

CABINET

**Venue: Bailey Suite, Bailey
House, Rawmarsh Road,
Rotherham**

Date: Wednesday, 7 July 2010

Time: 10.30 a.m.

A G E N D A

1. To consider questions from Members of the Public.
2. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
3. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
4. Minutes of the previous meeting held on 9th June, 2010 (copy supplied separately)
5. Audit Committee Annual Report 2009/10 (report herewith) (Pages 1 - 15)
 - Strategic Director of Finance to report.
6. Scrutiny Review - Corporate Parenting (report herewith) (Pages 16 - 24)
 - Strategic Director of Children and Young People's Services to report.
7. Public Health and Health Inequalities in Rotherham (report herewith) (Pages 25 - 28)
 - Chief Executive to report.
8. The Learning Revolution: Making it Happen - Lead Accountable Body Status (report herewith) (Pages 29 - 32)
 - Strategic Director of Children and Young People's Services to report.
9. Children and Young People's Plan 2010-2013 (report herewith - attachments available separately at the meeting and in the Members' Room) (Pages 33 - 37)
 - Strategic Director of Children and Young People's Services to report.
10. Capital and Asset Management Strategies, Plans and Programmes 2010/11 - £1.5m Capital investment Block (report herewith) (Pages 38 - 42)
 - Strategic Director of Environment and Development Services to report.

11. Revenue Account Outturn 2009/10 (report herewith) (Pages 43 - 63)
 - Strategic Director of Finance to report.
12. CLG Housing Finance Review (report herewith) (Pages 64 - 73)
 - Strategic Directors of Finance and Neighbourhoods and Adult Services to report.
13. Minutes of a meeting of the Rotherham Local Development Framework Members' Steering Group held on 18th June, 2010 (copy herewith) (Pages 74 - 81)
 - Strategic Director of Environment and Development Services to report.
14. Exclusion of the Press and Public.

The following items are likely to be considered in the absence of the press and public as being exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended March 2006) (information relating to the financial or business affairs of any particular individual (including the Council)):-
15. Education Catering Services Trading Statement Report 2009-2010 (report herewith) (Pages 82 - 88)
 - Strategic Director of Children and Young People's Services to report.
16. Youth Service Provision Review (report herewith) (Pages 89 - 98)
 - Strategic Director of Children and Young People's Services to report.

Extra Item:-

17. Impact on RMBC of 2010 Rotherham Ltd Repair and Maintenance Externalisation: Preliminary Report (herewith) (Pages 99 - 130)
 - Strategic Director of Neighbourhoods and Adult Services to report.

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET
--

1.	Meeting:	Cabinet
2.	Date:	7th July, 2010
3.	Title:	Audit Committee Annual Report 2009/10
4.	Directorate:	Financial Services

5. Summary

This report refers to and contains, at Appendix A, an Audit Committee Annual Report 2009/10.

6. Recommendations

The Cabinet is asked:

- To note the attached **Audit Committee Annual Report for the year 2009/10** and in particular the positive work of the **Audit Committee** during the year
- To note the proposal to present the **Annual Report** to the next **Council meeting**.

7. Proposals and Details

The Audit Committee's Terms of Reference and best practice as contained in the Chartered Institute of Public Finance and Accountancy's document "A Toolkit for Local Authority Audit Committees" require the Audit Committee to complete an annual report.

A copy of the 2009/10 annual report is attached at Appendix A. It shows key information relating to the Committee, its achievements during the year and key targets for 2010/11.

The Audit Committee has previously been commended by the external auditor and the annual report shows that it has successfully fulfilled its terms of reference and has improved the Council's governance and control environments.

The report shows that, during the year, the Audit Committee:

- Oversaw and contributed to creditable performance in the revised Use of Resources assessment
- Oversaw work on the Statement of Accounts which received a clean opinion from the external auditor
- Agreed the production of the Council's first Annual Fraud Report
- Established a '*Rotherham Audit Committee*' to look at partnership issues and held a first meeting of the Committee
- Encouraged and presided over a strengthening control environment, specifically by overseeing reviews of Financial Regulations, the Local Code of Corporate Governance, Ethical Standards and Partnerships' Governance.

Additionally, as part of our ongoing commitment to identifying and sharing good practice, we continued to support events in the sub-region during 2009/10. The Audit Committee was particularly pleased that Rotherham was asked to host the first sub-regional half-day conference in March 2010. This was a reflection of the Council's proactive work in setting up the South Yorkshire and Wakefield Audit Forum and its continuing leading role in developing audit committee arrangements across the area. The conference was a significant success and sets up further development in the future.

The plan shows how the Committee intends to build upon its strengths during 2010/11 and help the Council to maintain strong internal controls.

8. Finance

There are no direct financial implications arising from this report.

9. Risks and Uncertainties

The Council achieved a commendable 3 score for its Use of Resources in 2009 having previously received a commendation for its Audit Committee.

The preparation of an Annual Report is in line with best practice and will help the Council to maintain a positive Use of Resources score in 2010.

10. Policy and Performance Agenda Implications

Good Governance is wholly related to the achievement of the objectives in the Council's Corporate Plan.

11. Background Papers and Consultation

"A Toolkit for Local Authority Audit Committees", CIPFA, IPF, 2006
Audit Committee, 14 April 2010

Contact Names:

C. Earl, Director of Internal Audit & Governance, x2033

Appendices:

Appendix A

Audit Committee Annual Report 2009/10

AUDIT COMMITTEE

ANNUAL REPORT 2009/10

Councillor A Sangster, Chair
Councillor B Kaye, Vice-Chair

FOREWORD BY THE CHAIR OF THE AUDIT COMMITTEE

I am pleased to present the Audit Committee's 2009/10 Annual Report. The report shows how the Audit Committee has successfully fulfilled its terms of reference, continued to make a positive contribution to the Council's governance and control environments and led the development of audit committee arrangements in Rotherham.

The Council achieved a commendable 3 out of 4 overall on the new, tougher, Use of Resources Assessment. This assessment was sufficient to place the Council 11th out of 150 comparable authorities. The Audit Committee plays a significant role in relation to the Use of Resources Assessment. Firstly, the Audit Committee's own arrangements comply with good practice and, secondly, the Audit Committee oversees many other arrangements that are reflected in the assessment.

In recognition of the increasing emphasis on partnership working, not least through the Comprehensive Area Assessment, we have been continuing to develop arrangements with partner organisations' audit committees. In February 2010, we held the first Rotherham wide audit committee meeting, where representatives from the NHS, Police, Fire and Council discussed areas of mutual interest and agreed a forward plan of reviews to ensure we can monitor partnerships' governance arrangements.

2010/11 will be a significant year. All the signs are that it will signify the start of a prolonged period of austerity. This will bring with it intensified priorities. How councils use the resources available to them will become even more important. How we risk manage our priorities, investments and partnerships will be crucial. And, councils will have to be increasingly vigilant to the risk of fraud. Audit Committees will have an ever-increasing role to play in ensuring councils use their resources efficiently, effectively and safely.



Councillor Alex Sangster
Chair, Audit Committee 2009/10

Against this background, we have continued to lead activities designed to strengthen the role and performance of audit committees across South Yorkshire and Wakefield. In March 2010, Rotherham hosted the first sub-regional audit conference with the theme of "*the Roles and Skills of Audit Committees and Audit Committee Members*". Locally, we have agreed a programme of refresher training events to ensure individually and collectively we can continue to perform our role effectively in this very dynamic context.

Our programme for 2010/11 will ensure we continue to drive up governance standards.

AUDIT COMMITTEE: ANNUAL REPORT 2009/10

C O N T E N T S	Page
INTRODUCTION	3
SOME KEY INFORMATION	3 – 4
Audit Committee Membership	
Key features of the Audit Committee and its operation	
Meetings and attendance	
CORE ACTIVITY 2009/10	4 – 6
OTHER ACTIVITIES	6 – 7
OUTCOMES	7
PLANS FOR 2010/11	8

INTRODUCTION

This is the fourth annual report produced by Rotherham MBC's Audit Committee. It is produced in accordance with latest best practice^{*1} and shows that the Council is committed to working as an exemplar organisation, operating the highest standards of governance. The report shows how the Audit Committee has successfully fulfilled its terms of reference and has improved the Council's governance and control environments.

SOME KEY INFORMATION

Audit Committee Membership

The Audit Committee has 5 Members:

Councillor Alex Sangster	-	Chair
Councillor Barry Kaye	-	Vice-Chair
Councillor Michael Clarke		
Councillor Neil License		
Councillor Kath Sims		

In addition, Councillor Ken Wyatt, Cabinet Member for Resources, is invited to attend Audit Committee meetings. There is strong officer support to the Audit Committee, through the regular attendance of the Strategic Director of Finance, the Assistant Chief Executive (Legal Services), the Director of Central Finance and the Director of Internal Audit & Governance. Other officers attend as and when appropriate, including the Chief Executive, the Assistant Chief Executive (Performance & Quality), Financial Services staff and other Directorates' staff.

Key features of the Audit Committee and its operation

Comparison against best practice illustrates the Audit Committee's strengths:

Best Practice	Expectation	Met?	Comment
Independence	Independent from the executive and scrutiny	√	The Committee reports to the Council
Number of Members	3-5	√	The Committee has 5 Members
Number of meetings	Aligned to business needs	√	The frequency of meetings enables all business to be considered in a timely manner
Co-option	To be considered relative to skills	√	Training is provided to increase Members' skills
Terms of Reference	Accord with suggested best practice	√	The Committee has adopted the model ToR
Skills and training	Members have sufficient skills for the job	√	General and, through the PDR process, specific training is provided to increase Members' skills

¹ Best practice as contained in the CIPFA, IPF document "A Toolkit for Local Authority Audit Committees"

Meetings and attendance

The Audit Committee meets normally on the penultimate Wednesday of each month. There have been 10 meetings between May 2009 and April 2010 (no meetings were held in August and October 2009). Attendance by Members was 70% ^{*2}.

CORE ACTIVITY 2009/10

Terms of Reference

The Audit Committee's terms of reference cover 6 main areas and are copied at Appendix 1 to this annual report. The Committee's work and outcomes in each of its areas of responsibility are summarised in the following sub-sections.

Internal Audit

The Audit Committee:

- Approved the Chief Auditor's audit plan
- Considered quarterly reports produced by the Chief Auditor, highlighting internal audit work completed, internal audit performance against key indicators, management's response to recommendations and any significant issues arising during the period
- Considered the Chief Auditor's annual report and opinion on the Council's control environment
- Considered the statutory review of the effectiveness of the system of internal audit
- Ensured internal and external audit plans were complementary and provided optimum use of the total audit resource.

We continue to provide support to the Internal Audit service to ensure management is responsive to recommendations made and agreed.

External Audit

The Audit Committee:

- Considered the external auditor's audit plan
- Considered progress against the plan presented by the external auditor
- Received and considered all external audit and inspection reports issued in the year and considered management's response to them, ensuring robust and thorough responses
- Reviewed the Council's progress on all external audit and inspection recommendations on a quarterly basis and asked managers to explain progress, thereby holding them to account.

We continue to provide support to external audit to ensure management is responsive to recommendations made and agreed.

² excluding Councillor Clarke in 2010, who had a number of absences on medical grounds

Risk Management

The Audit Committee:

- Received details of the risk management system, how it works and arrangements in place for mitigating risks
- Received and considered reports on the corporate risk register
- Enquired about specific risks and the application of risk management arrangements within directorates.

Internal Control and Governance

The Audit Committee:

- Agreed changes to the local Code of Corporate Governance resulting from the CIPFA statement on "*the Role of the Chief Finance Officer in the Public Sector*"
- Agreed the Council's Annual Governance Statement and action plans to improve identified weaknesses
- Considered and supported changes to the Council's Anti-Fraud and Corruption Strategy
- Reviewed the effectiveness of the Council's Anti-Fraud and Corruption arrangements and progress in implementing the Council's Anti-Fraud and Corruption Plan
- Encouraged the adoption of the Audit Commission's National Fraud Initiative
- Approved the production of the Council's first Annual Fraud Report
- Considered and supported amendments to Financial Regulations.

The Annual Governance Statement is a key document which summarises the Council's governance arrangements and the effectiveness of the arrangements during the year.

In 2009, for the first time, the Audit Committee received a draft Annual Governance Statement prior to its inclusion in the Council's Statement of Accounts. This was intended to ensure the Audit Committee could more thoroughly review the robustness of the process for producing the Statement and the content of it. The Audit Committee was satisfied that:

- There was a comprehensive assurance framework in place to safeguard the Council's resources
- The framework was reliable and applied during the course of the year, including financial reporting, internal and external audit the Audit Committee's own arrangements.

Accounts

The Audit Committee:

- Considered the implications of changes to the Code of Practice for Local Authority Accounts
- Agreed the Council's accounting policies

- Agreed the annual statement of accounts
- Received and considered the external auditor’s report on the accounts, and ensured that the Council responded to the auditor’s comments
- Agreed a response to consultation on changes to accounting disclosure requirements relating to senior officers’ pay
- Agreed a response to consultation on changes to capital accounting arrangements
- Considered the implications of the introduction of International Financial Reporting Standards (IFRS) within local government
- Reviewed the Council’s progress towards the implementation of the IFRS.

The Audit Committee received regular reports on the Council’s Treasury Management arrangements in the context of the economic downturn.

Specific Issues

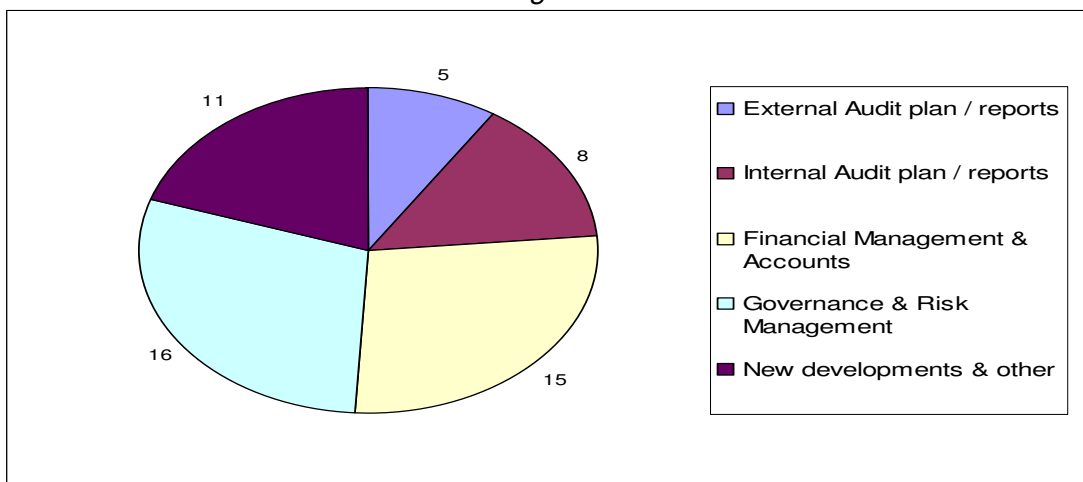
The Audit Committee also considered reports on the following specific issues which arose in the period:

- An overarching fees and charges policy for the Council
- Insurance arrangements and performance
- Comprehensive Area Assessment
- Payroll data and staffing numbers
- Response to an inspection on the foster care service
- Response to an inspection on the Council’s Children’s Services and the Care Quality Commission annual performance assessment
- Results of surveys into the perceptions of audit
- Results of a survey into ethical arrangements
- Consideration of a range of publications relevant to the Audit Committee’s terms of reference

To give a flavour of our business during the year, the following shows the types and numbers of reports considered between May 2009 and April 2010:

Numbers and types of reports considered by the Audit Committee

The Audit Committee covered a wide range of business



OTHER ACTIVITIES

As part of our ongoing commitment to identifying and sharing good practice, we continued to support events in the sub-region during 2009/10. In November 2009, Audit Committee Members attended an event at Sheffield City Council, which considered the Comprehensive Area Assessment, Use of Resources assessments and partnerships' governance arrangements.

The Audit Committee is particularly pleased that Rotherham was asked to host the first sub-regional half-day conference in March 2010. This was a reflection of the Council's proactive work in setting up the South Yorkshire and Wakefield Audit Forum and its continuing leading role in developing audit committee arrangements across the area. The conference was a significant success and sets up further development in the future.

We expect further seminars to be held during 2010/11 including one to be hosted by Barnsley Council on internal control and governance arrangements.

OUTCOMES

The Audit Committee aims to focus on adding value through its activity. By concentrating on outcomes the Committee can identify the benefits of its work. In particular this year the Audit Committee:

- Oversaw and contributed to credible performance in the revised Use of Resources assessment
- Oversaw work on the Statement of Accounts which received a clean opinion from the external auditor
- Agreed the production of the Council's first Annual Fraud Report
- Learnt from others in the sub-region, shared good practice and facilitated shared learning activity
- Established a '*Rotherham Audit Committee*' to look at partnership issues and held a first meeting of the Committee
- Encouraged and presided over a strengthening control environment, specifically by overseeing reviews of Financial Regulations, the Local Code of Corporate Governance, Ethical Standards and Partnerships' Governance.

In addition, individual Members and the Audit Committee collectively continued to develop and learn about our roles, and deliver these roles effectively.

PLANS FOR 2010/11

We want to continue to develop and build on our current status. For 2010/11 we will:

- Continue to drive up standards and meet the demanding requirements of the new Use of Resources assessment
- Continue to review all governance arrangements to ensure the Council adopts the very latest best practice, in particular relating to partnerships' governance
- Continue to support the work of Internal and External Audit and ensure appropriate responses are given to their recommendations
- Ensure we maintain and further improve our standards in relation to the production of accounts
- Closely monitor the implementation of the International Financial Reporting Standards
- Continue to help the Council to manage the risk of fraud and corruption
- Continue to support the improvement of standards across all relevant organisations in South Yorkshire and Wakefield, specifically by supporting further sub-regional events
- Continue to develop the '*Rotherham Audit Committee*' to review partnerships' issues and safeguard public sector interests
- Equip existing and any new Members to fulfil our responsibilities by providing refresher training on financial arrangements and risk management.

During 2009/10 we have consolidated the progress we made in previous years, and going forward we look to continue to be a champion of good governance both a local and sub-regional level.

Councillors Alex Sangster (Chair) and Barry Kaye (Vice-Chair)
Rotherham MBC Audit Committee
April 2010

AUDIT COMMITTEE

Statement of Purpose

To provide independent assurance of the adequacy of the audit and risk management frameworks and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process.

Terms of Reference

Internal Audit

To approve (but not direct) the internal audit manager's proposed strategy plan and performance and ensure that this gives an adequate level of assurance over the Council's main risks.

To consider summaries of specific internal audit reports as requested and seek assurance that action has been taken where necessary.

To consider reports from the internal audit manager on agreed recommendations not implemented within a reasonable timescale.

To consider reports dealing with the management and performance of the internal audit service.

To consider the internal audit manager's annual report and opinion.

To ensure that there are effective relationships between internal and external audit, inspection agencies and other relevant bodies.

External Audit

To consider and comment upon the external audit plan.

To comment on the scope and depth of external audit work and to ensure it gives value for money.

To consider specific reports as agreed with the external auditor.

To consider the adequacy of management response to external audit advice, recommendations and action plans.

To consider issues arising from the external auditor's annual management letter prior to its submission to the full council.

To commission work from internal and external audit.

To liaise with the Audit Commission over the appointment of the Council's external auditor.

To provide feedback to the external auditor upon external audit performance.

Risk management

Consider the effectiveness of the Council's risk management arrangements and control environment.

Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.

Review the robustness of risk registers.

Internal control arrangements and Corporate Governance

To consider and review the statement of internal control prior to recommending it to the full Council.

Be satisfied that the Council's assurance statements including the Statement of Internal Control properly reflect the risk environment and any actions required to improve it.

Review the procedures followed in compiling the Statement of Internal Control and supporting documentation to determine the robustness of the evidence and assurances upon which the statement is based.

Consider and monitor action plans for addressing any significant internal control weaknesses disclosed.

To consider the Council's arrangements for corporate governance and agree necessary actions to ensure compliance with best practice.

To maintain an overview of financial regulations and contract procedure rules.

To review and consider the adequacy of the Council's anti-fraud and corruption policy and to monitor its effectiveness throughout the Council.

To review and consider the statement of internal control prior to recommending.

Accounts

To consider and review the annual statement of accounts prior to recommending it to the full Council.

To consider the external auditors SAS610 report on the audit of the annual financial statement prior to recommending the audited statement of accounts to the full Council.

To consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statement or from the audit.

General

To review any issue referred by the Council, a Council body, the Chief Executive, an Executive Director, the Section 151 Officer or the Monitoring Officer.

To submit for consideration by the full council an annual report as to the work of the committee at the end of each financial year.

To liaise with the Audit Committees of 2010 Rotherham Limited, other partner organisations and other South Yorkshire authorities over the mutual exchange of views, good practice and approaches to issues of common concern.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet
2.	Date:	7th July, 2010
3.	Title:	Corporate Parenting Scrutiny Review
4.	Directorate:	Children and Young People's Services

5. Summary

A review of Corporate Parenting Structures was undertaken by the Looked After Children's Scrutiny Sub Panel between November 2009 and March 2010.

This Review has been considered by the Council's Strategic Leadership Team, who recommend agreement to the Scrutiny Recommendations. An Action Plan is attached for consideration.

6. Recommendations

That the report is received and the recommendations in the action plan endorsed.

7. Proposals and Details

The Rotherham M.B.C. Corporate Parenting structure was developed in 2005 following a comprehensive Scrutiny review of provision. Ofsted inspections of Children's Services in Rotherham since then have consistently viewed Corporate Parenting as a strength.

A full review of Corporate Parenting was undertaken in November 2009 to March 2010 by the Looked After Children's Scrutiny Sub Panel, utilising a Corporate Parenting Toolkit developed by the National Children's Bureau. The report recommended modernising the arrangements in line with the Government Agenda and with Ofsted Inspection expectations. A proposed Action Plan was developed and has been subject to scrutiny from the Senior Leadership Team. The Action Plan, Impact Analysis and recommendations from S.L.T. are attached.

SLT agree the findings of the Scrutiny review and request consideration of the action plan with a view to completion of the new structure by September 2010.

8. Finance

The financial implications of each action have been fully considered within the report. All are nil or minimal costs (associated with administration), with the exception of a recommendation to enhance the Council Celebration of our Looked after Children's achievements, through the development of an annual large celebration event, as opposed to the current 2 yearly event.

9. Risks and Uncertainties

Progression with the actions as contained within the attached plan will ensure that Rotherham M.B.C. continues to evidence best practice in respect of Corporate Parenting. If we do not progress these actions we risk our Corporate parenting structures being viewed as out dated.

10. Policy and Performance Agenda Implications

Actions in this report have implications for judgements made within Ofsted Inspections of Safeguarding and Looked After Children's Services and associated inspections.

11. Background Papers and Consultation

Care Matters
Care Planning, Placement and Review Draft Regulations and Guidance
Ofsted inspection Guidance
Rotherham M.B.C. Corporate Parenting Review 2010

Contact Name:

Sue May, LAC Service Manager. Ext. 23444

Sue.May@rotherham.gov.uk

Joyce Thacker, Strategic Director. Ext. 22677

Joyce.Thacker@rotherham.gov.uk

Strategic Leadership Team's Commentary on Scrutiny Review of Corporate Parenting Arrangements

Scrutiny recommendation	Proposed action/ comment	Target date	Link to Themes/ Strategies	Impact Analysis		SLT recommendation to Cabinet
				Benefit/ Risk	Cost implication <i>Impact on revenue/capital budget, MTFS</i>	
1..Ensure sign up to the Looked After Children Pledge by all Council services and supporting its adoption by partner agencies	The draft pledge has been developed by the LAC Council who have consulted with other LAC through their Magazine and a consultation event. Further work is required to complete and adopt the pledge. This work will be carried out by the LAC Council supported by the Voice and Influence service. This should be undertaken in conjunction with Elected Members see point 2 and 7	September 2010	Care Matters Council theme Proud E.C.M. theme Positive Contribution	<u>Benefit</u> The Voice of our LAC is central to the work undertaken by the Council <u>Risk</u> If not adopted the voice of the child does not inform practice. This would be detrimental to good practice. This is also a requirement under Care Matters.		Accept
2.That the Council's 'Pledge' to Looked After Children is incorporated into the CYP Single Plan and informs the Corporate Parenting Strategy	The Pledge has been incorporated into the LAC Statement and has informed the Corporate parenting strategy. The Voice and Influence service will undertake further work with the LAC Council on the pledge. The CYP Single plan contains a focus area on LAC which references the pledge	September 2010	Care Matters Council theme Proud E.C.M. theme Positive Contribution	<u>Benefit</u> The Voice of our LAC is central to the work undertaken by the Council <u>Risk</u> If not adopted the voice of the child does not inform practice. This would be detrimental to good practice. This is also a requirement under Care Matters.	Within Budget	Accept

Scrutiny recommendation	Proposed action/ comment	Target date	Link to Themes/ Strategies	Impact Analysis		SLT recommendation to Cabinet
				Benefit/ Risk	Cost implication <i>Impact on revenue/capital budget, MTFS</i>	
3. That support is given to regular celebration events for Looked After Children, Care Leavers and their Carers	Regular Celebration events are held for LAC, Care Leavers and their carers. These include an annual post 16 award ceremony, an annual carer party and a two yearly large celebration of all LAC achievements. Enhanced funding would enable a more formal celebration of Carers achievements and an annual large celebration of all LAC achievements	September 2009	Care Matters Council theme Proud and Achieve E.C.M. theme Positive Contribution and Enjoy and Achieve	<u>Benefit</u> Our LAC, Care Leavers and Carers feel valued and are encouraged to feel pride in their achievements. Retention of Carers is enhanced <u>Risk</u> Reduction of Celebration events would have a detrimental effect on LAC and Carers	Continuation of existing events, within Budget. Development of further events will have a cost implication	Accept
4. That a Corporate Parenting Board is established as a sub-group of the Children's Board; its membership to include the lead member, key members with corporate parenting responsibilities, co-optees and relevant officers and partners as required.	This recommendation reflects the Government Agenda and is in line with Ofsted Inspection expectations. The proposal and Terms of Reference are yet to be developed and will require further discussions with the Lead Member and presentation to the Children's Board	July 2010	Care Matters All Corporate and ECM themes	<u>Benefit</u> Improved communication between all parties, shared ownership of Corporate Parenting duties and development of a service in line with Nationally recognised Best Practice <u>Risk</u> ineffective communication and a lack of Shared ownership. Ofsted Judgements could be affected by the lack of this structure	There will be a minor cost in administration of the new board, however as the proposal recommends that this replaces the LAC Scrutiny Sub Panel (scrutiny functions reverting to the Children's Scrutiny Panel) these costs should be offset	Accept

Scrutiny recommendation	Proposed action/ comment	Target date	Link to Themes/ Strategies	Impact Analysis		SLT recommendation to Cabinet
				Benefit/ Risk	Cost implication <i>Impact on revenue/capital budget, MTFS</i>	
5. That the portfolios of the Lead Member and other Cabinet Members are amended to explicitly reflect their corporate parenting responsibilities	That Cabinet agrees to amend portfolios as part of current review	June 2010	Care Matters All Corporate and ECM themes	<u>Benefit</u> Clarity of role <u>Risk</u> Lack of Clarity of role. This could have a negative impact on an Ofsted Judgement	No cost implication	Accept
6. That the work programme of the Corporate Parenting Board be based on the issues raised in the pledge to ensure that the participation of looked after children is at the heart of its work	As per point 2, the draft pledge does require further input from our LAC and Elected Members. Means by which the Corporate Parenting Board and LAC Council can work together on this should be explored to ensure shared ownership of the Pledge and ensure that the participation of looked after children is at the heart of its work. This work would be led by the Voice and Influence service	September 2010	Care Matters Council theme Proud E.C.M. theme Positive Contribution	<u>Benefit</u> The Corporate Parenting Board and LAC Have a shared ownership and understanding of the pledge <u>Risk</u> The council work plan does not benefit from the input of our LAC and does not meet their needs.	Minor costs can be met within budget	Accept
7. That the Corporate Parenting Board acts as a governing body to the virtual school	. The Get Real education service is regularly rated by Ofsted as good but the governance of the virtual school does require formalisation. A position of Virtual Head Teacher to oversee the Education of LAC has been developed. The Corporate Parenting Board would be in an ideal place to provide the Virtual school Governance.	September 2010	Care Matters Council theme Achieve E.C.M. theme Enjoy and Achieve	<u>Benefit</u> Governance of the virtual school through the Corporate Parenting Board would ensure that the education of our LAC is given the priority required <u>Risk</u> If Governance is undertaken in a differing arena,	As this is a new function, there may be some minor costs associated with the functioning of the Board	Accept

Scrutiny recommendation	Proposed action/ comment	Target date	Link to Themes/ Strategies	Impact Analysis		SLT recommendation to Cabinet
				Benefit/ Risk	Cost implication <i>Impact on revenue/capital budget, MTFS</i>	
	This function should be written into the T.O.R.			Governance arrangements would potentially be less robust and there may be duplication of duties		
8. That the Corporate Parenting Board has formal links to the work of the Looked After Children's Council	As per point 6, input from the LAC Council is essential to ensure their voice is central to service development. Further work is necessary to establish the best means by which to achieve this aim. The LAC Council is now supported by members of the Voice and Influence service who will be able to undertake this work with the LAC Council and Elected Members This should be written into the T.O.R	September 2010	Care Matters Council theme Proud E.C.M. theme Positive Contribution	<u>Benefit</u> The voice of the child is central to the work of the Council and informs best practice <u>Risk</u> A lack of formal links to the LAC Council would impact negatively on service development	Minor costs can be met within budget	Accept
9. That terms of reference be developed for the Corporate Parenting Board to ensure clear lines of communication and reporting between this body and the relevant Scrutiny Panel	It is vital that the relationship between the Board and the Scrutiny panel are clear to ensure effective working practice and continuation of clear scrutiny. Draft Terms of Reference will be developed for the consideration of the relevant bodies	July 2010	Care Matters All Corporate and ECM themes	<u>Benefit</u> Clarity of role and function, maintenance of a robust scrutiny of LAC Services <u>Risk</u> Lack of Clarity and less robust scrutiny	No cost implications	Accept

Scrutiny recommendation	Proposed action/ comment	Target date	Link to Themes/ Strategies	Impact Analysis		SLT recommendation to Cabinet
				Benefit/ Risk	Cost implication <i>Impact on revenue/capital budget, MTFS</i>	
10. On the creation of a Corporate Parenting Board, to minimise duplication between respective bodies, that the LAC Scrutiny Sub-Panel is disbanded	The role of LAC Scrutiny in respect of partnership work and service development would be undertaken by the Corporate Parenting Board and Scrutiny would be undertaken by the Children's Scrutiny Panel.	July 2010	Care Matters All Corporate and ECM themes	<u>Benefit</u> Efficient use of time and resources, minimisation of duplication of resources <u>Risk</u> Ineffective scrutiny, this risk would be managed through clear T.O.R. as point 9	No cost implications see point 4	Accept
11. That action is taken to ensure local compliance with the National Framework for Children and Young People's Continuing Care	The Corporate Parenting Board membership must include all key partners including the PCT. The T.O.R. must reflect this requirement	July 2010	Care Matters Council Theme... E.C.M. theme Be Healthy	<u>Benefit</u> compliance with the National Framework for Children and Young People's Continuing Care is central to the work of the board <u>Risk</u> if this is not undertaken compliance will not be monitored as efficiently	No cost implication	Accept
12. That a training programme for Members is developed, reflecting different levels of corporate parenting responsibilities.	Members have received training, however a coordinated training programme for Members does require further development.	Dates to be identified by July 2010, programme delivery to commence September 2010	Care Matters All council and E.C.M. themes	<u>Benefit</u> Members understand their role as Corporate Parents and their constituency work reflects this. Members with key responsibilities have enhanced training <u>Risk</u> not implementing this programme risks uninformed work by elected members	Minor costs can be met within budget	Accept

Scrutiny recommendation	Proposed action/ comment	Target date	Link to Themes/ Strategies	Impact Analysis		SLT recommendation to Cabinet
				Benefit/ Risk	Cost implication <i>Impact on revenue/capital budget, MTFS</i>	
13. That role definitions are developed for Members on the Adoption and Fostering Panels	Members on both panels have a panel member job description but this does not address their responsibilities as an elected member. This should be addressed in conjunction with the development of the T.O.R. for the Corporate Parenting Panel. Panel induction for Elected Members also requires review.	September 2010	Care Matters All council and E.C.M. themes	<u>Benefit</u> Elected Members have a clear understanding of their role on panel and wider Council responsibilities <u>Risk</u> not implementing this risks lack of clarity of role	No Cost implication	Accept
14. That an annual report on all Corporate Parenting Board activity is presented by the Lead Member to full Council	This proposal ensures the full council receives appropriate information about the service and the work of the Board. This will inform all members and enhance the training programme under point 12	March 2011	Care Matters All council and E.C.M. themes	<u>Benefit</u> All members are appropriately informed <u>Risk</u> None implementation risks lack of clarity for members	No Cost implication	Accept
15. That quarterly bulletins are issued to all Members with updates on corporate parenting performance and activity	This proposal underpins the proposal under point 14.	September 2010	Care Matters All council and E.C.M. themes	<u>Benefit</u> All members are appropriately informed <u>Risk</u> None implementation risks lack of clarity for members	Minor cost implications associated with the publication of the bulletin	Accept

Scrutiny recommendation	Proposed action/ comment	Target date	Link to Themes/ Strategies	Impact Analysis		SLT recommendation to Cabinet
				Benefit/ Risk	Cost implication <i>Impact on revenue/capital budget, MTFS</i>	
16. That work is undertaken to establish the role of Safeguarding Member Champions in localities with appropriate training and support	Member training is planned for 4th July using the IdEA Safeguarding Framework	September 2010	Care Matters All council and E.C.M. themes	<u>Benefit</u> Members will feel more confident in challenging and supporting safeguarding issues <u>Risk</u> None, Members will be more confident in their role as a Safeguarding Champion		Accept

ROTHERHAM BOROUGH COUNCIL - REPORT TO MEMBERS
--

1.	Meeting:	Cabinet
2.	Date:	7 July 2010
3.	Title:	Public Health and Health Inequalities in Rotherham
4.	Directorate:	Chief Executive's

5. Summary

In Rotherham people living in the most deprived neighbourhoods, will, on average, die eight or nine years earlier than those living in the least deprived neighbourhoods. Even more disturbing, the people living in the most deprived areas are much more likely to suffer a limiting long-term illness and generally have poorer health. So, people in the poorer areas not only die sooner, but they will also spend more of their shorter lives with a disability.

Action taken to reduce health inequalities will benefit society in many ways. It will have economic benefits in reducing losses from illness associated with health inequalities. These currently account for productivity losses, reduced tax revenue, higher welfare payments and increased treatment costs.

This report sets out some of the issues relating to the previous public health strategy and makes recommendations for the way forward, in light of recent changes to Government and key policy drivers.

6. Recommendations

That Cabinet:

1. Agree that Scrutiny undertake a short review of the existing and proposed governance arrangements surrounding the role of the Local Authority and NHS Rotherham in addressing public health issues
2. Agree to the refresh of the Rotherham Public Health strategy, ensuring the strategy focuses on prevention and the underlying causes of ill health as recommended in the recent Marmot review
3. Agree for RMBC/NHS Rotherham to explore resources going into prevention and how more can be achieved or redirected, for example in tackling behavioural activity
4. Note the links public health has with the other cabinet portfolios, in particular CYPS and Adults.

7. Proposals and details

Rotherham Public Health Strategy 2006 - 2009

A Rotherham wide, partnership strategy was developed in 2006 to address key issues facing the Borough relating to public health. However, although this document provided a vision for Rotherham and outlined specific objectives, there have been some noted issues and concerns with regards to implementation and delivery of the strategy:

- The Strategy included simple listed areas of work which each organisation was committed to anyway. If the Strategy is to be refreshed it needs to add value to existing work and the wider public health agenda.
- Clarity is needed about the exact purpose of the document, a number of targets within the Strategy sit elsewhere and are just repeated from several other documents.

Progress has been made by RMBC and NHS Rotherham across a number of areas and there have been some really key achievements including the work around breastfeeding, obesity, teenage pregnancy and the Ministry of Food.

In moving forward, there is still clearly a need for a joint Public Health Strategy, however as highlighted this does need a different approach and should include an agreed vision for public health in Rotherham. The refresh of the Rotherham Public Health Strategy is particularly timely due to the recently published Marmot Review and the recent statements made by the Coalition Government.

The Marmot Review

In November 2008, Professor Sir Michael Marmot was asked by the Secretary of State for Health to chair an independent review to propose the most effective evidence-based strategies for reducing health inequalities in England from 2010.

Economic growth is not the most important measure of our country's success. The fair distribution of health, well-being and sustainability are important social goals. Tackling social inequalities in health and tackling climate change must go together. Marmot has consequently recommended six policy objectives to be addressed within his review, these are:

1. Give every child the best start in life

Giving every child the best start in life is crucial to reducing health inequalities across the life course. The foundations for virtually every aspect of human development – physical, intellectual and emotional, are laid down in early childhood.

2. Enable all children, young people and adults to maximise their capabilities and have control over their lives

Inequalities in educational outcomes affect physical and mental health, as well as income, employment and quality of life.

3. Create fair employment and good work for all

Being in good employment is protective of health. Conversely, unemployment contributes to poor health. Getting people into work is therefore of critical importance for reducing inequalities.

4. Ensure a healthy standard of living for all

As society becomes richer, the levels of income and resources that are considered to be adequate rise. The calculations of Minimum Income for Healthy Living (MIHL) includes the level of income needed for adequate nutrition, physical activity, housing and social interaction, transport, medical care and hygiene.

5. Create and develop healthy and sustainable places and communities.

Communities are important for physical and mental health and well being. The physical and social characteristics of communities and the degree to which they enable and promote healthy behaviours all make a contribution to social inequities in health.

The Role of Local Government

Local Government have a major role to play in tackling the key drivers that account for poor health; such as the conditions that people are born, grow, live, work and age, including:

- Education
- Employment & local economy
- Built environment
- Natural environment
- Communities
- Activities and lifestyles

Consideration is therefore being given in light of the Marmot review, as to how the Public Health Strategy and wider public health and health inequalities agenda in Rotherham can be developed, and how public health fits into the wider RMBC policy framework and links to other Directorates within the Authority.

To tackle these issues, the focus needs to shift to prevention with a greater involvement from Cabinet Members in relation to their portfolios. The Council will have to take a greater leadership role and explore how resources can be redirected into prevention.

8. Finance

To establish where existing resources are being spent in relation to health inequalities and prevention, a thorough audit needs to take place across RMBC. This will inform where resources may be able to be redirected to achieve the goals which will be set out in the new Public Health strategy.

9 Risks and Uncertainties

Improving public health and life expectancy is of major importance for Rotherham. Not only will work on this agenda improve people's wellbeing and life chances, but will also help support the local economy.

Lifestyle related ill health causes the greatest burden on society. Not putting into place specific measures to reduce health inequalities in Rotherham will not only cause more ill health, but may result in the gap between the most and least deprived areas widening and cause greater pressure on services and budgets in the future.

10 Policy and Performance Agenda Implications

The coalition statement relating to public health and the NHS includes the following:

- Cutting the number of health quangos;
- Directly elected representatives on PCT boards;
- Helping the elderly to live at home for longer;
- Strengthening the role of the Care Quality Commission;
- Giving communities greater control over public health budgets; and
- Investigating ways of improving access to preventative healthcare for those in disadvantaged areas.

There is suggestion that there will be significant changes in relation to Primary Care Trusts, including re-organisation and commissioning potentially being passed to GPs. There is likely to be an impact for RMBC in relation to partnership working with the re-organised PCT and with GPs, should they have a greater role in the prevention agenda. There will also be implications for the interface between health and social care, especially where there is joint provision.

A commission has been established to make recommendations on sustainable funding for long term care for older and there is an ongoing commitment to ending child poverty by 2020, which also includes measures to address health inequalities.

The Health and Social Care White Paper is due out early July, until this has been published it remains unclear as to what the future of public health will look like. Any decisions or actions taken in relation to this agenda need to be mindful of this forthcoming paper.

11 Background Papers and Consultation

Fair Society, Healthy Lives (2010). The Marmot Review final report

Rotherham Public Health Strategy 2006-2009

12 Contact

Matthew Gladstone
Assistant Chief Executive
Tel: 01709 822791
Mob: 07917 052320

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
--

1.	Meeting:	Cabinet
2.	Date:	7th July, 2010
3.	Title:	The Learning Revolution: Making it Happen - Lead Accountable Body Status
4.	Directorate:	Children and Young People's Services

5. Summary:

To inform Cabinet of Rotherham's progress so far to the proposal by the Skills Funding Agency and the Department for Business, Innovation and Skills to channel all funding which supports informal adult learning through the Local Authority as the lead accountable body.

6. Recommendations:

- **That Cabinet maintain their support for the service to become the Lead Accountable Body and that a further report be presented following the receipt of additional information from the Skills Funding Agency on the responsibilities of the lead accountable body.**

7. Proposals and Details:

In March 2009 a White Paper, *the Learning Revolution* was published. The White Paper provides a new vision for the delivery of Informal Adult Learning and focuses on the adult learning courses provided by most local authorities. It also includes adult learning that happens in other places such as libraries, museums, through self-organised activities, on-line, via broadcasting and in communities. The Learning Revolution identifies the £210 million Learning and Skills Council funds called Adult Safeguarded Learning – currently used for personal and community development learning, neighbourhood learning for deprived communities and family learning – and states its intention to join with other existing national and local lifelong learning budgets, for example, health, culture.

In April 2010 the Learning Skills Council was abolished and adult learning is now managed by a successor body called the Skills Funding Agency. Local Authorities have been invited to take responsibility for the local agenda and to provide local leadership and the infrastructure to create a joined up, innovative local learning offer. Consultation has clearly identified Local authorities as the best place to co-ordinate informal learning activity. It was recognised that local authorities are uniquely placed to unlock the learning potential of many local services. Local authority leadership will ensure informal learning plays a strong role in local strategies for community cohesion, active citizenship, health and well-being. The previous government wanted local authorities to build on the best of what exists now and have the autonomy and tools to drive the creation of a new culture of informal learning. Their plans were for local authorities to work with others to provide five core elements to underpin a strong local offer of informal learning:

- **Innovation:** public funds used flexibly, complementing private and third sector investment effectively, enabling learning opportunities to thrive by building new partnerships and connections
- **Universal access:** all adults able to shape and access the learning activities they want for personal development and fulfilment wherever they live, whatever their qualifications and income
- **Targeted support:** those in most financial need given greatest support. In relation to taught courses, most adults should contribute in part or in full to the cost of their learning wherever it is provided, and local areas should actively use fee collection to reinvest in extending the reach of what's on offer
- **Collaboration:** a wide range of partners and services working in partnership, aligning funds where appropriate, to maximise the scope for offering high quality, inspiring learning opportunities, increasing choice and helping adults move from one learning opportunity to another
- **Promotion:** the maintenance of good, up-to-date information on informal learning opportunities to be freely and openly available to local communities.

The previous Government wanted Local Authorities to create strong partnerships in order to implement their local vision of informal adult learning.

In Rotherham there are already strong existing partnerships which can be built on; the Adult Learning and Skills Strategy Group and the Rotherham Adult Learning Partnership already bring together representatives from statutory, public, private and voluntary and community sector organisations. RMBC's Community Learning team already delivers a substantial amount of Adult Safeguarded Learning through sub contracted provision. These existing local arrangements already provide a joined up

local strategic approach but with the local authority taking on the role of Lead Accountable Body that will provide even more of an opportunity to promote key agendas, such as: community wellbeing; using learning to keep older and young citizens healthy; learning for citizenship and engaging more people in local democracy; supporting people to gain skills to move into work; and providing economic and social wellbeing in communities and families.

The expectation was for the Skills Funding Agency and the Department for Business, Innovation and Skills to work with local authorities, colleges of further education and a range of other stakeholders and partners over the next year to implement these proposals. As requested, Rotherham Council signed an "In principle sign up", to the new arrangements. Since the change of Government there have been some guarantees that the funding which supports adult learning has been protected from public sector cuts however, we have not, as yet, received any further instruction regarding the move to Lead Accountable Body status. Once and further information is received a further report will be prepared for Members.

8. Finance:

The total LSC funding Adult Safeguarded Learning for 2010 /2011 has been confirmed as £641,024.20. The funding from mainstream C&YP's revenue for 2009/2010 is £59,267.00.

9. Risks and Uncertainties:

There has been very little information released by the new Government about the proposals for Adult Safeguarded Learning and it is possible that there may not be the same level of support for the move to Lead Accountable Body status.

10. Policy and Performance Agenda Implications:

Adult and family learning delivery contributes to the learning and achieving theme of the Community Strategy. In particular to the priorities of 'Increasing the employability of working age adults by reducing the number of adults lacking essential skills around using computers, reading, writing and maths' and 'maximise participation in adult learning particularly in disadvantaged communities'.

The last Ofsted inspection report makes reference to the positive contribution of the adult and family learning provision to the cross cutting issues of sustainable development, equalities and diversity and regeneration.

'The current action plan takes a broad approach to the adult learning agenda by creating and building sustainable learning by a range of providers in the community'.

'The service's arrangements for promoting and managing equality of opportunity and diversity are outstanding...and RMBC is outstanding in meeting the needs and interests of learners'.

'The plan addresses regional and sub-regional priorities to create enthusiasm for learning and improving basic skills and skills for everyday work...removing barriers to learning for many communities in areas of high social deprivation'.

11. Background Papers and Consultation:

LGA The Councillors' concise guide to Informal Adult Learning and Lead
Accountable Body status – 3 Feb 2010

White Paper 'The Learning Revolution' March 2009

Lead Accountable Body Status Sign Up letter April 2010

Contact Name :

Julie Roddis, Partnership Manager, Community Learning

Tel: (82) 3426 julie.roddis@rotherham.gov.uk

1.	Meeting:	Cabinet
2.	Date:	7th July 2010
3.	Title:	Children and Young People’s Plan 2010-2013
4.	Directorate:	Children and Young People’s Services

5. Summary:

In July 2010 The Children’s Trust Board will publish a new Children and Young People’s Plan (CYPP). This will replace the existing CYPP, which runs until June 2010. The new plan sets the strategic priorities for the work of partners on the Children’s Trust Board. It is now a requirement for the CYPP to be prepared and owned by the Children’s Trust Board.

The guidance, issued by the Department for Children, School and Families (DCSF), is also explicit in its requirement for broad consultation on the CYPP.

The attached Children and Young People’s Plan has been written in the context of the consultation process as well as other factors affecting the Children and Young People’s Service, including the Notice to Improve, and the annual Audit of Need. The strategic direction outlined in the new CYPP is structured around the ‘four big things’; these are ‘keeping children and young people safe’ ‘prevention and early intervention’, ‘tackling inequalities’ and ‘transforming Rotherham learning’. The Children and Young People’s Board has also chosen nine areas of focus for priority action.

6. Recommendations:

That Cabinet receives this report and approves the new Children and Young People’s Plan 2010-2013 for publication.

7. Proposals and Details:

Background

In January 2009 the Department for Children, School and Families (DCSF) issued new guidance regarding the development of a new Children and Young People's Plan (CYPP). By April 2011 we are required to have a joint CYPP prepared and owned by the Children's Trust Board. It is intended that the new Rotherham CYPP (2010-2013) will be approved and operational in July 2010; the existing plan finishes at the end of June 2010.

Context

The CYPP 2010-2013 will set the strategic priorities for the work of partners on the Children's Trust Board. These priorities will be established in the context of several factors:

- National and local policy frameworks, including; the existing Every Child Matters outcomes, Lord Laming's recommendations, an emphasis on all aspects of safeguarding and an increased focus on early intervention and prevention;
- The Action Plans and the work of the Improvement Panel that are responding quickly to findings of the Children and Young People's Services Review (April 2009) and the Comprehensive Area Assessment (December 2009);
- The transformational projects already underway in Rotherham including 'Transforming Rotherham Learning' and 'Inspire Rotherham';
- The annual 'Audit of Need' and, specifically, our performance against LAA indicators;
- Consultation feedback from our service users, including children and young people, their parents and carers, members of the communities in which they live and the professionals who work with them.

Details of the Consultation

The consultation used a combination of face-to-face interviews and meetings, focus groups, local media and postal surveys; it was structured around the seventeen priorities in the existing CYPP. A leaflet was produced and an article with a response form was published in Rotherham News. Participants were asked to choose five priorities that were most important to them and rank these.

Consultation work with children used a simplified version of this approach where the priorities were printed on cards in more straightforward language and children were asked to sort these out into those that seemed more important and less important.

Focus groups were conducted with Youth Cabinet, Young Carers, Looked After Children (and their carers), Looked After Children living in Rotherham's

residential units and Young Offenders. In addition an event took place with senior leaders from across Children and Young People's Services.

Interviews took place at Community Engagement Events in Maltby, Dinnington and Rawmarsh.

Meetings were arranged with leaders of the Fire Service and Police Service, 14-19 Partnership Board, Rotherham Ethnic Minority Network, the Mosque Liaison Group and Risky Business. The proposed structure of the CYPP has been considered by the Children and Young People's Strategic Partnership, the Learning without Limits Partnership Executive, the Joint Headteachers' Meeting and with colleagues across RMBC, including Culture and Leisure. A draft of the CYPP has been considered by the Local Safeguarding Children Board.,

An article was placed in Rotherham News, distributed to all households in Rotherham, and we wrote to all Looked After Children, Councillors and GPs. A postal survey was also conducted with Foster Carers and Adoptive Parents.

The consultation also drew on the extensive body of work that has taken place with schools and learners through Transforming Rotherham Learning, the Connexions commissioning process and Neighbourhood Partnership work.

Consultation Results

Although each individual's response to the existing priorities was different, a body of opinion formed behind five of the existing priorities:

- To improve the safety and security of vulnerable children and young people;
- To reduce the impact of Domestic Violence;
- To halt the rise in infant mortalities;
- To ensure that all children and young people have the opportunity to live healthy lifestyles;
- Ensuring higher quality education / learning for all children and young people.

Features of the Plan

A. The Four Big Things

The concept of the four big things is that they will guide our activity in the next three years. The four big things are:

- Keeping Children and Young People Safe
- Prevention and Early Intervention
- Tackling Inequalities
- Transforming Rotherham Learning

What these 'big things' have in common is that their impact will be felt in every aspect of how we deliver services to children and young

people; they will run through all the key priorities and activities outlined in this plan and require the involvement of every partner.

They are 'big things' because they are all equally important but have different characteristics (a corporate priority to which we contribute, an approach, a delivery vehicle).

The intention is to allocate an icon to each one which will be displayed wherever appropriate across priorities and action plans. The use of these icons will extend beyond the CYPP into other related strategies including the Transforming Rotherham Learning Partnership Plan and Learning Community Plans.

B. Areas of Focus

There are some areas of work that will be highlighted in the new Children and Young People's Plan. These are:

Giving babies a healthy start;

Obesity;

Communication, language and learning;

The 14-19 offer;

Post-16 options for young people with learning difficulties and disabilities;

Looked After Children;

Domestic abuse;

The problems caused by alcohol;

Understanding and responding to the needs of migrant communities.

The purpose of these areas of focus is to draw attention to work that may need significant investment of resource, forensic attention and / or change management in order to change the direction of travel or significantly accelerate along a chosen path. Clearly, a vast amount of work will take place during this period that is not related to the priorities that are under the spotlight through the CYPP (although everything we do is likely to be linked to at least one of the four big things).

C. Action Plans

The action plans have been structured using the Every Child Matters outcomes; the links to the four big things are clearly indicated using the icons. In accordance with the guidance, the action plan highlights partnership actions. The draft Action Plans are attached in draft format. Once all partner contributions have been finalised these will be published online. The Action Plans will be refreshed each year.

D. Resourcing the Four Big Things

The CYPP 2010 – 2013 clearly shows the resources and how they are targeted against the priorities. There is little additional information currently available to identify pooled or aligned budgets; this work has been identified in the action plan.

8. Finance

The financial costs for conducting the consultation exercise are largely made up of staff time to attend events and meetings. Additional costs are:

Design and print of CYPP 'Have Your Say' leaflet (1000)	£381.71
Mail out to all Looked After Children	£226.20
Mail out to all Councillors	£37.80
Advert in Rotherham News	£750.00
Production of CYPP	£3433.00
TOTAL	£4828.71

9. Risks and Uncertainties

Although, at each consultation event, it has been made clear that individual feedback must be taken in the context of the consultation as a whole, as well as other factors including national and local policy, there is still a risk that individuals and groups may not feel that their views and suggestions are reflected in the new CYPP and might be resistant to becoming involved in consultation activities in the future.

The Children and Young People's Plan must include a section to show that all strategic priorities will be adequately resourced. In the current financial climate it may not be possible to commit resources to the level of activity that service users have suggested during the consultation.

10. Policy and Performance Agenda Implications

The Children and Young People's Plan is the overarching plan for Children and Young People's Services and all other strategies, the CYPS Directorate Plan and Learning Community Plans should reflect the strategic priorities expressed in the CYPP. In turn, the CYPP is informed by the Community Strategy and Corporate Plan priorities.

In 2010 Rotherham will publish its first Child Poverty Strategy. Links between this agenda and the CYPP will be explicit.

11. Equalities and Diversity

The Equality Impact Assessment is attached.

12. Background Papers

CYPP 2010-2013
CYPP 2010-2013 Action Plans
CYPP 2010-2013 Equality Impact Assessment

Contact Name: Jenny Lingrell, Policy, Planning & Research Officer
Children and Young People's Services,
Telephone: (74)54836
E-mail: jenny.lingrell@rotherham.gov.uk

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
--

1.	Meeting:	Cabinet
2.	Date:	7th July 2010
3.	Title:	Capital and Asset Management Strategies, Plans and Programmes 2010/11 £1.5m Capital investment Block All Wards
4.	Directorate:	Environment and Development Services

5. Summary

This report outlines a programme for the allocation of £1.5m capital investment block of the Capital Programme for 2010/11.

The funding has been principally allocated to replace the minor maintenance and minor strategic capital investment blocks that were previously supported by capital receipts. The investment programme has been allocated initially with projects that were approved within the 2009/10 programmes incorporating many projects that have not been completed and sums are required to carry forward into 2010/11.

The balance has been allocated principally on a health & safety basis taking into account front line services and considering potential to fund from other sources.

6. Recommendation

- **That Cabinet approve the attached programme for the £1.5m capital investment block of the Capital Programme 2010/11 as detailed in Appendix 1 and for it to be included in the capital programme for 2010/11.**

7. Proposals and Details

Cabinet had previously agreed that the capital receipts target of £3,500,000 per annum will be allocated to maintenance projects (£1,500,000), strategic projects under £300,000 (£1,500,000) and a contingency fund (£500,000).

It has been confirmed by Capital finance that this position was unsustainable as the council is highly unlikely within the current financial climate to sell and receive £3.5m from capital receipts.

In the light of this information capital finance agreed to allocate a reduced sum of £1.5m to support projects that had been previously approved in the investment blocks i.e. carry forward projects that had either started during the previous year but which had not been completed or schemes which had not started but due to health and safety or strategic reasons could not be delayed any further.

The balance of the funding within the block would be allocated on the basis of front line service delivery and principally health and safety reasons.

All directorates were invited to submit bids to the programme and projects have been received from service directorate managers and building managers.

Projects have been submitted on a simple business case approach utilising the initial stages of the revised project procedural guide.

Projects that were submitted from directorates including the carry forward programme from 2009/10 amounted to £3.39m which oversubscribed the available budget allocation. A prioritisation exercise was carried out following meetings with capital finance and the strategic director of EDS.

Priority has been given to projects which have been identified as a significant health and safety risk and/or where there is a risk that the service delivery could cease or if there are issues around external bodies i.e. quality care commission or potential political commitments.

All projects within the programme are capital in nature and will either create an asset or enhance the lifespan of the asset.

Consideration has been also been given to where alternative sources of funding should be found.

The schedule of bids recommended for approval including projects approved and carried forward from 2009/10 is included in appendix 1.

A report was presented to the capital strategy and asset review team on the 17th May 2010 and they recommend approval of the programme as stated.

On the 7th June 2010 the report was presented to the Strategic Leadership Team and minute no 177/10 referred:- That the programme for the £1.5m capital investment block of the Capital Programme 2010/11 as detailed in appendix 1 to the report be submitted to Cabinet.

8. Finance

The allocation of £1,500,000 per annum is included in the proposed capital programme 2010/11.

The programme will be supported through capital receipts from the sale of property and or prudential borrowing.

9. Risks and Uncertainties

The major risk is that, in spite of rigorous investment prioritisation and exploitation of all funding opportunities, the objectives and targets in the Council's Corporate Plan will not be achieved within the timescales and/or sufficient funds will not be available.

There is a potential high risk that within the current economic climate that the council is unable to realise capital receipts through the sale of assets.

The need to carry out the works scheduled in the report is based on prioritisation criteria of which health and safety and the risk of failure of statutory inspection are the main ones. Failure to fund and carry out the works could result in prosecution or failed inspection.

10. Policy and Performance Agenda Implications

The Capital Investment Programme will impact on all the Council's policies, priorities and inspections and the council's total performance.

11. Background Papers and Consultation

Previous reports to Cabinet, the Regeneration and Asset Board, Corporate Management Team and the Capital Strategy and Asset Review Team.

Consultation with the Strategic Director of Environment and Development Services and capital finance.

Report to capital strategy and asset review team on the 17th May 2010.

Report to Strategic Leadership Team on the 7th June 2010

Contact Name:

Stuart Carr-Facilities Manager, Environment and Development Services, Tel 2830
E-mail: stuart.carr@rotherham.gov.uk

Ian Smith- Director of Asset Management, Environment and Development Services,
Tel: 3850,
E-mail: ian.smith@rotherham.gov.uk

Appendix 1 - £1.5m Capital Programme Allocation 2010/2011

Carry Forward Of Schemes From 09/10

Cost Code/Directorate	Project Title	Description	£1.5m
GXZ003	Brinsworth Drainage	Continuation of highway drainage scheme to alleviate flooding- Approved by cabinet 2008/09	£78,000
SXZ006	Asset Management - Data Management software	Up-date of asset management software and migration to CIPFA system to allow interation of finance and asset management.Approved by cabinet 2009/10	£45,000
GXZ006	Catcliffe Pump	Installation of pumping station to alleviate flood risk-Approved cabinet 2009/10	£35,000
SXC402	Don Bridge	Works to replace bridge-approved by cabinet 2009/10	£45,000
SXQ007	Legionella - Works committed	Replacement and up-grade of water system-annual programme approved by cabinet 2008/09	£16,000
SXQ014	Market Fire Alarm - Replacement of alarm	Health & safety risk to replace obsolescent fire alarm in markets building-approved by cabinet 2009/10	£90,000
SXQ009	Rawmarsh Drainage	Works to improve drainage system to stop risk of flooding- Approved cabinet 2009/10	£10,000
SXQ002	Monksbridge Culvert	Works to improve drainage system to stop risk of flooding- approved by cabinet 2009/10	£30,000
TBC	Catcliffe Glass Cone	Heritage building improvements subject to external funding support: apporved by cabinet 2009/10	£47,194
LXZ003	Thrybergh Café - Complete awaiting final account	Refurbishment of café and new conservatory at thrybergh-works completed -approved by cabinet 2009/10	£12,000
EDUC	Rawmarsh Ashwood School Kitchen	Replacement of school kitchen equipment and refurbishment of kitchen accomodation-Match funded through DCFS-apporved cabinet 2009/10	£48,000
LXQ010	Thrybergh Reservoir	Works to the reservoirs following statutory inspection-completion of works-annual programme approved by cabinet 2008/09	£50,000
Carry Forward Bids From 2010/2011 TOTAL			£506,194

New Bids 2010/2011

Cost Code/Directorate	Project Title	Description	£1.5m
Streetpride	Wetherby Drive - Flood works replacement of 50m drainage	Installation of 50m of new drainage to alleviate flooding in Aston. Replacing collapsed drain.Will create new asset	£50,000
Streetpride	Aughton Road - Flood works replacement of 50m of drain	To install 50 m of new surface draiange within Aughton to alleviate flooding will create new asset	£50,000

Streetpride	Hepworth Drive, Aston - Flood works	Installation of some new surface water sewers to minimise flooding and constructing some underground storage to ensure that the flood water was not passed on to create a problem downstream. Alleviate flooding to 70 properties in Aston	£100,000
Streetpride	Mason Avenue - Flood works	Construction of 250m of surface water overflow sewer to intercept flood flows from this area to connect to existing watercourse. This would relieve flooding for directly for 6 properties and would reduce the incidence of flooding for several other areas such as Pagenall Drive, as it would reduce the overloading of the wider drainage system.	£100,000
C&L	Thrybergh Country Park - Refurb showers (enhancement of assets)	Refurbishment and replacement of toilet and shower block facilities to alleviate risk of legionella and improve standards.	£80,000
Streetpride	St Anns Road/Nelson Street Retaining Wall	Rebuilding of a retaining wall that the council is responsible for that is in imminent danger of collapse	£70,000
Streetpride	Meadow Street, Masborough Retaining Wall	Rebuilding of a retaining wall that the council is responsible for that is in imminent danger of collapse	£100,000
CYPS	Sitwell School Kitchen - Extractor system	Replacement of school kitchen equipment and refurbishment of kitchen accomodation-Environmental health inspection issues	£60,000
C&L	Civic Theatre - Essential Refurbishment - Health & safety issues	Replacement of asbestos safety curtain and lighting rigs-health & safety issues.	£50,000
NAS	Millennium Centre - Legionella risk Contingency	Replacement of hot & cold water system within the building. Identified as potential legionella risk and building closed by director of public health. Joint service facility with Rotherham NHS (Alleviates potential dilapidations claim)	£125,000 £208,806

Approved Programme 2010/2011 TOTAL

£1,500,000

Allocation

£1,500,000

Balance

£0

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET
--

1.	Meeting:	Cabinet
2.	Date:	7 July 2010
3.	Title:	Revenue Account Outturn 2009/10
4.	Directorate:	Financial Services

5. Summary

- The Council **budgeted** to spend **£210.850m** inclusive of use of balances on its **General Fund revenue account** in 2009/10. **Actual spend** against this was **£210.691m**, a **saving** against budget of **£0.159m (or 0.08%)**.
- In addition, the schools budgeted to spend £195.144m on their Delegated Budgets. Actual spend against this was £197.309m, an additional spend of £2.165m for the year (or 1.11%), which will be financed from accumulated schools' balances brought forward at the beginning of the financial year.
- The Council budgeted for a **balanced Housing Revenue Account** in 2009/10. **Actual spend** resulted in a **surplus of £0.697m**. This represents a 0.9% under spend.

6. Recommendations

That Cabinet:

1. Note the Council's Revenue Outturn Position Statement for 2009/10 on both the General Fund and on the Housing Revenue Account.
2. Note the level of the Council's Revenue Reserves as at 31 March 2010: and
 - (a) Approve a contribution of £100k from General Fund Reserves to the Winter Maintenance Reserve; and
 - (b) approve a contribution of £200k from General Fund Reserves to the Statutory Costs Reserve.
3. That the overspends on the Children and Young People's Service and on the Neighbourhood and Adult Services are not carried

forward in accordance with the Council's approved policy on the carry forward of year end balances on the Revenue Account.

- 4. Recommend to Council, under its approved policy, to carry forward balances into 2010/11 in accordance with the proposals set out in Appendix 4.**

7. Proposals and Details

Revenue Outturn 2009/10

The revenue outturn position is analysed by Directorate at **Appendix 1** and principal reasons for the variations are given at **Appendix 2**. More detailed Directorate Outturn reports have been presented to individual Cabinet Members for their areas of responsibility.

2009/10 has been another difficult year as a result of the 'credit crunch' and the subsequent downturn in the UK's economy. This has provided the Council with a challenging background against which it has had to manage a number of financial pressures on its services.

During the financial year, regular monitoring reports highlighted pressures on the Budget, which were addressed by Members. Actions, then and subsequently, were approved to ensure that the Budget remained in balance at the year end. This included the agreed use of the Contingency to support the Budget. The monitoring report to Cabinet on 7 April 2010, for the period to the end of February indicated a small projected under spend of £63k.

The final outturn position is still a positive one, reflecting careful financial management. Excluding the position on schools, there is a net under spend of £0.159m (0.08%). This reflects the Council's continued prudent and sustainable approach to financial management. This outturn position has been achieved despite significant pressures on the Council's Budget during the year. The exceptional nature of pressures faced by the Children and Young People's Service (+£3.944m) in respect of the increased need for child protection measures are to be noted and full details are given in **Appendix 2**. As in recent years, this has been a factor experienced by other councils. Neighbourhoods and Adult Services (+£0.397m) also faced a number of significant pressures which have been reported to Members throughout the year. Careful management and reprioritisation have contained the pressures within Adult Services. Member priorities have been reviewed during the year within Neighbourhood Services and as a result additional resources have been found to maintain the Independent Support Service Wardens (£0.592m). It is to be noted that Members provided additional resources in the budget for 2010/11 to meet the additional demand for the care of vulnerable adults (£1.3m) and for the care of vulnerable young people (£3.1m).

The effects of the economic downturn continue to affect many of the Council's services. This is particularly the case with Development and Building Control Services within the Environment and Development Services Directorate where there have been significant reductions in fee income as a consequence of the slow down in building development caused by the current recession.

As a result of these exceptional circumstances it is therefore proposed to Members that the remaining overspends (after carry forward of trading balances and other requests) experienced by Children and Young People (£3.994m) and Neighbourhood and Adult Services (£0.427m) are not carried

forward for recovery in 2010/11 by the Directorates in accordance with the Council's approved scheme (see below for details).

As a result of the favourable outturn now being reported Members should also note that it has been possible to make a proposal to replenish the Winter Maintenance Reserve depleted during the recent severe winter, with a contribution of £100k. Similarly, it has been possible to make a proposal that Members replenish the Statutory Costs Reserve which has become severely depleted as a result of the recent levels of legal activity, with a contribution of £200k. These proposals for which formal approval is sought are included in the outturn as now presented in this report.

Looking forward to the immediate future there is still considerable uncertainty at the time of writing this report surrounding the effects on the Council of the new government's response to correcting the deficit in the nation's public finances. Initial savings of £1.166bn from specific grants made to local government in 2010/11 were announced on 24 May 2010. The detailed effects of these reductions at individual council level have now been released and show that revenue grants to Rotherham will be reduced by £4.54m. This reduction principally consists of Area Based Grant (£2.41m) and Local Area Agreement Reward Grant (£1.4m). At the same time capital grants available for regeneration schemes have been reduced by £2.6m. The detailed impact on the Council is currently being evaluated. Further measures are expected to be announced in the autumn through a new three year Comprehensive Spending Review. These will be the subject of further reports to Members.

The outturn position for 2009/10 for the Housing Revenue Account shows an under spend of £0.697m. The principal reasons for this are shown in **Appendix 2.**

Reserves and Balances

The Council's revenue balances have decreased by £4.77m between 1 April 2009 and 31 March 2010. The principle reason for this is the application of specific funds i.e. funds held temporarily as a result of the capitalisation of prior years revenue spend (-£2.085m); LABGI (-£1.379m) to support the budget and to support approved projects; and the use of earmarked reserves, principally Schools' Delegated balances (-£2.165m). Further details are given below.

Reserves	Balance as at 1 April 2009 £m	Balance as at 31 March 2010 £m	Variance £m
Reserves to Support Budget	13.92	10.88	-3.04
Earmarked Reserves	33.65	32.30	-1.35
Repayable Reserves	1.07	0.69	-0.38
Total	48.64	43.87	-4.77

The main reasons for these variances are as follows:

Reserves to Support the Budget:

- Application to the Revenue Account of £2.085m to offset overall spending pressures. The Council has been able to do this because of the change in accounting rules effective from 2009/10 which allows the capitalisation of development costs of PFI and similar schemes such as Building Schools for the Future prior to 2009/10. The effect of this has been to increase the Council's opening balances as at 1 April 2009.
- Use of LABGI funding brought forward from 2008/09 to support the budget (-£0.406m) and to support previously approved schemes (-£0.973m).
- The recovery of business rates on Council properties on appeal where they have been found to have been overpaid in years prior to 2009/10. (+£0.396m).

Earmarked Reserves

- The Planned Use of Schools Delegated balances (-£2.165m) in support of schools' budgets.
- PFI Schools Reserve aligned with updated financial assumptions (-£0.911m).
- The level of the Insurance Fund was reviewed as part of the budget process and aligned to the level of risk (-£0.491m).
- Schools declared savings used at the discretion of schools (-£0.208m).
- Rotherham Economic Regeneration Fund (RERF) was applied to support project spend in the year (-£0.167m).
- Asylum Seekers Grant applied during the year to support services for asylum seekers within the Borough (-£0.072m).
- Housing Revenue Account surplus for the year (+£0.697m).
- Housing Major Repairs Allowance – slippage of council house refurbishment schemes into 2010/11 (+£1.875m).
- Statutory Costs Reserves - including proposal to replenish reserve (+£0.194m).

Repayable Reserves

The Invest to Save Reserve was reviewed during the budget process and £0.550m was used to support the budget in 2009/10 (-£0.448m)

A detailed analysis of the Reserves position of the Council is shown at **Appendix 3.**

Carry Forward of Underspends and Overspends into 2010/11

On April 9 2008 Cabinet recommended to Council a scheme for the carry forward of balances on the revenue account at the end of the financial year. This scheme was to be applied to the 2007/08 outturn position and each year thereafter. In summary, the scheme provides for the following treatment of year end balances.

Normal General Fund revenue budgets

- 80% of any underspend will go into General Fund balances to be applied subsequently, as necessary, in accordance with council-wide priorities.
- 20% of any underspend will be retained by the Directorate for general or specific service use.
- 100% of any overspend will be carried forward by the service

These underspends and overspends will be calculated at Directorate level.

• Trading services

The Council's existing practice of carrying forward 100% of surpluses and deficits will continue and these will be taken into account in future year's business plans.

• One-off or specific project budgets

In cases where there are exceptional items of expenditure e.g. large one-off items or earmarked funding for special projects or developments, an application and supporting case has to be made to SLT to recommend to Cabinet the carry forward of 100% of any unspent balance at the end of the financial year if the project remains to be completed. In the event of an overspend such a balance will be carried forward for the Directorate to manage in the following financial year.

The outturn position for 2009/10 now reported reflects the position before the approval of the carry forward of trading services balances. **Appendix 4** shows the position under each of the categories and the supporting case for each application to carry forward one-off or specific project budgets. SLT is asked to make recommendations to Cabinet on the requests for carry forward of one-off or special project budgets.

8. Finance

In total, the Council **budgeted to spend £410.907m on its General Fund Revenue Account in 2009/10**. Excluding School Delegated Budgets brought forward from 2008-09, **the budgeted spend was £405.994m**. The **actual spend against this was £408.000m, a total use of balances of £2.006m**. This is made up of the following:

	£m	%
General Fund (excl. Schools Delegated Budgets)	-0.159	-0.08
Schools Delegated Budgets	+2.165	+1.11
	-----	-----
	+2.006	+0.49
	-----	-----

The summarised effect of this outturn position on the Council's reserves can be seen in more detail in **Appendix 3**. This contains an analysis of the Council's reserves as at 31 March 2010. These reserves need to be considered alongside the above variations against budget in 2009-10 and the list of balances to be carried forward under the Council's approved policy on carry forward of year end balances and shown at **Appendix 4**.

Cabinet is asked to note the level of the Council's Revenue Reserves as at 31 March 2010.

9. Risks and Uncertainties

Risks are involved when decisions are taken about the level of resources (including reserves and balances) that are deployed to deliver the Council's priorities. Continuing improvements in financial management, including the more effective management of financial risks, will minimise the impact of unforeseen circumstances and adverse variances against budget.

10. Policy and Performance Agenda Implications

Approval with regard to the earmarking/use of Council balances should be given as soon as possible so as to give certainty to the final level of approved budget for the current financial year.

11. Background Papers and Consultation

Cabinet Reports – Proposed Revenue Budget and Council Tax for 2009/10,
February 27, 2009
Revenue and Capital Budget Monitoring reports to SLT
and Cabinet.

Statement of Accounts 2009-10

Contact Name: David Barker, Strategic Finance Accountant 22017, david-finance.barker@rotherham.gov.uk

REVENUE BUDGET OUTTURN 2008/09 - SUMMARY BY DIRECTORATE

APPENDIX 1

	Budget	Actual Spend	Under(-) Overspend (+)	
	£000	£000	£000	%
Neighbourhoods and Adult Services	76,867	77,264	397	0.52
Children and Young People's Service	37,957	41,902	3,945	10.39
Environment and Development Services	45,557	45,557	0	0.00
Financial Services	10,431	10,408	-23	-0.22
Chief Executive	8,873	8,805	-68	-0.77
Central Services	31,165	26,755	-4,410	-14.15
General Fund (excl. Schools' Delegated Budgets)	210,850	210,691	-159	-0.08
Schools Delegated Budgets (excl. B/fwd balances)	195,144	197,309	2,165	1.11
Net Overspend	405,994	408,000	2,006	0.49
Housing Revenue Account	0	0	-697	n/a

Note: Before adjustment for carry forward of trading surpluses and deficits

Note1: Central Services	£000	£000	£000	%
Capital Financing Charges	16,311	16,311	0	0.00
Over provision for 2009/10 pay award	700	0	-700	n/a
Capitalisation of PFI and similar scheme expenditure previously charged to revenue	0	-2,085	-2,085	n/a
Refunds of VAT under the Fleming Court Case ruling	0	-1,516	-1,516	n/a
Additional Yorkshire Forward income	0	-514	-514	n/a
Yorkshire Purchasing Organisation dividend	0	-443	-443	n/a
Maltby Academy Deed of Gift	0	500	500	n/a
Final settlement of Ibstock Brick case	0	140	140	n/a
LAA Reward Grant shortfall	-850	-519	331	38.94
Provision to replenish Statutory Costs Reserve	0	200	200	n/a
Provision to replenish Winter Maintenance Reserve	0	100	100	n/a
Economic Downturn Budget	280	228	-52	-18.57
LABGI Receipts	-226	-406	-180	-79.65
Additional Savings from ICT refresh	-200	-450	-250	-125.00
Other including Levies	15,150	15,209	59	0.39
	31,165	26,755	-4,410	-14.15

Appendix 2

Main Differences from Approved Revenue Budget**Neighbourhoods and Adult Services (+£397k)****Neighbourhoods (+£482k)****Independent Support Service (Wardens) (+£592k)**

At the beginning of the year it was recognised that there would be a potential over spend against the budget in the event that short term measures could not be identified to reduce expenditure or increase income until the outcomes of a management review were finalised. Management actions to mitigate some of the spending pressure have included the use of Care Enablers at no additional cost and paying only a single rate for overtime to cover for high levels of staff sickness and vacancies.

Safer Neighbourhoods (+£50k)

This represents:

An overspend in the Anti-Social Behaviour team (£78k) mainly relating to salary and redundancy costs has been partially offset by savings on overtime and supplies and services in special projects within the Enviro-Crime Team.

Business Regulation (-£105k)

This is the result of tight management in the filling of vacant jobs across the whole of the service.

Neighbourhood Partnerships (-£18k)

The under spend relates to the Community Leadership Fund (-£30k) for which a request for carry forward is contained elsewhere in this report and various minor under spends (-£11k). In addition there has been an inability to meet a job vacancy factor resulting in a £23k overspend elsewhere in the service.

Housing Access (-£19k)

This saving is as a result of the reduced cost of insurance to the service.

Housing Choices (-£18k)

Savings have resulted from a moratorium on supplies and services spend within the Homelessness and Advice Service.

Adult Services (-£85k)**Commissioning & Partnerships (+£96k)**

There have been:

- Additional staffing and running costs on Innovations and Service Quality (+£270k);
- offset by savings on Strategy and Planning (-£147k) and
- Savings from staff vacancies within the Contract and Commissioning Unit (-£30k).

Assessment & Care Management

Older People (-£386k)

There have been:

- Vacant staff posts within Social Work Teams and an under spend on the intermediate care pooled budget (-£176k); and
- Additional income from independent residential care placements and income from property charges (-£648k).

These savings have been offset by:

- Delays in shifting the balance of home care from in-house provision to the independent sector (+£192k); and
- Additional Direct Payments, PC and mobile telephone rentals (+£246k).

Physical and Sensory Disabilities (+£146k)

There have been:

- An overspend on residential care nursing costs offset by management actions to delay the start of new investments to establish residential and respite care within the Borough (-£255k); and
- Additional income from the Health Service to support the Rig Drive supported living scheme (-£61k).

These savings have been offset by:

- Continuing increased demand for independent home care (+1,110 hours) (+£312k);
- Additional Direct Payments (+£120k); and
- Other various minor overspends (+£30k).

Safeguarding (+£64k)

There have been additional employee costs and reduced income from the Health Service.

Independent Living (-£61k)

There has been an overspend on Rotherham Equipment and Wheelchair Service (REWS) equipment and running costs at Kirk Resource Centre (+£42k) offset by reduced Assessment Direct employee costs, Extra Care employee vacancies and additional income from clients paying the full cost of the service (-£103k).

Health and Well Being

Older People (In-House) (+£653k)

There have been:

- Delays in implementing shifting the balance of home care to the independent sector; and an underachievement of budgeted savings in the laundry service (+£679k);
- Additional running costs of the in-house meals on wheels service prior to service closure later than originally planned (+£304k);
- Delays in the closure of former residential homes and a shortfall of income (+£280k); and

- Additional running costs of the bathing service and welfare services (+£45k).

These additional costs have been offset by:

- A saving on Extra Care Housing staff following a review of the service (-£360k);
- Savings on Day Care employee costs and other running costs due to a moratorium on spending (-£118k); and
- Savings on management and administration as a result of careful vacancy management and reduced running costs on Adult Services transport (-£178k).

Learning Disabilities (-£589k)

There have been:

- Higher than forecast Continuing Health Care Income from the NHSR (-£233k);
- Savings on employee costs in in-house supported living schemes (-£103k) and savings resulting from delays in the start-up of independent supported living schemes (-£194k);
- Savings on employee costs for in-house day care provision resulting from a review of the service (-£75k);
- Additional health service income for specialist independent day care (-£63k); and additional minor savings of (-£12k).

These savings have been offset slightly by additional costs on in-house residential care (+£45k) and a reduction of income for the Family and Friends scheme (+£46k).

Mental Health Services (-£8k)

There have been:

- An increased demand for Direct Payments (+£43k); and
- An increase in demand for residential care placements (+£64k);

These additional costs were offset by savings on:

- Independent Day Care service level agreements (-£55k);
- An under spend on supported living schemes and on independent sector home care provision (-£32k);
- Savings in assessment and care management (-£17k); and
- Other minor net savings (-£11k).

Children and Young People's Services (£3,944k)

The overall key pressures mainly relate to:

Children's Social Care where there have been overspends on:

Commissioning and Social Work (+£1,311k)

This is the result of:

- Payments for children in need or requiring a Child protection Plan increased from 1,933 to 2,213 during the year (+£170k);

- Payments to women with children and with no recourse to public funds (+£56k);
- An increased number of out-of-authority placements has resulted in higher travel costs for contact meetings (+£88k);
- Interpretation costs as a result of the increased number of EU migrants (+£62k);
- An increase in the number of Residence Orders, Special Guardianships and Direct Payment Allowances (+£241k);
- Increased costs of agency staff and the cost of additional administrative and Family Support Workers needed in response to the Contact and Referral Assessment inspection held in August 2009 (+£499k);
- Additional social worker recruitment costs (+£60k);
- Supplies and services (+£139k);
- Non- achievement of a budgeted staff vacancy factor (+£237k); and
- Additional transport costs (+£20k).

These additional costs have been offset by a redistribution of unused grants (-£188k) and by various minor savings across the service (-£73k).

Children Looked After (+£2,451k)

There has been:

- An increase in the number of out of authority residential placements required from 14 to 26 (+£671k);
- An increase in the need for independent fostering (+£2,305k) offset by savings on in-house fostering allowances (-£690k);
- Cover for residential social worker vacancies and sickness (+£337k);
- Additional boarding out payments (+£44k); and
- Additional fostering team and business support salaries partially offset by under spends across Other Children Looked After services (+£35k).

Other Children and Families (+£400k)

This over spend has been due mainly to the increase in adoption activity (25 children adopted and 42 placed with prospective adopters) during the year.

Support Services and Management Costs (+£426k)

The over spend is largely a result of the increased legal activity in response to the increased number of children requiring care (+£507k). This has been offset by a redistribution of unused specific grants (-£81k).

Special Education Provision (+£71k)

This is the result of:

- As a result of staff vacancy factors (+£43k) and
- income targets not achieved (+£23k) in the Education Psychology Service.

Specific Grants (+£59k)

There has been an underachievement of the income target for the Healthy Schools Project (+£41k) and a non-achievement of a budgeted staffing vacancy allowance in the Ethnic Minority Achievement Team (+£18k).

Strategic Management (-£387k)

Changes in accounting rules have enabled the Council to charge development costs for PFI and similar capital schemes e.g. Building Schools for the Future to the capital account. This has released £695k to offset Strategic Management and wider Directorate pressures.

Environment and Development Services (a balanced budget)

Regeneration and Planning (+£355k)

- There has been: a shortfall in Development Control and Building Control income as a result of the economic downturn (+£396k);
- An under recovery of Land Charges income (+£54k); and
- A shortfall in income due to some work undertaken on non-fee earning projects within the Work Implementation Team (+£132k).
- Other minor net over spends (+£12k).

However, these pressures have been offset somewhat by relatively small savings across the service as a result of:

The imposed moratorium on non-essential spend and the non-recruitment to some jobs (-£67k); and increased fee income generated from work undertaken for the Local Transport Plan (-£172k).

Asset Management (-£187k)

There has been:

- an imposed moratorium on non-essential spend and in addition,
- further income has been generated by:
 - the Rotherham Construction Partnership (-£226k),
 - the Building Cleaning service (-£151k); and
 - from the holding of Commercial Properties (-£151k).

These have been partially offset by:

- Pressures on office accommodation and other property related costs (+£268k);
- the non-recovery of income for School Crossing Patrols (+£61k); and
- other minor net variations from budget.

In addition a contribution has been made to top up the Winter Maintenance Reserve of £33k after its heavy use over the recent severe winter.

Streetpride (balanced budget)

In order to achieve the balanced position there has been an effective moratorium on non-essential spend and significant savings have been made in Waste Management as a result of the new contractual arrangements, revised refuse collection arrangements and from bringing back in-house the blue-box collections service (-£622k).

In addition there are various minor net variations resulting in savings of a further £50k.

However, these savings have been wholly offset by pressures from: Reduced car parking income as a result of the economic downturn (+£61k); additional demands to respond to localised flooding in the Aston area in June 2009 and from ongoing issues incurred following the floods of 2007; and the exceptional winter which created significant pressures on the winter maintenance service, along with its aftermath which caused considerable damage to roads in the Borough (+£611k)

Culture and Leisure Services (-£46k)

The overall under spend has been achieved by:

- A moratorium on non-essential spend and managed staff vacancies across the service (-£149k);
- The later opening of the Aston Library (-£49k); and
- an under spend on the Libraries Materials Fund (-£71k).

These savings have managed to contain the following pressures within the service:

- Costs associated with the Clifton Park contract which remains incomplete as a result of the contractor going into administration, including essential site security costs (+£108k);
- Staff cover costs at the Civic Theatre (+£60k);
- Additional costs resulting from membership of the South Yorkshire Archives Service (+£17k); and
- Various minor net variations resulting in a further pressure of +£39k.

Business Support Unit (-£123k)

There has been:

- careful management of job vacancies (-£69k);
- A moratorium on non-essential spend (-£43k); and
- Various net variations resulting in a further saving of -£11k.

Financial Services (-£23k)

This under spend chiefly consists of a surplus on the Schools Financial Services Trading Account (-£18k) to be carried forward under the Council's scheme for carrying forward year end balances.

Chief Executive (-£68k)

Chief Executive's Office (-£73k) – There has been: a moratorium on the filling of vacant posts and additional management fee income from the European Industrial Regions Association (EIRA).

Communications Policy and Performance (-£107k) – there has been:

- a moratorium on non-essential spend in the Communications budget (-£98k);
- Tight vacancy management in the Corporate Research team (-£21k);

- An under spend on the Rotherham Partnership for which a request to carry forward is included in this report (-£42k).

These are offset by an overspend on the production of Rotherham News (+£54k).

Human Resources (+£87k) - there has been a loss of recruitment advertising income on the Recruitment Management System (+£159k).

This has been partially offset by:

- additional income earned by work undertaken by the Strategic Unit (-£43k);
- tight vacancy management (-£18k);
- savings as a result of contract renegotiations on management development (-£6k);
- and a moratorium on non-essential spend (-£6k).

Legal and democratic Services (+£17k) – there has been:

- an overspend on Legal Services as a result of additional ICT costs (+£20k)
- additional legal research costs and subscriptions (+£16k).

These have been partially offset by:

- tight vacancy management in Committee Services (-£10k);and
- a moratorium on non-essential spend (-£10k).

Central Services (-£4,410k)

This under spend consists of:

- Capitalisation of prior year PFI development costs originally charged to revenue (-£2,085k);
- Refunds of VAT under the Fleming Court case ruling (-£1,516k);
- Over provision for the 2009/10 pay award (-£700k);
- Additional Yorkshire Forward income (-£514k);
- Additional LABGI allocation (-£180k);
- Yorkshire Purchasing Organisation dividend (-£443k). These have been offset by:
- Provision for Maltby Academy Deed of Gift (+£500k);
- Final Settlement of Ibstock Brick Company court case (+£140k);
- Non-achievement of target to support budget from LAA Reward Grant (+£331k);
- Additional Savings from the ICT refresh (-£250k);
- An under spend requested to be carried forward on the Economic Downturn budget (-£52k);
- A Proposal to replenish the Statutory Costs Reserve (+£200k);
- A Proposal to replenish the Winter Maintenance Reserve (+£100k).

Schools Delegated Budgets (+£2,165k)

The outturn reflects schools' spending plans for the 2009/10 financial year.

Housing Revenue Account (-£697k)

The principal reasons for the increase in HRA balances are:

- An increase in HRA Subsidy (-£1,135k);
- A reduction in interest paid as a result of lower interest rates (-£1,187k);
- A reduction in depreciation provision (-£529k);
- A reduction in the bad debt provision for rent arrears and tenants rechargeable repairs (-£209k);
- Additional non-dwelling rents partially offset by a shortfall of income from charges for services and facilities (-£98k); and
- an under spend against the budget for rent, rates and tax payments (-£123k); and
- Other minor savings (-£20k).

These savings and additional income were offset by:

- A reduction in housing rent income as a result of the in-year change in the rent increase (+£1,356k);
- An agreed increase in the management fee to 2010 Rotherham Ltd (+£944k);
- Additional repairs and maintenance (+£161k);
- Reduced interest received as a result of lower interest rates (+£143k).

REVENUE RESERVES AND BALANCES				APPENDIX 3	
		Balance as at 1 April 2009		Balance as at 31 March 2010	Reason for Significant Change
		£000		£000	
Reserves Available to Support the Budget					
General Fund - (Excluding Schools Delegated Budgets)		13,924.1		10,877.8	See Main Report
		13,924.1		10,877.8	
Repayable Reserves					
Energy Conservation		471.5		538.7	Increase due to repayments of loans for previously approved schemes
Invest to Save		596.0		148.4	Approved Support for Budget £550k
		1,067.5		687.1	
Mandatory / Ringfenced Reserves					
Asylum Seekers		531.7		459.9	This reserve contains a front-loaded government grant. In 2009/10 the fund has been used to provide support to failed and destitute asylum seekers with community care needs and for support for single people.
Furnished Homes		65.7		0.0	Increased use of service in 2009/10
Housing Improvement Programme		28.8		29.8	
Housing Revenue Account		6,192.3		6,889.3	Increased in line with HRA surplus for 2009/10 (£0.697m)
Housing Major Repairs Allowance		319.7		2,194.8	Slippage of Housing Capital schemes into 2010/11 when reserve will be used
Landfill Allowance Trading Scheme		0.0		0.0	
PFI Schools		15,065.5		14,154.3	The reduction in the reserve reflects the realignment of the reserve to the updated financial assumptions
PFI Leisure		223.3		308.3	The increase in the reserve reflects the realignment of the reserve to the updated financial assumptions
Schools Declared Savings		613.6		405.0	Used at discretion of schools
Schools Delegated Budgets		4,913.0		2,747.7	A planned reduction by schools to support delegated budgets.
		27,953.6		27,189.1	
Other Retained Earmarked Reserves					
CENT - ICT Refresh Reserve		101.3		74.2	Planned use in 2009/10 for replacement of ICT
Commutation Adjustment		3,072.9		3,072.9	
Dispersed and Furnished Units		68.5		4.2	A large programme of refurbishing dispersed units was undertaken in 2009/10

REVENUE RESERVES AND BALANCES				APPENDIX 3	
		Balance as at 1 April 2009		Balance as at 31 March 2010	Reason for Significant Change
		£000		£000	
Insurance Fund		1,478.4		987.3	The reserve has been realigned to the assessed potential risks facing the Council
Maintenance of Buildings		424.9		410.0	
Libraries and Museums Funds		39.9		49.1	
RERF (EDS)		347.5		180.9	Used on regeneration schemes in 2009/10.
Statutory Costs		5.9		200.0	Contribution made from 2009/10 outturn
Winter Conditions		154.1		132.7	Used during severe winter and Contribution made from 2009/10 outturn
		5,693.4		5,111.3	
Total Reserves and Balances		48,638.6		43,865.3	

CARRY FORWARD OF REVENUE BUDGET UNDERSPENDS/OVERSPENDS 2009/10

APPENDIX 4

Directorate/Carry Forward	Reason for Request for Carry Forward	£			Allocation		
		£	£			£	
<u>Neighbourhoods and Adult Services</u>							
Request for Carry Forward Community Leadership Fund	Underspend is requested to be carried forward in line with Cabinet decision on 10 January 2007		-30,000				
Remaining Overspend			427,383	This is allocated	100% Centre	427,383	
Directorate Overspend for 2009/10				<u>397,383</u>			
<u>Children's and Young People's Service</u>							
Trading Accounts School Sickness Insurance Scheme School Meals Service	Partnership income to support the 'Playing for Success' after school programme.	-224,175					
		<u>178,294</u>					
Request for Carry Forward Try-Line Centre Partnership			-45,881				
			-3,709				
Remaining Overspend			3,994,004	This is allocated	100% Centre	3,994,004	
Directorate Overspend for 2009/10			<u>3,944,414</u>				
<u>Environment and Development Services</u>							
Directorate Outturn	A balanced budget		0				
Request for Carry Forward Third Party Payments -Waste Recycling Environmental Ltd Bar Park	Council funding to release Landfill Tax credits for Rotherham projects Underspend as a result of delayed legal costs to be paid by Council for transfer of Bar Park from Sheffield City Council.		-24,270				
				-10,000			
				<u>-34,270</u>			
<u>Financial Services</u>							
Trading Accounts Schools Financial Services			-18,480				
Requests for Carry Forward			0				
Remaining Underspend after request			-4,534	This is allocated	20% Service	-907	
Total Directorate Underspend			<u>-23,014</u>		80% Centre	-3,627	
<u>Chief Executive</u>							
Request for Carry Forward Rotherham Partnership	This is an underspend on contributions from the various partners in 2009/10 and it has been agreed by the Partnership that this balance should be used in 2010/11.		-41,737				
Remaining Underspend after request				-26,177	This is allocated	20% Service	-5,235
Total Directorate Underspend				<u>-67,914</u>		80% Centre	-20,942

CARRY FORWARD OF REVENUE BUDGET UNDERSPENDS/OVERSPENDS 2009/10

APPENDIX 4

Directorate/Carry Forward	Reason for Request for Carry Forward	£	£	Allocation	£
Central Services					
Economic Downturn Budget	This budget holds funds to meet the cost of providing loans and additional advice to residents to help them manage during the economic downturn. On 11 February 2009, when Cabinet approved this budget, it confirmed that such loans would be made available until 31 March 2001.		-52,419		
Remaining Underspend after request			-4,357,588	This is allocated	100% Centre -4,357,588
			<u>-4,410,007</u>		

TRADING ACCOUNTS OUTTURN 2009/10**APPENDIX 5**

Directorate/Trading Service	Surplus(-) / Deficit(+) Brought Forward £000	In year Surplus (-) / Deficit (+) £000	Surplus (-) /Deficit (+) carried forward £000
Children and Young People's Service			
Schools Insurance	-330	106	-224
School Meals Service (See Note 1)	184	-6	178
Financial Services			
Schools Finance Traded Service	-12	-6	-18

Note 1

At the end of 2007/08 it was agreed that the service be required to cover the £200k deficit at £50k over a period of 4 years. As at 31 March 2010 the Catering Service had made a surplus of £55k. £50k of this has been used to offset the CYPS deficit leaving £6k to reduce the outstanding trading deficit. The Service now has 3 years to cover the remaining deficit after a 1 year extension to this period was agreed.

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET
--

1.	Meeting:	CABINET
2.	Date:	7th July 2010
3.	Title:	CLG Housing Finance Review
4.	Directorates:	Financial Services & Neighbourhoods and Adult Services

5. Summary

CLG are currently consulting with Housing Authorities on proposed changes to the current national council house subsidy system and replacing it with self-financing arrangements. The details of the proposals and the implications for Rotherham are set out in this paper. An elected Member seminar has been arranged for 1st July.

It should be noted that RMBC have submitted a positive response to the consultation, supporting the proposed changes. The draft consultation response is attached as Appendix 1 with the final version amended for any further points raised by Members at the Seminar on 1st July.

6. Recommendations

Cabinet is asked to:

- a) Note the content of this report and draft consultation response.**
- b) Note that further feedback from the Members Seminar on 1st July will be included prior to submission of the final consultation response.**

7. Proposals and Details

Introduction

The current HRA Subsidy System in which rents and 'Right to Buy' Council House receipts are pooled nationally has for a number of years been extremely unpopular, increasingly complex and it lacks transparency. Following a 2009 consultation about potentially changing the system, CLG published a voluntary 'offer' to local authority landlords on 25th March 2010 in the form of a prospectus, setting out the terms within which the then government planned to implement the dismantling of the Housing Revenue Account (HRA) subsidy system and introduce a system of self financing from April 2011 on a voluntary basis. The deadline for responding to the Consultation in the 'offer' and terms set out in the prospectus was 6th July 2010. To date, no information has been received from the new Government which indicates a departure from the previous Government's proposal, however, the new government is currently reviewing its future funding and savings options and there is a spending review planned for the Autumn, so consequently the debt allocation proposal outlined in the self-financing consultation may change.

Work has been carried out to model the impact of the reform proposals for Rotherham's HRA. This report sets out the main findings of the modelling work, highlights the main Rotherham-specific issues and provides a summary commentary on the proposals within the prospectus, with the aim of informing the council's response to the consultation (Draft attached at Appendix 1).

Rotherham's currently receives a small amount of subsidy from the national pool (c£0.6m in 2009/10).

The proposed changes to housing finance and the implications of these changes are complex and technical. Rotherham, along with many other local authorities, has been working with the Chartered Institute of Housing to determine the likely implications for the Council. A Member seminar arranged for 1st July briefed Members on the subject and gave the opportunity to ask questions and feed into the consultation response.

The HRA Prospectus

A review of Council Housing Finance was launched in March 2008 and following an initial consultation in 2009 (RMBC responded in October), an offer document, entitled *Council housing – a real future - prospectus* was launched in March 2010. The prospectus proposes a new self-financing system that devolves financing and accountability to local authorities.

The proposal is based on moving towards a 'self financing' HRA system in which negative or positive subsidy (payment into or from the national pool) is exchanged for a single one-off adjustment of housing debt following which rental surpluses and Right to Buy receipts will be retained 100% by local authorities. 75% of these must be used for affordable housing and regeneration projects, the remaining 25% can be used for any capital purpose.

The allocation of debt is based on a Net Present Value (NPV) cashflow estimate (a financial technique used to calculate the value of a future income stream and

convert it into a single value at today's prices) of rents and revenue costs for all authorities over 30 years. It is based on subsidy rent assumptions which achieve rent convergence with Housing Association rent targets by the year 2016 (national target) and subsidy allowance assumptions which include an uplift of funding (1.9% for inflation).

The National Position

Nationally, the total value of future rental surpluses in an unreformed system is estimated to be £34-35bn. Current debt is £21.5bn (forecast at 31st March 2011). Therefore the estimated net value of future surpluses is in the region of £13-14bn.

The total proposed allocation of debt to Local Authorities is £25.1bn based on increased allowances of 5% for management and maintenance (M&M) and 28% for major repairs allowances (MRA), with a discount factor (for assumed interest costs) of 7%. This means that the government could be said to be capturing £3.6bn (£25.1bn - £21.5bn) of surpluses and allowing all future surpluses to remain in local authorities HRAs.

The prospectus identifies that the discount factor for recent housing stock transfers is 6.5% which is lower than the 7% assumed in the prospectus - applied to this settlement, this would result in a debt allocation of £26.3bn. The difference of £1.2bn is therefore treated as 'reduced debt' and there is an explicit reference in the consultation for authorities to set out some ideas as to how it may utilise this debt 'reduction' towards new build properties in their consultation responses. Nationally, the prospectus refers to these proposals providing funding capacity for '10,000 properties per year for five years'.

The new system would see supported borrowing replaced with a system of capital grants and the ability for HRA business plans to use prudential borrowing on a long term basis.

Research from last year's consultation identified national outstanding backlogs for decent homes and other investment at around £6bn. The prospectus has cut back on this, focusing on the completion of decent homes mainly for later-round ALMO authorities. A figure of £3bn for capital grants is referred to, although this would be subject to future spending reviews. Rotherham is unaffected by this as 2010/11 is the final year for Decent Homes funding.

In addition to the level and uncertainty around the availability of future capital grants, the proposals also act to restrict future borrowing. Although the government has rejected the idea of setting borrowing limits annually, the prospectus contains an absolute restriction on future borrowing above the level of the initial debt allocation to each Local Authority. It is expected that this cap will last until at least into the spending review period after next (ie till after 2014).

Effectively, therefore, self financing HRA plans will need to be based largely on revenue and receipts with reliance on borrowing restricted to prudential borrowing limits. Most authorities are **unlikely** to be in a position to receive grants. As Rotherham has received Decent Homes funding it is unlikely that we will be able to access these Capital Grants.

There is also a host of accounting technicalities associated with the implementation of the new arrangements, including a proposal to report a memorandum HRA balance sheet and various options for the treatment of depreciation, debt repayment and treasury management. Where relevant for Rotherham, these are highlighted below.

The proposals are intended to be a 'once and for all' settlement. A self financing agreement would be signed under s313 of the Housing and Regeneration Act 2008. However, the government will retain the right to 'open up' (or revisit the value of agreed) settlements in the future. The circumstances in which this might take place are not set out and it is essential that self financing agreements are very clear about what these circumstances might be. One obvious example is change to future rent policies ie if rents increase higher or lower than assumed in the settlement, the debt calculation might be reopened.

Rotherham's modelling: main assumptions

The model has been updated for Rotherham from 2010/11 and based on local data with the following key assumptions:

- A baseline of the 2010/11 HRA budget and capital programme
- Planned capital programme funding for 2011/12 and 2012/13
- Rents converge in 2015/16 in line with Government policy
- Current levels of management and maintenance expenditure increasing with inflation (ie no real terms investment or efficiencies)
- Roll forward of non-rent income with inflation (eg Heating charges)
- General inflation of 2.5% to 2011/12 and 2.75% pa thereafter
- Long term debt interest rates of 6% (from 2015) with current rates reflected in the early years (below 5% currently).

A critical assumption relates to the stock investment and capital needs for the stock over the longer term. These have been factored into the business plan based on updated stock condition survey data which has been prepared by 2010 Rotherham Ltd. The 30 year capital profile amounts to around £29k/unit and reflects the core need for renewals and planned maintenance. This overall total does not therefore include wider improvements to the stock and/or neighbourhoods and there will be scope (the value of which will be dependant upon future rent increases) within the self financing plan to explore options for what kind of additional investment might be appropriate. Work is currently underway within both Neighbourhoods and 2010 Rotherham Ltd to identify these wider stock improvements, profile the associated costs and build them into the model.

The modelling provides a headline sense of the viability of self financing given the debt settlement and assumes no access to capital grants. As mentioned previously, Rotherham would not be precluded from applying for grant funding on existing stock but it is extremely unlikely to qualify given the government support for the recent Decent Homes investment programme in Rotherham.

Proposed settlement for Rotherham

The headline debt settlement for Rotherham is £251m. This is based on uplifted Management and Maintenance (M&M) allowances of 1.9% and uplifted MRA of 35.5%, a consolidated uplift across all three allowances of 11.5%. Rotherham's

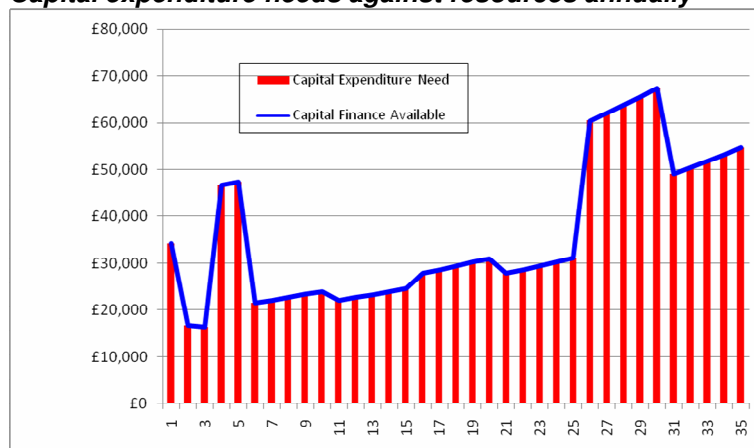
M&M increase is consistent with neighbouring authorities and reflects an absence of high-rise flats. The MRA uplift is just above the national average reflecting the mix of housing stock locally.

The £251m settlement is based on a 7% discount factor (for interest costs). A reduced discount factor of 6.5% would give a settlement of £263m, a difference of £12m. The prospectus asks authorities to outline suggestions for how they might use this potential additional cash to deliver more housing.

The plan is financially viable and meets all expenditure needs in each year of the 30 years. There is a small amount (£13m) of additional borrowing required in the first five year period. Thereafter surpluses build quickly.

Capital investment needs are able to be met in every year of the plan as required, acknowledging that there are relatively smooth profiles for the middle to later years of the plan with a small borrowing requirement in years 4-5. The chart below highlights the position.

Capital expenditure needs against resources annually



The above chart highlights three distinct periods:

- The early years: the impact of the (current) planned reduction in the capital programme can be seen in years 2-3 followed by the re-phasing of works from those years into year 4 and 5; the chart highlights how programmes could be increased in years 2 and 3 if self financing is implemented on this basis. 2010 Rotherham Ltd is currently reviewing the potential for re-profiling.
- The relatively even phasing and low level of expenditure needs in the period from years 6 to 25, during which revenue surpluses grow significantly.
- The 'back loading' of capital expenditure from year 25.

Sensitivity Testing of the Rotherham Model

The plan is viable and extremely resilient to changes in key assumptions. Some key headlines are set out below.

- If interest rates were 7% not 6%, this would not impact on the ability to meet capital needs. The debt repayment plan redeems debt by year 15 (compared to year 14). Overall the plan remains viable with considerable reserves at year 30.
- Real inflation in capital costs (1% pa for all 30 years) does not impact on the ability to meet capital expenditure needs. Debt repayment would be pushed out

to year 16. Overall the plan remains viable with considerable reserves at year 30.

- Real inflation in management and maintenance costs (1% pa for 10 years) reduces revenue surpluses but again does not affect the financing of capital expenditure, debt repayment is pushed out to year 16. Overall the plan still remains viable with considerable reserves at year 30.
- If rent convergence were unable to be achieved (or if local policy were to be to delay convergence) until 2025 (say), this also has the effect of reducing revenue surpluses without affecting capital finance. Debt repayment would be year 18. Overall the viability of the plan remains virtually unaffected in the long term. It will however remain important in a regulatory context to move in line with national rent policy. It should be noted that this does not however reflect any future changes which may occur to housing benefit policy.
- The plan therefore has plenty of room for additional investment and could (all other things being equal) sustain an extra £5m per year in capital works in addition to the profile set out whilst still being able to repay debt within expected CLG profiles. Alternatively, investment might be made in day to day service delivery or in building or acquiring new properties.

Summary of modelling outcomes

In general, self financing is viable for Rotherham. There is in fact room for manoeuvre over 30 years although the need to meet capital needs in the first 5 years would carry some risks in terms of re-phasing and as borrowing increases. The profiling of the capital needs is currently being reviewed by 2010 Rotherham Ltd.

The principle reasons for the positive model for Rotherham are:

- Rents are over £10 per week below target in 2010/11. The self financing model assumes rents will rise in line with convergence which effectively closes this gap and generates additional rental income over the short term for the Council. Although as stated previously, delaying rent convergence (say to 2025) does not affect the long term viability of the plan. This would however affect our capacity to invest in new build.
- Net M&M costs in 2010/11 are £28m ie substantially lower than the assumed M&M (after uplifts) in the settlement of £35m; in effect, the plan has £7m every year of net resources over and above the assumption in the debt settlement.
- The estimated opening level of debt assumed in the settlement for Rotherham is £37m higher than actual debt (due to prudent borrowing by the Council since 1990) and therefore our model requires payment of lower interest costs than would be assumed in the CLG model.
- Capital expenditure assumed in Rotherham's model is low compared to other local authorities. An important issue will be for the council, the ALMO and stakeholders to satisfy themselves that there is sufficient investment needs factored into the model. Work is ongoing with 2010 Rotherham and the Neighbourhood Investment Team to ensure wider stock improvements are factored in.

Comparing self financing to subsidy

Self financing business plans on the basis of the current proposals are almost universally better funded than plans based on an unreformed subsidy system. This is the case for Rotherham and principally arises as a result of the following key factors:

- The benefits of all net rent increases are available to the plan – ie surpluses are not captured nationally and redistributed; this is the critical difference between the status quo and self-financing as rental surpluses are expected to rise sharply in the future as a result of rent convergence.
- The proposed more generous allocation of uplifts for M&M and major repairs allowances gives additional spending power from day one.
- The interest charge on debt is at a rate lower than the discount factor used in the settlement calculation. It should be noted however that the new government may choose to revisit this.
- The difference between the assumed and actual level of debt in the 'offer'.

Risk and reward

Moving to a self financing system significantly alters the risk profile in HRA business plans and the council housing service.

In the current system risks focus on unpredictability and political intervention in the system and on the fact that significant revenue rental surpluses will leave Rotherham after the HRA moves into negative subsidy in 2014.

- New risks include interest rate fluctuations and the fact that the council is assuming responsibility for all revenue and capital spending.
- There is the potential for the current Housing Benefit regime to be reviewed and this may impact upon rent income which in turn would impact of the level of resources available for investment.
- A robust risk management strategy is therefore an essential strategic document to support the asset management decisions within the business plan.

8. Finance

The proposed debt settlement figure for Rotherham included in the prospectus is financially viable for Rotherham as set out in section 7 of this report and on this basis it is proposed that a positive response be submitted to the consultation. In summary these proposals will give the Council the flexibility to:

- Repay the Housing debt early
- Generate HRA surpluses
- Deliver a range of additional housing capital investment
- Build new homes

9. Risks and Uncertainties

The large majority of authorities, like Rotherham, will have a potentially viable plan and certainly one which has more resources compared to staying in an unreformed system. Some of the problems facing other authorities which may affect their response are not factors here, for example:

- Decent homes programme has not completed and requires substantial additional funding
- A large post-decent homes backlog of other exceptional and extensive works
- Rents are above those assumed in the subsidy system
- Management and day to day costs are greater than those assumed in the settlement.

In this context, the overwhelming majority of authorities may well be minded to respond positively to the proposals for self financing on the terms that appear in the prospectus. However, there are some national caveats.

Given that the prospectus has been issued at a time of considerable change with financial and policy uncertainty, there is the potential for the proposals not to proceed to implementation as planned. Three areas felt to be key are:

- The number and type of authorities that say 'no' to the proposals or are not in a position to respond positively – it is unclear whether CLG have a number in mind that might affect the future for those that do want to proceed.
- The new government with new ministers with potentially different policy priorities.
- The financial terms of the proposals will be subject to a Spending Review in the autumn which might affect some of the assumptions.

Given the direction of travel of the recent political debate, it may be that the methodology within the settlement remains essentially intact but that there is a risk that the favourable financial terms are reduced by the scrutiny of new policy makers.

10. Policy and Performance Agenda Implications

Moving to a self-financing housing regime will give the Council greater control and flexibility over how it delivers effective, value-for-money housing services for Rotherham tenants.

11. Background Papers and Consultation

The Housing Rent & Subsidy Settlement of 9th December 2009.

2010 Rotherham Ltd – for Stock Condition Survey details

Steve Partridge - Chartered Institute of Housing

Contact Names:

Pete Hudson, Director of Service Finance, Ext 22032, Email:
peter.hudson@rotherham.gov.uk

Dave Richmond, Director of Neighbourhoods and Housing, Ext 3400, Email:
dave.richmond@rotherham.gov.uk

Appendix 1

Draft Consultation Response

1. What are your views on the proposed methodology for assessing income and spending needs under self-financing and for valuing each council's business?

The proposed methodology for valuing each Council's Housing business is fair and reasonable. Ending the pooling of Capital Receipts is welcomed as is discount rate proposed as this will give the potential to invest in new build. However, clarification of the following points is necessary to help provide an informed view on the methodology for assessing income and spending needs:

- *Greater clarification is required on conditions of access to capital grants.*
- *How will spending needs associated with Aids and Adaptations be funded. Will separate grants continue to be available to fund these?*
- *Will there be any change to the pace of rent restructuring? Rotherham has low rents and significantly below target rent. Significant increase to the pace of rent restructuring will place pressure on Council tenants.*

2. What are your views on the proposals for the financial, regulatory and accounting framework for self-financing?

We would argue that Housing Authorities should have the flexibility to borrow within their means and that capping borrowing at initial debt will restrict much needed housing investment. A higher debt threshold should be considered as this will allow Authorities greater freedom to borrow within their means but provide an appropriate degree of control.

We support maintaining the HRA ring-fence and the issue of updated funding guidance on the treatment of housing related activities.

Greater clarity needs to be provided on the circumstances in which settlements may be 'opened up'.

3. How much new supply could this settlement enable you to deliver, if combined with social housing grant?

Without knowing what the level of social housing grant will be it is not possible to estimate this. As mentioned above, higher debt thresholds would give increased potential for new build.

The prospectus refers only to 'new build' – clarification is needed as to whether 'new supply' also includes de-conversions, extensions, acquisitions and bringing empty homes back into use.

4. Do you favour a self-financing system for council housing or the continuation of a nationally redistributive subsidy system?

We favour self-financing subject to acceptable clarification of the points already raised. We welcome the opportunity this proposal will bring to invest in new build as it will help provide much needed social housing in Rotherham.

5. Would you wish to proceed to early voluntary implementation of self-financing on the basis of the methodology and principles proposed in this document? Would you be ready to

implement self-financing in 2011/12? If not, how much time do you think is required to prepare for implementation?

Subject to acceptable clarification of the points raised, we would wish to proceed and implement self-financing from 2011/12.

6. If you favour self-financing but do not wish to proceed on the basis of the proposals in this document, what are your reasons?

Not applicable.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
--

1.	Meeting:	CABINET
2.	Date:	7TH JULY, 2010
3.	Title:	MINUTES OF A MEETING OF THE LOCAL DEVELOPMENT FRAMEWORK (LDF) MEMBERS' STEERING GROUP HELD ON 18TH JUNE, 2010
4.	Programme Area:	ENVIRONMENT AND DEVELOPMENT SERVICES

5. Summary

In accordance with Minute No. B29 of the meeting of the Cabinet held on 11th August, 2004, minutes of the Local Development Framework Members' Steering Group are to be submitted to the Cabinet.

A copy of the minutes of the LDF Members' Steering Group held on 18th June, 2010 is therefore attached.

6. Recommendations:-

(1) That progress to date and the emerging issues be noted, and the minutes be received.

7. Proposals and Details

The Council is required to review the Unitary Development Plan and to produce a Local Development Framework (LDF) under the Planning and Compulsory Purchase Act 2004.

The following issues are highlighted for Cabinet's attention:-

Minute No. 4 – LDF Constitution and Terms of Reference:- this issue has already been considered by Cabinet on 28th April, 2010.

Minute No. 5(2) – Employment Land Review – Cabinet is asked to consider the consultation strategy.

Minute No. 6 (iii) Joint Waste Plan – Cabinet is asked to note the proposed consultation.

8. Finance

The resource and funding implications as the LDF work progresses should be noted.

Changes to funding will occur following consultation on the Housing and Planning Delivery Grant. It should be noted that the new regime would focus on plan making and delivery of new housing rather than development control performance.

9. Risks and Uncertainties

Failure to comply with the Regulations.

10. Policy and Performance Agenda Implications

There are local, sub-region and regional implications. The Local Development Scheme will form the spatial dimension of the Council's Community Strategy.

11. Background Papers and Consultation

Minutes of, and reports to, the Local Development Framework Members' Steering Group.

Attachments:-

- A copy of the minutes of the meeting held on 18th June, 2010.

**Contact Name : Karl Battersby, Strategic Director,
Environment and Development Services
Ext 3801
karl.battersby@rotherham.gov.uk**

**1ROTHERHAM LOCAL DEVELOPMENT FRAMEWORK STEERING GROUP -
18/06/10**

**ROTHERHAM LOCAL DEVELOPMENT FRAMEWORK STEERING GROUP
Friday, 18th June, 2010**

Present:- Councillor Smith (in the Chair); Councillors Pickering, St. John and Whelbourn.

together with:-

David Edwards	Area Environmental Planning Team Leader
Helen Sleigh	Senior Planning Officer
Ryan Shepherd	Senior Planning Officer
Ken MacDonald	Solicitor
Gordon Smith	Quality and Design Co-ordinator
Bronwen Peace	Planning Manager
Rachel Overfield	Countryside Planning Assistant

1. APOLOGIES

The Chairman welcomed everyone to the meeting.

Apologies for absence were received from:-

The Mayor, Councillor McNeely	
Councillor Akhtar	
Councillor Austen	
Councillor Doyle	
Councillor Whysall	
Andy Duncan	Strategic Policy Team Leader
Adrian Gabriel	Waste Strategy Manager

2. MINUTES OF THE PREVIOUS MEETING HELD ON 23RD APRIL, 2010

Consideration was given to the minutes of the previous meeting held on 23rd April, 2010.

Resolved:- That the minutes be approved as a correct record.

3. MATTERS ARISING

Comments were made in respect of the following:-

Item 6(i) - South Yorkshire Residential Design Guide – It was reported that this guide had now gone out to consultation until the end of July, 2010.

Item 6(ii) - Car Parking Standards – reference was made to the new Government Coalition, and to announcements in respect of the Regional

Spatial Strategy, and how this would impact on any revision of Parking Standards as SPD given SPD could no longer be linked to the Regional Spatial Strategy.

4. LOCAL SITES SYSTEM

Consideration was given to a report, presented by the Countryside Planning Assistant, updating Members on progress of the Rotherham Local Wildlife System and proposing an awareness raising strategy for Local Wildlife Site System landowner notification.

The report also sought approval in principle for the development of a Local Site System for Rotherham, encompassing both geological and nature conservation interests.

Reference was made to the adoption by the Cabinet in 2008 (Minute No. 139 – 17th December, 2008 refers) of 96 local wildlife sites and to the integration of the Local Wildlife System into the planning framework.

To date the Land Registry had been searched to identify landowners and land managers, so that they could be contacted to inform them of the presence of a Local Wildlife site on their land prior to them being published on the Local Development Framework draft proposals map.

Therefore a Local Wildlife Site Awareness Raising Strategy 2010 was proposed to contact all known Local Wildlife Site landowners and land managers. Details of the Strategy were set out in table format in the submitted report.

In accordance with good practice from the DEFRA 2006 it was now proposed to set up a Local Sites system encompassing both a Local Wildlife System and a Local Geological Sites System to inform the environmental evidence base of the Local Development Framework.

Members present commented on:-

- the need to include local site maps
- ensuring local Ward Councillors were kept informed
- the need to consider Council owned sites e.g. sites used as educational resources

It was noted that details on the formation of a Rotherham Local Sites System encompassing a Local Geological System would be reported in a future paper to Members.

Resolved:- (1) That the Rotherham Local Wildlife Site system awareness raising strategy be accepted.

(2) That support be given to the aspiration of setting up a Local Sites System encompassing a Local Geological Sites System and Local Wildlife

System.

5. CORE STRATEGY FINAL FEEDBACK REPORT

Consideration was given to a report, presented by the Senior Planning Officer, proposing that the Council publish a Final Feedback Report summarising the key planning issues put forward in writing during the consultation 29 May – 31 August, 2009, and the key planning issues arising from the workshops/focus groups, public meetings and drop-in sessions held into the Core Strategy, including the Bassingthorpe Farm urban extension proposals.

It was reported that over 6000 representations were received and had been entered into the Limehouse Database, along with officers' responses to those representations together with a summary of issues that had emerged.

Reference was made to the next steps which would include selection of a hybrid option, together with further evidence base work and Sustainability Appraisal, and to inform future consultation on the Core Strategy and also the potential sites for future development.

An Addendum to the report was distributed to those present which made reference to the new Coalition Government's proposals in respect of the abolition of Regional Spatial Strategies and what this would mean to the process in terms of strategic planning and local planning policies. It was stressed that until clearer guidance was received work would concentrate on preparing a robust evidence base to support the future Development Plan for Rotherham and to inform future consultation.

Members present commented on and discussed:-

- Impact of proposed Government changes e.g. the proposal to have a national planning framework
- Housing targets with reference to the Green Paper – Open Source Planning
- Implications for the remit of the Planning Board
- Requirement for future community consultation and timescale
- Continuity of current work
- Keeping the public informed of developments and progress
- Relationship with the Unitary Development Plan saved policies
- This Council's good record of using brownfield sites well

Members and officers discussed the publication of the Final Feedback report, together with associated costs.

Members' attention was drawn to the risks and uncertainties section of the submitted report.

Resolved:- (1) That Members of the Steering Group note the content of

this report and the significant planning issues outlined in the report.

(2) That this Steering Group approves the Final Feedback Report for publication.

(3) That the Steering Group approves the uploading of the officer's response to the representations received to the LDF Consultation Portal to enable all responses to representations to be viewed on-line.

(4) That in the light of the new Coalition Government's announcements an appropriate Press Release be issued, together with information in the next edition of Rotherham News.

6. LDF SITES REVIEW PROGRESS

Consideration was given to a report, presented by the Senior Planning Officer, updating the Steering Group on progress with reviewing sites previously surveyed to identify potential growth opportunities and capacity for new development across Rotherham.

An explanation was given of the methodology used, the evaluation and recommendations in terms of major/minor reservations against each identified site. This information was now held in a database.

Members' were reminded of the series of settlement surveys brought to the Steering Group in 2008.

The origin of the sites surveyed was explained, noting that some were within the green belt. All the sites were being reassessed in preparation of the Local Development Framework. It was pointed out that the identification of sufficient sites to meet anticipated future development needs had necessitated a Green Belt Review.

It was also explained that the originally identified sites had been reviewed to ensure that records were up to date and robust, and the review had considered any change in circumstances that may have occurred. The review now intended to refine sites and identify those 'preferred' for development in order to meet the emerging Core Strategy target for housing.

The submitted report detailed how the sites were reviewed and the findings of the site review. An outline was given of the next steps to be taken to complete the site review, including the Green Belt Review background report to accompany the next round of consultation, and this would include setting out the methodology used.

Members present commented on:-

- People's appreciation of the greenbelt
- Further consideration of the roles and functions of settlements

- The need to equalise development across communities

However, reference was made to the new Coalition Government's stated intention to abolish Regional Spatial Strategies and further guidance was awaited.

Resolved:- That Steering Group notes the content of the report.

7. EMPLOYMENT LAND REVIEW

Consideration was given to a report, presented by the Senior Planner, referring to Minute No. 5 of the meeting of the LDF Members' Steering Group held on 23rd April, 2010, which resolved to refer the consultation strategy for the Employment Land Review to Cabinet and requested that a further report and maps be submitted to the June LDF Steering Group.

Reference was made to Minute No. 4 of the Cabinet held on 9th June, 2010, which had approved the ELR Consultation Strategy. The consultation period would run from 23rd June to 23 July, 2010.

The review had considered the current position of Rotherham's economy and the forecast of the amount of land likely to be required to meet future requirements. To date 144 sites or areas had been reviewed.

Tables within the submitted report detailed type of land, hectares, number of sites, together with location of sites.

It was stressed to those present that this review did not commit the Council to any future uses. It was pointed out that the recommendations were intended to inform further site allocations work as part of the preparation of the Local Development Framework.

Large scale maps were made available at the meeting and Members commented on various sites.

Following the consultation period it was proposed to report back to the Steering Group.

Resolved:- (1) That the Steering Group notes the content of this report and supports the Cabinet resolution regarding the Consultation Strategy.

(2) That a further report be presented to the Steering Group following the conclusion of the consultation.

8. EMERGING NATIONAL PLANNING POLICY

David Edwards, Area Environmental Planning Team Leader, updated the Steering Group on emerging national policy as follows:-

- Conservative/Liberal Democrat Coalition Agreement: radical devolution of power to local government and community groups: promotion of green spaces and wildlife corridors; increase target for energy from renewables
- The Coalition: Our Programme for Government:- abolition of Regional Spatial Strategies: reform of the planning system: abolition of the Infrastructure Planning Commission: a national planning framework; maintaining the Green Belt, SSSI's etc; abolition of Government Offices; incentives to deliver sustainable development
- Decentralisation and Localism Bill:- residents to be given power to instigate local referendums
- Letter from Eric Pickles, MP to chief planners:- re: housing supply; provision for traveller sites
- Ministerial Statement on "garden grabbing" and housing densities (PPS3: Housing re-issued)
- Specific "planning" aspects of initial £6.2bn cuts announced:- reduced Housing and Planning Delivery Grant and Housing Market Renewal Fund; reduction in funding for provision of Gypsy and Traveller Sites

Resolved:- That the update and current position be noted.

9. ANY OTHER BUSINESS

There were no other items of business raised at the meeting.

10. DATE, TIME AND VENUE OF NEXT MEETING

Resolved:- That the next meeting of this Steering Group be held on Friday, 16th July, 2010 at 10.00 a.m. in Bailey House.

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted