury management activity, re-profiling of PFI grant and payments and additional business rates grants.

3.8. Public Health

Public Health Services are funded through a ring-fenced grant. The 2017/18 grant allocation was 2.5% less than the previous year's allocation. There was an overspend on Sexual Health out of area contracts which was offset by underspends due to staff vacancies and a review of Children's Obesity contracts. This resulted in an overall underspend of £100k which will be transferred to the Public Health reserve. The cumulative balance on the Public Health Reserve was £0.820m.

3.9. General Fund Capital Receipts

Capital receipts of £1.483m were secured in 2017/18 which were used in accordance with the Council's Flexible Use of Capital Receipts Policy to fund transformational revenue expenditure, mostly staff severance costs incurred in delivering service efficiencies and savings.

3.10. HOUSING REVENUE ACCOUNT OUTTURN 2017/18

There was an underspend of £2.353m against the HRA budget in 2017/18. The main reasons for the underspend are:

- **Rental income - £0.532m underspend** – there was lower rent income of £65k due to a higher number of Right to Buy sales than that budgeted for and lower income from re-lets to budgeted rents. This was offset by savings of £0.357m on voids and £0.238m rent allowances to be paid to tenants.
- **Increased charges for services and facilities - £0.165m underspend** – in the main, this was due to growth of the Furnished Accommodation Scheme, additional income from Sheltered Centres and Right to Buy Fees and additional reduced District Heating income as a result of the decision to decrease the District Heating unit rate during 2017/18.
- **Increase in other fees and charges - £0.288m underspend** – there was under-recovery of court costs and site lettings, which was offset by additional income from Aids and Adaptations, unbudgeted grant income and other over-recovery of income.
- **Revenue Contributions to Capital - £2.122m underspend** – lower levels of funding required due to slippage in the capital programme.

- **Repairs and maintenance costs - £0.125m overspend** – whilst there were underspends on the cost of housing repairs due to faster void turnaround within the empty homes budget and a reduced level of spend on responsive work programmes and overheads, there were overspends in respect of asbestos testing due to one-off projects to survey 13,000 properties and increased fire damage costs due to an in-year change to the funding for fire damaged properties.

3.11. SCHOOLS OUTTURN 2017/18

School balances at the end of 2017/18 for the Council's maintained schools and pupil referral units was £1.401m. This is a £0.097m increase compared to the previous year and takes account of schools that have converted to academies during 2017/18.

3.12. RESERVES

3.12.1. Revenue Reserves

The Council's General Fund minimum balance remains at £11.269m. This balance is held to protect the Council against unforeseen events and the realisation of contingent liabilities.

There was a planned use of earmarked reserves of £10.467m in the budget for 2017/18 approved by Council in March 2017, however due to the identification of additional savings from Central Services budgets, only £7.230m was required, which means the balance of £3.237m remains available for use in later years.

The total General Fund revenue reserves balances as at 31 March 2018 was £46.670m, compared to £57.119m in the previous year.

Total reserves including HRA, Schools and DSG as at 31 March 2018 was £75.894m. Details of the balances and the movement in reserves in 2017/18 is shown in the Table 3 below.

Table 3: Revenue Reserves Balances

	Balance as at 1 April 2017 £m	Transfer to/(from) in the year £m	Balance as at 31 March 2018 £m
Housing Revenue Account	35.156	2.353	37.509
Earmarked Reserve DSG*	(5.213)	(4.473)	(9.686)
School Balances	1.304	0.097	1.401
Total Schools Reserves	(3.909)	(4.376)	(8.285)
General Fund Minimum Balance	11.269	0.000	11.269
Earmarked Reserves – General Fund			
• Transformation	2.733	0.000	2.733
• Business Rates	4.000	0.000	4.000
• Pensions	6.000	(1.075)	4.925
• PFI	14.163	(3.375)	10.788
• Looked After Children	2.000	(1.000)	1.000
• Furnished Homes	3.050	0.000	3.050
• Corporate Specific Grants Earmarked to Support Budget in 2017/18	3.169	(3.169)	0.000
• Other Earmarked Specific Grants and Reserves	10.763	(1.858)	8.905
Total General Fund Reserves	57.147	(10.477)	46.670
Total Revenue Reserves	88.395	(12.501)	75.894

**There is currently a deficit balance on the Dedicated Schools Grant, which in accordance with Government policy, can be carried forward for the deficit to be addressed in later years.*

Table 3(a) below shows the £10.467m planned use of reserves within the 2017/18 approved budget compared with the £7.230m actual use. Other use of specific grants and reserves was made during 2017/18 in accordance with the purpose for which the grants were received and the reserves established.

Table 3(a): Use of Reserves within 2017/18 Budget

	Planned Use approved in 2017/18 Budget Report £m	Actual Use £m	Balance held in reserve for use in future years £m
Pensions	3.208	(1.075)	2.133
Waste PFI	2.090	(2.086)	.004
Looked After Children	2.000	(1.000)	1.000
Corporate Specific Grants Earmarked to Support Budget in 2017/18	3.169	(3.169)	0
Public Health	0	.100	.100
Total	10.467	(7.230)	3.237

Table 3 Revenue Reserves Balances highlights reserves which have a balance of £1m or more as at 31 March 2018. Balances less than £1m are included in the 'Other Earmarked Specific Grants and Reserves' category. Details of the reserves with a balance of £1m or more are set out below:

- **General Fund Minimum Balance** – the balance represents uncommitted sums which are held to mitigate the costs of potential financial risks, unforeseen costs and any realisation of contingent liabilities.
- **Transformation Reserve** – to be used to fund costs associated with transformational change in the delivery of Council services
- **Business Rates Reserve** – to cover residual risks relating to appeals, NHS and Academy Trusts claim for charitable relief and business closures not taken account of in the provision of business rates appeals.
- **Pensions Reserve** – the balance is held to meet the Council's pensions obligations over the medium term.
- **Specific Revenue Grants** – represents revenue grants which are to be used to meet future spending plans relevant to the terms and conditions of the grant.
- **Private Finance Initiatives** – the balances are held to manage income and expenditure relevant to the schemes over the life of the contracts in line with the agreed finance and accounting models.
- **Looked After Children** – this is held to support the investment in children's social care services.

- **Furnished Homes** – the balance is held to support the capital financing costs associated with the Furnished Homes scheme.
- **School Balances** – the balances held are ring-fenced for the specific use of schools.
- **Housing Revenue Account** – the balance has increased by £2.353m as a result of the outturn for the financial year (see section 3.10 above).

3.12.2. Capital Reserves

The total earmarked and un-earmarked capital reserve balances at the end of 2017/18 are shown below in Table 4

Table 4: Capital Reserves Balances

	Balance as at 31 March 2018 £m	Committed Resources £m	Un- earmarked as at 31 March 2018 £m
Capital Receipts			
General Fund	17.250	17.250	0.000
HRA	11.566	6.000	5.566
Sub-Total	28.816	23.250	5.566
Capital Grants - Unapplied			
General Fund (not service specific)	0.559	0.000	0.559
General Fund (service specific)	10.076	10.076	0.000
HRA	3.712	3.712	0.000
Sub-Total	14.347	13.788	0.559
Major Repairs Reserve - HRA			
	9.668	9.668	0.000
Total	52.831	46.706	6.125

3.13. CAPITAL OUTTURN 2017/18

The final level of capital expenditure for 2017/18 varied against the final budget by £13.359m. The Council's capital programme falls into two categories - the general fund capital programme and the HRA capital programme. The final level of general fund capital expenditure for 2017/18 varied against the final budget by £12.293m. The HRA capital expenditure varied against budget by £1.066m.

The outturn position is shown in summary form below by Directorate, followed by the main variances contributing to the underspend.

Table 5 – 2017/18 Capital Expenditure by Directorate

Directorate	2017/18 Budget £m	2017/18 Outturn £m	2017/18 Variance £m
General Fund Capital			
Children and Young People's Services	7.596	5.881	-1.715
Adult Care & Housing	4.542	4.265	-0.277
Finance and Customer Services	1.227	1.063	-0.164
Regeneration and Environment	24.975	15.455	-9.520
Capitalisation Direction	2.000	1.383	-0.617
Total General Fund Capital	40.340	28.047	-12.293
HRA Capital			
Total HRA Capital	25.724	24.658	-1.066
Total RMBC Capital Programme			
	66.064	52.705	-13.359

3.13.1. Children and Young People's Services

The final level of capital expenditure for 2017/18 varied against the final budget by £1.715m. The main variances contributing to this underspend are:

- Schools PFI Lifecycle Programme (£0.575m underspend). Lower than anticipated levels of maintenance requirements following a condition survey.
- Capital Grants (£1.000m underspend). Capital Grants received by 2017/18 but allocated for use in future years.

3.13.2. Adult Care & Housing – Adult Services

The final level of capital expenditure for 2017/18 varied against the final budget by £0.277m. The main variances contributing to this underspend are:

- Capital Investment Wards (£0.100m underspend). Although many of the Ward based schemes have commenced, most are only part way through completion and require carry-forwards.
- Bellows Road (£0.111m). Provision for the final contract payment.

The majority of spend in this programme was for provision of private sector Aids and Adaptations £1.962m, with 262 jobs complete, including 141 showers (level access or over bath), 57 stair lifts, and 16 ceiling hoists. The Furnished Homes scheme continues to provide vital support to people across the borough setting up a home, £1.177m.

3.13.3. Finance & Customer Services

The final level of capital expenditure for 2017/18 varied against the final budget by £0.165m. The main variances coming from:

- Storage Area Network Replacement (£0.240m underspend). A decision has been taken to continue to run with the current system, with an option paper to be produced early in the new financial year 2018/19.

3.13.4. Regeneration & Environment

The final level of capital expenditure for 2017/18 varied against the final budget by £9.520m. The main variances contributing to this underspend are:

- Resources for Jessica Fund & Step 2 (£7m re-profiled into future years).
- Brinsworth Library (£0.497m underspend). Revised delivery plan.
- Corporate Property Programme (£0.825m underspend). Delays in finalising the Rother Valley Country Park heating scheme specifications and Maltby Library scheme which required an agreement with the PFI provider on the building use which was only reached in March 2018.
- Network Management & Safer Neighbourhoods (£0.500m underspend). Several road and carriageway schemes experienced significant delays due to the adverse weather conditions seen during February and March 2018.

There has been further investment into the Council's Highways infrastructure during 2017/18 with £3.214m spent resurfacing the boroughs Classified Carriageway Network totalling over 42km length repaired. An additional £2.919m supported improvement works to unclassified roads, allowing over 21km length to be repaired, and £0.629m towards the Street Lighting replacement/upgrade programme.

3.13.5. Capitalisation Direction

The expenditure that the Council can capitalise under this direction is limited to the level of new year Capital Receipts. A potential provision of £2m was included in the Capital Programme, against which £1.486m was received. The Council was still able to capitalise £1.483m of revenue expenditure in 2017/18 relating to transformational spend on VER/VS, pension strain and the Liquid Logic scheme. The Council will continue to use new-year capital receipts to fund transformational costs that would otherwise be held within revenue expenditure accounts, releasing pressure on the revenue budget.

3.13.6. Housing Revenue Account (HRA)

The final level of capital expenditure for 2017/18 varied against the final budget by £1.066m. The main variances contributing to this underspend are:

- Fitzwilliam Scheme (£0.319m underspend). A proposed thermal improvements scheme is pending a review of wider investment decisions within the estate.
- Major Voids (£0.478m underspend). Lower than anticipated void rates has generated savings on the major capital works, only 92 cases against a budgeted 120.
- Strategic Acquisitions (£0.389m underspend). Following a slowing down of private sector developments.
- Cluster Sites (£0.508m underspend). Re-profiled to match latest expected development timescale

The majority of spend in the HRA programme was improvement and provision of Council Stock. This has seen 178 properties benefit from major external works as significant investment was made in Munsbrough £2.093m, Rawmarsh £0.490m, and Kimberworth £0.524m, on external works to roofs, chimneys, fascia's, soffits and rainwater works. There has also been £0.654m invested in the replacement windows to Council properties.

Investment has continued in Public Sector Aids and Adaptations £2.320m, with 510 jobs complete, including 394 showers (level access or over bath), 32 stair lifts, and 43 ramped access installations.

3.13.7 Where in-year slippage has occurred, and funding is still required to complete the project, the unspent balance from the 2017/18 has been carried forward and re-profiled into 2018/19 onwards. The detail of the carry-forwards is set out, on a scheme by scheme basis, in Appendix One.

3.13.8 Capital Receipts

The Council is continuing to undertake a comprehensive review of its assets and buildings portfolio with the aim of rationalising both its operational and no-operational asset holdings. This may contribute future capital receipts which are earmarked to support the revenue budget, using the new capital receipts flexibilities introduced from the 1st April 2016 to fund expenditure relating to transforming Council service to generate future revenue efficiency savings

During 2017/18 General Fund Capital receipts of £1.486m were generated as shown in the table below. £1.483m was applied in 2017/18 with the remaining £3k carried forward into 2018/19. Although a loan repayment of £0.192m was received in 2017/18, that cannot be used to support the revenue budget as only those receipts by the disposal of property, plant and equipment can be used in that way.

Table 6 – General Fund Capital Receipts Received in 2017/18

Description	£m
Habershon House, 28 Primrose Valley Road	0.501
Pithouse West	0.449
Millside Court	0.158
Old Civic Site Overage	0.137
Doncaster Gate - balance	0.133
Other receipts	0.108
Sub Total – Usable In-Year Capital Receipts	1.486
Repayment of Loans	0.192
Total Capital Receipts	1.678

Funding of the Capital Programme

The £52.705m of capital expenditure was funded as shown in Table 7 below:

Table 7 – Funding of the Capital Programme

Funding Stream	2017/18 Budget £m	2017/18 Outturn £m	2017/18 Variance £m
General Fund Capital			
Grants and Contributions	16.205	13.705	-2.500
Unsupported Borrowing	18.537	8.672	-9.865
Capital Receipts	5.583	5.649	0.066
Revenue Contributions	0.015	0.021	0.006
Total Funding - General Fund	40.340	28.047	-12.293
HRA Capital			
Grants and Contributions	1.345	1.605	0.260
Housing Major Repairs Allowance	17.777	15.633	-2.144
Useable Capital Receipts		0.399	0.399
Revenue Contributions	6.602	7.021	0.419
Total Funding - HRA	25.724	24.658	-1.066
Total	66.064	52.705	-13.359

3.13.9 Revised Capital Programme 2018/19 to 2021/22

Following the capital outturn for 2017/18 the programme requires a number of budget adjustments to accommodate scheme carry-forward of slippage and re-profiling. Further to this a number of new capital schemes funded by external resources have been added to the Programme in accordance with Financial Procedure Rules. These adjustments have been detailed within the tables below, showing the impact upon each financial year. These carry-forwards, re-profiles and new inclusions are built into the updated capital programme for 2018/19 to 2021/22, which following these adjustments, is reflected in table 8.

Further details on the specific reasons for carry forward of slippage, re-profiles and new inclusions are enclosed within Appendix One. The updated Capital Programme is shown in detail in Appendices 2 – 5.

Table 7.1 – Budget Variations to the Capital Programme due to Carry Forward

Budget Variations due to Carry Forward	2017/18 Variance £m	2018/19 Variance £m	2021/22 Variance £m	2020/21 Variance £m	2021/22 Variance £m	Total Variance £m
General Fund Capital						
Children and Young People's Services	-1.419	1.355	-	-	0.065	0.000
Adult Care & Housing	-0.100	0.100	-	-	-	0.000
Finance and Customer Services	-0.258	0.258	-	-	-	0.000
Regeneration and Environment	-9.505	9.357	0.098	0.050	-	0.000
Sub Total General Fund Capital	-11.282	11.070	0.098	0.050	0.065	0.000
HRA Capital						
Total HRA Capital	-1.943	1.631	0.312	-	-	0.000
Total RMBC Capital Programme	-13.225	12.700	0.410	0.050	0.065	0.000

Table 7.2 – Budget Variations to the Capital Programme due to Re-profiles

Budget Variations Due Re-Profiles	2018/19 Variance £m	2021/22 Variance £m	2020/21 Variance £m	2021/22 Variance £m	Total Variance £m
General Fund Capital					
Children and Young People's Services	-0.637	0.637	-	-	0.000
Adult Care & Housing	-4.056	-6.000	8.000	2.056	0.000
Finance and Customer Services	-	-	-	-	-
Regeneration and Environment	-0.270	-	-	0.270	0.000
Sub Total General Fund Capital	-4.963	-5.363	8.000	2.326	0.000
HRA Capital					
Total HRA Capital	-	-	-	-	-
Total RMBC Capital Programme	-4.963	-5.363	8.000	2.326	0.000

Table 7.3 – Budget Variations to the Capital Programme due to New Inclusions

Budget Variations due to New Inclusions	2018/19 Variance £m	2021/22 Variance £m	2020/21 Variance £m	2021/22 Variance £m	Total Variance £m
General Fund Capital					
Regeneration and Environment	2.537	0.200	-	-	2.737
Sub Total General Fund Capital	2.537	0.200	-	-	2.737
HRA Capital					
Total HRA Capital	0.150	-	-	-	0.150
Total RMBC Capital Programme	2.687	0.200	-	-	2.887

Table 8 – Proposed Capital Programme 2018/19 to 2021/22

New Capital Programme 2018/19 to 2021/22					
Directorate	2018/19 Budget £m	2019/20 Budget £m	2020/21 Budget £m	2021/22 Budget £m	Total Budget £m
General Fund Capital					
Children and Young People's Services	9.943	9.806	7.127	2.706	29.582
Adult Care & Housing	4.147	5.976	11.976	6.115	28.214
Finance and Customer Services	3.747	2.054	1.775	1.775	9.351
Assistant Chief Executive	1.324	0.210	0.210	0.210	1.954
Regeneration and Environment	40.551	43.223	29.321	20.000	133.095
Capitalisation Direction	2.000	2.000	2.000	0	6.000
Sub Total General Fund Capital	61.712	63.269	52.409	30.806	208.196
HRA Capital					
Total HRA Capital	43.952	39.881	28.113	22.275	134.221
Total RMBC Capital Programme	105.664	103.150	80.522	53.081	342.417

4. Options considered and recommended proposal

4.1 This detail is set out in Section 3 above.

5. Consultation

5.1 None identified.

6. Timetable and Accountability for Implementing this Decision

6.1 The Strategic Director of Finance and Customer Services is responsible for implementing any actions arising from the supported recommendations in this report. These should be actioned at the earliest opportunity to aid the monitoring of the 2018/19 Revenue Budget and Capital Programme.

7. Financial and Procurement Implications

7.1 As set out in the sections above.

8. Legal Implications

8.1 None identified.

9. Human Resources Implications

9.1 None identified.

10. Implications for Children and Young People and Vulnerable Adults

10.1 None identified.

11 Equalities and Human Rights Implications

11.1 None identified.

12. Implications for Partners and Other Directorates

12.1 None identified.

13. Risks and Mitigation

13.1 The medium term financial strategy identified a funding gap of £30m over the period 2019/20 to 2020/21. This is coupled with the increasing cost pressures faced by the Council, particularly in respect of social care. The Council has in place a programme to explore and identify a range of budget savings in order to set a balanced budget.

14. Accountable Officer(s)

Judith Badger, Strategic Director of Finance and Customer Services

Graham Saxton, Assistant Director of Financial Services

Paul Stone, Head of Corporate Finance

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Judith Badger	22.06.2018
Assistant Director of Legal Services	Stuart Fletcher	22.06.2018
Head of Procurement (if appropriate)	N/A	-
Head of Human Resources (if appropriate)	N/A	-

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Carry-forwards & Re-profiles**Adult Care and Housing**

Adults Care & Housing	2018/19 £m	Post 2018/19 £m
Carry forwards		
<ul style="list-style-type: none"> A carry forward of the Capital Investment into Wards. Many of the Ward based schemes have already commenced, however most are only part way through completion and the funds are carried forward into 2018/19 accordingly. 	0.100	0.000
Re-profiles		
<ul style="list-style-type: none"> Re-profile of the Private Section Adaptions Budget to set out this year's allocation. Re-profile of the Extra Care Housing Scheme across the 2018/19 to 2021/22 capital programme to allow for a detailed review of the planned delivery of the project. 	-4.056	4.056
	-3.956	4.056

Finance & Customer Services

Finance & Customer Services	2018/19 £m	Post 2018/19 £m
Carry forwards		
<ul style="list-style-type: none"> A number of ICT project initiatives have been carried forward as the schemes continue into 2018/19. The projects focus on a computer, network and equipment refresh and a proposed review of the Council's ICT storage area network. 	0.258	0.000
	0.258	0.000

Children and Young People's Services

Children and Young People's Services	2018/19 £m	Post 2018/19 £m			
Carry forwards					
<ul style="list-style-type: none"> • A carry forward of £0.267m across a number of Schools projects delivering new classrooms, and refurbishment works. • A carry forward of £0.275m on Newman School Swimming Pool. A feasibility study was completed in 2017/18, and specific scheme approval progressed in early 2018/19. Delivery therefore is to take place in 2018/19 • Re-profile of the Schools PFI lifecycle programme, £0.575 to match when the programmed maintenance will be carried out. The PFI carries out an assessment each year as to which lifecycle works need completing and will delay any unnecessary works. 	1.355	0.065			
Re-profiles					
<ul style="list-style-type: none"> • Re-profile of the Capitalised Major Repairs allocation, the programme will provide new classrooms, refurbishment works, structural works and heating improvements to a number of Schools across the borough. 	-0.637	0.637			
0.718		0.702			
Regeneration and Environment					
<table border="0" style="width: 100%;"> <tr> <td style="width: 70%;"></td> <td style="text-align: center;">2018/19 £m</td> <td style="text-align: center;">Post 2018/19 £m</td> </tr> </table>				2018/19 £m	Post 2018/19 £m
	2018/19 £m	Post 2018/19 £m			
Carry forwards					
<ul style="list-style-type: none"> • Carry forward on the Highways Delivery programme £0.678m, following priority being given to delivering projects funded through Sustainable Transport Exemplar Programme (STEP). The reason behind this decision was that this funding source could not be carried forward. • Carry forward on the Carriageways Maintenance Programme £0.367m, delivery of the full programme was affected by the severe weather experienced in Feb/Mar 2018. Several road repair schemes were unable to deliver due to the loss of 10 working days as staff were diverted on to the provision of the Winter Service in the last 5 weeks of the financial year. • Carry forward request on Brinsworth Library £0.497m, following delays with the works. • Carry forward of the Growth Fund £5.000m. 	9.357	0.148			

Re-profiles		
<ul style="list-style-type: none"> Re-profile of the Herringthorpe Valley Flood Defence project from 2018/19 into 2019/20 onwards as the current feasibility study revealed the potential options being looked at did not deliver the required cost/benefit ratio. The scheme has been pushed back on the Environment Agencies agenda whilst further options are considered. 	-0.270	0.270
New Inclusions		
<ul style="list-style-type: none"> Additional LTP Maintenance Grant to be used to continue to support the programme of works to the Boroughs Bridge infrastructure. Centenary rail canal bridge currently on site (£0.057m). The inclusion of a series of feasibility studies for potential flood defence schemes, funded by the Environment Agency Medium Term Plan (£0.640m). Additional LTP Maintenance Grant to be used to continue to support the programme of works to the Boroughs Street Lighting infrastructure (£0.029m). Additional LTP Maintenance Grant to be used to continue to support the programme of works to the Boroughs Carriageway infrastructure (£0.544m). DfT Grant to support the ongoing pothole programme of works (£0.204m). Ongoing Operational Buildings Cap Investment Programme 16/17 - 20/21. Grant funding for the demolition works at Psalters Lane, Maltby Library and Copeland Lodge (£0.277m). DfT Grant to be used for supply and installation of electric vehicle charging points at strategic sites within the Borough (£0.705m). 	2.537	0.200
	11.624	0.618

APPENDIX ONE

Housing Revenue Account	2018/19 £m	Post 2018/19 £m
Carry forwards		
<ul style="list-style-type: none"> Carry forward and re-profile of the HRA Programme Resources to align with the HRA Business Plan, encompassing the main investment streams into Council Stock including refurbishments, replacement of central heating, sheltered housing communal areas, environmental programme and adaptations. Carry forward of £0.507m on Site Clusters, following a delayed start on site, there was substantial detail required regarding the retaining wall solutions for Conway Crescent, Farnsworth Road and Rother View Road. Therefore, tender packages were sent out later than planned and returned tenders required more scrutiny due to increased costs. This has affected the final outturn position for 2017/18. 	1.631	0.312
New Inclusions		
<ul style="list-style-type: none"> Grant funding - demolition of Rothwell Grange. Due to the time the building has been vacated it has since been extensively damaged internally and the pitched roof coverings are in very poor condition. The site had been advertised for sale, with little interest and now a decision has been taken to demolish the building. 	0.150	0.000
	1.781	0.312

Capital Programme General Fund 2018/19 to 2021/22

Appendix 2

Directorate	Current Year		Future Years	Total Programme
	2018/19			
	Budget £		Budget £	Budget £
Adult Care & Housing	4,146,733		24,068,000	28,214,733
Children & Young Peoples Serv	9,943,176		19,639,201	29,582,377
Finance & Customer Services	5,746,845		9,604,000	15,350,845
Assistant Chief Executive	1,324,460		630,000	1,954,460
Regeneration & Environment	40,550,956		92,543,101	133,094,057
Total	61,712,170		146,484,302	208,196,472

Funding:

Funding Stream	Current Year		Future Years	Total Programme
	2018/19			
	Budget £		Budget £	Budget £
Grants And Contributions	20,317,280		94,093,201	114,410,481
Prudential Borrowing	28,301,525		32,184,718	60,486,243
Revenue Contribution	3,562,000		4,030,000	7,592,000
Usable Capital Receipts	9,531,365		16,176,383	25,707,748
Total	61,712,170		146,484,302	208,196,472

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Directorate	Service Area	Service Area	Sub Service	Project Code	Project	2018/19	2019/20	2020/21	2021/22	Total Programme			
						Budget £	Budget £	Budget £	Budget £	Budget £			
Adult Care & Housing	Adult Services	Adult Services	Adults Grants Allocation	CUZBUN	Adults Grants Allocation	0	0	0	2,056,000	2,056,000			
			Adults Grants Allocation					0	0	0	2,056,000	2,056,000	
			Assistive Technology	CU0700	Assistive Technology Equipment	680,000	680,000	680,000	680,000	2,720,000			
			Assistive Technology					680,000	680,000	680,000	2,720,000		
			REWS Equipment	CU0701	REWS Capital	190,000	190,000	190,000	190,000	760,000			
	REWS Equipment					190,000	190,000	190,000	760,000				
	Adult Services					870,000	870,000	870,000	2,926,000	5,536,000			
	Adult Services					870,000	870,000	870,000	2,926,000	5,536,000			
	Neighbourhood Capital Programme	Fair Access to All	Aids and Adaptations (Private)	CNF101	Adapts - WDP - Private Major	453,546	0	0	0	453,546			
				CNF102	Adapts - MFS - Private Major	219,379	0	0	0	219,379			
				CNF103	Adapts - OTHERS - Private Majr	760,635	0	0	0	760,635			
				CNF201	Adapts - WDP - Private Minor	290,732	0	0	0	290,732			
				CNF202	Adapts - MFS - Private Minor	175,708	0	0	0	175,708			
				CNFBUN	Private Adaps Budget allocation	0	1,900,000	1,900,000	1,900,000	5,700,000			
				Aids and Adaptations (Private)					1,900,000	1,900,000	1,900,000	1,900,000	7,600,000
				Fair Access to All					1,900,000	1,900,000	1,900,000	1,900,000	7,600,000
				Neighbourhood Regeneration	Bellows Road	Bellows Road	CP0600	Bellows Road	70,000	0	0	0	70,000
						Bellows Road					70,000	0	0
		Extra Care Housing	CPZBUN			Extra Care Housing Scheme	0	2,000,000	8,000,000	0	10,000,000		
		Extra Care Housing						0	2,000,000	8,000,000	0	10,000,000	
		Monksbridge Demolition	CP0401			Monksbridge, Dinnington	72,000	0	0	0	72,000		
		Monksbridge Demolition					72,000	0	0	0	72,000		
		Neighbourhood Regeneration					142,000	2,000,000	8,000,000	0	10,142,000		
	Neighbourhood Capital Programme					2,042,000	3,900,000	9,900,000	1,900,000	17,742,000			
	Neighbourhood Improvements	Neighbourhood Improvements	Fuel Poverty Vulnerable People	CP0802	Fuel Poverty-Vulnerable People	28,733	0	0	0	28,733			
			Fuel Poverty Vulnerable People					28,733	0	0	28,733		
			Furnished Homes	CPA001	Furnished Homes New	1,134,000	1,134,000	1,134,000	1,134,000	4,536,000			
			Furnished Homes	CPA002	Furnished Homes Replace	72,000	72,000	72,000	72,000	288,000			
			Furnished Homes					1,206,000	1,206,000	1,206,000	1,206,000	4,824,000	
			N'bourhood Grants Allocation	CPXBUN	N'Hoods Grants Allocation	0	0	0	84,000	84,000			
			N'bourhood Grants Allocation					0	0	0	84,000	84,000	
	Neighbourhood Improvements					1,234,733	1,206,000	1,206,000	1,290,000	4,936,733			
Neighbourhood Improvements					1,234,733	1,206,000	1,206,000	1,290,000	4,936,733				
Adult Care & Housing						4,146,733	5,976,000	11,976,000	6,116,000	28,214,733			
				CPC003	Rotherham North	6,699	0	0	0	6,699			
				CPC004	Rotherham South	4,951	0	0	0	4,951			
				CPC005	Wentworth North	2,742	0	0	0	2,742			
				CPC008	Capt'l Inv't Ward Anst wdsetts	10,000	10,000	10,000	10,000	40,000			
				CPC009	Capt'l Inv't-Ward - Dinnington	10,000	10,000	10,000	10,000	40,000			

Directorate	Service Area	Service Area	Sub Service	Project Code	Project	2018/19	2019/20	2020/21	2021/22	Total Programme
						Budget £	Budget £	Budget £	Budget £	Budget £
				CPC010	Capt'l Inv't-Ward - Wales	10,000	10,000	10,000	10,000	40,000
				CPC011	Capt'l Inv't-Wd-Brinwth/catffe	10,966	10,000	10,000	10,000	40,966
				CPC012	Capt'l Inv't-Ward - Holderness	15,146	10,000	10,000	10,000	45,146
				CPC013	Capt'l Inv't-Ward - RotherVale	13,072	10,000	10,000	10,000	43,072
				CPC014	Capt'l Inv't-Ward - Keppel	19,500	10,000	10,000	10,000	49,500
				CPC015	Capt'l Inv't-Ward - Roth West	15,745	10,000	10,000	10,000	45,745
				CPC016	Capt'l Inv't-Ward - Wingfield	20,000	10,000	10,000	10,000	50,000
				CPC017	Capt'l Inv't-Ward - Bostn Ctle	12,598	10,000	10,000	10,000	42,598
				CPC018	Capt'l Inv't-Ward - Roth East	16,160	10,000	10,000	10,000	46,160
				CPC019	Capt'l Inv't-Ward - Sitwell	19,000	10,000	10,000	10,000	49,000
				CPC020	Capt'l Inv't-Ward - Hooper	13,791	10,000	10,000	10,000	43,791
				CPC021	Capt'l Inv't-Ward - Swinton	17,590	10,000	10,000	10,000	47,590
				CPC022	Capt'l Inv't-Ward - Wath	15,800	10,000	10,000	10,000	45,800
				CPC023	Capt'l Inv't-Ward - Rawmarsh	13,467	10,000	10,000	10,000	43,467
				CPC024	Capt'l Inv't-Ward - Silverwood	11,485	10,000	10,000	10,000	41,485
				CPC025	Capt'l Inv't-Ward - Valley	20,000	10,000	10,000	10,000	50,000
				CPC026	Capt'l Inv't-Ward - Maltby	16,130	10,000	10,000	10,000	46,130
				CPC027	Capt'l Inv't-Ward - Hellaby	10,000	10,000	10,000	10,000	40,000
				CPC028	Capt'l Inv't-Ward - Wickersley	19,618	10,000	10,000	10,000	49,618
			Democratic Services			324,460	210,000	210,000	210,000	954,460
		Democratic Services				324,460	210,000	210,000	210,000	954,460
	Democratic Services					324,460	210,000	210,000	210,000	954,460
	Human Resources	Human Resources	Human Resources	CXA001	Replace HR & Payroll system	1,000,000	0	0	0	1,000,000
			Human Resources			1,000,000	0	0	0	1,000,000
		Human Resources				1,000,000	0	0	0	1,000,000
	Human Resources					1,000,000	0	0	0	1,000,000
						1,324,460	210,000	210,000	210,000	1,954,460
Assistant Chief Executive										
Children & Young Peoples Serv	CYPS - RMBC	Other CYPS	Children & Families	CE1014	Thrybergh CC Satellite CPTL	44,775	0	0	0	44,775
				CE1030	Replacement minibus-LibertyHse	30,000	0	0	0	30,000
				CED900	Adaptations - Foster Care	1,085,891	0	0	0	1,085,891
				CEL900	Early Education Place Grant	106,830	0	0	0	106,830
			Children & Families			1,267,496	0	0	0	1,267,496
		Other CYPS				1,267,496	0	0	0	1,267,496
				C0056N	Badsley Pri Curtain wall Ph 2	155,000	0	0	0	155,000
				C0060N	Brins Manor Inf Damp Works	95,000	0	0	0	95,000
				C0077N	Thorpe Hes Pri Kitchen Canopy	85,000	0	0	0	85,000
				C0092N	Blackburn PS R'place Windows	40,000	0	0	0	40,000
				C0093N	Bramley S'side I.S. H'ting Fea	10,000	0	0	0	10,000
				C0094N	Brinsworth Howrth P.S Roofing	180,000	0	0	0	180,000

Directorate	Service Area	Service Area	Sub Service	Project Code	Project	2018/19	2019/20	2020/21	2021/22	Total Programme	
						Budget £	Budget £	Budget £	Budget £	Budget £	
				C0095N	Broom Valley C.P Hot Water Sys	15,000	0	0	0	15,000	
				C0096N	Fernham P.S Ext'd Toilet area	8,000	0	0	0	8,000	
				C0097N	Newman Sch Inc NAR Re-roof	300,000	0	0	0	300,000	
				C0098N	Redscope PS Struct Wall tie	7,000	0	0	0	7,000	
				C0100N	Sitwell I.S F Alrm, E Light Rm	50,000	0	0	0	50,000	
				C0101N	St Anns J&I Sch Re-roof	80,000	0	0	0	80,000	
				C0102N	Stepping Stones CC Em'cy Light	773	0	0	0	773	
				C0103N	Swallownest P.S F&T, Re-roof	2,000	0	0	0	2,000	
				C0104N	Wales P.S Rep Fascia & Soffit	20,000	0	0	0	20,000	
				C0105N	The Willows Valleys & Gutters	20,000	0	0	0	20,000	
				C0106N	The Willows Compliant Ramp	5,000	0	0	0	5,000	
				C0107N	St Ann's J&I Kit- Ext Fan	3,976	0	0	0	3,976	
				C0108N	Badsley Pri Kit/Din New Flr	12,927	0	0	0	12,927	
				C0109N	East Dene Pr - Asbestos Remove	7,224	0	0	0	7,224	
				CENBUN	Capitalised Enhancements Allocation	329,160	900,000	900,000	0	2,129,160	
				CENF02	CEN FWT Remedials	50,054	0	0	0	50,054	
				Schools - Capitalised Enhancements		1,476,114	900,000	900,000	0	3,276,114	
				CE1021	Wath CofE Primary Classroom Pr	839,989	0	0	0	839,989	
				CE1022	R'marsh Sandhill Pri add class	50,000	500,000	0	0	550,000	
				CE1028	Waverley New Primary School	410,000	3,930,000	1,260,000	64,564	5,664,564	
				CE1029	Bramley S'side Jnr mod classrm	58,666	0	0	0	58,666	
				Schools - Prims - Major		1,358,655	4,430,000	1,260,000	64,564	7,113,219	
				Schools - PRUs	CE8902	Riverside (Catcliffe) PRU	49,530	0	0	0	49,530
					CE8904	Rowan Centre PRU adaptations	120,757	0	0	0	120,757
				Schools - PRUs		170,287	0	0	0	170,287	
				Schools - Secs - Major	CE5001	Wickersley SSC Expansion.	326,446	0	0	0	326,446
					CE5002	Wales School add. classrooms	900,344	0	0	0	900,344
					CE5003	Wath Comp add. classrooms	1,223,126	0	0	0	1,223,126
					CE5004	Aston Acad replace classrooms	0	2,000,000	1,800,000	0	3,800,000
					CE5BUN	Secondary Budget allocation	0	0	847,948	2,641,603	3,489,551
				Schools - Secs - Major		2,449,916	2,000,000	2,647,948	2,641,603	9,739,467	
					CE7002	Newman School swimming pool	354,167	637,000	0	0	991,167
					CE7004	Cherry Tree Hse- Refurb (SEND)	104,146	0	0	0	104,146
					CE7BUN	Special Budget allocation	811,526	274,667	200,666	0	1,286,859
				Schools - Spcls - Major		1,269,839	911,667	200,666	0	2,382,172	
				Schools PFI Life Cycle Program	CE5900	Schools PFI Life Cycle Program	1,476,561	1,200,000	1,764,000	0	4,440,561
				Schools PFI Life Cycle Program		1,476,561	1,200,000	1,764,000	0	4,440,561	
			Schools			8,501,372	9,441,667	6,772,614	2,706,167	27,421,820	
			CYPS - RMBC			9,468,868	9,441,667	6,772,614	2,706,167	28,389,316	

Directorate	Service Area	Service Area	Sub Service	Project Code	Project	2018/19	2019/20	2020/21	2021/22	Total Programme		
						Budget £	Budget £	Budget £	Budget £	Budget £		
	DFC	DFC - RMBC	DFC - RMBC all	CEXBUN	DFCG Allocation	474,308	364,590	354,163	0	1,193,061		
			DFC - RMBC all					474,308	364,590	354,163	0	1,193,061
			DFC - RMBC					474,308	364,590	354,163	0	1,193,061
	DFC					474,308	364,590	354,163	0	1,193,061		
Children & Young Peoples Serv						9,943,176	9,806,257	7,126,777	2,706,167	29,582,377		
Finance & Customer Services	F&CS	F&CS	F&CS	CTR805	Transformation Capitalisation	2,000,000	2,000,000	2,000,000	0	6,000,000		
			F&CS					2,000,000	2,000,000	2,000,000	0	6,000,000
			F&CS					2,000,000	2,000,000	2,000,000	0	6,000,000
	F&CS						2,000,000	2,000,000	2,000,000	0	6,000,000	
					CTT211	RMBCWebsite Enhncmnt-ICT2	2,949	0	0	0	2,949	
					CTT213	Customer Access-hard ICT2	12,314	0	0	0	12,314	
					CTT283	Spend Analytics (BI) - ICT2	5,725	0	0	0	5,725	
					CTT286	Iken Upgrade	10,000	0	0	0	10,000	
					CTT287	Planned print leased machines	10,000	0	0	0	10,000	
					CTT294	ICT Resilience	9,341	0	0	0	9,341	
				ICT 2			50,329	0	0	0	50,329	
			ICT 2				50,329	0	0	0	50,329	
			ICT Refresh	ICT Refresh	CTT218	ICT Digital Strategy	821,075	195,000	0	0	1,016,075	
					CTT219	Computer Refresh	781,633	760,000	910,000	910,000	3,361,633	
					CTT220	Network Equipment Refresh Proj	303,598	832,000	630,000	630,000	2,395,598	
				CTT221	Replacement of server equip	248,210	267,000	235,000	235,000	985,210		
				CTT222	Telephony System Replacement	1,242,000	0	0	0	1,242,000		
				CTT223	Storage area network replace	300,000	0	0	0	300,000		
			ICT Refresh			3,696,516	2,054,000	1,775,000	1,775,000	9,300,516		
		ICT Refresh				3,696,516	2,054,000	1,775,000	1,775,000	9,300,516		
		ICT				3,746,845	2,054,000	1,775,000	1,775,000	9,350,845		
Finance & Customer Services						5,746,845	4,054,000	3,775,000	1,775,000	15,350,845		
Regeneration & Environment	Community Safety & Street Scene	Network Management	Drainage	CGF005	Wath Flood Alleviation	41,425	0	0	0	41,425		
				CGF009	Herringthorpe V Flood Defence	701	0	0	270,000	270,701		
				CGF010	Whiston Brook Flood Storage	61,335	0	0	0	61,335		
				CGF011	Parkgate FAS	48,275	0	0	0	48,275		
				CGF012	Rotherham to Kilnhurst FAS	180,000	200,000	0	0	380,000		
				CGF013	Maltby Surface Water FAS	30,000	0	0	0	30,000		
				CGF014	Eel Mires Dike FAS	30,000	0	0	0	30,000		
			Drainage					391,736	200,000	0	270,000	861,736
			Highways Delivery	CGR001	Carriageway Resurfacing	3,285,134	2,485,850	2,485,850	2,485,850	10,742,684		
				CGR007	DFT Pothole Grant 1718	204,268	0	0	0	204,268		
				CGR008	Unclassified Rds 17/18 - 19/20	4,102,180	3,000,000	0	0	7,102,180		
				CGR010	Capitalisation Carriageways	508,752	0	0	0	508,752		

Directorate	Service Area	Service Area	Sub Service	Project Code	Project	2018/19	2019/20	2020/21	2021/22	Total Programme
						Budget £	Budget £	Budget £	Budget £	Budget £
				CGR013	Cap Rights of way	34,000	0	0	0	34,000
				CGR014	Pavement Improvements	1,000,000	0	0	0	1,000,000
				CGR015	Winter Damage Pothole/Flood	410,314	0	0	0	410,314
				Highways Delivery		9,544,648	5,485,850	2,485,850	2,485,850	20,002,198
				Street Lighting						
				CGL002	Replacemnt/Upgrade Street Lght	742,537	0	0	0	742,537
				CGL005	St Lighting LTP 15/16 - 19/20	266,268	179,700	179,700	179,700	805,368
				CGL006	Upgrade PLL lighting to LED	544,310	550,000	0	0	1,094,310
				CGL007	Capitalisation Lighting	157,637	150,000	150,000	150,000	607,637
				CGL008	Cap benches signs bollards	75,000	0	0	0	75,000
				Street Lighting		1,785,752	879,700	329,700	329,700	3,324,852
				Network Management		11,722,136	6,565,550	2,815,550	3,085,550	24,188,786
			Safer Neighbourhoods	Safer Neighbourhoods						
				CN0100	Carhill Landfill Site	45,000	0	0	0	45,000
				CN0105	Wath Landfill Site	17,275	0	0	0	17,275
				Safer Neighbourhoods		62,275	0	0	0	62,275
				Safer Neighbourhoods		62,275	0	0	0	62,275
				CGY004	Bins	150,775	150,775	150,775	150,775	603,100
				CLC011	Cap damaged litter bins	8,000	0	0	0	8,000
				CLC012	Equipment & Bins	610,000	0	0	0	610,000
				CLC013	Replacement mobile CCTV cams	60,000	0	0	0	60,000
				Waste Management		828,775	150,775	150,775	150,775	1,281,100
				Street Scene Services		828,775	150,775	150,775	150,775	1,281,100
				Community Safety & Street Scene		12,613,186	6,716,325	2,966,325	3,236,325	25,532,161
			Libraries	CLL001	Brinsworth Library	497,290	0	0	0	497,290
				CLL002	Strat Review of Libraries	77,954	0	0	0	77,954
				Libraries		575,244	0	0	0	575,244
				Cultural Heritage & Sports		575,244	0	0	0	575,244
				CLC008	RVCP Caravan Park	4,374,286	62,000	0	0	4,436,286
				CLC009	Clifton Car Park & Tennis Crts	115,836	0	0	0	115,836
				CLC010	Grounds Maint Eq Purchase	1,045,000	0	0	0	1,045,000
				CLD001	Treeton St Helen Church Yard	450,000	0	0	0	450,000
				CLS004	Leisure PFI lifecycle	383,000	247,000	482,000	848,000	1,960,000
				CLU015	S106 Packman Way for play prov	20,000	0	0	0	20,000
				CLU019	The Wickets MUGA	86,961	0	0	0	86,961
				Green Spaces		6,475,083	309,000	482,000	848,000	8,114,083
				Leisure & Community Service		6,475,083	309,000	482,000	848,000	8,114,083
				Culture, Sport & Tourism		7,050,327	309,000	482,000	848,000	8,689,327
				CSD006	Greasbrough TH Demo	9,651	0	0	0	9,651
				CSD007	St Johns Green CC Demo	27,751	0	0	0	27,751
				CSD008	Psalters Lane Demo	62,723	0	0	0	62,723

Directorate	Service Area	Service Area	Sub Service	Project Code	Project	2018/19	2019/20	2020/21	2021/22	Total Programme	
						Budget £	Budget £	Budget £	Budget £	Budget £	
				CSD009	Maltby Library Demo	64,078	0	0	0	64,078	
				CSD010	Copeland Lodge Demo	122,253	0	0	0	122,253	
				CSR003	Bailey House Condition+	73,625	0	0	0	73,625	
				CSR019	Kiveton YC - Alterations	18,709	0	0	0	18,709	
				CSR023	The Place - Alterations	84,514	0	0	0	84,514	
				CSR024	Winterhill Early Help - ICT Up	3,524	0	0	0	3,524	
				CSR025	Catcliffe Primary Early Help	8,557	0	0	0	8,557	
				CSR030	RotherValley CP-Heating	168,929	0	0	0	168,929	
				CSR031	Maltby Library Relocation	291,814	0	0	0	291,814	
				CSR032	Barbers Depot-Shutters	5,835	0	0	0	5,835	
				CSR036	Markets Imps -O16	31,239	0	0	0	31,239	
				CSR040	Civic Theatre-refurb	17,000	0	0	0	17,000	
				CSR041	Vic Park-Drainage	20,000	0	0	0	20,000	
				CSR047	Relocation Visitor's Centre	10,231	0	0	0	10,231	
				CSR048	Greasbrough Library Project	34,330	0	0	0	34,330	
				CSR052	Crowden OPC lift/fire	32,000	0	0	0	32,000	
				CSRBUN	Ops Buildings Cap Inv	954,072	976,000	549,000	550,000	3,029,072	
				CSXBUN	Corps CYPs BUN	239,433	0	0	0	239,433	
				CSY001	Commercial Property Cap	301,398	142,000	75,000	75,000	593,398	
				CSY002	Riverside House part lease	400,000	0	0	0	400,000	
				Corporate Property Cap Proj		2,981,666	1,118,000	624,000	625,000	5,348,666	
				Corp Property Unit		2,981,666	1,118,000	624,000	625,000	5,348,666	
			RIDO	Business Growth	CSS001	Private-Twn Ctr Business Vit	58,579	0	0	58,579	
					CSS002	RMBC-Town Ctr Business Vit	12,768	0	0	12,768	
				Business Growth		71,347	0	0	0	71,347	
					CSA006	Acq. of Riverside Precinct	284,277	0	0	284,277	
					CSA007	Magistrates Court Demo	184,116	0	0	184,116	
					CSA011	Land Aqu Millfold Hse&Henley G	750,000	0	0	750,000	
					CSA012	Town Centre Masterplan Imp	500,000	0	0	500,000	
					CSABUN	Town Centre Investment	757,678	13,956,383	200,000	0	14,914,061
					CSC006	Bassingthorpe Farm	100,000	147,812	100,000	0	347,812
					CSC007	Pithouse West Investigations	11,117	0	0	0	11,117
					CSCBUN	Growth Fund	5,000,000	0	0	0	5,000,000
				Inv & Economic Initiatives		7,587,188	14,104,195	300,000	0	21,991,383	
			RIDO			7,658,535	14,104,195	300,000	0	22,062,730	
					CGBBUN	Bridges allocation	644,586	329,450	329,450	329,450	1,632,936
				Bridges		644,586	329,450	329,450	329,450	1,632,936	
				Connectivity	CGCBUN	Connectivity allocation	380,000	0	0	0	380,000
				Connectivity		380,000	0	0	0	380,000	

Directorate	Service Area	Service Area	Sub Service	Project Code	Project	2018/19	2019/20	2020/21	2021/22	Total Programme
						Budget £	Budget £	Budget £	Budget £	Budget £
			Local Safety Schemes	CGLBUN	Local Safety Schemes allocation	1,401,000	375,000	375,000	375,000	2,526,000
			Local Safety Schemes			1,401,000	375,000	375,000	375,000	2,526,000
			LSTF & Smarter Choices	CGSBUN	LSTF & Smarter Choices allocation	96,657	341,000	341,000	341,000	1,119,657
			LSTF & Smarter Choices			96,657	341,000	341,000	341,000	1,119,657
				CGA013	Parkway Widening ph2	0	10,059,000	18,948,000	13,250,000	42,257,000
				CGA014	Waverley Link Rd Main Works	31,000	5,139,000	4,085,000	545,000	9,800,000
				CGA015	College Road NPIF	1,065,000	3,565,000	0	0	4,630,000
				CGB023	Crinoline Bridge Repairs	1,312,000	0	0	0	1,312,000
				CGC047	A630 Pool Green Roundabout	62,656	0	0	0	62,656
				CGF007	Holmes Tail Goit Pumping Stn	1,591,076	0	0	0	1,591,076
				CGN020	SYITS infrastructure	4,096	0	0	0	4,096
				CGN055	A630 Sheffield Parkway widenin	1,680,240	296,581	0	0	1,976,821
				CGS005	Traffic Signal Refurb Prog	35,727	0	0	0	35,727
				CGS006	Traff Signal renewal Prog	400,000	300,000	300,000	0	1,000,000
				CGS007	Trafsig redlight cam digi upgra	76,939	0	0	0	76,939
				CGW060	Cont pedxings job1 Fenton Rd	120,000	0	0	0	120,000
				CGW061	Cont pedxings job2 A631 Bawtry	0	120,000	0	0	120,000
				CGW062	Cont pedxings job3 A633 High S	0	0	120,000	0	120,000
				CGY012	Clean Air Zones Elec Chrg Pts	705,000	0	0	0	705,000
			Major Schemes			7,083,734	19,479,581	23,453,000	13,795,000	63,811,315
			Network Management	CGNBUN	Network Management allocation	641,265	450,000	450,000	450,000	1,991,265
			Network Management			641,265	450,000	450,000	450,000	1,991,265
		Transportation & Highways				10,247,242	20,975,031	24,948,450	15,290,450	71,461,173
	Planning, Regen & Transport					20,887,443	36,197,226	25,872,450	15,915,450	98,872,569
Regeneration & Environment						40,550,956	43,222,551	29,320,775	19,999,775	133,094,057
Summary						61,712,170	63,268,808	52,408,552	30,806,942	208,196,472

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Capital Programme HRA 2018/19 to 2021/22

Appendix 4

Directorate	Current Year		Future Years		Total Programme
	2018/19		Budget £		Budget £
HRA	43,951,681		90,268,097		134,219,778
Total	43,951,681		90,268,097		134,219,778

Funding:

Funding Stream	Current Year		Future Years		Total Programme
	2018/19		Budget £		Budget £
Grants And Contributions	4,025,282		1,971,338		5,996,620
Major Repairs Allowance	12,758,850		50,589,000		63,347,850
Revenue Contribution	24,732,979		33,679,952		58,412,931
Usable Capital Receipts	2,434,570		4,027,807		6,462,377
Total	43,951,681		90,268,097		134,219,778

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Directorate	Service Area	Service Area	Sub Service	Project Code	Project	2018/19	2019/20	2020/21	2021/22	Total Programme			
						Budget £	Budget £	Budget £	Budget £	Budget £			
HRA	Neighbourhood Capital Programm	Fair Access to All	Aids and Adaptations (Public)	CJF301	Adapts - WDP - Public Major	906,524	0	0	0	906,524			
				CJF302	Adapts - MFS - Public Major	600,798	0	0	0	600,798			
				CJF303	Adapts - OTHERS - Public Major	456,479	0	0	0	456,479			
				CJF401	Adapts - WDP - Public Minor	178,558	0	0	0	178,558			
				CJF402	Adapts - MFS - Public Minor	107,641	0	0	0	107,641			
				CJFBUN	Public Adapts Budget allocation	0	2,250,000	2,000,000	2,000,000	6,250,000			
				Aids and Adaptations (Public)					2,250,000	2,250,000	2,000,000	2,000,000	8,500,000
				Fair Access to All					2,250,000	2,250,000	2,000,000	2,000,000	8,500,000
				Improving Council Housing & Ho	Asbestos	CJQ101	Asbestos-Testing & Removal	400,000	400,000	400,000	400,000	1,600,000	
						Asbestos					400,000	400,000	400,000
		District Heating	CJ0602			District Heating Conversions	50,000	0	0	0	50,000		
			CJJ519			Vale Road	400,000	0	0	0	400,000		
			CJTBUN			District Heating Budget allocation	0	450,000	450,000	450,000	1,350,000		
		District Heating					450,000	450,000	450,000	450,000	1,800,000		
		Electrical Board & Bond					130,000	0	0	0	130,000		
		Electrical Board & Bond					130,000	0	0	0	130,000		
		Environmental Programme	CJE226			Woodlands Close	40,000	0	0	0	40,000		
			CJE227			Wingfield Road Phase 2 Enviro	1,400	0	0	0	1,400		
			CJE229			Albert Street Phase 2 Enviro	467,000	0	0	0	467,000		
			CJE233			Warwick St Access.bin storage.	50,000	0	0	0	50,000		
			CJE234			Fleming Way Park impts	12,000	0	0	0	12,000		
			CJE237			Pike Rd Bin store imp	12,000	0	0	0	12,000		
			CJE238			St Phillips Access improvements	150,000	0	0	0	150,000		
			CJE243			High Nook Pk, Dinn'ton impts	17,000	0	0	0	17,000		
			CJE244			Lyme tree Play Area design	500	0	0	0	500		
			CJE248			School Close Wales Enviro	41,000	0	0	0	41,000		
			CJE249			Hawksworth Road Enviro	10,000	0	0	0	10,000		
			CJE250			Church Close Enviro	69,000	0	0	0	69,000		
			CJEBUN			Environmental Budget allocation	1,100	800,000	800,000	800,000	2,401,100		
			Environmental Programme					871,000	800,000	800,000	800,000	3,271,000	
		External Insulation					500,000	500,000	500,000	500,000	2,000,000		
		External Insulation					500,000	500,000	500,000	500,000	2,000,000		
		Garage Site Investment					250,000	250,000	250,000	250,000	1,000,000		
		Garage Site Investment					250,000	250,000	250,000	250,000	1,000,000		
		General Structures					975,000	0	0	0	975,000		
		General Structures					975,000	0	0	0	975,000		
		IHMS (IT System)					314,000	500,000	500,000	0	1,314,000		
		IHMS (IT System)					314,000	500,000	500,000	0	1,314,000		
		Major Voids Capital Prog					1,400,000	1,400,000	1,400,000	1,400,000	5,600,000		
							1,400,000	1,400,000	1,400,000	1,400,000	5,600,000		
Major Voids Capital Prog					2,800,000	2,800,000	2,800,000	2,800,000	11,200,000				
Refurbishments					200,000	0	0	0	200,000				

Directorate	Service Area	Service Area	Sub Service	Project Code	Project	2018/19	2019/20	2020/21	2021/22	Total Programme	
						Budget £	Budget £	Budget £	Budget £	Budget £	
				CJA117	Kimberworth Roofing	1,500,000	0	0	0	1,500,000	
				CJA119	Aston/Org/Swall Extnals Ph 1	1,500,000	0	0	0	1,500,000	
				CJA120	Thrybergh Externals Phase 1	2,000,000	0	0	0	2,000,000	
				CJA121	Dawsons Croft Communals	375,000	0	0	0	375,000	
				CJA122	Soil Stacks	60,000	0	0	0	60,000	
				CJA123	Beeversleigh Concrete Repairs	345,000	0	0	0	345,000	
				CJA401	MFS - Internal-MFS C5 1A	1,080,000	0	0	0	1,080,000	
				CJA721	Lapwater Drive Est Communals	1,000,000	0	0	0	1,000,000	
				CJA722	Hampstead Green Communals	457,000	0	0	0	457,000	
				CJA723	Maltby all Hallows Communals	1,000,000	0	0	0	1,000,000	
				CJA801	Design & Appraisal	75,000	0	0	0	75,000	
				CJABUN	Refurb Budget allocation	403,000	13,500,000	13,500,000	13,575,000	40,978,000	
				CJB101	Replacement Windows	500,000	0	0	0	500,000	
				Refurbishments		10,495,000	13,500,000	13,500,000	13,575,000	51,070,000	
			Replacement of Central Heating	CJJ101	WDP - Ad Hoc Boiler Repl'ts	1,600,000	1,500,000	1,500,000	1,500,000	6,100,000	
				CJJ102	WDP-Fires(gas2elec/elec2elec)	45,000	0	0	0	45,000	
				CJJ103	WDP - Magna Cleans	30,000	0	0	0	30,000	
				CJJ104	WDP - Hard Wire Stats	60,000	0	0	0	60,000	
				CJJ105	WDP-Boilers Scheme 1	525,000	0	0	0	525,000	
				CJJ108	MFS - Boiler Swaps on Voids	10,000	0	0	0	10,000	
				Replacement of Central Heating		2,270,000	1,500,000	1,500,000	1,500,000	6,770,000	
			Replacement of Communal Doors	CJD101	Communal Doors (High Security)	144,000	0	0	0	144,000	
				Replacement of Communal Doors		144,000	0	0	0	144,000	
			Sheltered Housing Communal Areas	CJR101	Community Centre Improvements	7,500	0	0	0	7,500	
				CJR107	Comm Centre Conv-Ash Grove	11,500	0	0	0	11,500	
				CJR108	Comm Centre Conv-Dorothy Tayl	145,000	0	0	0	145,000	
				CJR109	Comm Centre Conv-Caperns Rd	43,000	0	0	0	43,000	
				CJR110	Comm Centre Conv-Normanville	185,000	0	0	0	185,000	
				CJR111	Comm C'tre Conv-Victoria Court	63,000	0	0	0	63,000	
				CJR112	Robert Street, Com cent conv	110,000	0	0	0	110,000	
				CJR113	Station Rd, T'ton Comcent conv	170,000	0	0	0	170,000	
				CJR114	Ann Rhodes Com cent conv	145,000	0	0	0	145,000	
				Sheltered Housing Communal Areas		880,000	0	0	0	880,000	
			Improving Council Housing & Ho			20,479,000	20,700,000	20,700,000	20,275,000	82,154,000	
			New Housing Provision	Site Clusters	CJP001	Site Cluster Braithwell	6,293,666	4,919,974	296,094	0	11,509,734
					CJP002	Site Cluster Rotherview Road 1	1,177,775	1,511,752	132,274	0	2,821,801
					CJP003	Site Cluster Rotherview Road 2	2,779,570	3,547,396	310,387	0	6,637,353
					CJP004	Site Cluster Conway	1,876,585	0	0	0	1,876,585
					CJP005	Site Cluster Farnworth	1,338,482	0	0	0	1,338,482
					CJP006	Site Cluster Gaitskell	277,388	0	0	0	277,388
					CJP007	Site Cluster Shakespear	309,482	467,619	0	0	777,101
				Site Clusters		14,052,948	10,446,741	738,755	0	25,238,444	

Directorate	Service Area	Service Area	Sub Service	Project Code	Project	2018/19	2019/20	2020/21	2021/22	Total Programme
						Budget £	Budget £	Budget £	Budget £	Budget £
			SOAHP delivery	CJP008	Bellows Road SOAHP	3,053,484	3,329,030	1,664,516	0	8,047,030
				CJP009	Rothwell Grange SOAHP units	526,162	2,256,970	3,009,292	0	5,792,424
				CJP010	Braithwell Rd SOAHP Bungalows	518,988	209,176	0	0	728,164
				CJP011	Arundel Ave Bungws SOAHP	519,559	209,176	0	0	728,735
				CJP012	SOAHP Bungalows - 4 units	435,088	167,342	0	0	602,430
			SOAHP delivery			5,053,281	6,171,694	4,673,808	0	15,898,783
			Strategic Acquisitions	CJ0117	SA Waverley	96,743	0	0	0	96,743
				CJ0120	Catherine Ave & St Marys Drive	387,294	0	0	0	387,294
				CJ0122	Waverley HCS Avant	515,540	0	0	0	515,540
				CJ0123	Queens Ave KivetonPk 12 units	616,875	312,099	0	0	928,974
				CJHBUN	LA Strat Acq's Budget allocation	500,000	0	0	0	500,000
			Strategic Acquisitions			2,116,452	312,099	0	0	2,428,551
		New Housing Provision				21,222,681	16,930,534	5,412,563	0	43,565,778
	Neighbourhood Capital Programm					43,951,681	39,880,534	28,112,563	22,275,000	134,219,778
HRA						43,951,681	39,880,534	28,112,563	22,275,000	134,219,778
Summary						43,951,681	39,880,534	28,112,563	22,275,000	134,219,778

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Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioners Decision Making Meeting – 9 July 2018

Report Title

May Financial Monitoring Report 2018/19

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 Service

Report Author(s)

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Ward(s) Affected

All

Executive Summary

This report sets out the financial position as at the end of May 2018 and is based on actual costs and income for the first two months of 2018/19 and forecast for the remainder of the financial year. Financial performance is a key element within the assessment of the Council's overall performance framework, and is essential to achievement of the objectives within the Council's Policy Agenda. To that end, this is the first in a series of monitoring reports for the new financial year which will continue to be brought forward to Cabinet and Commissioners on a regular basis.

As at May 2018, the Council has a 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's and Adult's social care.

Children's and Young People's Services Directorate continues to overspend against budget in 2018/19. Due to demand for services outstripping budget capacity the number of children in care is still increasing this financial year, up 23.3% (from 509 to 628) since May 2017 This is exacerbated by the number of high cost placements that have arisen from a combination of complex child protection cases and Operation

Stovewood. This increase in the number of Looked after Children also places significant pressure on Legal Services within the Finance and Customer Services Directorate. The current forecast overspend for Legal Services is £1.010m before mitigating actions.

Adult Care Services are currently forecasting an overall overspend of £6.221m. Residential and Nursing Care budgets across all client groups are under pressure due to a combination of increased client numbers, the rising cost of care packages, and delays in delivery of savings plans. A recovery plan has been developed to address previously undelivered savings and project plans are currently being finalised with the expectation that further savings will be identified from this activity.

Regeneration and Environment Directorate is forecasting a balanced budget, although it is facing challenges from a combination of declining business from the School Meals service, losses on PFI contracts, and challenges with delivery of budget savings.

Management activity is underway to identify areas of overspend and put mitigating measures in place, whilst maintaining service delivery. The overall budget position will continue to be closely monitored with provision of regular updates through these Financial Monitoring Reports.

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 these savings is reflected in the forecast overspends and supporting narratives of the Directorates. Currently all savings are either on track or mitigating actions in place with the exception of savings in Adult Social Care and a small amount in Children & Young People's Directorate. These positions are reflected in the financial monitoring forecast outturns and the Directorate narratives.

The forecast overspend should be set against a backdrop of the Council having successfully addressed cost pressures of £162m between the period 2011/12 to 2017/18, the requirement 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.

Recommendations

1. That Cabinet note the current General Fund Revenue Budget forecast overspend of £5.8m.
2. That Cabinet note that management actions continue to be developed and implemented to address areas of overspend and to identify alternative and additional savings to mitigate shortfalls in achieving planned savings in 2018/19.
3. That Cabinet note that the Capital Programme position and Treasury Management key indicators for the first quarter of 2018/19 will be reported in the Financial Monitoring Report to Cabinet in September.

4. That Cabinet agree the changes to the Business Rates Revaluation Support Scheme as set out in paragraphs 3.11.1 to 3.11.3 of this report and that any further changes which may be required are delegated to the Strategic Director - Finance and Customer Services in consultation with the Cabinet Member for Corporate Services and Finance.
5. That Cabinet approve the virement of budget within Children's and Young Peoples Services of £500k to Special Guardianship Orders from the placements budget, as referenced in paragraphs 3.2.8 to 3.2.14 of this report.

List of Appendices Included

None

Background Papers

Revenue Budget and Council Tax Setting Report for 2018/19 to Council 28th February 2018

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

May Financial Monitoring Report 2018/19

1. Recommendations

- 1.1 That Cabinet note the current General Fund Revenue Budget forecast overspend of £5.8m.
- 1.2 That Cabinet note that management actions continue to be developed and implemented to address areas of overspend and to identify alternative and additional savings to mitigate shortfalls in achieving planned savings in 2018/19.
- 1.3 That Cabinet note that the Capital Programme position and Treasury Management key indicators for the first quarter of 2018/19 will be reported in the Financial Monitoring Report to Cabinet in September.
- 1.4 That Cabinet agree the changes to the Business Rates Revaluation Support Scheme as set out in paragraphs 3.11.1 to 3.11.3 of this report and that any further changes which may be required are delegated to the Strategic Director – Finance and Customer Services in consultation with the Cabinet Member for Corporate Services and Finance.
- 1.5 That Cabinet approve the virement of budget within Children's and Young Peoples Services of £500k to Special Guardianship Orders from the placements budget, as referenced in paragraphs 3.2.8 to 3.2.14 of this report.

2. Background

- 2.1 As part of its performance and control framework the Council is required to produce regular and timely reports for the Strategic Leadership Team and Cabinet to keep them informed of financial performance so that, where necessary, actions can be agreed and implemented to bring expenditure in line with the approved budget for the financial year.
- 2.2 Delivery of the Council's Revenue Budget, Medium Term Financial Strategy (MTFS) and Capital Programme within the parameters agreed by Council is essential if the Council's objectives are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.
- 2.3 This report is the first in a series of financial monitoring reports to Cabinet for 2018/19, setting out the projected year-end revenue budget financial position in light of actual costs and income for the first two months of the financial year. Reporting on the Council's Capital Monitoring will start with information from the June report and subsequent reports will include, in addition to revenue forecasts, details of capital spending and the projected capital outturn position.
- 2.4 The current position after two months shows a forecast revenue overspend of £5.8m after taking account of the £10m budget contingency approved within the 2018/19 budget and the actions being taken to address the cost pressures. Detailed work continues to identify further actions to significantly reduce this level of forecast overspend. This includes budget challenge sessions with the Leader, Cabinet Members, Chief Executive and Strategic Directors.

- 2.5 The Councils current MTFS has identified that further savings of £30m need to be identified in the next two financial years 2019/20 and 2020/21 to meet the estimated Budget Gaps. Budget Options to meet the Gaps are currently being drafted for consideration and consultation.

3. Key Issues

- 3.1 Table 1 below shows, by Directorate, the summary forecast revenue outturn position after management actions which have already been quantified and implemented.

Table 1: Forecast Revenue Outturn 2018/19 as at May 2018

Directorate / Service	Budget 2018/19	Forecast Outturn 2018/19	Forecast Variance over / under (-)
	£'000	£'000	£'000
Children & Young People's Services	57,420	67,016	9,596
Adult Care & Housing	59,453	65,674	6,221
Public Health	16,014	16,014	0
Regeneration & Environment Services	38,916	38,916	0
Finance & Customer Services	14,821	14,821	0
Assistant Chief Executive	6,805	6,805	0
Capital Financing, Levies, Central Services and Budget Review	18,646	18,646	0
SUB TOTAL	212,075	227,892	15,817
Budget Contingency (£4.8m budget, £5.2m reserves)	4,800	(5,200)	-10,000
TOTAL	216,875	222,692	5,817
Dedicated Schools Grant			2,950
Housing Revenue Account (HRA)	82,312	82,312	0

The following section (paragraphs 3.2 to 3.7) provide further information regarding the key reasons for forecast under or overspends within Directorates, and the progress of savings delivery.

3.2 Children & Young People's Directorate (£9.596m forecast overspend)

- 3.2.1 The full year revenue outturn forecast for Children's and Young People's Services is a projected over spend of £9.596m.
- 3.2.2 Demand on the service remains high and has continued to rise across all key areas which include children in need of help and protection and children requiring care. Demand seen at the front door through to children in care and in key service areas is significantly high when compared to our nearest and statistical neighbours with the number of looked after children ('LAC') significantly higher than our neighbours.
- 3.2.3 The increased overspend is chiefly attributable to this continuing rise in the number of children in care, which has risen by 119 (from 509) to 628 over the last year since May 2017, an increase of 23.3%, and increased by a net 12 (from 616) since the start of this financial year. The budget for 2017/18 was sufficient to fund 480 LAC based on an anticipated reducing reliance on out of authority and independent fostering agencies. Increased demand has meant that a net 148 LAC have entered care since that date with the Council having a statutory duty to find, and pay for, suitable placements for these children and young people.
- 3.2.4 It should be noted that the position has been exacerbated by a significant amount of placements that have arisen from the complex child protection work and Operation Stovewood. Further it has to be emphasised that Rotherham is not significantly out of step with many local authorities in experiencing a significant increase in the numbers of LAC.
- 3.2.5 A budget saving of £750k was agreed for a review of Business Support as part of the 2017/18 budget. To date £200k has been achieved from existing staff turnover leaving a balance to address (£550k). There is an ongoing review of business support across Children's Services to implement a long term and sustainable service in the future which will be completed in September (Phase 1) with Phase 2 already being planned for next financial year.
- 3.2.6 Non-recurrent savings towards an approved budget saving for market management of £559k were made in 2017/18. Additional agreed savings of £241k in 2018/19 now mean that £800k of recurrent savings are required going forward in 2018/19. This saving originally would have come from effective commissioning of placements but requires a stronger buyer's market rather than the current situation of a seller's market to achieve (£800k).
- 3.2.7 The number of young people requiring support from the Leaving Care service has increased significantly in the last two years, the Government's new burdens pressures increasing the provision up to the age of 25 has also added to the issue. In addition unit costs for supported accommodation have increased from £26k to £40k due to market forces (£2,135k).

- 3.2.8 There has been an unprecedented growth in the number of LAC. LAC numbers have risen from 509 in May 2017 to 628 as of the end of May 2018 (+23.3% in a year). The increase in LAC numbers has continued in this financial year from a starting position of 616. This rise in LAC numbers has been compounded by the increasing complexity of children admitted to care requiring more expensive accommodation and rising prices due to market forces. As a result, the in-year cost pressure attributable to a higher number of placements and the increase in unit costs continues to increase. Of this pressure, a significant amount relates directly to complex child protection work, the associated costs of which are substantial. The number of Special Guardianship Orders ('SGO') is rising. Whilst there is a cost associated with these, this is more cost effective to many alternatives and provides a positive outcome for children and young people providing permanency within a family setting. Another factor of the growth in LAC is the market's ability to provide emergency placements and the cost of commissioned placements and supervising agency staff (£9,681k).
- 3.2.9 There remain staffing pressures in respect of the complex child protection team, advanced Social Worker posts and social care staffing in general (£1,209k). The main factors that are impacting on demand are the complex cases, improved social work practice intervention in legacy cases specifically with regard to neglect and the lead in time for investments to impact. Plans are in place to mitigate these pressures as summarised in paragraph 3.2.14.
- 3.2.10 Other pressures are in respect of Operation Stovewood costs (£200K) and costs above the level of Government funding.
- 3.2.11 To address these unprecedented demand issues the service is currently undertaking a targeted initiative - 'Right Child, Right Care' - which is profiled to result in an overall net reduction in LAC of 151 during 2018/19. It should be emphasised that this is not a drive to reduce the numbers of children in care in Rotherham per se but rather ensuring that there are the right children in the Council's care and in the right placements for their needs. However this intervention, if successful, will reduce placement spend by £7.5m full year effect. The in-year impact in 2018/19 is forecast to be significantly less – approximately £2m – and is dependent on the timing of discharges and the mix and associated unit cost of care placements. The impact of this is being kept under regular review.
- 3.2.12 Alongside this initiative, net admissions to care (i.e. admissions less care discharges) are forecast to increase by around 1.1% each month (based on last year's profiles). The current net increase since February 2018 is approaching 1.6% (monthly average) caused, in the main, by two outlier months in March and May with the issue being exacerbated by three large sibling groups coming into care (22 children) resulting in 32 new LAC in this financial year against a projection of 14, an additional net 18.

3.2.13 LAC numbers were forecast to have reduced to 599 by the end of May. The actual figure of 628 therefore reflects an adverse variance in LAC numbers of 29. However, a risk based approach was taken in assessing budget savings with some contingency being built in for performance delays and unavoidable LAC increases and, should future performance be aligned to the profiles incorporated within the 'Right Child, Right Care' initiative and net admissions are maintained as forecast (at 1.1%), there should be a saving made as predicted in year (£2m). This is reflected in this monitoring report. The profile of discharges from care and composition of the cohort is currently under review. Any subsequent changes to this saving following this review or subsequent changes in LAC numbers will be reported in a future monitoring report.

3.2.14 Besides the £2m cost reduction through the 'Right Child, Right Care' work described above, there are agreed management actions of a further £3.721m to offset the above demand management pressures of £14.672m. These plans remain broadly on track to deliver and include:

- Smart, relationship based commissioning with local independent fostering agencies and some residential providers in Rotherham to deliver savings when compared with the alternative in Out of Authority provision (£200k);
- A regional agency agreement will be implemented from 1st June (£200k);
- A continuing drive to reduce the use of agency within social care will deliver savings (£200k). Current levels of agency within social care is now 57, a reduction of 6 since April's figure of 63 and 16 lower than May 2017;
- Revised arrangements for emergency placement cover, with the recruitment of permanent casual staff to reduce the reliance on commissioned agency staff (£425k);
- A review of workforce costs;
- A net increase of 20 placements with in-house foster carers (£500k). There has been 3 foster carer approvals in this financial year to date and there are 15 further assessments in process;
- A further movement of LAC from foster care to Special Guardianship Orders (£60k);
- Business Support Review savings (£200k). Phase 1 of the review will be adopted in September 2018 and will deliver staffing efficiencies of approximately £400k p.a. (including on costs), with £200k during the 2018/19;
- A comprehensive review of spend associated with Operation Stovewood continues (£200k), with a view to either reduce capacity or secure additional income; and
- Improved market management procedures (£800k). A proposal to deliver savings through a commitment that no young person will remain in a residential home beyond their 17th birthday, with a move on to semi-independent accommodation, will save in the region of £130k per young person.

3.2.15 The year end forecast is therefore as shown below

	£000s
Demand management issues (see para 3.2.5 to 3.2.10 above)	14,672
LAC placements (see para 3.2.13 above)	(2,000)
Other mitigating actions (see para 3.2.15 above)	(3,721)
Other pressures (see 3.2.16 below)	645
Total	9,596

3.2.16 There is a pressure within Early Help as a result of the move in the implementation date for the whole service review to February 2019 (£204k). Whilst it is hoped that this may be offset in year, this is reported as a pressure in this monitoring round. There is also additional, unbudgeted grant income with regard to unaccompanied asylum seeker Children's grant (£240k). There remains a pressure in respect of Child Arrangement Orders, predominantly due to the increase in LAC (£379k), together with a pressure with regard to transport provision which will be covered by the corporate review of the service (£285k).

3.2.17 Budget review meetings continue and have identified a number of further budget savings options and considerations for this financial year. A challenging examination of potential efficiencies is underway, recognising the need for these to be thoroughly reviewed, discussed and considered so that the Directorate can bring forward options for immediate implementation. Proposals are being actively pursued to identify savings in the current financial year, having due regard for the continued safeguarding of vulnerable children. These high level options may deliver significant further savings in this financial year if agreed.

3.3 Dedicated Schools Grant

3.3.1 The Directorate is currently forecasting an over spend on its Dedicated Schools Grant (DSG) High Needs Block of £2.950m. Both the Early Years and the Schools' block are expected to be broadly in line with allocations in 2018/19. At the end of 2017/18 the outturn position showed an overall deficit of £9.687m on the non-delegated DSG, comprised as follows:

- Early Years Block: £0.032m Underspend
- Schools Block: £0.328m Underspend
- High Needs Block: £10.047m Overspend

3.3.2 The service has developed a recovery plan which aims to mitigate as far as possible the in-year pressure of £2.950m on the High Needs Block and a reduction in the overall cumulative deficit by April 2019. As reported in previous monitoring, the key areas of focus which will deliver the targeted deficit reduction by April 2019 include:

- A revised Special School funding model;
- A review of high cost out of authority education provision to reduce cost and move children back into Rotherham educational provision; and
- A review of inclusion services provided by the Council.

3.4 Regeneration and Environment Directorate (Forecast balanced budget)

3.4.1 In 2018/19 the Regeneration and Environment Directorate has approved savings of £3.827m to deliver in addition to savings requirements from previous years. This is a challenging position for the Directorate, and in order to meet this challenge, the Directorate will continue the tight financial discipline that enabled it to outturn within budget in 2017/18. Early indications highlight some significant pressures, many of which arise from delays in delivery of savings.

3.4.2 The major pressures are as follows:

- Facilities Management (£787k). The 2018/19 budget includes a £1m saving on property arising from service reviews within other Council services. A pressure of £560k is being reported in respect of this saving, as a result of delays in concluding the service reviews. The savings are expected to be achieved in the long term, but the timing of the savings being achieved has been delayed. In addition, a pressure of £140k is being reported in respect of a saving to let office space at Riverside House, as a result of the proposed tenant withdrawing. Pressures are also being reported on other buildings being managed by the Service.
- Catering service (£650k). This arises from a number of factors:- restrictions on increasing income on services provided to PFI schools; in addition, there is a continuing impact of the loss of contracts resulting from academy conversions, where academy chains have alternative provider arrangements in place.
- Street Scene Services (£208k). This is mainly in respect of continuing additional demand pressures on Home to School transport, which was also a pressure in 2017/18.
- Regulation and Environment (£172k), principally as a result of a £152k pressure on Licensing. This is in respect of additional legal costs and Counsel fees, forecast under recovery of income against the budget and additional vehicle testing costs.

3.4.3 In order to try to mitigate these pressures the Directorate Management team will continue to keep a tight control on budgets, limit officers to essential spending and have identified some non-recurring underspends including:

- Holding vacant posts where this can be done without significantly impacting on service delivery;
- Additional income in Building Consultancy;
- Windfall income and use of one-off balances where obligations have been fulfilled.

It is envisaged that these actions will enable the Directorate to deliver a balanced budget by year end.

3.5 Adult Care & Housing (£6.221m overspend)

3.5.1 Adult Care Services are currently estimating a forecast overall overspend of £6.221m in 2018/19 after allocation of £5.9m of the additional Better Care Funding of £10.104m and based on current plans and actions.

- 3.5.2 Whilst there were no new budget savings for Adult Care agreed within 2018/19 budget setting, there are £3.224m of savings agreed in previous years to take effect in 2018/19 in addition to the £7.346m in 2017/18. In addition the services faces recurrent budget pressures (net overspend in 2017/18 was £4.059m). The forecast overspend includes an anticipated shortfall of £5.771m in delivering the accumulated budget savings within the current financial year.
- 3.5.3 The main budget pressures continue to be in respect of: Residential and Domiciliary care and the provision of Direct Payments/Managed accounts across all client groups, this includes pressures from anticipated delays in achieving budgeted savings due to further consultation with clients, carers and partners.
- 3.5.4 There continues to be a budget pressure in respect of Direct Payments/Managed Accounts (£0.700m, after allocation of £700k iBCF). Overall numbers receiving a direct payment continue to reduce however the average cost of care packages is increasing.
- 3.5.6 The main pressure on the Directorate budget relates to residential and nursing care budgets across all client groups – where an overspend of £3.7m (after allocation of £4m from iBCF) is currently forecast.
This forecast includes budget savings of £4m in respect of reducing high cost placements within Learning Disability and Older People client groups by introducing strength based assessments and use of alternative service provision within the community by engaging voluntary and independent providers.
- 3.5.7 There is also a forecast budget pressure of £1.8m in respect of the provision of Domiciliary Care (after allocation of £1.7m iBCF). This is attributable to a continued increase in client numbers and average cost of care packages due to more complex client needs. There also remains a recurrent income budget pressure in respect of income received from fees and charges.
- 3.5.8 In addition to the above forecast overspends, there are further delays on achieving budget savings in respect of Care Enabling within Extra Care Housing (£0.3m) and the review of Rothercare and Assistive Technology provision (£0.6m). An external review of the future provision of the Rothercare services is currently being concluded. There are also initial pressures within Assessment and Care Management (£0.370m) in respect of vacancy management and the use of agency and consultancy as part of the Adults Improvement programme.
- 3.5.9 Neighbourhood services' (Housing) latest forecast is a balanced budget.

Adult Care – Recovery Strategy

- 3.5.10 Adult Care recognises that the primary pressures centre on previously undelivered savings. As a result, a suite of high level project plans have been developed to address the savings challenge covering:
- 1) Review of Learning Disability Services – My Front Door
 - 2) Right sizing care packages
 - 3) Propose the decommissioning of in-house residential homes which will include the re-provision of an intermediate care offer
 - 4) Resource/Operating Models

Digital Transformation, Work Force Development and the Intermediate Care and Reablement Pathways will be enablers to these. This will be in line with the Rotherham Integrated Health and Social Care Place plan priorities

The project plans underpinning activity are currently under development with final detailed versions to be completed shortly. Work completed to date provides confidence that the May forecast of £6.221m overspend will be reduced further. In addition, new savings options will be identified and fall out of this activity to meet the 2019/20 and 2020/21 requirements.

3.5.11 Savings of £10.570m were agreed as part of the 2016/17 and 2017/18 budget process. £1.924m of these savings have been delivered in 2017/18 as planned and a further £1.253m have been implemented or are on track to be delivered in 2018/19. This leaves a balance of £7.393m still to be delivered. In addition there are additional demand pressures which increase the savings required in order to balance the overall budget.

The main reasons for the delayed delivery of savings are the complexity, rather than volume of new cases (including transition) - the overall customer base has been relatively static. Also, historical assessment practice across all cohorts; in terms of over reliance on residential care, poor application of self-directed support and over provision of care hours.

Public Health (Forecast Balanced budget)

3.5.12 The Public Health ring fenced specific grant was further reduced by a further £430k to £16.304m for 2018/19.

3.5.13 The latest forecast is an overall balanced budget which includes a transfer from the Public Health Grant reserve of £441k in order to achieve a balanced budget. There are some forecast pressures within Drugs and Alcohol and Tobacco control but these are being offset by underspends within Children's obesity and staff vacancies with the Public Health team.

3.5.14 Budget savings agreed as part of the budget setting process totalling £0.653m are forecast to be fully achieved in year.

3.6 Finance & Customer Services (Forecast Balanced Budget)

3.6.1 The Directorate is currently forecasting an overspend of £1.010m as a result of the ongoing pressures on Legal Services. Significant challenges exist within this department from the continued growth in the number of Looked After Children, the related child protection hearings, and court fees and costs. Investment of £529k was made into the service for 2017/18 following recommendations of The Lincolnshire Peer Review. However, recruitment to vacancies within the department is proving difficult and, in the interim, there is heavy reliance on locum solicitors alongside a temporary arrangement with Sheffield City Council, which comes at a premium cost.

3.6.2 Further to this, a Peer Review of legal support to Adult Social Care has identified the need for additional legal staffing resource in this area. This is compounded with the need for cover for sickness absence. It is envisaged that the financial pressures will not diminish until the current resourcing problems are resolved, and should there be a further increase in the volume of social care proceedings the resulting legal costs would increase the overspend. Work is ongoing to identify ways of reducing demand for legal advice, coupled with a review of the management structure within the department, with the aim of better controlled use of resources.

3.6.3 The following steps are being undertaken to manage demand on the team and to control and mitigate against the current anticipated overspend:

- i. Permanent Recruitment - This is the first priority given it provides the cheapest staffing solution and removes the dependency on higher cost support from Sheffield CC and the use of locum solicitors. There is a rolling recruitment exercise for childcare solicitors and paralegals with the assistance of the HR Resourcing Team. One permanent solicitor joined the Team in May and discussions are ongoing to permanently recruit 2 existing locum solicitors. There are currently 2 applicants for permanent solicitor posts who are being assessed.
- ii. Temporary Recruitment – In the short term, until the service is able to recruit permanently to all posts, they are continuing to attempt to recruit locum child care solicitors. However, due to the national shortage of candidates, as an alternative, they are piloting the use of a recently recruited locum childcare legal executive. This is in order to end the highest cost option of support from Sheffield CC as soon as possible and reduce the current dependency on locum staff.
- iii. In the medium term, exploring the development of the position of paralegal through training/qualifications in order to take on higher level work which should alleviate the need for the current number of child care solicitors and the resultant costs.
- iv. Exploring with CYPs opportunities to reduce demand for support from Legal Services such as attendance at pre-proceedings meetings, which is anticipated to lead to reductions in the use of counsel and associated costs. An additional internal challenge has also been introduced in relation to the use of counsel.

3.6.4 There are also pressures in respect of Statutory Costs where the forecast overspend is currently projected at £20k as a result of the volume of statutory and planning notices. Work has commenced within the directorate to identify where these costs can be reduced or avoided.

3.6.5 Within Customer Information and Digital Services there are cost pressures as a result of delays in implementation of a number of historic savings decisions. A complete review of Digital Services management and staffing structures is underway alongside a revised Digital Strategy and consideration of current commitments and service demand. Until the original proposals are implemented or alternatives are agreed, this pressure is being absorbed by delayed or non-recruitment to vacant posts throughout the service, resulting in a balanced budget.

3.6.6 Loss of income from Schools Traded Services following conversion of schools to academies is creating a pressure of £140k within Financial Services. A review is underway to review charges and assess the viability of the current offering of services to schools and academies. The overspend in this area is currently offset by a projected over-achievement of income of £100k from the recovery of Housing Benefit overpayments, along with forecast reduced costs for pension charges relative to former employees and vacancy control.

3.6.7 The Directorate continues to explore all options to reduce costs and identify mitigating actions to ensure a balanced budget by the financial year-end.

3.7 Assistant Chief Executive (Forecast Balanced Budget)

3.7.1 Vacancies within Business and Innovation Team are offset by planned expenditure on external resources, whilst reduced income within HR is offset by savings made from contract renegotiation of the existing HR & Payroll System. A delay in delivery of savings within the Management Support Team will be met from savings elsewhere across the Directorate.

3.8 Central Services (Forecast Balanced Budget)

3.8.1 As highlighted in previous financial reports to Cabinet and Council over the past year a thorough review has been undertaken of all the Council's Central Services Budgets and Provisions, Corporate Funding and Accounting and Apportionments, including classification of expenditure between revenue and capital and between HRA and General Fund. Savings from these reviews fed into the updated Medium Term Financial Strategy reported to Cabinet in December 2017 and into the Budget Report 2018/19 to Cabinet and Council in February 2018. Central Services budgets as re-set following those reviews are forecast to outturn within budget in 2018/19.

3.9 Capital Programme and Treasury Management

3.9.1 The March 2018/19 Budget Report included the Council's Capital Programme. Capital budgets and spending plans are currently being updated to reflect under/over-spends in 2017/18 for ongoing projects. The Capital Programme position for the first quarter of 2018/19 will be reported to Cabinet in September.

3.9.2 Treasury Management Strategy is integral to the management of the Capital Programme and to the overall budget strategy. This strategy has associated Prudential Indicators (PIs) which the Prudential Code (the statutory framework within which the treasury function has to operate) requires the Council to approve and monitor. It is intended that the position for the first quarter of 2018/19 will be reported with the first capital monitoring.

3.10 Housing Revenue Account (HRA) – (Forecast Balanced Budget)

3.10.1 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 HRA forecast outturn is a balanced budget. This includes a budgeted revenue contribution to capital expenditure of £9.970m plus a contribution of £4.528m from the HRA reserve to provide a balanced budget.

3.11 Business Rates Revaluation Support

3.11.1 In the Spring Budget 2017, three new local Business Rates relief schemes were announced by the Government – Supporting Small Businesses, Support for Pubs and Revaluation Support. Cabinet agreed Rotherham's schemes for Supporting Small Businesses and Support for Pubs based on Government guidance for those schemes. 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.

3.11.2 Any grant which is not distributed to businesses will 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 were agreed by Cabinet in January 2018.

3.11.3 A balance of grant still remains available for award. The Council can award grants for 2017/18 up to 30th September and further changes to the criteria for allocating the grant have been drawn up.

3.11.4 It is therefore proposed that the following amendments are made to the Revaluation Support Scheme:

- For 2017/18 the minimum net increase in charge for businesses to be able to qualify for the relief is reduced from 7.5% to 6.5%
- For 2018/19 the maximum award of relief for a business property is increased from £1,000 to £2,000
- For 2019/20 the maximum award of relief for a business property is increased from £500 to £1,000

3.11.5 It is further recommended that, having regard to the cut-off date for allocating grants of 30th September, delegated authority is provided to the Strategic Director – Finance and Customer Services in consultation with the Cabinet Member for Corporate Services and Finance to make any further changes to the criteria as deemed appropriate in order to ensure that as much of the £365k grant as possible is made available to support local businesses.

4. Options considered and recommended proposal

4.1 With regard to the current forecast overspend of £5.8m, further management actions are being identified with the clear aim of bringing expenditure into line with budgets and the impact of these actions will be included in future financial monitoring reports to Cabinet.

4.2 However it is inevitable that if planned savings are not delivered and a balanced budget cannot be maintained for 2018/19, there will be an impact on the Councils reserves.

4.3 With the current financial climate, effective and careful use of reserves is ever more critical to the Councils ability to maintain a robust balanced budget.

5. Consultation

5.1 The Council consulted extensively on budget proposals for 2018/19. Details of the consultation are set out within the Budget and Council Tax 2018/19 report approved by Council on 28th February 2018.

6. Timetable and Accountability for Implementing this Decision

6.1 Strategic Directors, Managers and Budget Holders will ensure ongoing tight management and close scrutiny of spend this financial year.

6.2 Financial Monitoring reports are taken to Cabinet/Commissioner Decision Making meetings during the year. The next Financial Monitoring Report with the position as at the end of June 2018 will be considered by Cabinet in August 2018.

7. Financial and Procurement Implications

7.1 There is currently a projected overspend of £5.8m as set out in Section 3 of this report.

7.2 It is inevitable that, where the budget and planned savings are not delivered as intended, there will be an impact on the Council's reserves, as any expenditure in excess of budget impacts reserves levels. Control over spending is therefore critical to a robust Medium Term Financial Strategy. All savings are being closely monitored and tracked, with all areas at risk of shortfall subject to review to identify alternative options.

7.3 Failure to achieve planned savings and to contain expenditure within the agreed budget for this financial year will have further implications for financial years 2019/20 and 2020/21, where the MTFs identifies a further £30m as being required to balance the budget.

8. Legal Implications

8.1 No direct implications.

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 Adult' Social care budgets.

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 upon 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.

14. Accountable Officer(s)

Graham Saxton, Assistant Director – Financial Services
Nikki Kelly, Finance Manager

Approvals obtained from:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Graham Saxton	19.06.2018
Assistant Director of Legal Services	Stuart Fletcher	22.06.2018
Head of Procurement (if appropriate)	N/A	
Head of Human Resources (if appropriate)	N/A	

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Public Meeting
Cabinet and Commissioners' Decision Making Meeting

Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioners' Decision Making Meeting – 9 July 2018

Report Title

Annual Treasury Management Report and Actual Prudential Indicators 2017/18

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

No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report

Judith Badger – Strategic Director of Finance & Customer Services

Report Author(s)

Rob Mahon – Finance Manager (Financial Accounting)
01709 254518 or rob.mahon@rotherham.gov.uk

Ward(s) Affected

All

Summary

The Council received an annual treasury strategy in advance of the 2017/18 financial year at its meeting on 8th March 2017 and Audit Committee received a mid-year report at its meeting on 21st November 2017, representing a mid-year review of treasury activity during 2017/18.

The annual treasury management report is the final treasury report for 2017/18. Its purpose is to review the treasury activity for 2017/18 against the strategy agreed at the start of the year. The report also covers the actual Prudential Indicators for 2017/18 in accordance with the requirements of the Prudential Code.

The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

Recommendations

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 the Audit Committee for information .

List of Appendices Included

Appendix A Summary Prudential Indicators for Rotherham MBC

Appendix B Summary Prudential Indicators for the Former South Yorkshire County Council

Background Papers

CIPFA – Code of Practice for Treasury Management in the Public Services Local Government Act 2003 (as updated)

CIPFA – Prudential Code (as updated)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Audit Committee

Council Approval Required

No

Exempt from the Press and Public

No

Annual Treasury Management Report and Actual Prudential Indicators 2017/18

1. Recommendations

- 1.1 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.
- 1.2 That the report be forwarded to the Audit Committee for information .

2. Background

- 2.1 The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:
 - The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
 - The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2017/18);
 - Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
 - The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
 - The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
 - Under the Act the CLG has issued Investment Guidance to structure and regulate the Council's investment activities; and
 - Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November 2007.
- 2.2 The Council complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular, the adoption and implementation of the Prudential Code and the Code of Practice for Treasury Management means that its capital expenditure is prudent, affordable and sustainable. Treasury investment practices are governed by the primary objectives of security ahead of liquidity and then yield.

3. Key Issues

3.1 OVERVIEW

3.1.1 Indicators are set prior to the start of the financial year and reflect the known position at that time. Approved changes to the capital programme and its funding throughout the financial year, together with variations in treasury management activity, mean that actual indicators for the year may vary from the projections made prior to the start of the financial year. However, by regularly monitoring and reporting revised estimates of these indicators the Council is able to ensure the impact is known and managed through the Medium Term Financial Strategy.

The actual prudential indicators for 2017/18 for Rotherham MBC, with comparators, are shown in the attached Appendix A. Background to these is provided in the following paragraphs.

3.1.2 **Impact of the Council's Capital Expenditure and Financing 2017/18** - the Council expends capital expenditure on long term assets. This may either be:

- Financed immediately through capital receipts, capital grants etc.; or
- Financed over the life of the asset by use of Prudential Borrowing

Part of the Council's Treasury activities is to address this borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activities also include managing the Council's cash flows, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost, and then optimise performance. The primary objective is security ahead of liquidity and then yield or return.

3.1.3 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge for the Council's debt position. It represents 2017/18 and prior years' net capital expenditure which has not yet been paid for by revenue or other resources. Following changes to accounting regulations in 2009/10, the CFR also includes other long term liabilities which have been brought on balance sheet, for example, PFI schemes and finance lease assets.

The Non-HRA element of the CFR (excluding PFI schemes and finance lease assets) is reduced each year by a statutory revenue charge (the Minimum Revenue Provision - MRP). The CFR can also be reduced by:

- the application of additional capital resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

At the end of the financial year 2017/18 the closing CFR is broadly in line with that approved as the revised indicator for the year.

3.1.4 Treasury Position at 31 March 2018 - whilst the Council's gauge of its underlying need to borrow is the CFR, the Strategic Director of Finance and Customer Services and the Treasury function can manage the Council's actual borrowing position by either:

- borrowing to the CFR (excluding the impact of PFI and similar contracts); or
- choosing to utilise some temporary internal cash flow funds instead of borrowing (under-borrowing); or
- borrowing for future increases in the CFR (borrowing in advance of need).

For 2017/18 provision was made for the estimated borrowing need for the year to partly reduce the Council's 31 March 2017 under-borrowed position. However the Council has continued to take advantage of the current availability of short-term cash loans at very favourable rates and did not take out any new long-term loans in 2017/18.

There is no risk to the Council in following this strategy, as long-term loans can be taken out immediately at any point in time that the financial markets start to change and make long-term loans a more cost effective option.

Thus at 31 March 2018, the Council's borrowing (excluding PFI and similar schemes) and investments were as follows:

Council's Treasury Position 2017/2018

Net Borrowing	As At 31 March 2018 £m	As At 31 March 2017 £m
External Borrowing		
Public Works Loans Board (PWLB)	204.007	226.306
Market (e.g. Banks, Other Local Authorities)	243.000	243.000
Temporary Borrowing	118.000	30.000
	565.007	499.306
External Investments		
Debt Management Office	0.000	0.000
Banks	0.000	0.000
	0.000	0.000
External Borrowing	565.007	499.306
Net Borrowing - Excluding Temporary Borrowing	447.007	469.306
Capital Financing Requirement	665.219	656.984
Net Under-Borrowed	218.212	187.678

Against the Council's Capital Financing Requirement of £665.219m (excluding PFI and similar arrangements totalling £132.788m), the Council's outstanding net borrowing of £447.007m (excluding temporary loans) is lower than this requirement by approximately £218m due to the Council's approach of utilising temporary cash flow funds rather than taking out additional borrowings.

Total savings in the Treasury Management budget for 2017/18, arising from all treasury activity including cash-flow management, were £2.839m.

3.2 PRUDENTIAL INDICATORS AND COMPLIANCE ISSUES

Some of the prudential indicators provide either an overview or specific limits on Treasury activity:

3.2.1 Net Borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing net of investments must only be used for a capital purpose. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2017/18 plus the expected changes to the CFR for 2018/19 and 2019/20. The Council complied with this prudential indicator throughout 2017/18.

3.2.2 The Authorised Limit - the Authorised Limit is the "Affordable Borrowing Limit" required by S3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The Council maintained gross borrowing within its Authorised Limit, both excluding and including the impact of bringing PFI and similar arrangements on to the Council's Balance Sheet.

3.2.3 The Operational Boundary – The Operational Boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached. The Council maintained its borrowing position around its Operational Boundary.

3.2.4 Actual financing costs as a proportion of net revenue stream - This indicator identifies the trend in the cost of capital (borrowing and the cost of other long term obligations but net of investment income) against the Council's Budget Requirement (net revenue stream) for the General Fund and budgeted income for the HRA.

Both indicators show a reduction in the actual financing costs as a proportion of net revenue stream. The General Fund ratio reduced from 7.01 (original budget) to 6.14 (actual out-turn). This was as a result of a combination of the actual net revenue stream for the year being higher than originally forecast and the actual MRP charge being lower than the original budget. The HRA ratio reduced from 16.37 (original budget) to 15.99 (actual out-turn). This was due to the actual net revenue stream for the year being higher than originally forecast.

3.2.5 Incremental impact of Capital Investment Decisions – these two indicators are used to highlight the trend in cost arising from changes to the Council’s capital investment plans:

- the impact on Council Tax Band D levels of changes to the General Fund capital programme, and
- the impact on weekly rent levels arising from changes in the housing capital programme

The incremental impact of capital investment decisions on the Band D Council Tax has reduced significantly from the original budget of £15.78 to £5.90. This is due to the actual borrowing required in the year (to fund capital expenditure) being substantially lower than anticipated. More capital grants have been available and these have been applied in funding the capital programme, thus replacing the need to borrow. Strategic capital financing decisions made at the financial year end also reduced borrowing by replacing planned prudential borrowing on short-life assets with use of capital receipts. The equivalent amount of prudential borrowing will then be utilised in later years on longer life assets. None of the HRA capital investment was financed by borrowing in 2017/18 and therefore there was no incremental impact of capital investment on HRA rent levels.

3.3 TREASURY MANAGEMENT INDICATORS

3.3.1 Limits on Activity

Upper limits on fixed and variable interest rates as at 31 March 2018 – these indicators identify the maximum limits for fixed interest rate gross debt and for variable interest rates based upon the debt position, net of investments. The Council remained within the limits set throughout 2017/18.

Maturity structure of fixed rate borrowing during 2017/18 – These gross limits are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. The Council remained within the limits set throughout 2017/18.

Maximum funds invested for more than 364 days – This limit is set to reduce the need for early sale of an investment and is based on the availability of funds after each year end.

3.3.2 Borrowing

New and Replacement Borrowing – No new long term loans were taken up during the year as the Council continued with its strategy of utilising the temporary borrowing market to manage the cash flow position.

During the year, temporary borrowing was taken up on 23 occasions with a mix of terms (ranging from 3 months to 6 months) to manage the Council's cash flow position. Of these short-term loans, 13 have been fully repaid in the year; with 10 remaining outstanding at the year end. One of the loans is a rolling deal, with a 1 month call, i.e. where the Council or lender can provide 1 months' notice to either change the rate or end the deal.

Rescheduling – No rescheduling took place in 2017/18 due to the continuing unfavourable market conditions.

Debt Repayment – Two loans totalling £20m matured during the year as shown in the table below. Part repayments of principal (£2.292m) continued on the Annuity and Equal Instalment of Principal (EIP) loans taken up in prior years.

Debt Repayments 2017/18

Lender	Principal £m	Type	Interest Rate	Average rate of interest
PWLB	10.000	Fixed rate	9.38%	
PWLB	10.000	Fixed rate	3.17%	
PWLB EIP	2.000	Fixed rate	3.46%	
PWLB EIP	0.130	Fixed rate	1.89%	
PWLB Annuity	0.162	Annual repayments	Various	
Total:	22.292			5.99%

The overall debt activity resulted in a decrease in the average interest rate on the Council's debt portfolio of 0.09%, from 4.17% to 4.08%. This has arisen as loans have matured (shown in the table above) and have been replaced with temporary borrowing.

3.3.3 Investments

The Council's investment policy is governed by DCLG Guidance, which was implemented in the annual investment strategy approved by Council on 8th March 2017. The investment activity during the year conformed to the approved strategy.

The Council maintained an average balance of £22.8m and received an average return of 0.14%. When compared to the local measure of performance the average return was marginally lower than the average 7 day LIBID rate for 2017/18 of 0.21%. For the period up until November 3rd 2017 this was due to the Council's main investment vehicle, the Government's Debt Management Office (DMO) dropping their rates to just 0.10%. Since this period the Council has generated returns on its investments in excess of the average 7 day LIBID rate. The Council has now set up access to a number of Money Market Funds to utilise for short-term deposits. These Funds are AAA rated securities which pay a better rate of interest than the DMO.

From December 2017 the Council ceased holding an investment balance with Handelsbanken following an announcement they would drop their interest rate below that of the DMO. Since then the Council has invested solely with the DMO at 0.25%.

3.4 FORMER SOUTH YORKSHIRE COUNTY COUNCIL

No new borrowing or rescheduling took place during 2017/18, whilst one loan of £39.709m matured during the year. Thus at 31 March 2018, external debt, all with the PWLB, totalled £37.000m. The average interest rate on the debt is 5.16%.

The Former South Yorkshire County Council had no investments at 31 March 2017, the same as at 31 March 2016.

The actual prudential indicators for the Former South Yorkshire County Council are shown in the attached Appendix B.

4. Options considered and recommended proposal

- 4.1 No options considered as the report outlines actual Treasury Management activity during 2017/18

5. Consultation

- 5.1 None required

6. Timetable and Accountability for Implementing this Decision

- 6.1 None

7. Financial and Procurement Implications

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

8. Legal Implications

8.1 None, other than ensuring compliance with the Code of Practice for Treasury Management in the Public Services Local Government Act 2003 (as updated) and the Prudential Code (as updated).

9. Human Resources Implications

9.1 There are no Human Resource implications arising from the report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

11. Equalities and Human Rights Implications

11.1 There are no implications arising from this report to Equalities and Human Rights.

12. Implications for Partners and Other Directorates

12.1 There are no implications arising from this report for Partners and other Directorates.

13. Risks and Mitigation

13.1 Regular monitoring of treasury management activity throughout the financial year ensures that risks and uncertainties are addressed at an early stage and hence kept to a minimum.

14. Accountable Officer

Judith Badger – Strategic Director of Finance and Customer Service

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Graham Saxton	15.06.2018
Assistant Director of Legal Services	Neil Concannon	13.06.2018
Head of Procurement (if appropriate)	N/A	
Head of Human Resources (if appropriate)	N/A	

Report Author: Rob Mahon – Finance Manager (Financial Accounting)
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APPENDIX A

Summary Prudential Indicators: Rotherham MBC

		Actual	Revised Estimate	Original Estimate
		£m	£m	£m
1	Capital Expenditure (excluding PFI & Finance lease liabilities)	52.705	81.785	69.638
2	Capital Financing Requirement (CFR) including PFI & similar liabilities:			
	General Fund	493.882	505.363	506.890
	HRA	304.125	304.125	304.125
	Total	798.007	809.488	811.015
3	Net Borrowing compared to CFR excluding PFI & similar liabilities:			
	Total Borrowing	447.007	523.776	523.776
	Total Investments	0.000	20.000	20.000
	Net Borrowing	447.007	503.776	503.776
	CFR	665.219	676.700	678.226
	Under-borrowing	218.212	172.924	174.450
4	Net Borrowing compared to CFR including PFI & similar liabilities:			
	Borrowing (from above)	447.007	523.776	523.776
	Borrowing (PFI etc.)	132.789	132.789	132.789
	Total Borrowing	579.796	656.565	656.565
	Total Investments	0.000	20.000	20.000
	Net Borrowing	579.796	636.565	636.565
	CFR	798.007	809.488	811.015
	Under-borrowing	218.211	172.923	174.450
5	Authorised Limit for external debt			
	Assumed Borrowing	709.184	709.184	709.184
	PFI & similar liabilities	135.555	135.555	135.555
	Authorised Limit	844.739	844.739	844.739
	Total Borrowing	579.796	656.565	656.565
	Borrowing Below Limit	264.943	188.174	188.174
6	Operational boundary for external debt			
	Assumed Borrowing	523.776	523.776	523.776
	PFI & similar liabilities	132.789	132.789	135.555
	Operational Boundary	656.565	656.565	659.331
	Total Borrowing	579.796	656.565	656.565
	Borrowing Below/(Above) Boundary	76.769	0.000	2.766
7	Maximum Funds invested > 364 days	0.000	10.000	10.000

		Revised	Original
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		Actual	Estimate	Estimate
		%	%	%
8	Ratio of financing costs to net revenue stream – Non HRA	6.14	6.02	7.01
9	Ratio of financing costs to net revenue stream – HRA	15.99	15.57	16.37
		£	£	£
10	Incremental impact of capital expenditure plans on the Band D Council Tax	5.90	15.78	15.78
11	Incremental impact of capital expenditure plans on housing rents levels	0	0	0

12	Maturity Structure of Fixed Rate Borrowing	Actual	Revised Upper Limit	Original Upper Limit
		%	%	%
	Under 12 Months	6.11	35	35
	12 months to 2 years	2.75	35	35
	2 years to 5 years	11.35	45	45
	5 years to 10 years	4.96	45	45
	10 years to 20 years	10.12	45	45
	20 years to 30 years	2.44	50	50
	30 years to 40 years	17.08	50	50
	40 years to 50 years	22.81	55	55
	50 years and above	22.38	60	60

13	Upper Limit on fixed interest rates based on fixed net debt	Actual	Revised Upper Limit	Original Upper Limit
		%	%	%
		79.64	100	100

14	Upper Limit on variable rates based on fixed net debt	Actual	Revised Upper Limit	Original Upper Limit
		%	%	%
		20.36	30	30

Summary Prudential Indicators: Former South Yorkshire County Council

		Actual £m	Revised Estimate £m	Original Estimate £m
1	Authorised Limit for external debt			
	Authorised Limit	86.709	86.709	86.709
	Total Borrowing	76.709	86.709	86.709
	Borrowing Below Limit	10.000	0.000	0.000
2	Operational boundary for external debt			
	Operational Boundary	86.709	86.709	86.709
	Total Borrowing	76.709	86.709	86.709
	Borrowing Below Boundary	10.000	0.000	0.000

3	Maturity Structure of Fixed Rate Borrowing	Actual %	Revised Upper Limit %	Original Upper Limit %
	Under 12 Months	2.19	25	25
	12 months to 2 years	44.59	50	50
	2 years to 5 years	53.21	100	100

4	Upper Limit on fixed interest rates based on fixed net debt	Actual %	Revised Upper Limit %	Original Upper Limit %
		100	100	100

5	Upper Limit on variable rates based on fixed net debt	Actual %	Revised Upper Limit %	Original Upper Limit %
		0	30	30

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Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioners' Decision Making Meeting – 9 July 2018

Report Title

New Applications for Business Rates Discretionary Relief

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)

Diane Woolley – Team Leader, Local Taxation
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Ward(s) Affected

All

Summary

To consider the applications for the award of a business rate discretionary relief for the organisations listed in Section 2. This is in accordance with the Council's Discretionary Business Rates Relief Policy (approved 12th December 2016).

Recommendations

That 20% top up relief is awarded to:-

- Bramley Scouts, 62A Main Street, Bramley Rotherham, S66 2SQ for the period 1 April 2018 to 31 March 2019
- Rotherham Talking Newspaper, Park Hall, Victoria Park, Rosehill Road, Rawmarsh, Rotherham, S62 7HJ for the period 1 April 2018 to 31 March 2019 and
- Magna Trust, Sheffield Road, Templeborough, Rotherham, S60 1DX for the period 21 February 2018 to 31 March 2019.

List of Appendices Included

None

Background Papers

Discretionary Rate Relief Policy - Approved on 12 December 2016

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

New Application for Discretionary Rate Relief

1. Recommendation

1.1 That 20% top up relief is awarded to:-

- Bramley Scouts, 62A Main Street, Bramley Rotherham, S66 2SQ for the period 1 April 2018 to 31 March 2019
- Rotherham Talking Newspaper, Park Hall, Victoria Park, Rosehill Road, Rawmarsh, Rotherham, S62 7HJ for the period 1 April 2018 to 31 March 2019 and
- Magna Trust, Sheffield Road, Templeborough, Rotherham, S60 1DX for the period 21 February 2018 to 31 March 2019.

2. Background

2.1 Section 47 of the Local Government Finance Act (LGFA) 1988 conveys power on local authorities to allow discretionary relief that would be additional to the mandatory relief. This is given when the property is used wholly or mainly for charitable purposes by a charity or other non-profit body whose main objects are charitable or benevolent, or concerned with education, social welfare, science, literature or the arts.

2.2 The Council can grant discretionary relief to:-

- Registered Charitable Organisations, including Community Amateur Sports Clubs. The relief granted is up to 20% of the rate liability as these organisations are eligible for 80% mandatory rate relief.
- Other organisations or institutions that are not established or conducted for profit and whose aims are charitable or otherwise, philanthropic, religious, concerned with education, social welfare, science, literature or fine arts. Relief can be granted up to 100% of the business rates liability.
- Properties occupied by not for profit sports or social clubs, societies or other organisations for the purposes of recreation. Relief can be granted up to 100% of the business rates liability.
- Rate relief to ratepayers – Section 47 of the LGFA 1988 was amended by Section 69 of the Localism Act 2011. This amendment gives the Council the discretion to grant relief to any other body, organisation or ratepayer, having due regard to its Council Tax payers.

2.2.1 The Council has operated a system of awarding relief through the application of a policy that was approved by the former Cabinet on 24th April 2013 which has more recently been revised and subsequently approved by Cabinet on 12 December 2016.

2.2.2 The funding for Discretionary Rate Relief was, until the introduction of the Government's Business Rates Retention Scheme (April 2014), shared with Central Government through the National Non-Domestic Rate Pool. Local authorities were reimbursed with 25% of the cost of discretionary rate relief granted to charities and Community Amateur sports Clubs, and 75% of the cost of relief granted to other bodies. Now, with the localisation of business rates, Central Government and Councils share every £1 of rates due on a 50/50 basis as follows:

Central Government	50%
South Yorkshire Fire and Rescue Authority	1%
Rotherham MBC	49%

2.3 **Application 1:**

Bramley Scouts

62A Main Street, Bramley, Rotherham S66 2SQ

2.3.1 Bramley Scouts work with young people to develop good citizenship by training them in observation, obedience and self-reliance.

Emphasis is given to teaching around services useful to the public and skills useful to themselves as well as promoting their physical, spiritual and mental development.

2.3.2 The application for the award of discretionary relief is in line with the Council's qualifying criteria as set out in its Policy. The charity actively encourages membership for all young people within the community. They are able to cater for children with disabilities. The organisation relies heavily upon unpaid volunteers

2.3.3 Bramley Scouts is applying for 20% discretionary top up relief with regard to their 2018/19 rates liability. The financial implication of awarding the rate relief is set out in section 7 of this report.

2.4 **Application 2:**

Rotherham Talking Newspaper

Park Hall, Victoria Park, Rosehill Road, Rawmarsh, Rotherham S62 7HJ

2.4.1 Rotherham Talking Newspaper is a charity which aims to help people suffering from sight impairment to access the written word. They also make their services available to those with any physical disability which makes holding a book or newspaper difficult.

2.4.2 The application for the award of discretionary relief is in line with the Council's qualifying criteria as set out in its Policy. The organisation offers its services to all those with a sight impairment and there are no fees or subscriptions.

2.4.3 Rotherham Talking Newspaper is applying for 20% discretionary top up relief with regard to their 2018/19 rates liability. The financial implication of awarding the rate relief is set out in section 7 of this report.

**2.5 Application 3:
Magna Trust
Cent@Magna, Sheffield Road, Rotherham S60 1DX**

2.5.1 Magna Trust is a charity which works to advance education of British industry with particular emphasis on the steel industry.

The organisation provides educational workshops and visits and actively encourages disabled and disadvantaged groups to access its facilities and services

This application is in respect of a property which is currently being used to store essential equipment required in the delivery of services.

2.5.2 The application for the award of discretionary relief is in line with the Council's qualifying criteria as set out in its Policy.

The organisation is open to all sections of the community and seeks to advance education through collection, exhibition and interpretation of evidence, activities and skills relating to British industry.

Magna Trust already benefits from an award of relief on the main property from which they operate.

2.5.3 Magna Trust is applying for 20% discretionary top up relief with regard to their 2017/18 and 2018/19 rates liability. The financial implication of awarding the rate relief is set out in section 7 of this report.

3. Key Issues

3.1 To consider the applications requesting the award of discretionary relief to the organisations listed in Section 2.

4. Options considered and recommended proposal

4.1 Given the discretionary nature of the relief requested, the Council has the discretion to either award or not award a discretionary relief.

4.2 In helping Members make such a decision, the Council has put in place a specific Policy framework to consider individual applications. In accordance with that Policy, applications (including supporting documentation) for relief have been considered in line with the qualifying criteria and other considerations set out in that Policy.

4.3 In line with the Council's Business Rates Discretionary Relief Policy, having regard to the financial cost of the proposed relief, the charitable use of the premises and the contribution that these businesses make to the local community, it is recommended that an award for discretionary relief be granted to the organisations listed in Section 2.

5. Consultation

- 5.1 The recommendations in the report are based on the application of an existing policy. There has been no specific consultation carried out in relation to any individual organisations referred to within this report.

6. Timetable and Accountability for Implementing this Decision

- 6.1 The applicants will be advised by letter of the outcome of their application for relief within 10 working days of the Cabinet decision.

7. Financial and Procurement Implications

- 7.1 The applicants have provided financial information in support of their applications for discretionary relief which have been assessed by the Council's Finance department.

Financial support in the form of discretionary relief is considered appropriate in respect the organisations listed in Section 2.

- 7.2 The total potential cost of granting the relief for the financial years 2017/18 and 2018/19 is set out below in paragraph 7.3 alongside the specific cost to the Council.

7.3	Year	Total Amount of Relief	Cost to RMBC
Bramley Scouts			
	18/19	£463.42	£227.08
Rotherham Talking Newspaper			
	18/19	£335.24	£164.27
Magna Trust			
	17/18	£143.31	£70.22
	18/19	£1,380.40	£676.40

8. Legal Implications

- 8.1 The statutory framework for discretionary relief is set out in the body of the report.

9. Human Resources Implications

- 9.1 No direct implications from this report

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 No direct implications from this report

11. Equalities and Human Rights Implications

11.1 No direct implications from this report

12. Implications for Partners and Other Directorates

12.1 No direct implications from this report

13. Risks and Mitigation

13.1 The Government has issued guidance notes to advise Authorities what criteria should be used in considering applications for Discretionary Rate Relief. Authorities have been strongly advised to treat each individual case on its own merits and to not adopt a policy or rule which allows them to not consider each case without proper consideration. In cognisance of these guidance notes, the Council has formally adopted a Policy framework for considering individual discretionary business rates relief applications with the decision to award reserved for Cabinet.

14. Accountable Officer(s)

Approvals obtained on behalf:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Graham Saxton	12.06.2018
Assistant Director of Legal Services	Stuart Fletcher	15.06.2018
Head of Procurement (if appropriate)	N/A	
Head of Human Resources (if appropriate)	N/A	

*Report Author: Diane Woolley – Team Leader, Local Taxation
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Public Report with Exempt Appendix
Cabinet and Commissioners' Decision Making Meeting

Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioners Decision Making Meeting – 9 July 2018

Report Title

Modern Methods of Construction Pilot to Build Affordable Homes

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 of Adult Care, Housing and Public Health

Report Author(s)

Liz Hunt, Affordable Housing Co-ordinator
01709 334956 or elizabeth.hunt@rotherham.gov.uk

Jane Davies, Head of Strategic Housing and Development
01709 334970 or jane.davies@rotherham.gov.uk

Ward(s) Affected

Hoover
Valley

Summary

This report requests Cabinet approval to deliver 12 bungalows for older people through a pilot to test alternative modern construction methods. Funding for the pilot will come from the Housing Revenue Account (HRA) and subject to confirmation, grant funding from the Sheffield City Region's Housing Fund.

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

- Increased pace of delivery
- Quality and energy efficiency can be higher
- Some providers claim the costs are lower than traditional construction

The MMC project will achieve the following outcomes:

- 12 new Council bungalows for older people to rent
- Making the best use of HRA small sites to deliver new Council homes

- Testing of modern methods of offsite construction to deliver high quality, energy efficient homes at a faster pace – which if successful could be scaled up to make a significant contribution to the borough's housing growth target
- Diversification of the local construction industry by offering opportunities to small and medium sized builders

The report explains that these technologies are new to Rotherham and, until the procurement exercise has been completed it is not possible to analyse property lifespan and lifecycle costings. A robust appraisal will be carried out by officers in finance, repairs and maintenance, asset management and housing services, to ensure the proposals demonstrate long term value for money to the Council.

Recommendations

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 Cabinet in November 2018 to:
 - detail the Outline Business Case
 - recommend contract partners and
 - seek approval for use of Housing Revenue Account capital resources for the pilot up to a maximum of the amount set out in exempt Appendix 2, following a procurement exercise.

Background Papers

Appendix 1 Summary of modern construction methods

Appendix 2 Exempt financial information

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board – 4 July 2018

Council Approval Required

No

Exempt from the Press and Public

While the main report is an open item, exemption for Appendix 2 is requested under paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act, as it contains sensitive commercial information with regards to the Council's contracts.

Modern methods of construction pilot to build affordable homes

1. Recommendations

- 1.1 That the use of the identified sites to deliver affordable housing using modern methods of construction be approved.
- 1.2 That a further report be submitted to Cabinet in November 2018 to:
 - detail the Outline Business Case
 - recommend contract partners and
 - seek approval for use of Housing Revenue Account capital resources for the pilot up to a maximum of the amount set out in exempt Appendix 2, following a procurement exercise.

2. Background

- 2.1 This report requests Cabinet approval to deliver 12 bungalows for older people, through a pilot to test alternative modern construction methods. Funding for the pilot will come from the Housing Revenue Account (HRA) and, subject to confirmation, grant funding from the Sheffield City Region's Housing Fund, as outlined in exempt Appendix 2.
- 2.2 'Modern methods of construction' (MMC) is a generic term used to cover several different types of homes that are manufactured in a factory environment and either fully or partially assembled in the factory, or the component parts are assembled on site (see appendix 1). In recent years the MMC products on offer have diversified and increased significantly and as the Council has not commissioned any MMC construction projects in recent years now is the ideal time to test the market.
- 2.3 MMC could provide an efficient alternative to traditional construction methods for the following reasons:
 - Increased pace of delivery
 - Quality and energy efficiency can be higher
 - Some providers claim the costs are lower than traditional construction
- 2.4 Several private sector organisations including small and medium enterprises have approached the Council in recent months, requesting opportunities to showcase their MMC products.
- 2.5 Organisations offering MMC typically require a larger 'order-book' of 200+ units to achieve the economies of scale required to set up a local factory in the area. Rotherham Council is participating in a working group with other colleagues in the Sheffield City Region (housing associations and local authorities) to explore options for a more substantial programme through collaborative procurement.
- 2.6 However in the meantime, it would be helpful to be able to test the market and evaluate the costs and quality of different MMC products, to identify whether they can meet the specific local requirement for new high quality, affordable bungalows.

- 2.7 To this end, the Strategic Housing and Development Service is undertaking an open procurement exercise, which will conclude in August / September 2018.
- 2.8 Organisations have been invited to submit designs and costings for one or more of the sites. The evaluation process will focus on quality and value for money. Returned Tenders will be evaluated against agreed criteria and compared with each other. If there are several strong bids then more than one contractor could be appointed, which would allow the Council to compare speed of delivery, quality of the end product and costings.
- 2.9 It is essential that the proposals demonstrate value for money, not just at the construction phase but over the lifetime of the home and therefore the procurement brief sets out the requirement for robust and evidenced lifecycle maintenance costings. Submissions will be evaluated and scrutinised by the Council's repairs and maintenance service and finance officers, and no contracts will be awarded unless the Council is confident that the strategic objectives can be met and value for money achieved.
- 2.10 The proposal for each site is set out below.
- Symonds Avenue, Rawmarsh – eight bungalows
 - Hounsfeld Crescent, East Herringthorpe – two bungalows
 - Hounsfeld Road, East Herringthorpe – two bungalows
- 2.11 The bungalow sites are either low demand garage sites or undeveloped HRA land, which have varying degrees of nuisance issues. If this pilot proves 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 are still required, the homes can be delivered to the site as completed units (depending on the specific product). Consequently the number of traffic movements to and from site is reduced as there are fewer large delivery vehicles.
- 2.12 It is anticipated that the build cost per property will be similar to traditional construction, due to the small numbers and the nature of the sites selected. The maximum total cost of the project has been estimated on this basis, and this has been set out in exempt Appendix 2. It is proposed that the whole of the scheme is to be HRA funded. This has been built into the new HRA business plan (approved by Cabinet and Commissioners in January 2018) although the amount provisionally identified for the MMC pilot will need to be increased. The Council has also submitted a business case to the Sheffield City Region (SCR) Housing Fund for a grant contribution to the project and the outcome should be known by late July.
- 2.13 The MMC project will achieve the following outcomes:
- 12 new Council bungalows for older people to rent – which is important as Rotherham has an ageing population and requires more level access accommodation suitable to meet people's changing needs, as set out in the Housing Strategy.

- Making the best use of HRA small sites to deliver new Council homes – and as these sites are often located within or in close proximity to existing neighbourhoods, these are particularly suitable for older people.
- Testing of modern methods of offsite construction to deliver high quality, energy efficient homes at a faster pace.
- Contribution to the Council's housing growth target.

2.14 The new bungalows will be added into the Council's stock and allocated via Key Choices to people aged over fifty or with an assessed medical need.

3. Key Issues

- 3.1 It is important to note that these technologies are new, and as yet untested in Rotherham. Until the tenders are returned, with details about property lifespan and lifecycle maintenance costings it will not be possible to ascertain whether they will deliver value for money. It is therefore essential that finance and repairs and maintenance colleagues are involved in scrutinising the tender returns, and that contracts are not entered into unless the scheme will represent value for money to the Council.
- 3.2 The Council has ambitious housing growth targets and needs to increase the delivery of new homes by around 50% per annum. A range of different delivery methods and approaches will be required to achieve the target and ensure local needs are met. The MMC pilot will achieve a relatively modest number of new homes (12) but if successful could lead to a much more extensive programme as it will allow MMC concepts to be tested.
- 3.3 The Council's own housing stock is reducing at a rate of between 150 and 200 per annum due to Right to Buy sales, and as demand and Housing Register figures continue to increase, it is important that the Council builds new Council homes to ensure the needs of Rotherham's most vulnerable residents can be met. Delivery of new homes via MMC could be much quicker than through traditional methods of construction.
- 3.4 Rotherham has an ageing population and there is an increasingly high demand for Council bungalows. Older people often wish to stay living in their existing communities and small, HRA owned sites can provide an ideal location for older people accommodation. The MMC project includes sites that are close to existing communities and where housing data reveals a high demand for level access accommodation. This will help older people to remain living independently for longer thus reducing the number of people entering residential care or hospital.
- 3.5 The MMC project will provide the opportunity for small and medium specialist companies to work in partnership with the Council, which will help to diversify the local construction industry.
- 3.6 Homes delivered by modern methods of construction typically achieve high levels of quality and energy efficiency. Industry experts state that due to the superior airtightness achieved by precision engineering and factory conditions the homes cost 20% less to heat than conventional properties, which will help to reduce fuel poverty.

- 3.7 It is likely that a separate maintenance agreement will need to be agreed with the Council's contract partners and this is being considered in the retendering of the repairs and maintenance contract. It will be a condition of the contract award that these new homes will be covered by a one year's defects liability warranty as well as a ten year structural warranty. During the one year defects liability period a firm maintenance agreement will be established with either an existing partner or another provider or the supplier of the units. The costs of all proposals will be benchmarked against the Council's ongoing maintenance contracts and industry standard information.
- 3.8 This pilot is also strategically significant for housing providers across the Sheffield City Region as a group of local authorities and housing associations are researching MMC products and preparing a joint / programme approach to procurement, to achieve the economies of scale required to merit a major programme. Rotherham will participate in this wider scheme and will share the experience from this pilot scheme.

4. Options considered and recommended proposal

- 4.1 Delivering these sites via traditional construction: At the present time manufacturing off-site is not proven to be less expensive than traditional construction, but the requirement to accelerate housing delivery along with the increasing shortage of skills have forced the housebuilding industry to look at change. Product information suggests that as the manufacturing process evolves, MMC products should be cheaper to build than traditional properties in the long term. This is an ideal time to pilot these methods in Rotherham. Traditional construction is therefore not recommended, to allow MMC to be trialled.
- 4.2 Sell the sites for development: The Council could opt to sell these sites on the open market to encourage small builders or self-builders to develop the sites. The Council's Asset Management Service has estimated the following site values – Hounsfield Crescent £30,000, Hounsfield Road £25,000, Symonds Avenue £100,000. These are relatively low values and selling the sites on the open market would not generate a significant income to the HRA. The Council has identified HRA funding which may be contributed to by SCR New Homes funding to make these new developments more viable, and there is an identified need for more housing specifically for older people. Therefore it is more beneficial for the Council to develop the sites for new Council homes. This approach is therefore not recommended.
- 4.3 The recommended approach is to undertake the MMC pilot to allow these methods and the delivery route to be tested, for the longer term strategic benefits this would deliver.

5. Consultation

- 5.1 Ward Members have been briefed on the proposals and will be kept up to date as the projects develop.

- 5.2 These are small sites and public consultation will be carried out via the planning application process, which has nationally prescribed regulations regarding informing local residents and the wider public.
- 5.3 Health Action Plan groups will be consulted, particularly those dealing with the needs of older people.
- 5.4 Households who are immediate neighbours of the site will be sent letters to inform them of the proposals and timescale for the development of the sites.
- 5.5 The Strategic Housing Forum was briefed on the MMC proposal as part of the overall housing growth plans for the borough. All members were supportive of the proposal.
- 5.6 The SCR “More New Homes” steering group has been consulted on the proposal, and the benefits of sharing information between the Rotherham small sites pilot and the wider SCR collaborative programme were confirmed. This is one of the principles underpinning the Council’s funding bid to the SCR Housing Fund.
- 5.7 The Strategic Housing and Development Services will engage with other relevant partners and teams to establish the detail around allocation of the single person household homes.

6. Timetable and Accountability for Implementing this Decision

- 6.1 The timescale for the commencement of construction is subject to Cabinet approval of a comprehensive business case later in the year. However, some site works can be undertaken ahead of this, including site investigation works and the procurement exercise to engage contractor/s. Indicative scheme designs can be worked up. Planning colleagues have already been consulted and have confirmed that all of the sites are suitable for residential development. The project will be completed during summer 2019.
- 6.2 The table below details the key milestones associated with the project:

Dates	Key milestones
April – June 2018	Site investigation works and topographical surveys
April – June 2018	Procurement tender to be finalised
9 th July 2018	Report to Cabinet and Commissioners
July – end of August 2018	Tender sent out to prospective contractors via an open procurement exercise
September 2018	Return of tenders and evaluation
September 2018	Production of detailed outline business case and Cabinet report
November 2018	Cabinet and Commissioner report seeking approval of business case and tender acceptance
November 2018	Award of tender to successful contractor/s and legal contracts to be agreed and signed
November – January 2019	Planning approval gained for the sites

January 2019	Start on site
Summer 2019	Completion of the units

- 6.3 The project will be overseen by the Affordable Housing Co-ordinator who will work closely with Asset Management and other council services.
- 6.4 Overarching progress will be overseen by the Housing and Regeneration Programme Delivery Board / Officer Group and the overall accountable officer will be the Assistant Director of Housing and Neighbourhoods.

7. Financial and Procurement Implications

- 7.1 The estimated project costs are set out in exempt Appendix 2.
- 7.2 The new HRA Business Plan includes funding for the MMC project, although the amount provisionally allocated will need to be increased as set out in appendix 2. More than £50m of HRA capital resources have been identified in the business plan for housing growth over the next five years. The amount allocated in the HRA Business Plan is not an approved budget and a detailed outline business case will be produced and reported to Cabinet in November, which will set out the HRA resources required and formally request a capital budget. If approved, funding of this initiative will be via HRA Revenue Reserves and SCR funding as per 7.3 below if awarded.
- 7.3 SCR funding may be granted to cover a proportion of the project costs, this is also set out in appendix 2. Any grant received will form part of the funding for this initiative.
- 7.4 The properties will generate New Homes Bonus and council tax income which will contribute to the achievement of financial planning assumptions within the Council's Medium Term Financial Strategy. The new bungalows will also generate approximately between £58K and £60K per annum of rental income to the Housing Revenue Account. According to the literature available the long term management and maintenance costs of these new bungalows should be no different to traditional build properties but they will be subject to a separate maintenance agreement with the Council's maintenance partners.
- 7.5 Many of the SME contractors who provide MMC are relatively new entrants to the housing market. Therefore they are not on current procurement frameworks such as Yorbuild as these frameworks are only updated every five years or so. In order to have the greatest scope and attract a maximum number of tender returns the procurement process will run as an open tender via YorTender to allow all possible contractors to submit tender bids, which will then be evaluated and compared against pre-determined criteria. Up to two contractors could be appointed to develop the sites.

8. Legal Implications

- 8.1 All contracts in respect of this project will be managed by the Council's Asset Management Team, and will follow industry standard form. The Council will retain 'step in' rights to complete the works should any contractor fail to finish the project. Further contractors will only be paid in staged payments following the completion of works, therefore the Council will never pay for works that have not been completed.

9. Human Resources Implications

- 9.1 None identified.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 The main groups to benefit from the new homes will be older people requiring level access accommodation, which will help people to live independently for as long as possible.

11. Equalities and Human Rights Implications

- 11.1 None identified.

12. Implications for Partners and Other Directorates

- 12.1 The programme will be delivered by the Strategic Housing and Development Service, but essential roles will also be played by officers in Asset Management and Planning services within the Regeneration and Environment directorate.

13. Risks and Mitigation

- 13.1 Some of the SME companies developing these projects may be relatively new companies with a short trading history. Consequently, on paper, they may be deemed as 'high risk' partners. The Council will have legal 'step in' rights to appoint other contractors to finish any works that are outstanding should a company go into administration.
- 13.2 Inspection of the ongoing project will be carried out by the Council's Clerk of Works, who will only authorise payments once he / she is satisfied that all the works have been completed to the correct standards. This system reduces the Council's exposure to financial risk.
- 13.3 The new bungalows will not be exempt from Right to Buy applications. Due to national Government Policy the Council cannot exempt these homes. At the point of a Right to Buy application if the 'cost floor' (build cost plus all the fees and additional project costs) of the property is higher than the tenant's purchase price (after the discount has been applied) then the tenant will have to purchase at the cost floor amount – i.e. the level of discount is reduced. In circumstances where the open market value of the property is lower than the cost floor then the Council will have to sell at the open market value and write off the difference between the cost floor and the open market value.

- 13.4 The long term maintenance costs associated with some of the MMC build types is not yet known. However this information will form part of the evaluation process for the procurement Tenders and will be compared to the standardised maintenance costs for all other Council properties. This will form part of the Value for Money exercise. However, a stand-alone maintenance contract may be required for the units and this will be taken into account in the repairs and maintenance contract re-Tendering process.
- 13.5 Overall the risk of not undertaking this pilot is that the Council will not have a clear understanding of the benefits of MMC and the opportunity to deliver a major housebuilding programme on other key sites, at a faster pace than through traditional methods. The report explains that robust evaluation and scrutiny will take place of all proposals prior to contracts being signed to ensure that the new homes will provide value for money over the lifetime of the homes, not just at the point of construction.
- 13.6 There is a risk that the grant funding request is not approved, and even if it is, the full details of the terms and conditions are currently unknown. However this will be taken into account in the detailed business case.

14. Accountable Officer(s)

Tom Bell - Assistant Director of Housing and Neighbourhood Services

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Judith Badger	22.06.2018
Assistant Director of Legal Services	Lesley Doyle	May 2018
Head of Procurement (if appropriate)	Karen Middlebrook	May 2018
Head of Human Resources (if appropriate)		

*Report Author: Liz Hunt, Affordable Housing Co-ordinator
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*Jane Davies, Head of Strategic Housing and Development
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Appendix 1 – Summary of modern construction methods

Mode of delivery	Description
Open Panel	A structural frame using panels constructed in the factory and assembled on site. Services, insulation and internal finished are installed on site.
Closed Panel	Similar to open panel but with more factory based fabrication with some internal finished and often doors and windows being pre-installed.
Volumetric	The most factory-based form of production. Three dimensional models are used in isolation or in multiples. Can be pre-finished with all fixtures and fittings.
Hybrid	A combination of volumetric and panelised systems. High value areas (kitchens and bathrooms etc) are formed in a pod and the rest uses panels as a frame.
Sub-Assemblies	Major structural elements are manufactured off site but are not part of the primary structure, e.g. foundations
Components	Non-structural elements are manufactured off site. Less common but can include mechanical or electrical services.

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

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Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioners Decision Making Meeting – 9 July 2018

Report Title

Delivery of Housing Association Homes on Housing Revenue Account sites

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 for Adult Care, Housing and Public Health

Report Author(s)

Jane Davies, Head of Strategic Housing and Development
01709 334970 or jane.davies@rotherham.gov.uk

Liz Hunt, Affordable Housing Co-ordinator
01709 334956 or elizabeth.hunt@rotherham.gov.uk

Wards Affected

Hoover
Wickersley

Summary

This report is seeking 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 Association are:

- One site at Hornbeam Close, Flanderwell – to accommodate three x two bedroom houses via modern methods of construction (MMC).
- One site at Greenwood Crescent, Wickersley – to accommodate two x two bed houses via MMC.
- One site at Willow Close, Flanderwell – to accommodate five x two bedroom houses via MMC.
- One site at Craig Walk, Bramley – to deliver four x two bedroom houses via MMC.

The site to transfer to Johnnie Johnson Housing Association is:

- Orchard Place (rear of 9 – 29 Melton High Street) West Melton – to deliver up to eight x two bedroom bungalows.

Housing associations play a key role in meeting the housing needs of Rotherham's residents and both Arches Housing Association (Arches) and Johnnie Johnson Housing Association (Johnnie Johnson) have a history of successful delivery in Rotherham and have existing stock within the borough.

All the new homes will be delivered for affordable rent and the Council will receive nomination rights to the properties. The total scheme cost for the Arches development and the Johnnie Johnson represents £3.23m of investment into the borough. Both organisations will request grant funding from Homes England to support their schemes. This funding is time bound and all the developments have to be completed by March 2021 or the funding offer will be withdrawn.

All of the sites are all vacant Council HRA land or under-utilised garage sites. Planning colleagues have been consulted and it is their opinion that all the sites would be suitable for residential development.

Delivery of affordable housing schemes is always financially challenging and both housing associations have requested a land transfer for the value of £5K per plot. This reduced land value is 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, and these are detailed in section 7.

Recommendations

1. That approval be given to the transfer of four parcels of HRA land as detailed above to Arches Housing Association for £5K per plot value.
2. That approval be given to the transfer of one parcel of HRA land at Orchard Place, West Melton for £5K per plot value.

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board – 4 July 2018

Council Approval Required

No

Exempt from the Press and Public

No

Delivery of Housing Association Homes on Housing Revenue Account sites

1. Recommendations

- 1.1 That approval be given to the transfer of four parcels of HRA land as detailed above to Arches Housing Association for £5K per plot value.
- 1.2 That approval be given to the transfer of one parcel of HRA land at Orchard Place, West Melton for £5K per plot value.

2. Background

- 2.1 Within Rotherham there has been a longstanding partnership arrangement with housing associations to enable the delivery of affordable housing across the borough. Over the past five years housing associations have delivered 504 units of affordable housing which represents 80% of the total number of affordable housing units delivered. Arches and Johnnie Johnson housing associations are both longstanding stock holding partners.
- 2.2 A portfolio of Housing Revenue Account (HRA) sites was sent to all housing association providers and they were asked to submit proposed housing schemes for any sites that they were interested in developing. Only Arches and Johnnie Johnson responded to this marketing exercise. Most other housing associations stated that the sites on offer were too small for development to be viable or did not respond.
- 2.3 Both Arches and Johnnie Johnson will submit bids to Homes England for grant funding to support the development of the housing schemes.
- 2.4 Arches will build fourteen new homes across the sites. These will all be two bedroom houses built to Lifetime Homes standards, and delivered through modern methods of construction (MMC). This will complement the Council's pilot scheme for new building methods, and increase the amount of information and cost data available about different construction methods.
- 2.5 Johnnie Johnson will build eight x two bedroom bungalows at Orchard Place, West Melton. They will be built using traditional methods of construction and allocated via Key Choices to those over 55 years of age or with an assessed medical need.
- 2.6 The Council's Asset Management Service has undertaken valuations of all the sites. These values are set out in section 7. Historically the Council has transferred HRA land at a fixed value of £5K per plot to support wholly affordable housing schemes which is in line with Homes England guidance. The input of land at less than market value to support affordable housing is advocated by the Government's "something for something" agenda.

- 2.7 The financial viability of the schemes will be compromised if the sites are not transferred at a reduced value. The development of small sites carries a disproportionately high level of fees and costs compared to larger sites where economies of scale can be achieved. There is a risk that the schemes will not be delivered at all and, by accepting a reduction in land value, £3.23m of external housing investment will be brought into Rotherham.

3. Key Issues

- 3.1 The transfer of these sites at a reduced value will enable 22 new affordable homes to be delivered in Rotherham.
- 3.2 The open market value of the sites is outlined in section 7. Whilst the capital receipt to the HRA will be reduced, this can be justified when all the other benefits outlined in this report are taken into account.
- 3.3 Evidence of demand for these properties is strong. Housing needs data shows that there are currently 6,506 people on the waiting list across the borough. In the Wickersley ward, demand for two bed houses is 27 bids per property (compared to the borough wide average of 24 bids per property). In West Melton, demand for two bedroom bungalows is 34 bids per property. This illustrates that there is an unmet demand for social housing in both locations, particularly for bungalows.
- 3.4 A legally binding nomination agreement will be signed as part of the land transfer process by the Council and each of the housing associations. Key Choices will have the opportunity to refer those on the Council waiting list on the first let of all the properties. Thereafter, nominations are 50/50 with both Arches and Johnnie Johnson on an alternate basis. This is the South Yorkshire wide practice with all partner housing associations.
- 3.5 Both housing associations have shown commitment to Rotherham by progressing initial scheme designs and the associated costs at their own risk.
- 3.6 This affordable housing scheme will bring £3.23m of inward investment into the borough.
- 3.7 Although these schemes will be project managed by the housing associations, the Council's Affordable Housing Officer will maintain oversight and monitor progress to ensure the homes are delivered to the stated quality and timescales.

4. Options Considered and Recommended Proposal

- 4.1 Not to transfer the sites to Arches and Johnnie Johnson at a reduced rate of £5K per plot. The sites may remain vacant for the foreseeable future and this is therefore not recommended.

- 4.2 To develop the sites for Council housing using HRA capital resources. This is an option but there are other immediate development priorities which are progressing. Limited staff resources mean that it is unlikely that the sites will be worked up for development in the immediate future. The HRA capital resources are not infinite and the opportunity to bring external housing investment into the borough should not be dismissed. This option is therefore not recommended.
- 4.3 To sell the sites on the open market. The sale of these sites may not achieve the open market value. The Council will lose certainty of delivery of new homes. It is unlikely that any affordable housing may be gained via S106 on these sites as they are too small to trigger the planning policy requirement. This option is therefore not recommended.
- 4.4 The recommended option is to transfer the land to the housing associations as per the recommendations of this report, to accelerate the delivery of 22 new homes in the borough.

5. Consultation

- 5.1 Local ward members have been consulted on the proposals and their feedback taken into account, and members of the public will be consulted via the planning process.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Subject to Cabinet approval of this report, work to enable the land transfers will be completed over the summer months of 2018. The land transfers will be dealt with by the Council's Asset Management and Legal Services. Both housing associations are keen to complete the land purchase as soon as possible and will progress planning applications alongside the land transfer process, and hope to begin works on site by spring 2019.
- 6.2 The project will be overseen by the Council's Affordable Housing Officer and the overall accountable officer will be the Assistant Director for Housing and Neighbourhoods.

7. Financial and Procurement Implications

- 7.1 The Council will accept a reduced capital receipt for the site in order to enable wholly affordable housing schemes to be developed. Full valuations have been carried out by the Asset Management Team and the total potential income is reduced by £213K as shown in the table below:

Site	Open Market Value	Transfer value to housing association	Level of Discount	Number of units
Hornbeam Close, Flanderwell	£ 33,000	£ 15,000	£ 18,000	3
Greenwood Crescent, Wickersley	£ 40,000	£ 10,000	£ 30,000	2
Willow Close, Flanderwell	£ 70,000	£ 25,000	£ 45,000	5
Craig Walk, Bramley	£ 60,000	£ 20,000	£ 40,000	4
Orchard Place, West Melton	£120,000	£ 40,000	£ 80,000	8
Total	£323,000	£110,000	£213,000	22

7.2 However, the properties will generate New Homes Bonus and council tax income which will contribute to the achievement of financial planning assumptions within the Council's Medium Term Financial Strategy.

7.3 In order to achieve "best value" for this area of HRA land all factors have to be taken into consideration:

- Total external funding investment of £3.23m including grant funding.
- Certainty of delivery of 22 new affordable homes for which the Council will receive nomination rights, alleviating pressure on the Housing Register.
- Generation of income through NHB and council tax

8. Legal Implications

8.1 The Authority is, pursuant to s.123 Local Government Act 1973 obliged to achieve 'best consideration' on any disposal of land. However, this consideration does not need to be obtained in purely monetary form and can comprise achievement of other Authority aims such as the delivery of Affordable Housing. Given that the transfer at a reduced rate is required to achieve delivery of affordable housing and the anticipated receipt of the New Homes Bonus "best consideration" is being achieved by the proposed transfer.

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 The bungalows will be allocated to people aged over 55 or those with an assessed medical need, therefore supporting people to live independently.

11 Equalities and Human Rights Implications

11.1 The new homes will be offered to applicants on the Council's housing register who can bid for the homes via the nomination process. Providing new affordable homes will increase access to suitable housing for those in need.

12. Implications for Partners and Other Directorates

12.1 The Councils Asset Management and Legal services will be involved in the sales process.

13. Risks and Mitigation

13.1 The only risk associated with this scheme is that the housing associations may not build out the schemes. However, to mitigate against this there will be a clause in the land sales document with a longstop date by which the units must be started and finished. If work does not commence then the housing associations will be under a legal obligation to sell the sites back to the Council for the purchase price.

14. Accountable Officer(s)

Tom Bell, Assistant Director – Housing and Neighbourhoods

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	22/06/18
Assistant Director of Legal Services (Monitoring Officer)	Stuart Fletcher	22/06/18
Assistant Director of Human Resources (if appropriate)	N/A	
Head of Procurement (if appropriate)	N/A	

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This report is published on the Council's [website](#).

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Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioners' Decision Making Meeting – 9 July 2018

Report Title

Capital Investment in Street Cleansing Equipment and Bins

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 and Environment.

Report Author(s)

Tom Smith, Assistant Director, Community Safety and Street Scene
01709 822902 or tom.smith@rotherham.gov.uk

Martin Raper, Head of Street Scene Services
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Ward(s) Affected

All

Summary

The Budget and Council Tax 2018-19 report to Cabinet and Commissioners' Decision Making Meeting approved the Council's Capital Strategy to 2021/22. As part of this, £610,000 of Priority Capital Investment monies were identified for 'Street Cleansing Equipment and Bins'. This investment is intended for service improvement for cleansing and bins with options for Solar Compactor Bins to be explored.

Individual projects, setting out costs and efficiency savings, were to be brought to Cabinet for approval.

This report seeks 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 seeks 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.

Recommendations

- 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.

List of Appendices Included

Appendix A Example Bin Types across Rotherham Metropolitan Borough Council

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Capital Investment in Street Cleansing Equipment and Bins

1. Recommendations

- 1.1 That £408,500 of Capital Expenditure be released for investment in Street Cleansing Equipment and Bins.
- 1.2 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.
- 1.3 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.

2. Background

- 2.1 The Budget and Council Tax 2018-19 report to Cabinet and Commissioners' Decision Making Meeting approved the Council's Capital Strategy to 2021/22 on the 19th February 2018. As part of this, £610,000 of Priority Capital Investment monies were identified for 'Street Cleansing Equipment and Bins'. This investment is intended for service improvement for cleansing and bins with options for Solar Compactor Bins to be explored.
- 2.2 Paragraph 3.7.8 of that report identified that individual projects, setting out costs and efficiency savings, were to be brought to Cabinet for approval.
- 2.3 This report sets out the business case for this investment and seeks formal approval to draw down £408,500 of this earmarked funding. This capital investment in a range of street cleansing equipment and bins, balances 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 seeks 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.

3. Key Issues

Mechanical Cleaning

- 3.1 Rotherham Metropolitan Borough Council undertakes scheduled street cleansing using a mixture of manual (litter-picking) and mechanical (path/road sweeping) resources. Mechanical cleansing is by far the most efficient and effective way to keep the public highway clear of litter and detritus. Regular mechanical cleaning of highway channels removes litter, but also prevents the build-up of detritus and weed growth, and supports the cleanliness of drainage gullies.
- 3.2 The current mechanical cleansing schedule in Rotherham is arranged around three frequencies:

- Town centre – daily as required.
- A-Roads – once per month
- B-Roads – four times per year
- All other roads – once per year

- 3.3 These cleansing frequencies are dictated by the vehicular resources available to the service. In Rotherham the Council runs two large LGV size road-sweepers which are only suitable for roads, and one small path-sweeper, which can sweep roads and pathways.
- 3.4 In comparison our neighbouring authorities run more mechanical cleaning vehicles than in Rotherham. Doncaster Council have four large LGV road sweepers, and ten small path-sweepers. Barnsley Council have three large LGV road sweepers, and two small path-sweepers.
- 3.5 In order to bring Rotherham's mechanical provision more in line with neighbouring Authorities, the Council would need to expand its current mechanical sweeping provision by three vehicles.

Litter Bin Provision

- 3.6 Rotherham Metropolitan Borough Council services 1,880 litter bins across the borough (7.2 per 1,000 head of population). Of these around 120 are in the main town centre of Rotherham. A recent audit showed that around 15% of the litter bins are damaged or inappropriate, and require repair or replacement. They fell into the following categories:

Reason for replacement	Number of bins	Estimated Cost of Replacement
Damaged / with faults	90	£31,500
Open concrete bins	70	£24,500
TOTAL	160	£56,000

- 3.7 At present the number of requests for repair or replacement of litter bins outstrips the Councils' financial capacity, and has led to a backlog of reactive repairs. Where litter bins are dangerously damaged and need removing urgently, this can mean that the Council simply removes the bin in the first instance, rather than replaces it, as there is insufficient budget to ensure a replacement can be provided.
- 3.8 In addition to the above, there are a number of litter bins across the Borough which, whilst not damaged beyond repair, require replacement. There are 70 concrete open top bins, which should be prioritised for replacement with more modern bins, to contain litter more effectively. There are therefore 160 bins that require a priority replacement when these are included.
- 3.9 The current budget for the replacement of litter bins is £8,793 per annum, which only equates to the replacement of around 25 new bins each year. At this level

of funding it is estimated that it will take over six years to replace the existing number of damaged and inappropriate litter bins identified in our recent audit.

3.10 Furthermore, a recent review identified a number of improvements that should be made to the overall service including:

- A full audit to improve asset management and information related to litter bin assets;
- The identification of each bin with unique reference number;
- The establishment of an asset management system in order to manage changes, replacements and scheduling going forwards.

Regardless of the outcome of this report, the service is now taking steps to address these issues.

Solar Compaction litter bins

3.11 There are a number of suppliers of solar powered compaction litter bins on the market. Solar compaction litter bins use a solar powered unit to monitor the fill level of the bin and compact the waste within it. They can be equipped with remote monitoring, that can inform the operational service when bins are full, and support operational services to plan bin emptying more effectively.

3.12 Suppliers of solar compaction litter bins claim that they can reduce the number of required collections by around 80%, and that this also leads to reductions in the use of bin liners, and vehicle wear and tear and fuel consumption. In turn the manufacturers claim that the high cost of these bins can be offset by savings through productivity and route efficiency, through optimised collections, reallocated resources and reduced staff time.

3.13 Whilst there are a number of case studies supporting the claims, these bins are significantly more expensive than a standard litter bin (around ten times the price). Some authorities have also identified issues with public acceptability and operational emptying of compacted waste.

Future Service Review

3.14 A full review of Community Safety and Street Scene Services is proposed, and this could result in changes to the operational model and the requirements for equipment. Any capital expenditure in the short-term must take into account the potential for any future need for capital expenditure to support any proposed changes and the delivery of future innovative approaches.

4. Options considered and recommended proposal

4.1 A number of options for the expenditure of the Capital allocation have been explored in the context of the information in Section 3 above.

Option 1 - Spend the entire £610k on solar litter bins

- 4.2 The estimated cost of a solar litter bin is around £3,500. This would equate to the provision of 174 litter bins across the borough, less than 10% of Rotherham's overall litter bin provision. Should the manufacturer's claims prove to be correct however, the installation of solar litter bins could reduce overall operational costs and the net cost of the bins would therefore be significantly reduced.
- 4.3 However, there is a significant risk that the bins will not reduce operational costs by a large enough proportion to off-set the significant additional costs associated with them. Any savings would also need to be cashable, through a reduction in workforce or vehicles, and the Council would therefore need to be confident that such savings could be delivered within a reasonable timescale.
- 4.4 Spending the entire budget on solar bins would also mean that the Council would remain with the current level of mechanical cleaning that it currently undertakes, which is much lower than that delivered in other neighbouring Local Authorities.
- 4.5 No capital funding would be available to support any potential changes to services to deliver more innovative approaches in the medium term.
- 4.6 None of the litter bins requiring replacement as a priority would be replaced.
- 4.7 Given the clear financial and operational risks, the Service does not recommend this approach.

Option 2 - Spend the entire £610k on 'traditional' street cleansing approaches.

- 4.8 The option to spend the entire allocation on 'traditional' approaches is the most straightforward operational approach.
- 4.9 The purchase of three additional path-sweepers would cost approximately £450,000, leaving £160,000 which could be spent on replacing existing litter bins across the Borough. The 286 bins requiring urgent replacement would be prioritised at a cost of approximately £100,100, with the balance (£59,900) then being available to improve and standardise litter bin provision in commercial areas, as a priority. This approach would enable the Council to replace 457 litter bins across the Borough, which is 24% of the overall litter bins in Rotherham.
- 4.9 There is also an option to reduce the level of path-sweeper provision, and increase the number of litter bins replaced. A reduction in the number of additional path-sweepers to two, would enable a further 429 litter bins to be replaced, and allow the Authority to replace 47% of its litter bin assets.

- 4.10 Whilst this option is the most easily deliverable by the service, it clearly means that the Council would forgo the opportunity to test more innovative technologies. Solar litter bins have the potential to deliver service efficiencies, and the opportunity to assess the potential of these bins would be lost under this option. No capital funding would be available to support any potential changes to services to deliver more innovative approaches in the medium term.
- 4.11 On this basis, the Service does not recommend this approach.

Option 3 - Deliver a mixed economy of 'innovative' and 'traditional' approaches to test future options.

- 4.12 The most favoured option is one which acknowledges the short-term challenges in terms of mechanical cleaning, and existing litter bin provision, which is described above, but presents an opportunity to test the solar litter bin approach to potentially deliver future savings.
- 4.13 This option proposes to purchase two additional path-sweepers at a cost of £300,000 to increase provision of mechanical cleaning across the Borough.
- 4.14 The Council proposes to buy 15 solar compaction litter bins, at an estimated cost of £52,500, to be located in commercial centres, both in central Rotherham and outlying commercial centres. This approach will allow the Council to test solar bins in varied environments in order to understand any potential future savings.
- 4.15 Replacement of the 160 'priority' litter bins described above would be prioritised, at a cost of approximately £56,000.
- 4.16 This would leave £201,500 of capital funding, which would be available to support any potential changes to services to deliver more innovative approaches in the medium term, once the outcome of the service review is known. A further report to Cabinet would outline how this remaining budget would be spent.
- 4.17 Given the flexibility this approach allows, and the potential to test future approaches, the Service recommends this approach.

5. Consultation

- 5.1 Whilst the location of the priority litter bins to be replaced will be dictated by their current locations, consultation with local Ward Councillors will be undertaken to ensure that the location of the existing bin is the best location going forwards. Where necessary priority bins will be relocated following consultation to more appropriate locations.
- 5.2 The assessment of the pilot of solar bins will consider public feedback and usage before any business case for further expansion

6. Timetable and Accountability for Implementing this Decision

6.1 A detailed timetable for the implementation of the decision will be produced following this decision. In outline it is currently estimated that each element of the investment programme will be delivered by the following milestone dates:

- Procurement and mobilisation of additional path-sweeping resources – by spring 2019.
- Procurement and installation of pilot solar compaction litter bins – by end December 2018.
- Priority Litter bin replacement by end of December 2018

7. Financial and Procurement Implications

7.1 The Cabinet and Commissioners' Decision Making Meeting of 19th February 2018 approved an allocation of £610,000 as a priority capital investment in Street Cleansing Equipment and Bins. This capital allocation was provided subject to individual projects, setting out costs and efficiency savings, being brought to Cabinet for approval. This report constitutes the request for approval to draw down this funding. Section 4 above identifies the recommended option, which in summary is that the £408,500 of this capital allocation should be spent as follows: £300,000 – 2 additional mechanical path-sweepers; £52,500 – 15 Solar Compaction Bins and £56,000 – 160 replacement standard litter bins.

7.2 The procurement of the goods/equipment identified in this report will be undertaken in accordance with the Public Contracts Regulations 2015 and the Council's own Standing Orders.

8. Legal Implications

8.1 There are no identified legal implications.

9. Human Resources Implications

9.1 None at present.

10. Implications for Children and Young People and Vulnerable Adults

10.1 There are no identified implications for Children and Young People and Vulnerable Adults.

11. Equalities and Human Rights Implications

11.1 The usage and provision of solar bins will be assessed to ensure there are no implications for people with disabilities.

12. Implications for Partners and Other Directorates

12.1 None

13. Risks and Mitigation

- 13.1 The main risk of this approach is the purchase of solar compaction litter bins, and the risk that they do not deliver operational savings as expected. This would mean that the additional cost was not justified and the opportunity to purchase a number of standard litter bins will have been lost. In the first instance however, the Council only intends to purchase 15 of this style of bin, to minimise this risk.

14. Accountable Officer(s)

Tom Smith, Assistant Director of Community Safety and Street Scene

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance and Customer Services	Jon Baggaley	06.06.2018
Assistant Director of Legal Services	Neil Concannon	18.06.2018
Head of Procurement (if appropriate)	Karen Middlebrook	21.06.2018
Head of Human Resources (if appropriate)	John Crutchley	18.06.2018

Report Author: Tom Smith, Assistant Director, Community Safety and Street Scene.

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

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

Appendix A – Example Bin Types across Rotherham Metropolitan Borough Council



Glasdon Brunel



Wybone LBV/7



Concrete Bins



Glasdon Topsy Royal

Public Report with Exempt Appendix
Cabinet and Commissioners' Decision Making Meeting

Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioners' Decision Making Meeting – 9 July 2018

Report Title

Strategic Property - Riverside House Lease

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 and Environment

Report Author(s)

Jonathan Marriott – Estates Manager

01709 823898 or jonathan.marriott@rotherham.gov.uk

Ward(s) Affected

Boston Castle

Summary

The purpose of this report is to seek approval to restructure the lease for Riverside House. Approval is sought to delegate the final details and future lease arrangements for Riverside House to the Strategic Director – Regeneration and Environment, in consultation with the Strategic Director – Finance and Customer Services and the Assistant Director - Legal Services. The principles of the proposed lease are contained in the report and within the exempt Appendix 1.

Recommendations

1. That final approval to enter into a lease restructure for Riverside House and the final terms of the agreement be delegated to the Strategic Director – Regeneration and Environment, in consultation with the Cabinet Member for Jobs and the Local Economy, the Strategic Director – Finance and Customer Services and the Assistant Director - Legal Services.
2. That the Assistant Director of Legal Services be authorised to negotiate and complete the necessary legal agreements.

List of Appendices Included

Appendix 1 Exempt Financial Addendum

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board – 4 July 2018

Council Approval Required

No

Exempt from the Press and Public

No.

Strategic Property - Riverside House Lease

1. Recommendations

- 1.1 That final approval to enter into a lease restructure for Riverside House and the final terms of the agreement be delegated to the Strategic Director – Regeneration and Environment, in consultation with the Cabinet Member for Jobs and the Local Economy, the Strategic Director – Finance and Customer Services and the Assistant Director - Legal Services.
- 1.2 That the Assistant Director of Legal Services be authorised to negotiate and complete the necessary legal agreements.

2. Background

- 2.1 In September 2011 the Council entered into a 35 year lease for Riverside House from Evans Property Group (the Landlord). This is a commercial full repairing and insuring lease with fixed rate 5 year rent reviews and no break clause.
- 2.2 There are restrictions within the lease, the main restriction being the use to which the building can be utilised, with further restrictions on subletting parts of the building. There is also a requirement to obtain Landlord's permission to modify or make any additions or alterations to the building.
- 2.3 The lease has 28 years of the 35 year term remaining. An opportunity has arisen via the Landlord to restructure the lease. The basis of the restructure would be that the existing lease be extended by a further 7 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.
- 2.4 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.
- 2.5 Under the terms of the existing lease and the terms of the proposed restructure the Council is responsible for all the property running costs including repairs, maintenance and insurance.
- 2.6 The lease restructure will 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 will also deliver annual revenue savings to the Council as detailed in the exempt Appendix 1.
- 2.7 Further background is contained within the exempt addendum to this report.

3. Key Issues

- 3.1 The Council approached the Landlord to discuss potential options for Riverside House. The discussions centred on issues such as permission to sub-let part of the building, potential to purchase the building and revised lease arrangements which would deliver annual revenue savings, along with an option to own the building at the end of the lease.
- 3.2 Council Officers have worked with the Landlord to present an option to restructure the existing lease agreement, which contains the following principles:-
 - 3.2.1 A restructured lease for 35 years is entered into (i.e. a further 7 years).
 - 3.2.2 At the end of the 35 years the Council will own property (under the current lease the property remains within the ownership of the Landlord).
 - 3.2.3 The restructured lease will allow the Council more freedoms and flexibilities such as allowing sub-lease arrangements which would offer future income generation opportunities.
 - 3.2.4 The proposal will deliver annual revenue savings to the Council as detailed in the exempt Appendix 1.
- 3.3 Further key issues are contained within the exempt addendum to this report.

4. Options considered and recommended proposal

The following options have been considered

- 4.1 **Option 1** That Cabinet resolves to enter into a restructured lease for Riverside House as detailed in this report.
- 4.2 **Option 2** That Cabinet resolves to not enter into a restructured lease and continues with the current lease arrangement.
- 4.3 It is recommended that Option 1 is agreed and the final terms of the agreement is delegated to the Strategic Director – Regeneration and Environment, in consultation with the Strategic Director – Finance and Customer Services and the Assistant Director - Legal Services.

5. Consultation

- 5.1 No consultation has been carried out.

6. Timetable and Accountability for Implementing this Decision

6.1 The Landlord has stated that the detailed financial arrangements for the proposed lease are subject to financial markets (what is termed as 'marked to market') and as such where there is a significant movement in gilt yields this will have an implication on the initial rent which the Council would have to pay under the proposed restructured lease. It is therefore recommended that the completion of the restructured lease is carried out as soon as possible to minimise the risk of movement in the financial markets.

6.2 If the recommendation is approved the implementation will be via the following process:-

6.2.1 Negotiation of the heads of terms are ongoing, though such negotiations are subject to contract and Council approval and do not commit the Council to any agreement to restructure the lease until formal approval is obtained. It is anticipated that the heads of terms will be agreed by the time this report is presented.

6.2.2 Following the agreement of the heads of terms the Landlord will seek its own Board approval. Once this Board approval has been obtained, then both the Landlord's and the Council's legal teams will be instructed to make the necessary amendments to the Lease, which should be completed within 6-8 weeks thereafter.

7. Financial and Procurement Implications

7.1 Financial and procurement implications are contained within the exempt addendum to this report.

8. Legal Implications

8.1 Legal implications are contained within the exempt addendum to this report.

9. Human Resources Implications

9.1 None Considered.

10. Implications for Children and Young People and Vulnerable Adults

10.1 None Considered.

11. Equalities and Human Rights Implications

11.1 None considered.

12. Implications for Partners and Other Directorates

12.1 All Directorates are affected as occupants of Riverside House along with partners such as South Yorkshire Police. However, entering into a restructured lease alone will not affect the occupation of the building, though there could be positive effects and opportunities for closer working with partnership organisations through a relaxation of the user clause as a result of the lease restructure.

13. Risks and Mitigation

13.1 Risks and Mitigations are contained within the exempt addendum to this report.

14. Accountable Officer(s)

Damien Wilson, Strategic Director Regeneration and Environment
Jonathan Marriott, Estates Manager, Asset Management

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Graham Saxton	08.06.2018
Assistant Director of Legal Services	Lesley Doyle	24.05.2018
Head of Procurement (if appropriate)	N/A	
Head of Human Resources (if appropriate)	N/A	

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Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioners' Decision Making Meeting – 9 July 2018

Report Title

Allotments Self-Management

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 Services

Report Author(s)

Phil Gill, Leisure and Green Spaces Manager
01709 822430 or philip.gill@rotherham.gov.uk

Ward(s) Affected

All

Executive Summary

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 recognises the pressure the service has been under since 2011 due to reduced public spending. The Review has 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 has concluded that the adoption of a self-management model offers best prospects for service improvement and involving allotment users more in this.

Recommendations

1. That the Council be recommended to adopt a new vision and specification for allotments, as proposed in this report.

2. That the Council be recommended to 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.

List of Appendices Included

Appendix 1 Allotments Plot-holder Survey Findings

Appendix 2 Allotments Site Audit Results

Appendix 3 Preferred Self-Management Model

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board – 4 July 2018

Council Approval Required

Yes

Exempt from the Press and Public

No

Allotments Self-Management

1. Recommendations

- 1.1 That the Council be recommended to adopt a new vision and specification for allotments, as proposed in this report.
- 1.2 That the Council be recommended to 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.

2. Background

- 2.1 The Council's Culture, Sport and Tourism Service manages 30 allotment sites, including 13 that are leased to allotment societies, 13 that are directly managed, and 4 that are currently inactive. There are 1,107 plots in total across these sites, of which 592 are on society sites, and 515 are on directly-managed sites.
- 2.2 In recent years there has been a need to manage the service within increasingly limited resources. This has involved a series of above-inflation rent increases generating additional income that has allowed a gradual reduction in Council subsidy. The replacement of core funding with the income from increased rental fees has enabled the Council to deliver a saving without reducing the operational budget for the service since 2012/13. These fee increases have been a concern within the allotment community, as they may make the activity less attractive and affordable for some, and could reverse recent growth in the number of allotment gardeners.
- 2.3 Nationally and locally there is growing interest in the potential role of mutual and co-operative approaches in the future delivery of services. Additionally, the Council is committed to developing Neighbourhood Working to achieve improved efficiency and more responsive services built on greater local accountability and engagement.
- 2.4 Consequently, the Council has undertaken an Allotments Review with the following aims:-
 - assess strengths and weaknesses of the current service;
 - define a sustainable vision and specification for what the service should be, including financial self-sufficiency, opportunities for investment and allowing users a greater say in how allotments are managed and operated;
 - identify and evaluate possible alternative service models, including mutualisation;
 - recommend a preferred option for future service delivery;
 - develop an action plan for the implementation of any changes recommended by the review.

- 2.5 The Rotherham and District Allotments Association (RaDAA) has embraced the opportunity to engage with the Council to jointly review how the allotment service is 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.
- 2.6 The Review focuses on the Allotment Service provided by the Culture, Tourism and Sport service of the Council and does not include sites and services provided by Parish Councils or others. It includes sites managed directly by the Council, as well as those leased by the Council to allotment societies who then sub-let plots to individuals.
- 2.7 The Review has proposed a new vision for allotments, as follows:-
“Rotherham’s allotments will allow and encourage people of all backgrounds and abilities to enjoy gardening in safe, secure, accessible and sustainable surroundings, and will make efficient use of available land and resources to ensure that the service is financially self-sufficient whilst being affordable to those who want to use it.”
- 2.8 The Review has also developed a specification to describe what a good allotments service should look like, as follows:-
- Provide sufficient land for allotments
 - Ensure sites are safe and secure, and have well-maintained facilities and infrastructure
 - Manage tenancies efficiently, including letting vacant plots quickly
 - Communicate with plot-holders and allow them to be involved in key decisions
 - Promote benefits of allotment gardening to the wider population
 - Ensure financial probity, and compliance with all relevant laws and regulations

3. Key Issues

- 3.1 A combination of above-inflation rent increases and revenue and capital resource limitations affecting the quality of the allotment service delivered by the Council has caused concern amongst many tenants, and prompted consideration of new ways to achieve service improvements within available resources.
- 3.2 Analysis of consultation results and information from other local authority areas suggests that self-management offers a number of benefits, including more efficient plot-letting, fewer overgrown vacant plots, increased rental income, faster response to site issues, better communication with individual tenants, increased efficiency through use of volunteers, ability to access external funding, and scope to harness the enthusiasm, experience and local knowledge of volunteers to promote allotment gardening and to build capacity amongst fellow gardeners. Further information about allotment user consultation is given in Appendix 1.

- 3.3 An audit of allotment sites has identified a significant amount of improvement work that would be needed to bring some areas of land into a usable condition, and to bring security, access, buildings and other site infrastructure up to a good standard. This is one of a number of risks of self-management discussed in Section 13 of this report. Further information about the allotment site audit is given in Appendix 2.

4. Options considered and recommended proposal

- 4.1 **Option 1.** Continue with the existing model in which the Council leases allotment sites where there is sufficient capacity and interest amongst allotment gardeners to form and sustain societies, and manages other sites directly.

Whilst this is a low-risk option, as it continues a tried and tested approach, it would not address the current difficulties the Council has in improving service standards within available resources, neither would it protect against the risk of continued service pressures as the Council has to find further budget savings.

- 4.2 **Option 2.** Appoint a commercial contractor to manage allotment services on behalf of the Council.

This might bring some benefits where a contractor is able to draw on company-wide expertise and resources to drive improvement. However, it is unlikely that it would be a viable option in Rotherham because the commercial value of a contract focussing solely on allotments would be very small, and therefore unlikely to allow firms to commit the resources necessary to deliver sought-after improvements. Additionally, it would not increase the level of self-management.

- 4.3 **Option 3.** Develop a new model involving the creation of a new borough-wide self-management body, capable of employing staff, whilst also allowing existing allotment societies to continue to manage individual sites. A Community Benefit Society would be a suitable legal form for such a body. Further details of how this arrangement would work are given in Appendix 3.

This option would spread the benefits of self-management across all allotment sites. A borough-wide body would enable efficient and joined-up working and provide a stronger, more unified voice for allotments in Rotherham.

- 4.4 **Recommended proposal.** Option 3 responds to the particular circumstances and issues identified by the Allotments Review. It is judged to offer the best prospects for the achievement of the agreed vision and specification for an allotments service. It is therefore recommended as the preferred option. This report refers to the proposed borough-wide self-management body as the 'Allotments Alliance', although this is just a working title.

5. Consultation

- 5.1 Rotherham and District Allotments Association (RaDAA) is a well-established body whose membership comprises allotment societies within the Rotherham area, including those that lease sites from the Council. The Review Project Team has included representatives of RaDAA, allowing them to be part of detailed discussions of the findings and conclusions throughout the process.
- 5.2 Extensive consultation with allotment plot-holders has also been carried out as part of the review. A total of 1,077 questionnaires were sent out, generating 282 responses (26.2% return rate). Evidence from this has been central to the identification of improvement priorities. See Appendix 1 for details.
- 5.3 Officers in Legal Services, Finance, Human Resources and Performance, Policy and Improvement have been consulted on proposals arising from the review.
- 5.4 Voluntary Action Rotherham (VAR) has been made aware of the Review and the proposal to adopt a self-management model. They have confirmed that they will be able to provide appropriate advice and support to those involved in developing detailed proposals for an Allotments Alliance. Specialist advice, e.g. HR and TUPE, may have a cost attached.
- 5.5 The National Allotment Society has been consulted on the proposal. They have indicated their support for the principle of self-management, and have advised on the various legal forms that a new allotments body might take. They have also expressed a willingness to provide further support and advice during the implementation of the recommendations of this report.
- 5.6 Staff from the Council's Green Spaces team, including the current Allotments Officer have contributed to the review process and have been involved in discussions about the existing service and possible alternative models.

6. Timetable and Accountability for Implementing this Decision

- 6.1 The Assistant Director, Culture, Sport and Tourism will be accountable for implementing this decision. The Leisure and Green Spaces Manager will lead the formation of a Shadow Management Committee involving allotment user representatives working with Council officers to develop and implement detailed arrangements for a new Allotments Alliance.

6.2 The anticipated timescale for implementation is as follows

- July 2018 - Cabinet Decision to establish borough-wide self-management body for allotments service
- July 2018 - 'Allotments Alliance Shadow Management Committee' formed
- July 2018 to January 2019 - Shadow Management Committee develops Lease Heads of Terms, Society Objects and Rules, and prepares for transfer of tenants' personal data to new body in accordance with General Data Protection Order.
- January to March 2019 - Preparation and submission to Financial Conduct Authority of registration application.
- March 2019 - Allotments Alliance formally established
- April 2019 - Transfer management of council-owned allotments to Allotments Alliance

It must be noted however, that this is an ambitious timetable and may be subject to change as the process to roll out the preferred option is implemented.

7. Finance and Procurement Implications

7.1 The income received from rents is currently less than the costs incurred in delivering the service. Rent increases of 2.2% and 3.0% have already been agreed for 2018-19 and 2019-20 respectively by the Cabinet and Commissioners' Decision Making meeting, as it is a legal requirement that allotment rents are set 12 months in advance.

7.2 If the proposed self-management model is adopted, then all costs and income would be controlled by the relevant bodies. Where a site is managed by an Allotment Society, then they will collect rent from individual plot-holders. A proportion of this will be used to pay rent to the Allotments Alliance allowing it to fund its activities, including the employment of staff. Where the Allotments Alliance manages sites directly, then they will collect rent from plot-holders themselves.

7.3 The Review has found that extensive works are required to address existing liabilities on allotment sites and to bring uncultivable areas of land to a satisfactory standard for gardening where necessary to meet demand. Whilst detailed costings for these works are not currently available, it is possible that investment of up to £1m may be required over time. All essential health and safety work is currently undertaken as required, so none of the outstanding liabilities would need to be resolved urgently. It is suggested that they should be addressed over a period of 10 years following the transfer of allotments management. The proposed model envisages that the Allotments Alliance and Societies will be responsible for prioritising future investment and securing funding for this. It is possible they may approach the Council for assistance.

- 7.4 The Allotments Alliance and Societies will be responsible for putting in place any necessary insurance cover, including Public Liability and, if appropriate, Employer's Liability insurance.
- 7.5 There will be some one-off costs associated with the implementation of a new self-management model. These cover legal costs, specialist advice and the cost of registering the new body. It is estimated that these costs would be circa £18.5k. These costs would need to be managed within the overall Regeneration & Environment budget.
- 7.6 The rules for payment of VAT on supplies will depend on how the Allotments Alliance and Societies are set up, and whether they are VAT registered. The possible impact of VAT on finances will therefore need to be considered as further details are confirmed for new self-management bodies.
- 7.7 There are no direct procurement implications arising from this report.

8. Legal Implications

- 8.1 The introduction of self-management arrangements will not affect the Council's statutory duty under Section 23 of the Small Holdings and Allotments Act 1908 to provide land for allotments.
- 8.2 It is proposed that any land acquired by the Council for allotments will be leased to the Allotments Alliance, who may then sub-let it to allotment societies. This will not affect the statutory protection of such land afforded by Section 8 of the Allotments Act 1925.
- 8.3 A range of possible legal forms for the proposed Allotments Alliance have been assessed. A Community Benefit Society is believed to be the most suitable available form, as it allows democratic decision making by its membership, it is a legal entity that can make contracts and employ people, and it limits the liability of individual members. It is also a tried and tested model and is suitable for charitable status. Further details of this assessment are given in Appendix 3.
- 8.4 New allotment societies will need to identify the most appropriate legal structure to suit their own circumstances in each case. Specialist legal advice on such matters is available from the National Allotment Society to its members.

9. Human Resource Implications

- 9.1 Two posts within the current Council staff establishment are involved in allotment service delivery. If the proposed adoption of a self-management model takes place then any posts involved in operational delivery of the allotment service will no longer be needed within the Council but there may be a case for a TUPE transfer. The Council will still need to manage the relationship with the new Allotments Alliance. Once the implications of the new model are understood, the post-holders may be at risk of redundancy.

9.2 Alternatively, depending on the activities of the Allotments Alliance and the role of any staff to be employed, the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 (commonly known as TUPE) may apply. If TUPE is deemed to apply, this would involve the transfer of the one affected employee to the Allotments Alliance. Further advice will be needed during the setting up of the Alliance to determine any TUPE implications.

10. Implications for Children and Young People and Vulnerable Adults

10.1 Whilst the proposed introduction of a self-management model would not have any direct implications for children, young people and vulnerable adults, it is proposed that the Allotments Alliance should include at least one representative of these communities to champion their involvement in the development and use of allotments.

11. Equalities and Human Rights Implications

11.1 The agreed vision for Rotherham's allotments states that they will allow and encourage people of all backgrounds and abilities to enjoy gardening. This would need to be re-stated as one of the founding principles of the Allotments Alliance to ensure that its policies and actions are underpinned by a commitment to strive for equality and respect for people's human rights.

12. Implications for Partners and Other Directorates

12.1 There are no direct implications for partners or other directorates arising from this report.

13. Risks and Mitigation

13.1 Principal risks and associated mitigation measures are as listed below.

13.2 Lack of volunteers. The successful operation of a self-management model depends on volunteers being willing to take on positions of responsibility. If insufficient volunteers come forward then it may impair the ability of the Allotments Alliance and societies to function effectively, and increase workloads for other volunteers. Such a situation could eventually lead to the winding up of the body, as happened recently to a local allotment society.

13.3 Mitigation. Ensure support is available where necessary to help inspire potential volunteers, to promote volunteering opportunities, to deal with any problems that may occur, and to build volunteer leadership skills. The Council can help to signpost such support from organisations such as Voluntary Action Rotherham, and the National Allotment Society.

- 13.4 Lack of expertise amongst volunteers. Whilst volunteers may be able to deal with many day-to-day matters, it is less likely that they will have the breadth of knowledge and experience needed during the setting up of an Allotments Alliance, or to deal with all situations that may arise thereafter. Failure to address such issues effectively could prove costly and time-consuming, and affect the achievement of wider objectives.
- 13.5 Mitigation. Voluntary Action Rotherham has expressed a willingness to provide advice to volunteers involved in setting up and running the Allotments Alliance. Professional advice on legal and other specialist matters is available to members of the National Allotment Society. Training of selected volunteers and any staff employed by the Allotments Alliance is advisable, as this will equip them to provide support to, and mentor other volunteers across all sites as needed.
- 13.6 Inability to form Allotment Societies for individual sites. Currently, half of the active Council-owned allotment sites are managed by Societies. These tend to be larger, better-equipped sites. Elsewhere, it may be difficult to form Allotment Societies, particularly at smaller sites with few plot-holders.
- 13.7 Mitigation: The proposed model would require the Allotments Alliance to manage sites directly where a society does not exist. Proposed Area Clusters would provide a means to involve people with good local knowledge in this. If a site is too small to sustain its own Society, then it may be possible to form a Society covering more than one site.
- 13.8 Refusal of Allotment Societies to participate in the Alliance model. The operation of the Allotments Alliance including the employment of staff would depend on the income from rents covering its costs. If any Allotment Societies refuse to participate in this model and keep all the rent they collect for their own use, then it would threaten the financial viability of the Alliance.
- 13.9 Mitigation: The proposed model would require all Allotment Societies to rent sites from the Allotments Alliance. The Council would no longer lease sites directly to Societies. Thus a proportion of rent collected by all Societies would be passed on to the Allotments Alliance to allow it to operate. Societies and their members would be able to influence how the Alliance spends its budget.
- 13.10 Poor performance by self-management bodies. The introduction of a new self-management model is intended to improve allotment service standards. Whilst the Review has found that self-management normally delivers better outcomes, this cannot be assumed.
- 13.11 Mitigation: By agreeing a set of performance indicators and putting in place a monitoring system, the Allotments Alliance would be able to identify any Societies that appear to have difficulty maintaining standards, and provide support if necessary. Ultimately, the Alliance could terminate a Society's lease and take over control of the site if all else fails. The Alliance would also need to monitor and report its own performance and take action if this falls below standards agreed by its membership.

- 13.12 Improper conduct by people within self-management bodies. The transfer of control and responsibility that would come with the setting up of a self-management model may lead to the misuse of resources, fraud, individuals acting outside their authority or other misconduct. This could cause irreparable damage to people's confidence and trust in the service.
- 13.13 Mitigation. A comprehensive code of conduct must be in place for volunteers and staff working within the Allotments Alliance, and the Alliance must put in place effective measures for monitoring and enforcing this, including a whistle-blowing policy. Independent auditing of accounts will help to identify any irregularities.
- 13.14 Insufficient funds to deal with site liabilities. The Review has found that investment would be needed to bring all allotment sites up to a good standard, and to make all areas of land fit for cultivation.
- 13.15 Mitigation: It is expected that self-managed bodies will be in a strong position to develop successful bids for grant funding. Not only are they able to access funding not available to the Council, but the energy and enthusiasm of volunteers with good local knowledge will also be invaluable in making the case for funding.
- 13.16 Financial insolvency. Evidence from other areas where self-management has been adopted suggests that they can achieve savings and improved outcomes through the involvement of volunteers and more flexible service delivery. However, there is still the possibility that the Allotments Alliance could have unexpected costs that it is unable to cover from regular income, and an inability to pay staff costs and other bills could put the model at risk. Should any staff transfer from the Council to the Alliance, then possible impacts of pension liabilities would also need to be taken into account in assessing the financial viability of the new model.
- 13.17 Mitigation. Proper accounting and cost-control measures will reduce the risk of running out of money. Over time, it is recommended that self-management bodies build up reserves that can be drawn upon in times of need.
- 13.18 Breach of Council's statutory duties re allotments provision. Under the self-management model, the Council will effectively be outsourcing the carrying out of its duties to the Allotments Alliance but not the responsibility itself. This risk is largely mitigated by the fact that the Council will be part of the Allotments Alliance and will accordingly retain some influence and control, although it is not known at this stage how much. Accordingly, there remains the risk, albeit a mitigated one, that the Alliance will fail to carry out these duties thus leaving the Council liable for their failure.
- 13.19 Mitigation. The Council will have representation on the Allotments Alliance and proper reporting and monitoring procedures will have to be set up to ensure the early recognition of any problems and the powers to enforce remediation.

13.20 Programme Slippage. Due to probable complexity of work and negotiations required to reach agreement and readiness to transfer responsibility to the new body.

13.21 Mitigation. Early identification of key tasks and milestones, and provision of necessary capacity-building.

14. Accountable Officer(s)

Polly Hamilton - Assistant Director, Culture, Sport and Tourism.

Phil Gill - Leisure and Green Spaces Manager.

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Judith Badger	22.06.2018
Assistant Director of Legal Services	Stuart Fletcher	19.06.2018
Head of Procurement (if appropriate)		
Head of Human Resources (if appropriate)		

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Appendix 1

Meeting:	Cabinet/Commissioner Decision Making Meeting
Date:	9 th July 2018
Report Title:	Allotments Self-management
Ward	All

ALLOTMENT PLOT-HOLDER SURVEY FINDINGS

1. Background

- As part of a review of the allotment service provided by the Council's Culture, Sport and Tourism Service, a questionnaire was supplied to gardeners on sites managed directly to the Council, and also those on sites leased by the Council to allotment societies.
- The purpose of the consultation has been to gather basic information about allotment users, and to understand their views on a range of issues including allotment rents, strengths and weaknesses of current service arrangements, and possible interest in having a greater involvement in the running of allotments.
- The survey was distributed, by post, directly to plot-holders on directly-managed sites during the week beginning 11th September 2017. Distribution to users of society sites was co-ordinated by Rotherham and District Allotment Association who forwarded sufficient copies to each society secretary for every plot-holder to receive one.
- A total of 1,077 questionnaires were issued.

2. Return Rate

- The overall number of questionnaires returned was 282, or 26.2% of the 1077 total sent out.
- This gives a margin of error of +/- 5.02% at a 95% confidence level (<https://www.snapsurveys.com/support/calculators/margin-error-calculator/>) suggesting that the results of the survey are likely to reflect the views of allotment users generally.
- The return rate from tenants on directly managed sites was better, at 34.1%, than the rate from plot-holders on society sites (19.4%).
- Additionally, 29 (or 10.3%) questionnaires did not make it clear which site the respondent had an allotment on.
- Return rates for individual sites varied widely, as shown in Table 1.

Table 1. Allotment Survey Return Rates by Site

Council-managed	Number Sent	Number Returned	Percentage return rate
Avenue Road	48	14	29.2%
High Street	27	12	44.4%
Highfield Road	5	4	80.0%
Lowfield Avenue	6	2	33.3%
Moor Road	16	5	31.3%
Psalters Lane	5	1	20.0%
Rectory Fields	44	13	29.5%
Rosehill Park	24	9	37.5%
Vicarage Fields	43	19	44.2%
St Leonards Road	10	1	10.0%
Barnsley Rd/Wetmoor Lane	71	22	31.0%
Sub-total	299	102	34.1%
Allotment society-managed	Number Sent	Number Returned	Percentage return rate
Kimberworth Park	28	4	14.3%
Broom Allotments	69	11	15.9%
Broom Valley Old	67	5	7.5%
Clifton Garden Society	130	32	24.6%
Clough Bank	66	3	4.5%
Hartley Lane	83	27	32.5%
Herringthorpe Valley Rd	36	5	13.9%
South St	30	7	23.3%
Wharf Road	30	10	33.3%
Wood Street	33	0	0.0%
Sandymount Road	30	5	16.7%
Scrooby *	80	17	21.3%
Queen St. North	54	8	14.8%
Queen St South	42	17	40.5%
Sub-total	778	151	19.4%
Site not stated		29	
Grand total	1077	282	26.2%

*Note that since the survey took place, the Allotments Society at Scrooby has disbanded, and the site has reverted to direct Council management.

3. Analysis of Responses

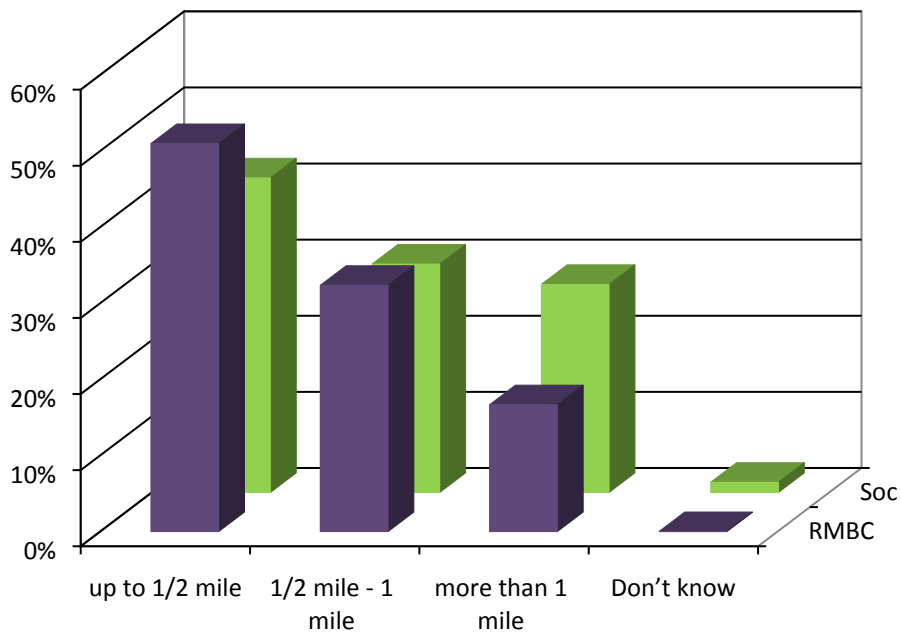
A summary of responses to each question, broken down into directly-managed and society sites is given in following sections. In most cases, percentage scores for different answers are shown graphically to allow quick comparison of directly-managed and society sites.

3.1 Which allotment site do you have a plot on?

Responses to this question are shown in Table 1, and discussed in section 2 above.

3.2 How far is your allotment from your home?

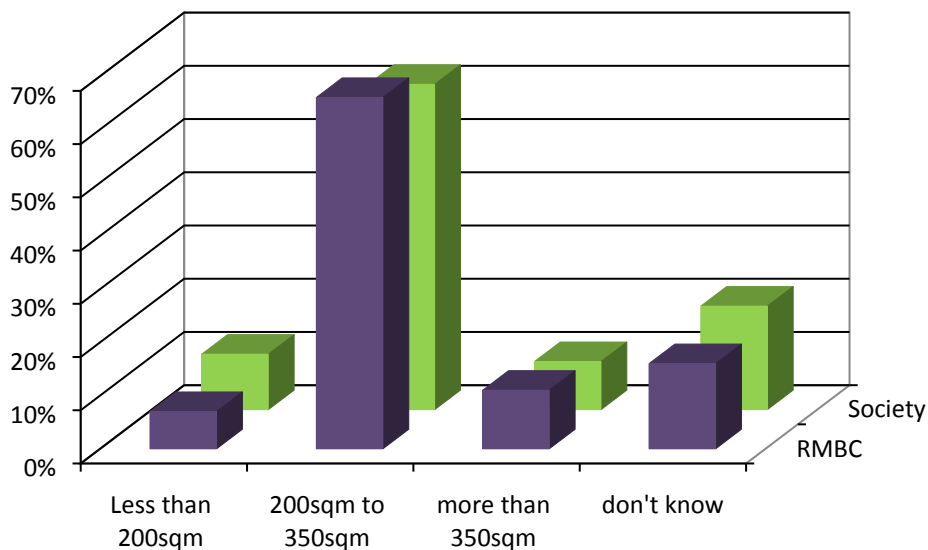
	RMBC	Society	Total
up to 1/2 mile	52	62	114
1/2 mile - 1 mile	33	45	78
more than 1 mile	17	41	58
Don't know	0	2	2
Total	102	150	252



A larger proportion of respondents at society sites live more than a mile from their allotment plots, whilst those at directly managed sites tend to live closer to their plots.

3.3 What size is your allotment plot?

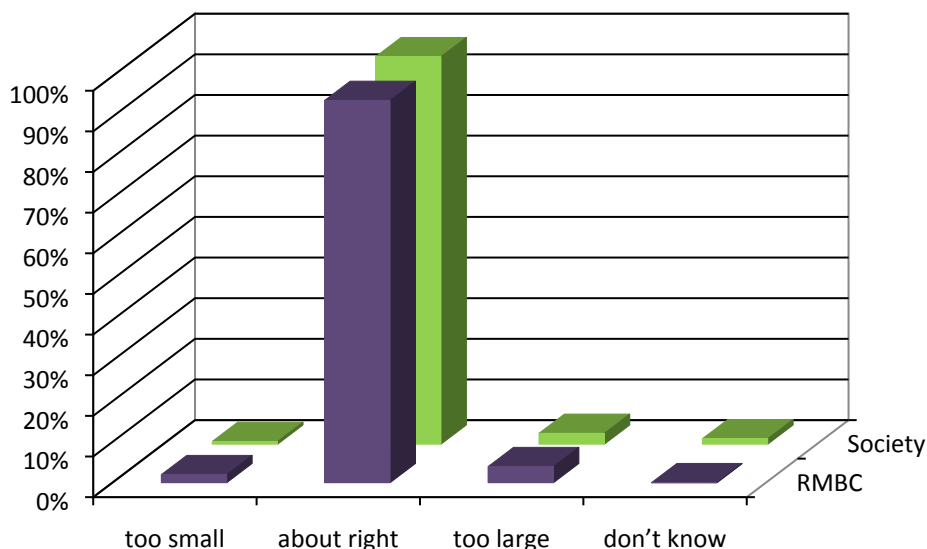
	RMBC	Society	Total
Less than 200sqm	7	15	22
200sqm to 350sqm	66	88	154
more than 350sqm	11	13	24
don't know	16	28	44
Total	100	144	244



A large majority of respondents at both society and directly-managed sites still have a 'traditional' sized plot.

3.4 Is your allotment plot the right size?

	RMBC	Society	Total
too small	2	1	3
about right	95	143	238
too large	4	4	8
don't know	0	2	2
Total	101	150	251

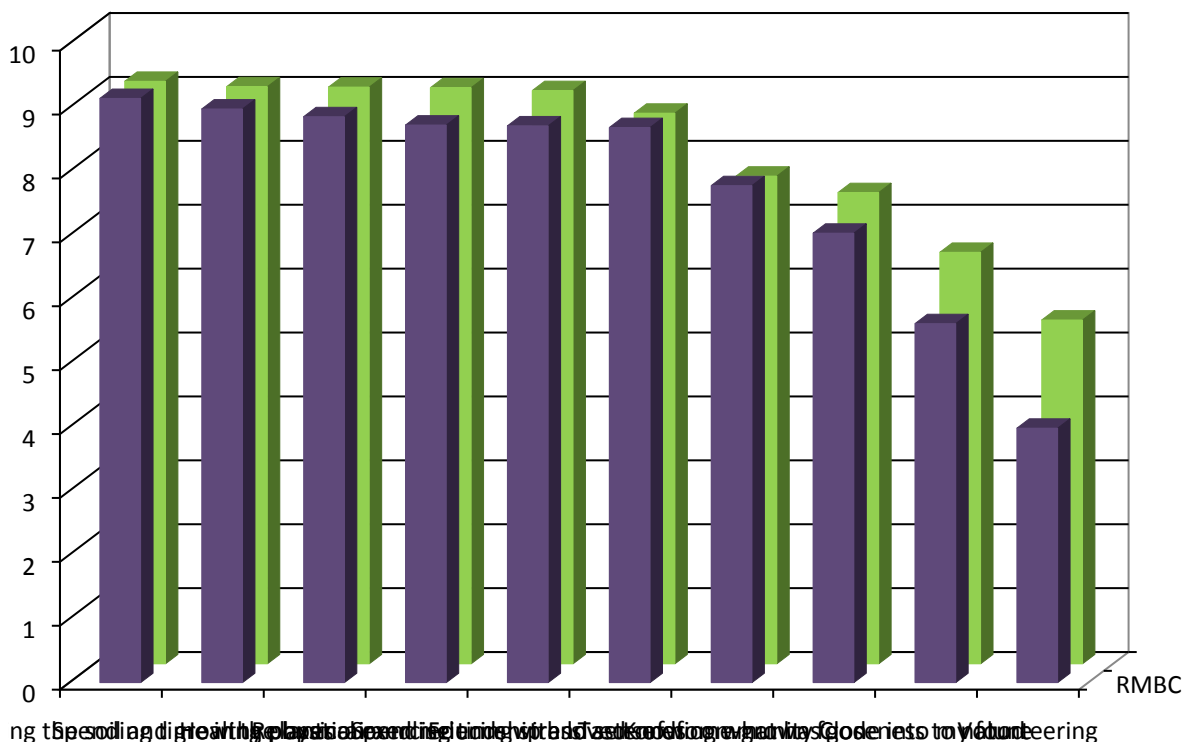


Respondents are almost all happy with the size of their current plots which, as noted above, are mostly traditional full-size plots. However, concerns have been expressed in recent years that the cost and amount of work involved in keeping a plot of this size might put some people off, and therefore it is possible that the views of current allotment users do not reflect the views of non-users who might consider taking on a smaller plot if more were available.

3.5 How important to you are the following possible benefits of having an allotment?

Possible responses to this question are 'Very Important', 'Important', 'Slightly Important', 'Not at all Important' and 'Don't know'. Average numeric scores were calculated using the methodology shown in section 5 below. Thus, a higher numeric score indicates that more people viewed the benefit as being more important.

	RMBC	Society
Enjoy tending the soil and growing plants	9.14	9.12
Spending time in the open-air	8.98	9.03
Healthy physical exercise	8.86	9.02
Relaxation and reducing stress	8.73	9.02
Spending time with loved-ones	8.71	8.97
Friendship and sense of community	8.69	8.62
Taste of home-grown food	7.78	7.63
Knowing what has gone into my food	7.03	7.37
Closeness to nature	5.62	6.44
Volunteering	3.98	5.38



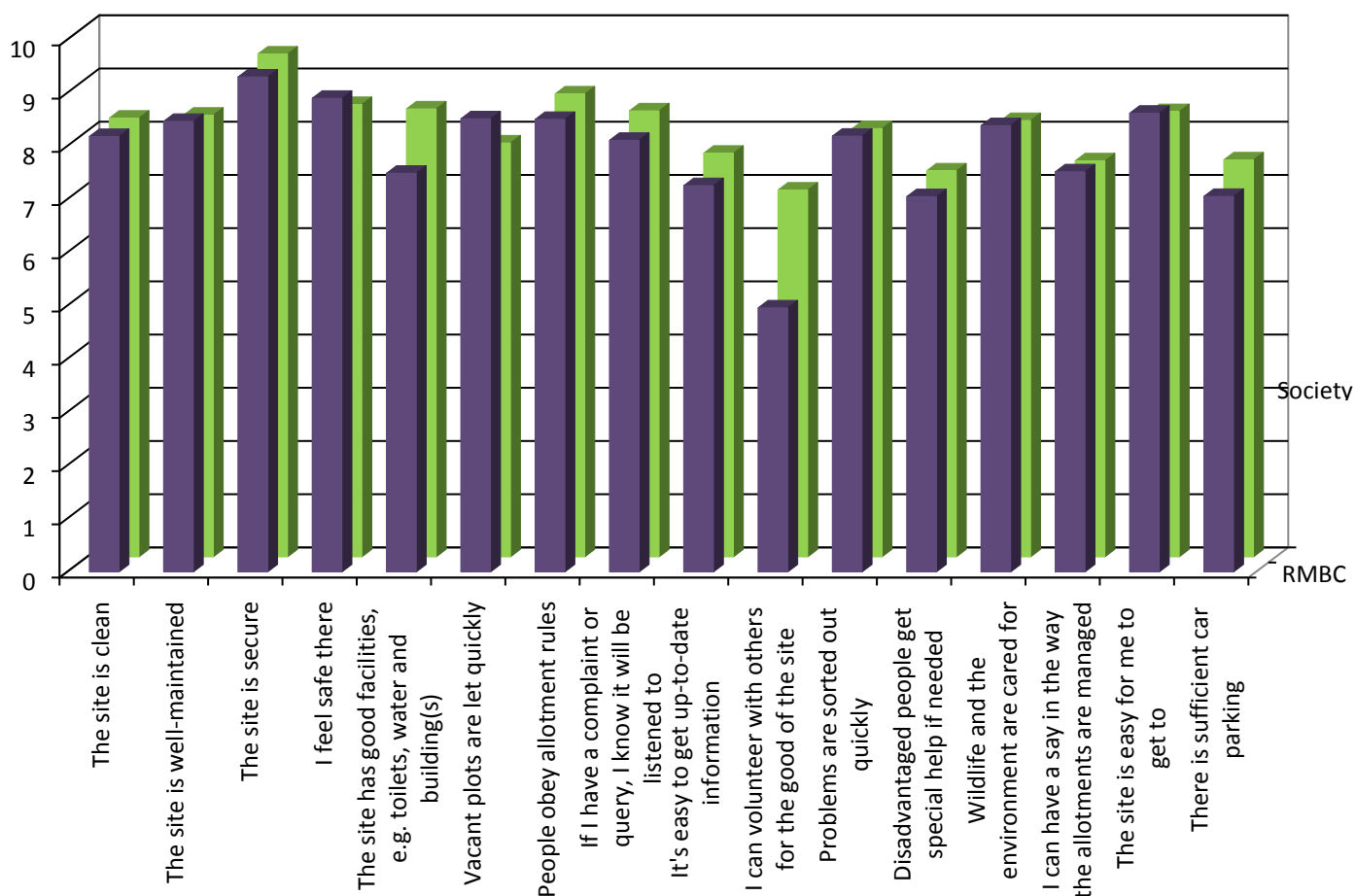
Responses from people on directly-managed sites and society sites were very similar, with ‘enjoying tending the soil and growing plants’, ‘spending time in the open-air’, ‘healthy physical exercise’, ‘relaxation and reducing stress’, ‘spending time with loved-ones’ and ‘friendship and sense of community’ being the main reasons people enjoy the activity. ‘Taste of home-grown food’ and ‘knowing what has gone into my food’ are slightly less important, followed by ‘closeness to nature’. ‘Volunteering’ was seen as the least important aspect of allotment gardening for respondents from both directly-managed and society sites.

3.6 Thinking about the way the allotments are managed, how important are the following things to you?

As in the previous question, possible responses are ‘Very Important’, ‘Important’, ‘Slightly Important’, ‘Not at all Important’ and ‘Don’t know’. A similar numeric analysis has been performed to give the scores shown below.

	RMBC	Society
The site is clean	8.18	8.24
The site is well-maintained	8.47	8.30
The site is secure	9.30	9.45
I feel safe there	8.90	8.50
The site has good facilities, e.g. toilets, water and building(s)	7.49	8.42
Vacant plots are let quickly	8.51	7.78

	RMBC	Society
People obey allotment rules	8.50	8.70
If I have a complaint or query, I know it will be listened to	8.11	8.38
It's easy to get up-to-date information	7.26	7.58
I can volunteer with others for the good of the site	4.96	6.89
Problems are sorted out quickly	8.19	8.05
Disadvantaged people get special help if needed	7.05	7.25
Wildlife and the environment are cared for	8.39	8.20
I can have a say in the way the allotments are managed	7.52	7.44
The site is easy for me to get to	8.62	8.37
There is sufficient car parking	7.06	7.46

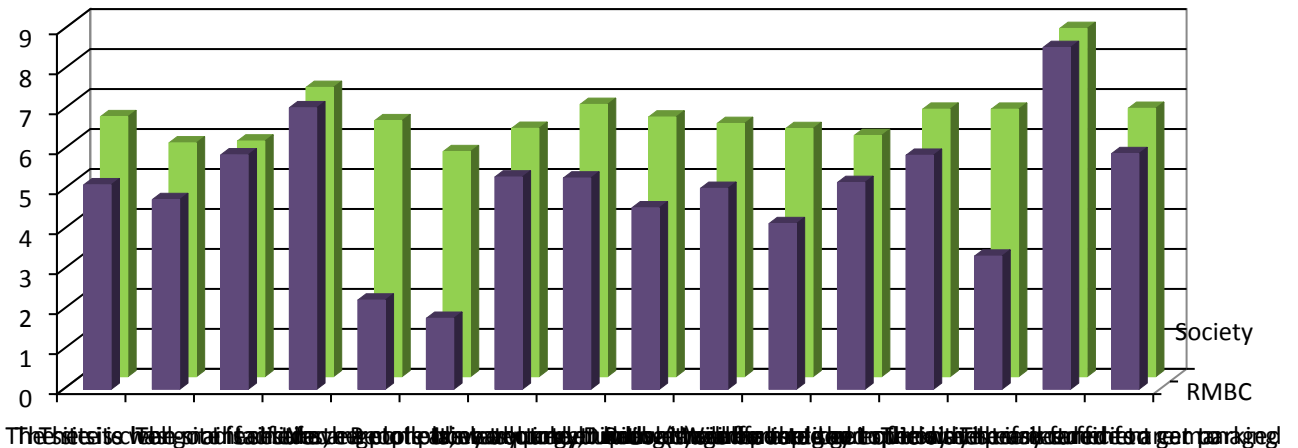


Site security is seen as the most important aspect of allotment management on both society sites and those managed directly by the Council, while ‘I can volunteer with others for the good of the site’ is the least important for both, although respondents from directly managed sites scored this significantly lower than those from society sites. A higher proportion of society plot-holders viewed having good facilities as important, while a higher proportion of people on directly-managed sites see letting vacant plots quickly as important. Otherwise, both sets of respondents have broadly similar views about the importance of the listed factors.

3.7 How good do you think the same things are now where you have an allotment?

The format of this question, and analysis of answers, is similar to 3.6.

	RMBC	Society
The site is clean	5.12	6.51
The site is well-maintained	4.75	5.85
The site is secure	5.87	5.90
I feel safe there	7.04	7.24
The site has good facilities, e.g. toilets, water and building(s)	2.23	6.40
Vacant plots are let quickly	1.78	5.63
People obey allotment rules	5.31	6.21
If I have a complaint or query, I know it will be listened to	5.29	6.81
It's easy to get up-to-date information	4.54	6.50
I can volunteer with others for the good of the site	5.03	6.34
Problems are sorted out quickly	4.15	6.21
Disadvantaged people get special help if needed	5.18	6.04
Wildlife and the environment are cared for	5.86	6.69
I can have a say in the way the allotments are managed	3.33	6.69
The site is easy for me to get to	8.55	8.71
There is sufficient car parking	5.90	6.71



Respondents from society-run sites scored all aspects of management higher than those on directly-managed sites. The areas where the difference is greatest are as follows:-

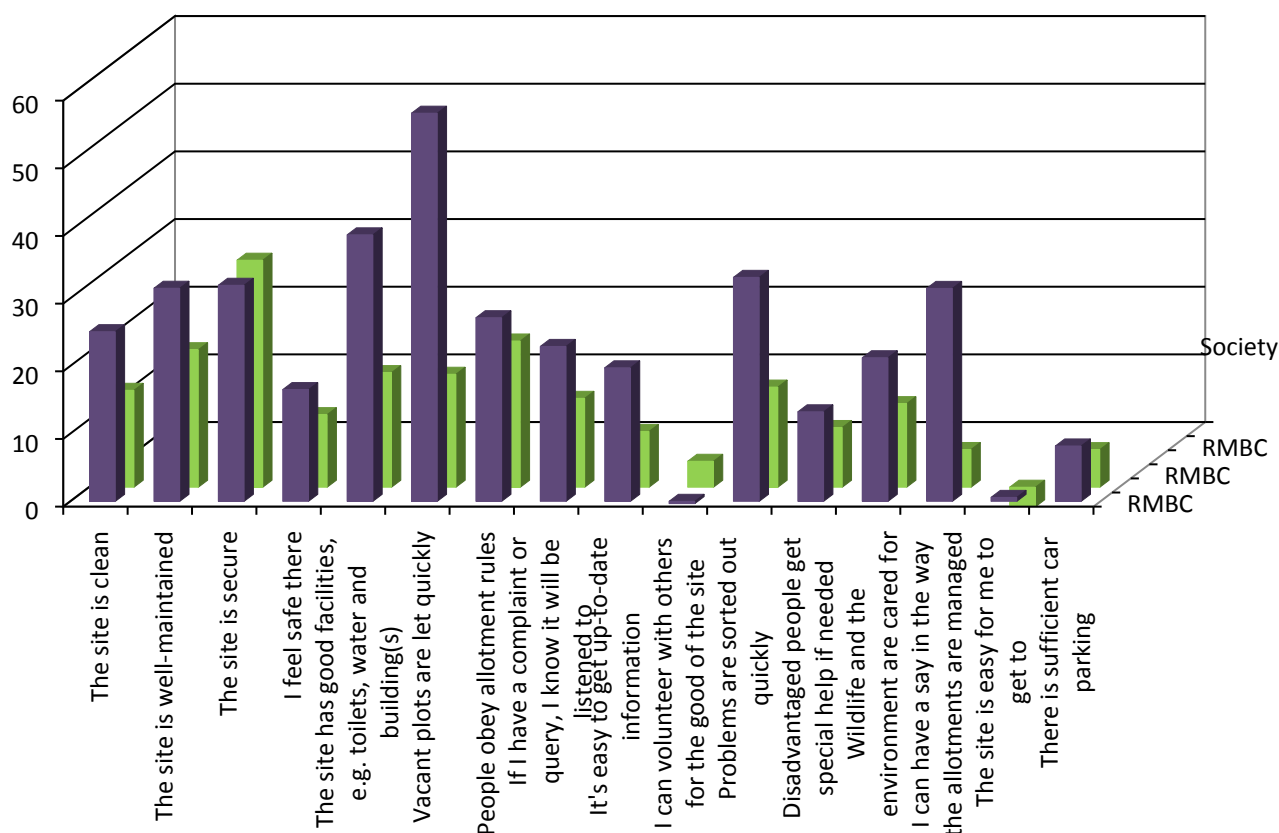
- The site has good facilities. This is unsurprising as societies have tended to become established on larger, better equipped sites. The Council has very limited resources to undertake significant improvements to sites under direct management.
- Vacant plots are let quickly. This is believed to reflect both the large total number of plots the Council's allotments team is responsible for letting, and also recent staffing issues within the same team. The absence of an Allotments Operative has delayed preparation of vacant plots for letting, and the Allotments Officer is able to spend less time processing plot lettings than previously due to having to take on a wider range of duties. By contrast, society officials are able to focus their efforts on letting plots just on their own site.
- I can have a say in the way allotments are managed. This is as expected, since allotment societies exist to represent their members. The Council's allotments team is not resourced to facilitate a similar level of tenant involvement.
- Problems are sorted out quickly. Again, the relatively poor score for directly-managed sites is believed to be due to difficulties the Council allotments team is having responding to issues across all its sites, which is compounded by current staffing pressures. By contrast, allotment societies are well placed to address issues as their committee members are routinely on site and therefore become aware of problems quickly and are well-placed to find solutions.
- If I have a complaint or query I know it will be listened to. This is very similar to the previous point, and the reasons for the difference in performance between directly-managed and society sites are likely to be the same.
- It's easy to get up-to-date information. This suggests that allotment societies do a good job of communicating with their members.

3.7.1 Priority for action

Scores for importance and current performance need to be considered together to identify which aspects of site management are most in need of improvement. For example, a factor that people think is performing weakly but which is also viewed as relatively unimportant is not as much of a priority as one that is performing weakly and is also viewed as important.

A numeric value has been calculated using the methodology shown in section 6 below to indicate how much of a priority each factor is.. The greater the score, the higher the priority for action is, as shown below.

	RMBC	Society
The site is clean	25.07	14.32
The site is well-maintained	31.49	20.32
The site is secure	31.93	33.55
I feel safe there	16.51	10.73
The site has good facilities, e.g. toilets, water and building(s)	39.38	16.94
Vacant plots are let quickly	57.36	16.70
People obey allotment rules	27.13	21.61
If I have a complaint or query, I know it will be listened to	22.89	13.14
It's easy to get up-to-date information	19.73	8.24
I can volunteer with others for the good of the site	-0.33	3.83
Problems are sorted out quickly	33.10	14.80
Disadvantaged people get special help if needed	13.23	8.82
Wildlife and the environment are cared for	21.22	12.35
I can have a say in the way the allotments are managed	31.47	5.57
The site is easy for me to get to	0.58	-2.89
There is sufficient car parking	8.18	5.55



A larger number of issues are seen as priorities for action on directly-managed sites than on society sites. Generally, it is believed that this is due

to lack of capital investment in directly-managed sites, difficulties addressing site and tenant issues which are exacerbated by current staffing pressures, and the fact that allotment societies are better placed than a centralised service to focus on the specific needs of their particular site and plot-holders. Issues with a 'priority for action' score of 30 or more are highlighted below.

Directly Managed Sites

- Vacant plots are let quickly.
- The site has good facilities
- Problems are sorted out quickly
- The site is secure
- The site is well-maintained
- I can have a say in the way the site is managed
- People obey allotment rules
- The site is clean
- If I have a complaint or query, I know it will be listened to
- Wildlife and the environment are cared for

Society Sites

- The site is secure
- People obey allotment rules
- The site is well-maintained.

This suggests that self-management of sites by societies allows a higher quality service to be provided to plot-holders than is possible on directly-managed sites with the resources that the Council currently allocates to the service. However, such comparison also needs to take into account that many of the sites still managed directly by the Council are small and have intrinsic problems that would make them difficult subjects for self-management.

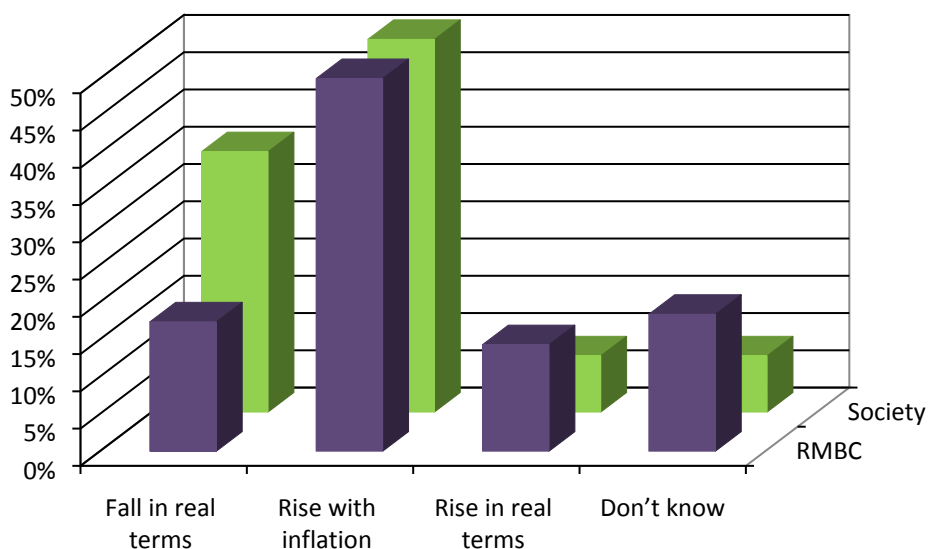
3.8 Allotment Rents

The questionnaire explained the reasons for recent increases in allotment rents, and asked respondents whether they thought rents should in future:

- fall in real terms, with services being reduced, or undertaken by volunteers, to achieve the necessary savings
- rise in line with inflation, to allow current levels of service to be maintained, or
- increase in real terms (i.e. faster than inflation) to pay for improvements in allotment provision

Responses were as shown below.

	RMBC	Society	Total
Fall in real terms	17	51	68
Rise with inflation	49	73	122
Rise in real terms	14	11	25
Don't know	18	11	29
Total	98	146	244

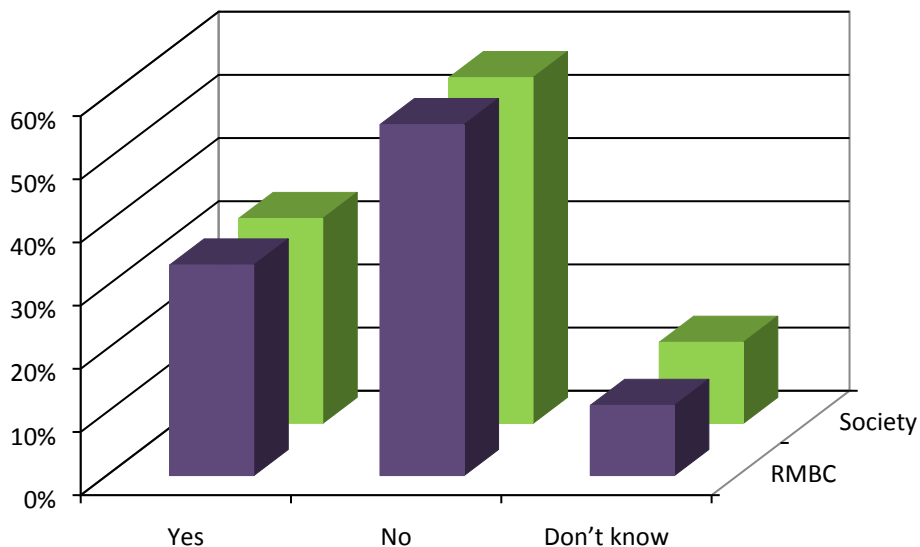


Around half of all respondents think that rents should continue to rise in line with inflation to allow the current level of service to be maintained. A significant minority of people on society sites (around 35%) believe that rents should fall in real terms, whilst only 17% of people on directly-managed sites share this view. It should be noted that each society determines the rents to be paid by individual plot-holders, but clearly the rent the Council charges the society for the whole site will be a major consideration in this

3.9 Do you think that disadvantaged people should be offered discounted rents?

This question also noted that if discounts were to be introduced, then rents paid by other allotment users would need to increase to compensate for the resulting loss of income.

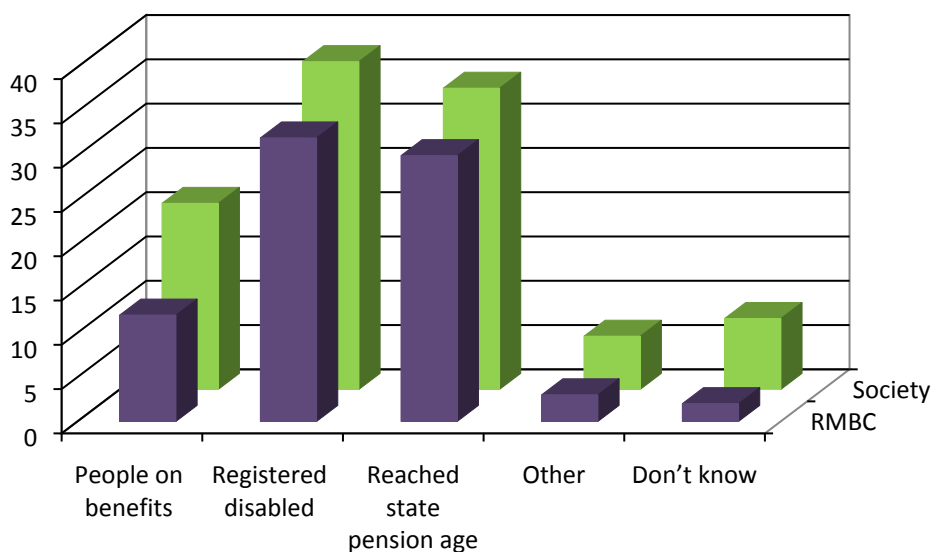
	RMBC	Society	Total
Yes	33	48	81
No	55	81	136
Don't know	11	19	30
Total	99	148	247



The results to this question from directly-managed and society sites were very similar, with around 55% not in favour of the introduction of discounts.

3.10 If you answered YES to question 9, which of the following groups of people you think should be able to receive a discount?

	RMBC	Society	Total
People on benefits	12	21	33
Registered disabled	32	37	69
Reached state pension age	30	34	64
Other	3	6	9
Don't know	2	8	10
Total	79	106	185



The total number of people answering this question was more than the number who said they believed that discounts should be offered. It is assumed that some people chose to say which groups they believe should receive discounts in the event that a decision is taken to introduce them, even though they do not agree with the principle of discounts being offered.

The results from directly managed sites and society sites are similar, with most supporting discounts for people who are registered disabled or who have reached state pension age. A smaller number think people on benefits should receive discounts. Other suggested recipients of discounts were people who don't work but get no benefit, people on low income, Rothercard holders, young working families, community and voluntary groups and people with mental health problems.

3.11 Other comments about allotment rents

120 people commented about allotment rents. The analysis of these is being carried out separately, and any conclusions will be taken into account in making recommendations for future rents.

3.12 Other comments about allotments in general

150 people supplied comments here. A separate analysis is being carried out of these to identify:-

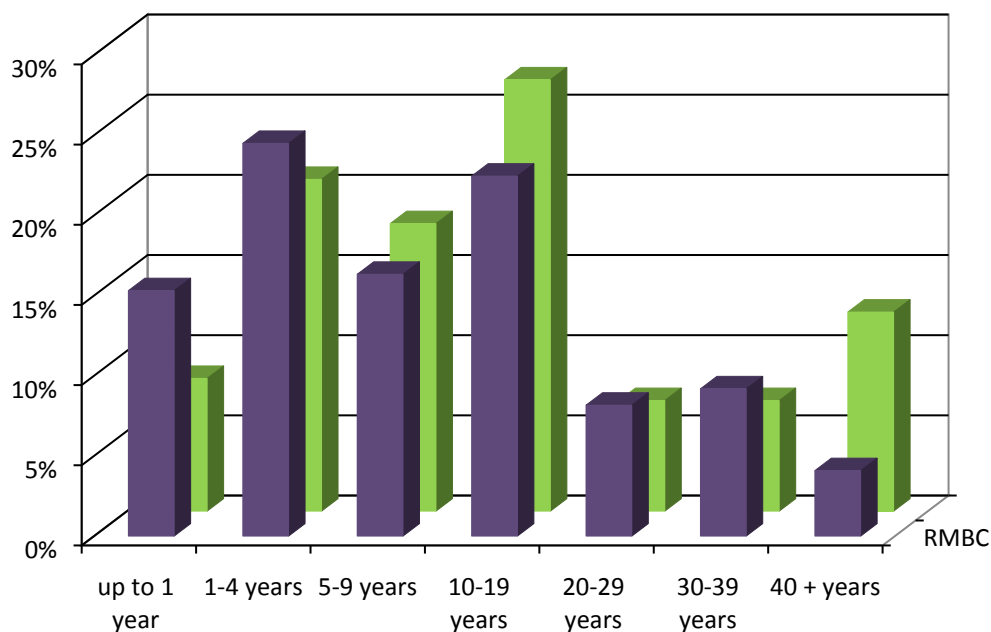
- any site-specific issues requiring action to be taken,
- any recurring themes that add to our understanding of strengths and weaknesses in the service as a whole.

The results of this analysis are not available at the time of writing.

3.13 Roughly how many years have you been allotment gardening?

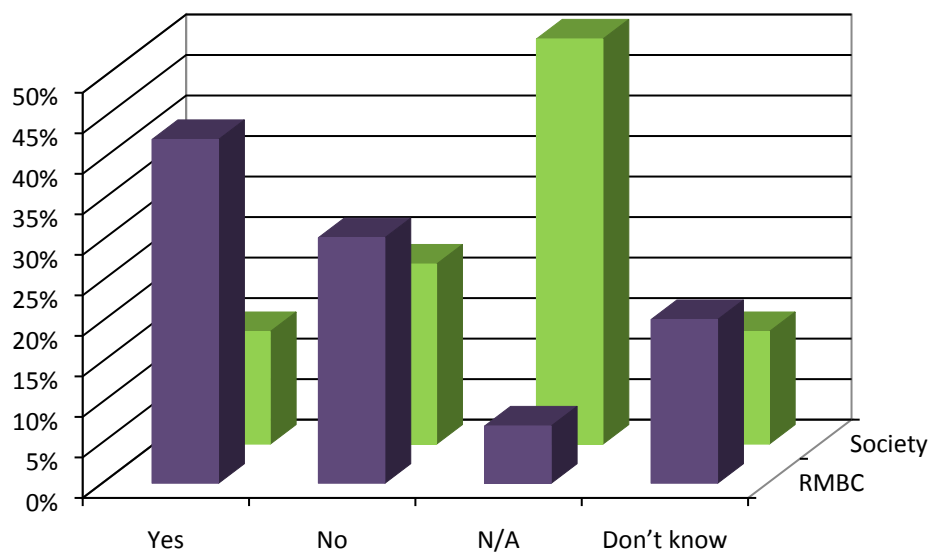
The main observation from analysis of answers to this question is that a larger proportion of respondents on directly-managed sites are relatively new to allotment gardening, whereas a larger proportion of people on society sites have been doing so for more than 40 years.

	RMBC	Society	Total
up to 1 year	15	12	27
1-4 years	24	30	54
5-9 years	16	26	42
10-19 years	22	39	61
20-29 years	8	10	18
30-39 years	9	10	19
40 + years	4	18	22
Total	98	145	243



3.14 Would you like to join an allotment society?

	RMBC	Society	Total
Yes	42	20	62
No	30	32	62
N/A	7	72	79
Don't know	20	20	40
Total	99	144	243



This question was intended to gauge the level of interest amongst people on directly-managed sites in being part of an allotment society. The main observations are as follows:-

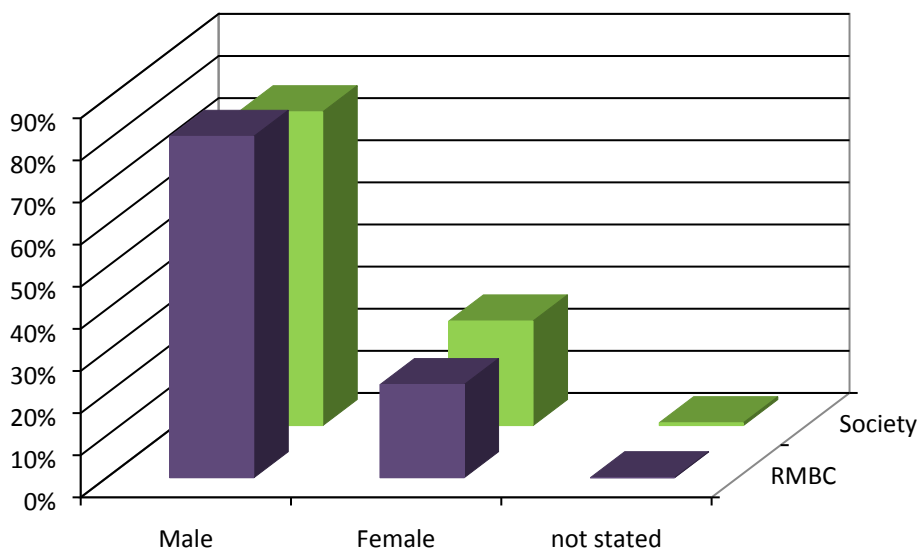
- More than 40% of respondents on directly-managed sites would like to join a society
- A number of people on directly-managed sites stated that they were already members of a society, suggesting that they may have plots on more than one site (i.e. including a society site)
- Around 22% of people on society sites stated that they do not want to be members of the allotment society.

This suggests there is some an appetite amongst a significant proportion of plot-holders on directly-managed sites to be part of a society, although this may be difficult to achieve unless suitable individuals come forward to form a committee.

4. Respondent Profile Results

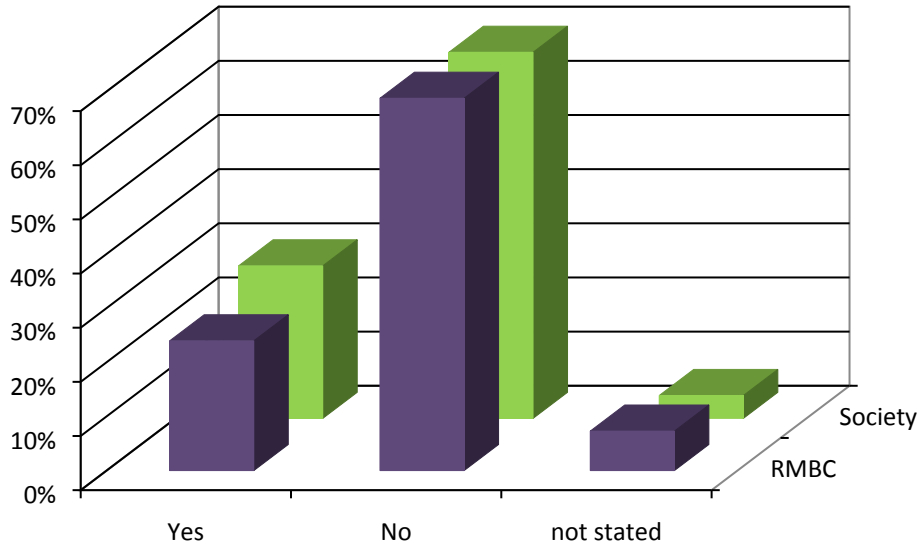
4.1 What is your gender identity?

	RMBC	Society	Total
Male	77	111	188
Female	21	37	58
not stated	0	1	1
Total	98	149	247



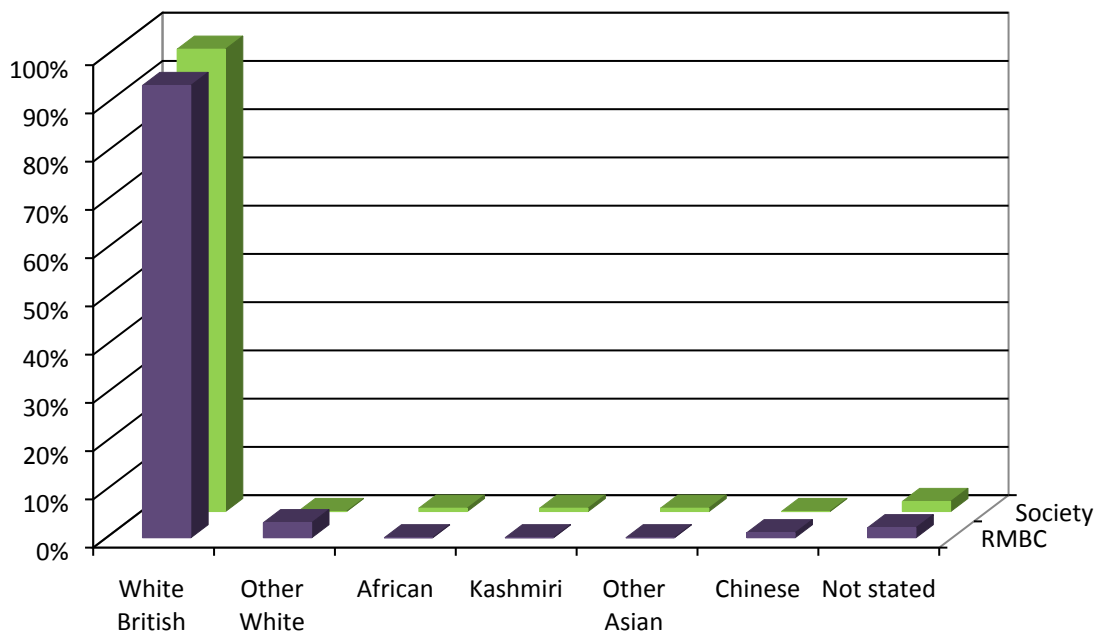
4.2 Do you consider yourself to be disabled or have a limiting illness?

	RMBC	Society	Total
Yes	23	40	63
No	66	96	162
not stated	7	6	13
Total	96	142	238



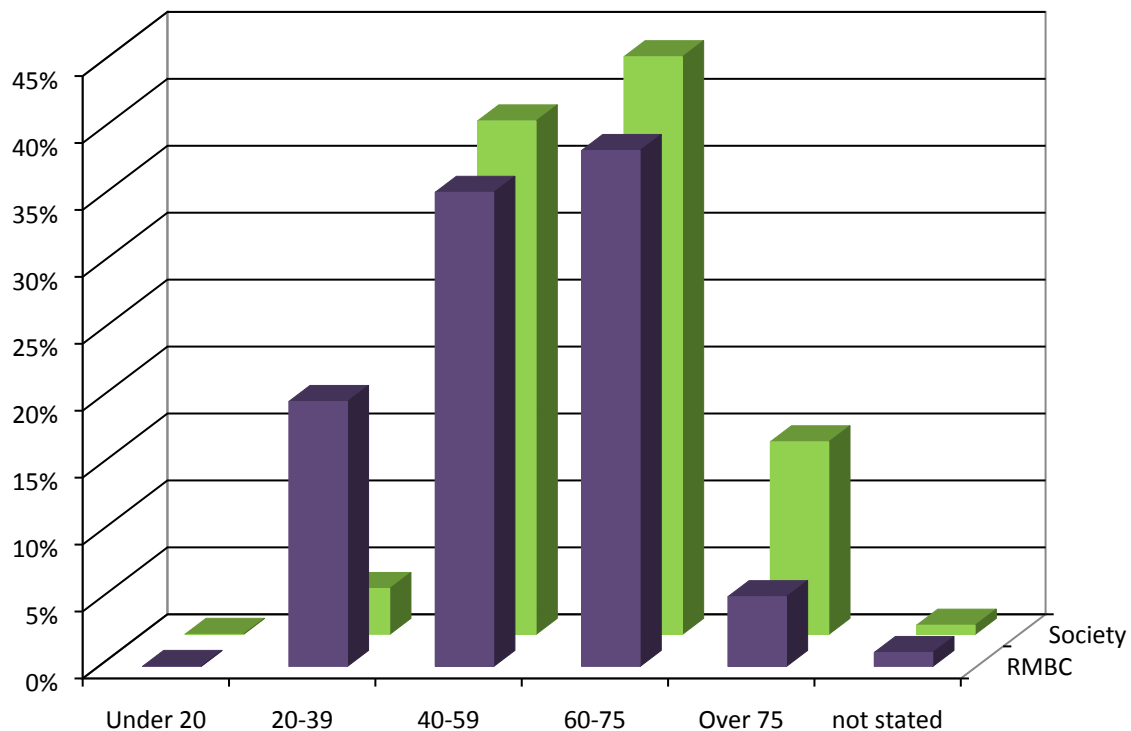
4.3 How would you describe your ethnic origin?

	RMBC	Society	Total
White British	90	138	228
Other White	3	0	3
African	0	1	1
Kashmiri	0	1	1
Other Asian	0	1	1
Chinese	1	0	1
Not stated	2	3	5
Total	96	144	240



4.4 What is your age on 1st September, 2017?

	RMBC	Society	Total
Under 20	0	0	0
20-39	19	5	24
40-59	34	56	90
60-75	37	63	100
Over 75	5	21	26
not stated	1	1	2
Total	96	146	242



5. Calculation of Average Values from Multiple-choice Questions

In questions referred to in sections 3.5 and 3.6 above, people were asked to rate the importance of various factors as one of the following:-

- Very important
- Important
- Slightly important
- Not at all important

They were also given the options of stating 'don't to allow the answers to be averaged, each was first given a numeric value as follows:-

- Very important = 10

- Important = 6.667
- Slightly important = 3.333
- Not at all important = 0.

Don't knows were omitted from the calculation of the average because of the uncertainty about what their view might be if they had one.

The average score was then determined as follows, where (A) is the number of people selecting 'Very important', (B) is the number selecting 'Important', (C) is the number selecting 'Slightly important' and (D) is the number selecting 'Not at all important'.

$$(10*A + 6.667*B + 3.333*C) / (A + B + C + D)$$

The same approach was used for calculating an average performance score for question 3.7, where (A) is the number of people selecting 'Very good', (B) is the number selecting 'good', (C) is the number selecting 'poor' and (D) is the number selecting 'very poor'.

6. Calculation of 'Priority for Action' Score

Scores for importance and current performance need to be considered together to identify which aspects of site management are most in need of improvement. The following methodology is used by commercial market research organisations, such as MORI.

Priority for Action = (Average importance score - Average performance score) * Average importance score.

Thus, a larger number shows that people regarded a factor as important, but that its performance was rated as relatively poor, whereas a smaller number shows that a factor was regarded as relatively unimportant, and that its performance was better.

This method was used to calculate scores shown in section 3.7.1 above.

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Appendix 2

Meeting:	Cabinet/Commissioner Decision Making Meeting
Date:	9 th July 2018
Report Title:	Allotments Self-management
Ward	All

ALLOTMENT SITE AUDIT RESULTS

1. General

- As part of the review of the allotment service provided by the Council's Culture, Sport and Tourism Service, an audit of Council-owned allotment sites has been undertaken.
- The purpose of the audit was to identify the size of each site, the standard of facilities and infrastructure on each, and any liabilities.
- The audit was carried out in late 2017 and early 2018. It was led by the Allotments Officer, and includes supplementary data supplied by allotments societies.
- Separate figures for society sites and directly managed sites are shown along with the totals across all sites. Where appropriate, figures are also given for inactive sites.

2. Results

2.1 Number and size of sites

	RMBC - active	RMBC - inactive	Society	Total
number of sites	13	4	13	30
total area (sq metres)	167750	37004	255604	460358
% area cultivatable	74.3%	0.0%	68.2%	64.9%
number of plots	515	0	592	1107

2.2 Plot Letting status (February 2018)

	RMBC	Society	Total
Total number of plots	515	592	1107
% plots let	77.5%	92.7%	85.6%
% plots unlettable	11.3%	1.4%	6.0%
% plots vacant	11.3%	5.9%	8.4%

2.3 Waiting lists (February 2018)

	RMBC	Society	Total
Number on waiting lists	66	53	119
No. waiting where plot vacant	20	5	25

2.4 Site security/boundaries

	RMBC - active	RMBC - inactive	Society	Total
Total length boundary (m)	6927	2172	8795	17894
% boundary fence not present	19.4%	31.0%	22.0%	22.1%
% boundary fence mostly/poor	21.0%	32.8%	20.2%	22.1%
% boundary fence mostly/good	59.5%	36.2%	57.7%	55.8%
Total number of gates	29	2	35	66
Number of gates mostly/poor	6	0	4	10
Number of gates mostly/good	23	2	31	56

2.5 Access ways and car parking

	RMBC	Society	Total
Total length tracks and paths (m)	4127	6603	10730
% tracks and paths mostly/poor	44.3%	25.9%	33.0%
% tracks and paths mostly/good	55.7%	74.1%	67.0%
Total number of parking spaces	36	57	93
Plots per parking space	14.3	10.4	11.9

2.6 Buildings

	RMBC	Society	Total
Total number of buildings	21	147	168
Plots per building	24.5	4.0	6.6
number of buildings mostly/poor	3	9	12
number of buildings mostly/good	18	138	156

2.7 Water and electricity

	RMBC - active	RMBC - inactive	Society	Total
% sites with water supply	61.5%	0.0%	76.9%	60.0%
% sites with electricity supply	0.0%	0.0%	46.2%	20.0%
number of water taps	61	0	30	91
plots per water tap	8.4	n/a	19.7	12.2

2.8 Liabilities

	RMBC - active	RMBC - inactive	Society	Total
area heavily overgrown (sqm)	9562	10322	6040	25924
area moderately overgrown (sqm)	6052	13837	6946	26835
area with Japanese Knotweed (sqm)	33	0	123	156
area with rubbish to be cleared (sqm)	2897	9104	0	12001
area prone to flooding or waterlogging (sqm)	1728	0	4936	6664
area with no soil cover (sqm)	187	0	0	187
% total site area with liabilities	12.2%	89.9%	7.1%	15.6%

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Appendix 3

Meeting:	Cabinet/Commissioner Decision Making Meeting
Date:	9 th July 2018
Report Title:	Allotments Self-management
Ward	All

PREFERRED ALLOTMENTS SELF-MANAGEMENT MODEL

1. Recommended Structure

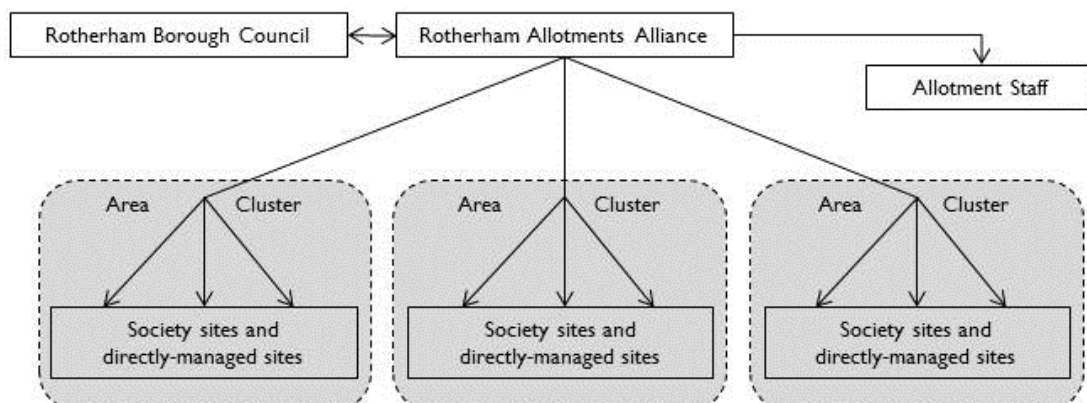
The Review has considered how control of allotments might be transferred to self-management bodies. Rotherham and District Allotments Association (RaDAA) has proposed a model with the following characteristics:-

- A number of new Area Self-Management Societies for different parts of the borough,
- Satellite Societies managing individual sites, and supported by the Area Self-Management Society as required,
- A paid Allotment Officer and Assistant to provide support to the Area Self-Management Societies as required.

The proposal, which also includes details of what Societies should be expected to do, reflects some key principles identified by the Project Group as a preferred way forward. These include expansion of self-management arrangements building on, rather than replacing, existing allotment Societies. It has been used as a starting point for further development and refinement to provide a possible comprehensive service model that addresses all agreed Review objectives and identified risks.

Consequently, a provisional self-management model has been developed, and is described below.

Figure 1 - Provisional Self-Management Model



- The principal feature of this approach would be the creation of a borough-wide allotments self-management body. This has been given the working title 'Rotherham Allotments Alliance'.
- The model also includes Area Clusters that would be constituent parts of the Alliance and governed by the same rules. Their role would be to encourage co-operation and co-ordination between sites in each locality.
- It is proposed that all allotment gardeners would be members of the Alliance with voting rights at AGMs.
- The Alliance would be led by a committee comprising allotment gardener representatives, Cabinet Member with responsibility for allotments, and one other Council Member. Other individuals representing interests such as health and wellbeing, the environment, children and young people, community development, learning etc. may be invited to support the work of the committee.
- The entire portfolio of Council allotment sites would be leased to the Rotherham Allotments Alliance who would then sub-let individual sites where there are Allotment Societies.
- The main benefits of a borough-wide self-management body are:-
 - It could employ and control staff on behalf of all Societies and sites,
 - Efficient and joined-up working relationship between partners, including the Council
 - Allows borough-wide service standards to be agreed and monitored
 - A stronger, more unified voice for allotments in Rotherham
 - Scope to share expertise and resources amongst all Societies and volunteers
 - Able to provide/obtain support for individual Societies (e.g. specialist advice), and thereby minimise risk of failure
 - Economies of scale and minimisation of duplication, so that available resources go further.
 - Able to co-ordinate action across the whole allotments sector, including promotional campaigns, events planning etc.
- Allocation of roles and responsibilities within such a model will require further detailed consideration and agreement. However, **Figure 2** illustrates a possible approach to help guide further consideration of these matters.

2. Proposed Legal Form for New Self-Management Body

2.1 Options

A wide range of different legal forms is available for organisations involved in the running of allotments. Consideration needs to be given to the intended characteristics of the proposed body when evaluating the various possible legal

forms. Discussion within the Review Team has identified the following as being desirable in any new self-management body:-

- Clearly defined aims and purposes;
- All gardeners are able to vote on key issues;
- Day-to-day control of the body's affairs by a board/committee whose members can be elected by the general membership
- Board/committee members have limited/no personal liability arising from the activities of the body
- Well-suited to fund-raising and applying for grants
- Able to employ staff, contractors etc
- Able to lease land from the Council, and sub-let it to individual Societies
- Scope to include new sites in future (desirable)
- Reasonably simple registration and regulatory requirements
- Minimise requirement to pay tax and business rates.

Taking these requirements into account, two options appear to be particularly suitable.

A. Community Benefit Society

Community Benefit Societies are set up with social objectives to conduct a business. They are run and managed by their members, who can elect a committee to carry out day-to-day operational management on their behalf. They can raise funds by issuing shares to the public, and must submit annual accounts.

To be recognised as a charitable community benefit society they must have exclusively charitable objects that are for the public benefit, allowing them to raise capital through public grants and charitable trusts. If approved, they're known as exempt charities - reporting to the Financial Conduct Authority (FCA), not the Charity Commission. A small fee is payable to register such a body, and annual fees also need to be paid to maintain registration.

As they are incorporated bodies they are legal entities in their own right, and therefore able to enter into contracts, hold land and employ staff. This also limits the liability of its members.

B. Charitable Incorporated Organisation

A CIO is governed by a board of trustees whose role is to ensure the charity is carrying out its purposes for the public benefit, and to plan and review the charity's work on a regular basis.

There are two different types of CIO available. Foundation CIOs, where the voting members and charity trustees are one and the same (known as 'closed' membership), and Association CIOs have a wider membership than the Foundation CIO, including members who are not trustees (known as 'open' membership). There are no initial or recurring fees for registration.

Like Community Benefit Societies, CIOs are incorporated bodies, and therefore share the same advantages listed above.

2.2 Recommended Option

Whilst both the options described may be used for the type of self-management body envisaged, a Community Benefit Society is believed to be better suited in this case. This is because it appears to be more extensively tried and tested, is a widely recognised mutual form, and benefit from legislative provisions which mean that re-organisations, particularly mergers between societies, are relatively easy to do.

Therefore it is recommended that a new Community Benefit Society be established to deliver a new borough-wide allotments self-management model.

**Figure 2
Possible Roles and Responsibilities in Remodelled Allotments Service**

	Governance	Finance, insurance and staffing	Provision of allotment land	Site improvement and maintenance	Tenancy Management	Service development and promotion
Rotherham MBC	<ul style="list-style-type: none"> • Ultimate responsibility for service standards and legal compliance • Ultimate step-in/rescue powers if self-management body failing • Drafting and supply of model constitution for Societies • Nomination of Council reps to Allotments Alliance 	<ul style="list-style-type: none"> • Manage capital reserves from sale of allotment land • Allocate capital funding to support site improvement projects • Receive reports from Alliance on use of capital funding, inc. achievement of agreed outcomes, leverage of match funding etc. • Advise on level of insurance required by self-management bodies, and check to ensure this is in place • Confirm whether TUPE regulations apply to any new posts created by the Alliance. 	<ul style="list-style-type: none"> • Consider requests to provide new land, or to take back surplus land from Alliance. • Manage any surplus land surrendered by Alliance, noting that grazing income may need to be passed back to Alliance to support their activities. • Acquire or appropriate land for new allotments as required • Lease all Council allotment land to Allotments Alliance. • Apply to Secretary of State for permission to dispose of surplus allotment land 	<ul style="list-style-type: none"> • Process applications from Alliance for capital funding to support site improvement projects • Receive reports from Alliance on use of capital funding, inc. achievement of agreed outcomes, leverage of match funding etc. • Provide technical advice on tree safety, invasive species, flooding and hazardous waste, as requested by Allotments Alliance 	<ul style="list-style-type: none"> • Supply initial model tenancy agreement • Lease all Council allotment land to Allotments Alliance 	<ul style="list-style-type: none"> • Advise Alliance of Council initiatives and policy changes relevant to allotments
Allotments Alliance	<ul style="list-style-type: none"> • Development, review and approval of terms of reference of Allotments Alliance. • Develop and implement service monitoring systems, incl. KPIs • Appointment of new Alliance members • First line step-in/rescue option in case of failing Society • Secretarial support and record-keeping for Alliance business 	<ul style="list-style-type: none"> • Employ allotment staff • Set annual budget for Alliance business (incl staff costs) • Calculate and collect rent payments from tenants on directly-managed sites and Societies, • Monitor own budget and report to members regularly • Take out insurance cover as necessary for Alliance business • Decide whether Societies must join NAGS to benefit from insurance cover 	<ul style="list-style-type: none"> • Sub-let allotment sites to Allotment Societies • Monitor demand for allotments across borough, using data supplied by Societies/clusters • Make recommendations to RMBC for acquisition/disposal of allotment land • Consider requests from Societies to surrender all or part of their leased land back to Allotments Alliance, and support them in finding alternative uses (e.g. grazing) • Help RMBC in applying for permission to dispose of surplus allotment land, including statutory consultation 	<ul style="list-style-type: none"> • Deploy allotment staff to help Societies with maintenance and improvement projects, and to arrange the following:- <ul style="list-style-type: none"> ○ Regular safety inspections of trees across all sites, and arrange works as needed ○ Deal with invasive species , flooding and hazardous waste reported by Societies ○ Support procurement by Societies of skips, pest control etc • Consider Society site improvement proposals, and decide whether to support • If supporting, apply to RMBC for capital on behalf of Society • Otherwise, work with Society to address weaknesses in bid • Identify and share information about other external grant funding opportunities 	<ul style="list-style-type: none"> • Sub-let allotment sites to Allotment Societies • On directly-managed sites, same tenancy management responsibilities as those on Society-managed sites (see below). 	<ul style="list-style-type: none"> • Champion all allotments, and provide a unified voice on matters of general interest • Develop and implement borough-wide communications to promote the benefits of allotment gardening, including Rotherham allotments website • Help Societies by encouraging new volunteers to strengthen sustainability and representativeness of committees. • Work with partners to reach under-represented and disadvantaged groups • Share/promote good practice guidelines from national bodies (e.g. NAGS) and between Societies/clusters • Arrange and promote skills development opportunities for volunteers in all Societies (e.g. training, mentoring)
Area Cluster	<ul style="list-style-type: none"> • Collation of monitoring information from individual Societies and reporting to Alliance 	<ul style="list-style-type: none"> • Ad hoc agreement to pool resources from individual Societies to fund joint initiatives 	<ul style="list-style-type: none"> • Monitor demand for allotments across cluster area, using data supplied by Societies • Make recommendations to 	<ul style="list-style-type: none"> • Agree and deliver mutual support and sharing of resources between individual Societies within cluster, to 	<ul style="list-style-type: none"> • Share information about proposed rents, allotment rules, difficult tenants etc 	<ul style="list-style-type: none"> • Facilitate collaboration between individual Societies on <ul style="list-style-type: none"> ○ Local promotion activity

	Governance	Finance, insurance and staffing	Provision of allotment land	Site improvement and maintenance	Tenancy Management	Service development and promotion
	<ul style="list-style-type: none"> Request Alliance step-in/rescue in case of failing Society 		<p>Alliance for acquisition/disposal of allotment land</p>	<p>undertake maintenance and deliver small-scale improvement projects.</p> <ul style="list-style-type: none"> Provide targeted support for small sites (could set up multi-site Society) 		<ul style="list-style-type: none"> Events Developing local partnerships (e.g. schools, community groups) Resource sharing to achieve economies of scale
Individual Society	<ul style="list-style-type: none"> Nomination of Society reps to Allotments Alliance Adjustment of model constitution, as required, and adoption of it Management of the Society in accordance with the constitution and the law Collection and reporting of monitoring information, including KPIs. Provide and promote opportunities for individual tenants to have their views heard, and to influence decisions taken by the Society committee. 	<ul style="list-style-type: none"> Set annual budget for Society business (incl. annual payment to Alliance) Monitor own budget and report to members Set annual rent payable by plot-holders Manage and report any reserves Take out insurance cover to levels specified by RMBC 	<ul style="list-style-type: none"> Maintain and report data about demand vs supply (e.g. waiting lists, number of vacant plots) Submit requests to Alliance to take back surplus/unused leased land.. 	<ul style="list-style-type: none"> Day to day maintenance of vegetation, vacant plots, tracks, buildings, fences, water supplies, drainage and other infrastructure Report invasive species (e.g. Japanese Knotweed), flooding and hazardous waste to allotment staff Deliver small-scale improvement projects Propose large-scale improvement projects needing extra capital investment to Alliance. 	<ul style="list-style-type: none"> Provide information about how to rent a plot & plot availability Manage waiting lists Prepare vacant plots for letting Issue tenancy agreements Collect rents and other payments (e.g. water) Take action to address under-payment, including possible termination of tenancy Agree and issue site rules Take action to address non-compliance, including enforcement and possible termination of tenancy Respond to general enquiries from tenants Take action to try to resolve disputes between tenants Respond to complaints from tenants and others 	<ul style="list-style-type: none"> Develop volunteering amongst general members Facilitate <i>Continued overleaf</i> dialogue with Society members to identify service improvement Lead regular communications to keep members informed and involved, including meetings, site notices, social media etc.

Public Report with Exempt Appendix
Cabinet and Commissioners' Decision Making Meeting

Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioner's Decision Making Meeting – 9 July 2018

Report Title

Community Energy Switching Scheme

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

No

Director Approving Submission of the Report

Damien Wilson, Strategic Director of Regeneration and Environment

Report author(s):

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Wards Affected

All

Executive Summary

The purpose of this report is to seek 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.

Recommendations

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.

List of Appendices Included

Appendix A Development and operating arrangements of Doncaster Council and Robin Hood Energy Community Energy Switching Scheme.

Appendix B Details of Typical Commission Received; Anticipated Revenue and Projected Costs.

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Overview and Scrutiny Management Board – 4 July 2018

Council Approval Required

No

Exempt from the Press and Public

An exemption in respect of Appendix B is requested under paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972, as this Appendix contains sensitive commercial information. It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information, as the Councils commercial interests could be prejudiced by disclosure of this commercial information.

Community Energy Switching Scheme

1. Recommendations

- 1.1. That a detailed feasibility study be undertaken in order to assess the viability of developing a Community Energy Switching Scheme.
- 1.2 That a detailed feasibility report be brought back to Cabinet for consideration.

2 Background

- 2.1 Previous domestic Council energy programmes across the country have focussed on helping people to insulate their homes, install modern controllable heating and renewable or efficient energy systems to help reduce energy costs.
- 2.2 Ofgem has reported that around 57% of non-prepayment meter consumers remain on poor value standard variable rates, which can be as much as £300 a year more expensive than the cheapest deals on the market. However, more than one in five households across the UK now get their energy from small/medium-sized suppliers, leaving the largest six suppliers with a record-low market share. During 2017, 5.1 million electricity consumers and 4.1 million gas consumers switched supplier, which was the highest number for almost a decade. Many of the customers switched for the first time.
- 2.3 A community energy switching scheme aims to reduce the cost of living for people by getting a fair price on gas and electricity. A number of Local Authorities in the UK have developed community energy switching schemes in partnership with private companies or Council owned licenced energy suppliers. The operation, management, resource requirements and potential revenue of the different schemes vary across the country.
- 2.4 An initial exercise was carried out to assess the development and operating arrangements of different schemes. Meetings were arranged with two different types of scheme / organisations to assess the development, operating and management requirements of the schemes. Details of the two schemes assessed are attached at Appendix A and summarised as follows:
 - Doncaster Council and Robin Hood Energy – a ‘white label’ partnership scheme. A white label provider is an organisation (Doncaster Council) that does not hold a supply licence and instead partners with a licenced supplier (Robin Hood Energy) to offer gas and electricity using its own brand.
 - ichoosr – A private company that signs up participants for quarterly energy auctions, resulting in the offer of energy tariffs.
- 2.5 Other private and public community energy switching schemes are operating in the UK including Leeds Council with ‘White Rose Energy’ (also with Robin Hood Energy); Cornwall Council with ‘Community Energy Switch’; Bristol Council with ‘Bristol Energy Ltd’ and OVO Energy (private company) who

operate a number of schemes in partnership with Local Authorities to name a few.

3 Key Issues

3.1 There are numerous organisations operating community energy switching schemes, many with different methods of operation and management. If the Council is to proceed towards developing a community energy switching scheme it is recommended that a detailed feasibility study is carried out. It is important to note that the Council itself is unlikely to derive any financial benefit from such a scheme, the beneficiaries would be residents.

3.2 The Council should market and communicate the scheme to residents and offer fair, simple and clear prices and good customer service. The Council should also receive a commission from the partner organisation selected. The revenue received would be used to support the additional resources required to develop, market and support the scheme in Rotherham.

3.3 Details of a typical commission offered by Doncaster Council and Robin Hood Energy are included in the exempt Appendix B as an example. An initial budget would be required to set up the scheme as well as for marketing, support and operation. Resource requirements include:

- Community Energy Officer. Responsible for developing, operating, marketing, communication and supporting residents joining the scheme. It is envisaged that one Officer will be required for year 1 and an additional Officer will be required in years 2 and 3 once the scheme expands.
- Marketing and communication. Promoting the scheme through different media, arranging public marketing events and communicating to all stakeholders.

3.4 Revenue and cost projections detailed at Appendix B illustrate that any up-front costs would be repaid through the money received from the partner organisation for each meter signed up for a year. However, this is dependent upon the speed of take-up by residents, so there may be a period when revenue funding is required to support the project. It is anticipated that void Council properties would need to be included in the scheme to make it financially viable.

4 Options Considered and the Recommended Proposal

4.1 **Option 1** – Do not develop a community energy switching scheme and let residents manage their own tariff changes through comparison websites such as uswitch, comparethemarket.com or moneysupermarket.com. This option would not require any additional staffing resources.

4.2 **Option 2** - Carry out an information campaign for residents to inform them of the potential savings with details on comparison sites, the big 6 energy companies and alternatives. This option could also run specified days at Riverside House (and other Council sites e.g. libraries) to assist residents

wishing to switch but lacking the confidence, IT knowledge or equipment. This would be a short term support programme.

This option would require a marketing budget and use of staff time though could be seen to be endorsing energy companies on the comparison websites without knowing a great deal about them. This could result in residents asking for further support and blaming the Council for any failures of energy companies. The Council would need to be careful that residents in receipt of warm home discount do not lose out by switching.

4.3 **Option 3** – Carry out a detailed feasibility study to assess the viability of developing a Community Energy Switching Scheme and obtain further information about a potential scheme for Rotherham. Option 3 would require staffing time to develop the feasibility and provide a report on future options and next steps. This option would assist residents but there would be no financial benefit to the Council.

4.4 It is therefore recommended that option 3 is 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.

5. Consultation

5.1 Consultation has been carried out with Housing & Neighbourhood Services. A concern was raised about including void Council properties and the benefits of a future scheme compared to current arrangements. The concerns raised by the voids team will be used to develop the criteria for any future scheme including:

- The licenced provider will require a dedicated voids team.
- Debts left by leaving tenants will be cleared by the licenced provider and payment pursued from previous occupants not the Council.
- A commission will be required for each meter.
- Emergency credit is required on each meter and standing charges waived for a set period.

6. Timetable and Accountability for Implementing this Decision

6.1 If approval is given to the recommendation as presented, this will be actioned immediately and a community energy switching scheme feasibility study will be carried out to assess the viability of developing a scheme and partnership. The feasibility study can be carried out in-house by Officers and is expected to take two months to complete. It is therefore proposed to bring a further report to Cabinet in late 2018 on the detail of the feasibility study and next steps.

7. Financial and Procurement Implications

7.1 There are no financial implications arising from this report, which only seeks approval to undertake the feasibility study, which will be completed in house, using existing staff resources.

8. Legal Implications

- 8.1 OFGEM introduced the Retail Market Review (RMR) reforms late in 2010 to make the retail energy market simpler, clearer and fairer for consumers. The domestic RMR recognised that white label partnerships have the potential to deliver greater consumer choice and competition. White label partnerships must comply with the RMR rules.
- 8.2 Charging for services is only permitted on a pure cost recovery basis, i.e. a surplus that equates to 'profit' cannot be generated without the formation of a trading company.
- 8.3 Other white label arrangements being made by Local Authorities have a minimum 3 – 5 year contract. There are break clauses included in these contracts should one or both partners want to end the project. It is anticipated the Council would make similar arrangements.
- 8.4 The Council would enter into a partnership arrangement with a provider following an EU compliant tender in accordance with Utilities Contract Regulations 2016. The partner supplier will be responsible for the supply of gas and electricity to the customers of the white label partnership and the partner provider will be obligated to comply with the supply license conditions.

9. Human Resources Implications

- 9.1 Additional resources may be required to develop, operate and support the scheme as detailed in Exempt Appendix B, these will be explored more fully as part of the feasibility study.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 If implemented a Community Energy Switching Scheme could assist in reducing fuel poverty.

11. Equalities and Human Rights Implications

- 11.1 If implemented the energy supply offer will be made available to all households in Rotherham.

12. Implications for Partners and Other Directorate

- 12.1 The implications for Housing Services have been included in the report.

13. Risks and Mitigation

- 13.1 The Council or energy provider cannot guarantee that a given tariff will always be the cheapest. The energy supply market is volatile and the cheapest market price can be superseded the next day by another provider.

- 13.2 The highest risk for the Council would be reputational. Consumer complaints about billing and the Council may receive the criticism for any price increases set by the partner energy company. Customer service and customer retention performance would have to be regularly monitored.
- 13.3 There is a financial risk to the Council if the number of residents that sign up to the scheme is insufficient to cover the marketing and administration costs. The Council would need to consider pulling out of the scheme in order to mitigate on going losses if this was the case.

14. Accountable Officer(s)

Paul Smith, Head of Asset Management

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Judith Badger	19.06.2018
Assistant Director of Legal Services	Stuart Fletcher	19.06.2018
Head of Procurement (if appropriate)		
Head of Human Resources (if appropriate)		

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This report is published on the Council's website or can be found at:-
<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

APPENDIX A

Ichooser

1. ichoosr is a private company that organises quarterly energy auctions with licenced suppliers. The aim is to secure reduced tariffs through group purchasing schemes. Participants sign up for energy auctions following a set process:
 - 1.1 Residents sign up for the scheme free of charge.
 - 1.2 Participants are included in the next quarterly auction.
 - 1.3 A personal offer (tariff) is offered to participants post auction.
 - 1.4 Participants accept or decline the offer/tariff. If accepted 'ichoosr' deals with the switching process
2. The process can take up to 12 weeks to switch following a set process. Partner organisations (e.g. Local Authorities) marketing the scheme in their area receive a small commission for each resident that signs up to the scheme and adopts a new tariff.

Doncaster Council.

The Doncaster Council scheme development and arrangements are:

1. Doncaster Council has established a 'white label' partnership agreement with Robin Hood Energy and set up their own community energy switching brand and website (<https://www.greatnorthernenergy.co.uk/>). The scheme offers domestic energy tariffs under a 'white label' arrangement with Robin Hood Energy. A white label provider is an organisation (The Council) that does not hold a supply licence and instead partners with a licenced supplier (Robin Hood Energy) to offer gas and electricity using its own brand (Great North Energy).
2. A number of schemes were assessed by Doncaster Council prior to the partnership agreement with Robin Hood Energy including a potential partnership with White Rose Energy (Leeds Council). Doncaster Council previously worked with 'ichoosr' to develop a community switching scheme but found the lengthy switching process (up to 12 weeks) too long, and only had a 25% take up rate on expressions of interest because of this time delay. Other Local Authorities are considering a partnership agreement with Doncaster Council using the Great North Energy label.
3. The majority of the customer facing activity and marketing is undertaken by existing staff (Doncaster has 3 x Neighbourhood Energy Officers who are externally funded and St Leger Homes Tenant Liaison Officers).
4. Doncaster Council is looking at expanding the scheme to include commercial energy for SME's.

Robin Hood Energy

The Robin Hood Energy scheme arrangements are:

1. Robin Hood Energy are a national not for profit organisation currently employing 160 - 180 staff dealing with customer services; billing; back office functions; wholesale buying; regulatory compliance and metering services associated with energy provision. Robin Hood Energy is owned by Nottingham City Council.
2. Robin Hood Energy continue their relationship with customers and those that are on an 18 month fixed tariff are moved to the cheapest available peak tariff once the contract term expires. This arrangement is not available to customers on the 12 month tariff at the moment.
3. Online account management is available such as a customer helpline with wait times at 2 minutes maximum and within 1 minute for 70% of customers. Return calls are made within 48 hours.
4. Payment arrangements are monthly, quarterly or pre-paid. Pre-paid customers are monitored and offered direct debit when stable.
5. When Robin Hood Energy were asked about recent reports of price increases and financial stability the response was:
 - 5.1 The standard variable tariff hadn't changed for 18 months and increased after the big 6 raised their tariff.
 - 5.2 Company debt report for 2016/17 showed a deficit as expected.
 - 5.3 Now at critical mass of customers to break even (over 100,000) and expected to break even for 2017/18.

The Head of Energy Projects, Commercial, Infrastructure and Energy at Nottingham City Council confirmed the information given by Robin Hood Energy and Doncaster Council. Derby Council has also arranged a white label partnership with Robin Hood Energy and set up their own Community Energy Switching brand and website (<https://www.ramenergy.co.uk/>).

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

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