

**THE CABINET**  
**20th October, 2010**

Present:- Councillor Stone (in the Chair); Councillors Akhtar, Doyle, Hussain, St. John, Lakin, R. S. Russell, Sharman, Smith and Wyatt.

Councillor Whelbourn (Chairman of the Performance and Scrutiny Overview Committee)

**C83            QUESTIONS FROM MEMBERS OF THE PUBLIC**

There were no questions from members of the public.

**C84            APRIL TO AUGUST 2010 FINANCIAL AND PERFORMANCE REPORT ON MAJOR EXTERNAL FUNDING PROGRAMMES AND PROJECTS**

Councillor Wyatt, Cabinet Member for Resources and Commissioning, introduced a report by the Strategic Director of Finance and the Chief Executive, which provided an overview of the performance and achievements of the Council's major external funding programmes and projects for the period April to August, 2010 and also against the targets set for the financial year 2010-2011.

The new Coalition Government was now in power and in its first one hundred days of office announced substantial reductions in both the revenue and capital grants (both unringfenced and ringfenced) previously made available to the Council. The impact of these grant reductions continued to be assessed. Where this had been finalised the report makes reference.

The major externally funded schemes considered in this report related to:-

- Big Lottery Fund (BLF, or BIG).
- Department for Education (previously DCSF) Play Pathfinder.
- European Union ERDF and ESF.
- Future Jobs Fund (FJF).
- Housing Market Renewal Pathfinder (HMRP).
- Neighbourhood Renewal Fund – Transitional Funding (NRF TF).
- Private Finance Initiatives (PFI).
- Regional Housing Programme (RHP).
- Yorkshire Forward Single Pot (SRIP).

The Local Area Agreement (LAA) Reward Grant of £5.9 m awarded to the Council in recognition of meeting targets for improvement

between 2006 and 2009 had also been cut by 50% to approximately £2.8 m (split 50:50 revenue and capital). The reduced programme was now commencing and would run over two years. Funding had been allocated in support of the following themes:-

- Town Centre – Guest and Chrimes Site.
- Volunteering and Employment Support.
- Anti Social Behaviour and Crime – Enforcement.
- Anti Social Behaviour – Area Assemblies.
- Employment – Supply Chain.
- Employment – NEETs.
- Safeguarding Children and Young People.
- Imagination Library.

The majority of the funds were managed as programmes by the Council and have well established and robust quarterly reporting mechanisms with the relevant Government departments. It should be noted that Big Lottery Fund, Department for Education Play Pathfinder, EU funding and the Future Jobs Fund were managed in Rotherham as individual projects not programmes, but the objectives of these funding regimes, together with the projects' contributions towards achieving those objectives, were included for completeness.

Details of the financial performance and achievements to date on these funding regimes were set out in more detail as part of the report.

A substantial amount of external funds were used by the Council in order to assist in delivery against the Council's priority areas. In addition, Rotherham was the accountable body for a number of external funds and was, therefore, responsible for the proper use, monitoring and audit of these resources. As with most public funds, external funds were often subject to the "use it or lose it" regime; it was, therefore, imperative that the Council maximised these additional resources and ensured the money was used wisely to meet priorities and was not left unused at the end of the particular period or programme.

The main risk associated with this report was that external funds allocated to the Council and its partners were not fully used and, therefore, ultimately lost to the Borough. It was the purpose of this

report to assist in alleviating this issue, through monitoring the major externally funded schemes and bringing to attention potential areas of underspend and under performance.

As would be apparent from the numerous amendments detailed within this report, the change in Government and its priorities have had an adverse effect on the amount of external funding available with significant cuts to grants already being implemented. The Comprehensive Spending Review, due to be published on 20<sup>th</sup> October, was expected to further affect the current extremely challenging budget position. This report would continue to advise of remedial action being taken and also of changes as they occurred.

Cabinet members were concerned at the loss of external funding, which could affect many organisations in Rotherham.

Resolved:- (1) That the report be received and the contents noted.

(2) That the progress and actions underway to address areas where the expected outcomes for the major external funding programmes and projects were not in line with the targets set be noted.

#### **C85 PUBLICATION OF THE BDR JOINT WASTE PLAN DEVELOPMENT PLAN DOCUMENT**

Councillor Smith, Cabinet Member for Regeneration and Environment, introduced a report by the Strategic Director of Environment and Development Services, which set out details of the Barnsley, Doncaster and Rotherham (BDR) Joint Waste Plan that had been developed by planning officers from the three authorities as part of the Local Development Framework, in order to provide policies to determine planning applications for waste management facilities. This included facilities for the following waste types:- Municipal, Commercial and Industrial, Construction and Demolition, Hazardous, and Agricultural.

The BDR Joint Waste Plan was a formal Development Plan Document which had already been subject to statutory public consultation and other stages of consultation with public and private bodies, to assist in its development. In addition to providing policies to inform the determination of planning applications, it also proposed to allocate four strategic sites of up to 5 hectares (12 acres), for the development of larger scale waste management centres and to encourage the co-location of similar facilities from the waste industry.

There were no direct financial implications from this report, although continuing to ensure the timely preparation of this Development Plan Document would accrue efficiency savings and improved receipts under Government grant incentives.

The publication and subsequent submission of this document to the Secretary of State was intended to update the Council's policies for waste management planning applications, which currently rely on the saved policies of the Unitary Development Plan (UDP). It would also provide strategic sites for the provision of waste management facilities during the timeframe of the Local Development Framework to 2026. It would attempt to avoid the uncertainty of waste planning applications in other areas, by promoting the potential for waste facilities at the strategic sites, subject to the policies in the BDR Joint Waste Plan.

The Waste Management Departments of Barnsley Doncaster and Rotherham (BDR) have a history of working together and were currently involved in a project to deal with the municipal waste from the three authorities. This proposed to use Private Finance Initiative (PFI) funding, to procure the management of municipal waste by a commercial operator at the Bolton Road Site, Manvers, Wath upon Dearne.

The BDR Joint Waste Plan would provide the framework for determining a waste planning application on this site, but if not adopted, any planning application would be determined in accordance with the UDP.

The new Coalition Government had embarked upon a review of the current planning system and the regulations for determining planning applications may be subject to change. However, recent guidance to local planning authorities from the Coalition Government was that: "The abolition of Regional Strategies will provide a clear signal of the importance attached to the development and application of local spatial plans, in the form of Local Development Framework Core Strategies and other Development Plan Documents."

Resolved:- That the formal Publication of the BDR Joint Waste Plan be supported.

## **C86**

### **SIX MONTH REVIEW OF THE COUNCIL'S WEBSITE**

Councillor Wyatt, Cabinet Member for Resources and Commissioning, introduced a report by the Strategic Director of Finance, which provided details on the Council's refreshed website which went live on 6th January, 2010 following a successful

implementation project, led by the Transformation and Strategic Partnerships Team. This included the purchase and roll out of a new Content Management System providing a flexible, cost effective and engaging way for customers to access Council services online.

This report, therefore, provided an update on the implementation of the refreshed website in its first six months between January and June, 2010 with reference to:-

- Benefits of the new Content Management System.
- Website Usage.
- Independent External Reviews.
- Customer Registration.
- Customer Satisfaction Results.
- Website Forward Plan.

The new website had the ability to collect detailed, accurate information about website usage, which was limited previously and identified a significant increase in the number of monthly page views each month for the first six months of 2010 when compared to the figures for the same period in 2009 ranging from a 92.64% for the month of January through to a 276.15% increase for June. The particularly high increase in May was due to the high number of visitors viewing election information.

The Jadu Content Management System has been funded by the ICT Capital programme with initial set up costs. Revenue charges relating to the previous version of the Council Website in 2008/ 09 were £83,395. This sum was made up of a combination of RBT support and maintenance charges and subscriptions to third party services, all of which were rendered unnecessary by the adoption of the new Jadu Content Management System.

These charges have been significantly reduced following the Transformation and Strategic Partnership Team's refresh of the website, however, there were some ongoing revenue charges.

Delivery of an effective website as part of the Council's Customer Access Strategy was a critical element in ensuring the Council transformed its services for the benefit of citizens, businesses, members and staff in order to improve the customer experience, generate efficiencies and deliver customer service excellence. This would also form a key supporting access channel for consolidation of customer services.

Cabinet Members welcomed the tremendous success of the new website, particularly the “Google” style search facility and that every opportunity be taken to provide use of the website, particularly from young people and service users. It was also suggested that consideration be given to a link between Rotherham’s and St. Quentin’s websites,

Resolved:- That the progress on the implementation of the refreshed website be noted.

#### **C87 ANNUAL CUSTOMER FEEDBACK REPORT 2009/ 10**

Councillor Wyatt, Cabinet Member for Resources and Commissioning, introduced a report by the Strategic Director of Finance, which provided outlined the results of the ‘Tell Us Your Views’ process for the financial year 2009/ 10. The ‘Tell Us Your Views’ process was the Council’s corporate feedback process and incorporated compliments, comments, suggestions and complaints from customers.

The report also provided information on the key tasks to be addressed in 2010/ 2011 as well as:-

- Overview of Performance.
- Complaint Volumes.
- Complaint Categories.
- Turnaround times for complaints.
- Complaints closed by outcome.
- Lessons Learnt.
- LGO summary of performance.

There were no financial implications contained in this report.

Failure to respond appropriately to complaints may impact on the Council’s reputation and could ultimately increase transactional volumes and costs. It may also have the potential of increasing the number of cases referred to the Local Government Ombudsman and would significantly affect the ability to retain the Customer Service Excellence Standard.

Cabinet Members welcomed customer feedback and complaints, which could then be used to improve service delivery, raise awareness and “lessons learnt”. It was suggested that sufficient copies of the complaints forms be made widely available.

Resolved:- (1) That the report be received and the contents noted.

(2) That this report be referred to the Performance and Scrutiny Overview Committee for their consideration.

(3) That sufficient copies of the complaints forms be made available in all main Council buildings.

**C88 INFORMATION FLOW TO SOUTH YORKSHIRE PENSIONS AUTHORITY (SYPA)**

Councillor Sharman, Deputy Leader, introduced a report by the Chief Executive, which set out details of a recent report received by the Council from the Audit Commission and KPMG which highlighted that the Council through RBT HR & Payroll had generally a very well regarded performance at providing timely and usable pensions data to the Pensions Authority.

There were however, some issues to note regarding the historical backlog that were impacting on Service Level Agreement (SLA) timescales. These were being worked through as time and resources allowed which would improve the current performance statistics still further.

Further issues resulting from managers failing to supply information in an accurate and timely manner could result in some Service Level Agreement deadlines being missed.

The Audit Commission, KPMG and SYPA confirmed that the Council's performance was recognised as the 'top performer' of the Metropolitan Borough members of the South Yorkshire Pensions Authority.

The establishment and maintenance of robust processes for the provision of information between the Council and SYPA was essential to ensure that:-

- Employees would be given correct information on which to make decisions on their pension choices and their benefits be calculated correctly.
- Payments to retirees be on time and Council staff have a good 'pension experience' in their last contact with their employer.
- The Council does not incur a fine or incur additional charges for the late delivery of information, however, as yet there had been no indication that these would be applied.
- There would be no material impact on the valuation of the fund

- and correct charges would be levied on contributing authorities.
- Queries to the Pension Fund would be at an acceptable level.
  - Production of Annual Benefit Statements and year-end processing would not be delayed unduly.

The Council's failure to fully comply with the Service Level Agreement, when taken as a whole with other South Yorkshire MBCs, had potential risks and penalties with the SYPA reserving the right to notify the entire membership in the event of serious or persistent failure.

Resolved:- (1) That the report be approved.

(2) That the performance of RBT HR& Payroll in achieving a high level of performance and the activity to eliminate the remaining backlog cases be noted.

(3) That steps being taken to encourage managers to supply timely and accurate data to the HR Service Centre to help meet the SLA deadlines be supported.

(4) That a follow-up report be submitted to the Audit Committee on progress each year end once figures had been made available.

**C89 MINUTES OF A MEETING OF THE LOCAL DEVELOPMENT FRAMEWORK MEMBERS' STEERING GROUP HELD ON 17TH SEPTEMBER, 2010**

Councillor Smith, Cabinet Member for Regeneration and Environment, introduced the minutes of the Local Development Framework Members' Steering Group held on 17<sup>th</sup> September, 2010.

Resolved:- (1) That the progress to date and the emerging issues be noted.

(2) That the minutes of the Local Development Framework Members' Steering Group held on 17<sup>th</sup> September, 2010 be received.

**C90 EXCLUSION OF THE PRESS AND PUBLIC.**

Resolved, that under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3, of Part 1 of Schedule 12A to the Local Government Act (information relates



to finance and business matters).

**C91 WASTE PFI – POST PROCUREMENT INTER-AUTHORITY AGREEMENT (IAA2)**

Councillor R. S. Russell, Cabinet Member for Town Centres, introduced a report by the Strategic Director of Environment and Development Services, which set out the Heads of Terms of the agreement that would bind the BDR Waste Partnership Councils (Barnsley, Doncaster and Rotherham) during the life of the PFI Contract. The agreement could be applicable to other contracts during that term.

The financial information and risks and uncertainties associated with this Agreement were set out in detail as part of the report.

Consideration was also requested that the 7 day call-in period be waived (under rule 14 of the Overview and Scrutiny Procedure Rules) to meet the urgent need of the contract deadline.

Resolved:- (1) That the key Heads of Terms as agreed by the BDR Waste PFI Project Board on 12th July 2010, which were further amended on 13th September 2010 and the draft Inter-Authority Agreement 2 be noted.

(2) That the proposed apportionment of costs and benefits that arise under the PFI Contract as described in paragraphs 7.23/ 7.24 and detailed in Appendix A be approved.

(3) That the release of the draft IAA2 to both Bidders so as to enable them to prepare their final tenders in the PFI procurement process be approved.

(4) That the incorporation of the draft IAA2 in the Final Business Case made to the Department for Environment, Food and Rural Affairs (DEFRA) in order to seek the release of the PFI Credits be approved.

(5) That guidance be given as to the further details to be incorporated in IAA2 from Rotherham MBC's perspective so the BDR Councils can reach agreement between themselves before they collectively approach the Preferred Bidder to produce the final document ready for signing at Financial and Commercial Close.

(6) That the final IAA2 document be brought back to Cabinet for approval and delegated authority sought to sign at Financial and Commercial Close.

(The Mayor agreed the request for exemption from call-in on 20<sup>th</sup> October, 2010)

## **C92 WASTE PFI PROCUREMENT – CALL FOR FINAL TENDERS**

Councillor R. S. Russell, Cabinet Member for Town Centres, introduced a report by the Strategic Director of Environment and Development Services, which set out details of various elements the Cabinet were being asked to approve, namely:-

- The closure of competitive dialogue with the two remaining bid consortia.
- Call for Final Tenders (CFT) as the next stage of the PFI Procurement process.
- Capital contribution of up to £4 million to the capital expenditure associated with construction of the PFI facilities to be funded through prudential borrowing.

The financial information and risks and uncertainties associated with this Agreement were set out in detail as part of the report.

Consideration was also requested that the 7 day call-in period be waived (under rule 14 of the Overview and Scrutiny Procedure Rules) to meet the urgent need of the contract deadline.

Resolved:- (1) That authority be delegated to the Strategic Directors of Environment and Development Services and Financial Services and the Assistant Chief Executive (Legal and Democratic Services) to:-

- Determine that all material commercial issues are resolved to their satisfaction.
- Issue of the Call for Final Tenders documentation to the two bid consortia as provided for in paragraph 7.12 contained within this report.

(2) That, on value for money grounds, approval be given to a capital contribution at PFI service commencement, estimated to be April, 2015 of up to £4 million to the capital expenditure associated with construction of the PFI facilities to be funded through Prudential Borrowing.

(3) That this capital contribution be included as a scheme within the Capital Programme for 2015/ 16 and funding be released in accordance with financial regulations.

(4) That approval be given, subject to a satisfactory commercial review by the Waste Infrastructure Development Programme.

(The Mayor agreed the request for exemption from call-in on 20<sup>th</sup> October, 2010)

**C93 WASTE TREATMENT AND DISPOSAL – PROJECT MANAGEMENT PROCUREMENT UPDATE**

Councillor R. S. Russell, Cabinet Member for Town Centres, introduced a report by the Strategic Director of Environment and Development Services, which set out details of an amendment to the Barnsley, Doncaster and Rotherham Waste Partnership PFI Project Inter-Authority Agreement for the continuation of project management arrangements in respect of the Waste PFI specifically a new Project Director appointment and the transition period until the new Project Director was fully “embedded into” the post.

The financial information and risks and uncertainties associated with this Agreement were set out in detail as part of the report.

Resolved:- (1) That with regard to the Barnsley, Doncaster and Rotherham Waste PFI project, authority be delegated to the Strategic Directors of Environment and Development Services and Financial Services and the Assistant Chief Executive (Legal and Democratic Services) to approve the detailed terms of amendments to the Inter Authority Agreement as detailed in paragraph 7.9.

(2) That the project management arrangements continue where, Rotherham MBC, jointly with Barnsley MBC and Doncaster MBC, extends the Project Directors consultancy agreement to the “call for final tenders” milestone.

(3) That the Strategic Director, Environment and Development Services, be authorised to award the contract for the next stage of the Waste PFI project management to A.P.S.E as set out in 7.16 of this report.

(4) That Rotherham MBC, Doncaster MBC and Barnsley MBC put in place a “transitional period” where the current and proposed Project Directors work in parallel in the period up to “call for final tenders” to ensure there is a full and detailed exchange of project information.