

THE CABINET
3rd November, 2010

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

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

Apologies for absence were received from Councillors Doyle, Lakin and Stone.

C94 QUESTIONS FROM MEMBERS OF THE PUBLIC

A member of the public asked if there were any plans for the Council to cut the administration budget for the Youth Cabinet?

Councillor Hussain pointed out that no decisions had yet been made on any budget cuts and that all options were being considered.

In a supplementary question, the member of the public asked about whose responsibility it was for some young people, whose funding provision was provided by the Council, who were involved in public protest marches?

Councillor Hussain had no recollection of any Rotherham Council funded projects that encouraged protest involvement by young people.

Councillor R. S. Russell also pointed out that the members of Rotherham's Youth Cabinet democratically represented their own schools in having a viewpoint of the work and services of this Council. Of those students that opted to participate in protests, this was their own personal choice and not the responsibility of this Council.

The Head of Scrutiny and Member Support also advised the member of the public that on Friday, 12th November, 2010, the Youth Cabinet would take over the meeting of the Performance and Scrutiny Overview Committee as part of 11 Million Takeover Day in the Town Hall. The member of the public was invited to attend.

C95 CORPORATE RISK REGISTER

Councillor Wyatt, Cabinet Member for Resources and Commissioning introduced a report by the Strategic Director of Finance, which detailed the current corporate risk register summary. The summary showed the risks associated with the Council's most significant priorities and projects and actions being taken to mitigate

these risks.

A small number of risks (e.g. relating to the Local Area Agreement) were currently being reviewed as a consequence of recent major budget and legislative announcements made by the Government and any changes to these would be reflected in the next quarter's report.

There were five red residual risks relating to Children's Services (four risks) and achievement of the Cultural Quarter aspirations.

The report set out more detailed information relating to:-

- The Corporate Risks at a glance.
- Risk assessments prior to mitigating actions.
- Risk Assessments after allowing for mitigating controls.

The risks contained in the register required ongoing management action. In some cases additional resources may be necessary to implement the relevant actions or mitigate risks. Any additional costs associated with the risks should be reported to the Strategic Leadership Team and Members for consideration on a case by case basis.

It was important to review the effectiveness of our approach to capturing, managing and reporting corporate risks on an ongoing basis, to ensure risks relating to the Council's key projects and priorities were effectively monitored and managed by the Strategic Leadership Team and Members.

Resolved:- That the updated corporate risk register summary be noted.

C96 MID YEAR TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS MONITORING REPORT 2010/ 11

Councillor Wyatt, Cabinet Member for Resources and Commissioning introduced a report by the Strategic Director of Finance, which showed how the revisions to the regulatory framework of treasury management during 2009 introduced a requirement that the Council receive a mid year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury report required previously.

This report met that revised requirement. It also incorporated the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs).

The report was, therefore, structured to highlight the key changes to the Council's capital activity (the Pls), the economic outlook and the actual and proposed treasury management activity (borrowing and investment).

Treasury Management formed an integral part of the Council's overall financial arrangements.

The assumptions supporting the capital financing budget for 2010/ 11 and for future years covered by the Council's Medium Term Financial Services were reviewed in light of economic and financial conditions and the future years' capital programme.

The Treasury Management and Investment Strategy was not forecasted to have any further revenue consequences than those identified and planned for in both the Council's 2010/ 11 Revenue Budget and approved Medium Term Financial Services.

Regular monitoring would ensure that risks and uncertainties were addressed at an early stage and hence kept to a minimum.

Recommended:- That the revised prudential indicators be approved.

C97 REQUIREMENT TO PUBLISH SPEND OVER £500

Councillor Wyatt, Cabinet Member for Resources and Commissioning introduced a report by the Strategic Director of Finance, which set out that as part of its Open Data Agenda, the Secretary of State for Communities and Local Government wrote to all local authorities in June, 2010 committing them to publish items of spending over £500 including tenders, contracts and actual payments by January, 2011. The Government had also recently announced its intention to publish certain information on salaries by this date. This report did not consider this aspect of the open data agenda which was being considered by Strategic HR and RBT HR/ Payroll.

A previous report to the Strategic Leadership Team indicated the intention of publishing the Council's actual payments greater than £500 using internal resources. Subsequent to that report, further regulatory guidance had been released and there had been an opportunity to meet with a specialist, external data analyst, Spikes Cavell, who currently provided the Council with data analyst services for the procurement activity. This report, therefore, considered the potential business benefits and mitigation of adverse risks that could be achieved by using Spikes Cavell, to process and publish spend

data via their 'Spot Light on Spend' website.

Further information was provided on Spikes Cavell Ltd and on the publishing of supplementary information.

The annual cost of working with Spikes Cavell would be £8,310 for the provision of the Contracts Module and the provision of monthly spend data (£500) that would be published on the website. It was understood that the Yorkshire and Humber RIEP was now expected to provide funding to Local Authorities to undertake such spend analysis using Spikes Cavell. The company had confirmed that a refund or credit for any sum paid prior to funding being received would be returned to the Council.

The use of Spikes Cavell in processing and publishing contract and spend data would help to mitigate the risk that the Council did not fully meet the evolving open data agenda and publicised data that breached data protection legislation.

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

(2) That the publication of the Council's Contracts and actual payments over £500 using Spikes Cavell to process and publish our data via their 'spotlight on spend' website be approved.

(3) That the publishing of data commence in November, 2010.

(4) That the Performance and Project Officer (Transformation and Strategic Partnerships) work with RIEP to secure funding and with directorates to populate the contracts database.

(5) That this report be referred to the Performance and Scrutiny Overview Committee.

C98 SCRUTINY REVIEW - SCHOOL CLOSURE DUE TO EXTREME WEATHER

Councillor G. A. Russell, Chair of the Scrutiny Review, introduced the report which set out the findings and recommendations of the scrutiny review into 'School Closure Due to Extreme Weather', undertaken by the Children and Young People's Scrutiny Panel. The report and findings were endorsed by Children and Young People's Scrutiny Panel and Performance and Scrutiny Overview Committee at their meetings on 15th October, 2010 and 22nd October, 2010 respectively.

The review began its evidence gathering in February, 2010.

Interviews were organised with the Cabinet Members and relevant officers. In addition, the review group received written submissions and spoke to a number of Head Teachers and Senior Staff from Primary and Secondary Schools.

The recommendations from the review included:-

- The Local Authority should re-issue the guidance to schools with an emphasis on the presumption that schools should remain open unless faced by extraordinary circumstances.
- The Local Authority should collate strategies or actions that have or would assist in maintaining a “school open” status. This good practice should be shared with colleagues across cluster groups and wider school communities and used to inform their business continuity planning to cover extreme weather.
- Children and Young People's Services with Human Resources, should explore with schools the feasibility of teachers and support staff being re-directed to their nearest school to help deal with staffing shortages, to keep schools closures to a minimum.
- Priority salting routes were reviewed to accommodate schools wherever possible.
- The RMBC ‘school closure’ web page was redesigned with the capacity to instantly ‘capture’ information for each school and linked to other relevant pages on the RMBC website.

A number of the review recommendations may have financial implications if adopted. This would require further exploration by the Strategic Leadership Team and Schools on the cost, risks and benefits of their implementation.

In circumstances of extreme weather conditions, the decision to close a school was delegated to its Head Teacher in consultation with their Chair of Governors. Given the likelihood of extreme weather events occurring more frequently in future years, the Local Authority and schools should work together develop comprehensive plans to mitigate against potential disruption.

Cabinet Members welcomed this report and noted that winter maintenance arrangements had been reviewed and additional resources would now be available via the in-house grounds maintenance section to assist in ensuring school were cleared in times of inclement weather.

Resolved:- (1) That the Scrutiny Review “School Closure Due to

Extreme Weather” and its recommendations be noted and a response be submitted to the Cabinet within two months as outlined within the Council’s Constitution.

(2) That the decision of Cabinet on the report, recommendations and proposed action be reported back to the Children and Young People’s Services Scrutiny Panel in due course.

(3) That all those involved in this Scrutiny Review be thanked for their input and efforts.

C99 YORKSHIRE PURCHASING ORGANISATION

Councillor Sharman, Deputy Leader, introduced the report by the Chief Executive which explained the proposed new provisions of the Management Agreement for the founder members of Yorkshire Purchasing Organisation and sought approval from Cabinet and Council to the new Agreement and to delegations which would enable the Yorkshire Purchasing Organisation to progress. Thirteen founder member authorities were receiving a similar report with similar recommendations.

The report set out specific information relating to Management Agreement update, the terms of the draft Agreement and members of the Management Committee.

The draft Agreement provided for the payment of dividends. The Management Committee should determine the overall level of dividend to be paid in each year, if any, after deducting sums to ensure that the Yorkshire Purchasing Organisation remained a going concern during the forthcoming year and after deducting the cost of any development proposals.

The distribution formula contained three elements:-

- A cash sum to be divided equally between founder members to reflect their risk of ownership.
- A cash sum to reward usage of YPO products and services by founder members and associate members.
- A sum to reward usage of ordinary members in the form of a credit voucher against future purchases.

The weightings attached to each element were to be agreed annually by the Management Committee.

All existing and future assets were held by Wakefield on trust for the founder members. A founder member may withdraw by giving twelve months notice to expire on 31st December. However, they would forfeit the right to any dividend payment for that year and to a share of any of the assets held on trust, whilst remaining responsible for an equal share of any deficit in that year.

If more than two thirds of the founders members agreed to a termination of the agreement, then all the founder members would be equally entitled to any accumulated surplus and assets held on trust and similarly equally responsible for any accumulated deficit.

The new Agreement had been negotiated over many months and approved by the Management Committee, the Strategic Officers Advisory Group and lawyers for all thirteen founder members. If the Council declined to enter into the agreement, then it would not come into effect, as under the current agreement all founder members need to approve changes.

It was noted that RBT procure extensively from the Yorkshire Purchasing Organisation.

(1) Recommended:- That the proposed Management Agreement be entered into and the executive and non-executive functions in relation to the Yorkshire Purchasing Organisation be delegated to the Joint Committee, in accordance with the terms of the Agreement.

(2) Resolved:- That the Corporate Director at Yorkshire Purchasing Organisation be delegated power to enter into contractual agreements on behalf of the Council.

(Councillor St. John declared a personal interest on the grounds of his son being involved and working with information technology with the Yorkshire Purchasing Organisation)

C100 MEMBERS' TRAINING AND DEVELOPMENT PANEL

Councillor Sharman, Deputy Leader, introduced the minutes of the Members' Training and Development Panel held on 30th September, 2010.

Resolved:- (1) That the minutes of the Members' Training and Development Panel held on 30th September, 2010 be received.

(2) That the training on Corporate Parenting be welcomed.

C101 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 those paragraphs listed below, of Part 1 of Schedule 12A to the Local Government Act.

C102 DISPOSAL OF GREASBROUGH DEPOT

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 potential disposal of Greasbrough Depot, North Drive, Rotherham and the negotiation strategy.

The report set out details relating to the proposal for disposal, empty rates liability and options considered.

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

Cabinet Members were in agreement with this disposal. Clarification was sought on the consultation process and whether the relevant Ward Members had been suitably informed.

Resolved:- (1) That the proposed offer (Option 1) made for the Greasbrough Road Depot be approved.

(2) That the Director of Asset Management negotiate the details of the proposed Option Agreement and terms of sale.

(3) That the District Valuer be instructed to determine whether the proposed transaction represented best consideration for the authority. In the event the District Valuer did not deem the offer to represent best consideration a further report be submitted to Cabinet to consider the utilisation of powers under Circular 06/ 03:Local Government Act 1972 General Disposal Consent 2003

(4) That the Assistant Chief Executive, Legal and Democratic Services, complete the necessary documentation, subject to the proviso outlined above.

(Exempt under Paragraph 3 of the Act – information relates to finance and business matters)

C103 LAND TO THE REAR OF 13 RAILWAY AVENUE, CATCLIFFE

Councillor Smith, Cabinet Member for Regeneration and Environment, introduced a report by the Strategic Director of Environment and Development Services, which sought approval for the disposal of the above-mentioned land, which was surplus to the requirements of the Department of Housing and Neighbourhood Services.

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

Resolved:- (1) That the disposal of the asset on the basis recommended in Option 2 in the report be approved.

(2) That the Director of Asset Management negotiates the disposal on a private treaty basis as described in the report.

(3) That the Assistant Chief Executive of Legal and Democratic Services complete the necessary documentation.

(Exempt under Paragraph 3 of the Act – information relates to finance and business matters)

C104 ASSET MANAGEMENT SERVICES

Councillor Smith, Cabinet Member for Regeneration and Environment, introduced a report by the Strategic Director of Environment and Development Services, which summarised the review of the Council's Asset Management function, the consultation process and responses received, the changes which have resulted from the consultation exercise, next steps, and the financial implications.

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

It was noted that the response to the consultation process had been

extensive and all comments, including any anonymous ones, had been taken into account.

Resolved:- That the proposed structure, timescales and recruitment process be noted.

(Exempt under Paragraph 2 of the Act – information which was likely to identify an individual)

C105 DEVELOPMENT AGREEMENT - YES PROJECT, PITHOUSE WEST SITE AND ROTHER VALLEY COUNTRY PARK

Councillor Smith, Cabinet Member for Regeneration and Environment, introduced a report by the Strategic Director of Environment and Development Services, which gave an update regarding the current situation in respect of the development of the Pithouse West site pursuant to the Development Agreement dated 19th August, 2008 made between the (1) Council (2) Oak Ventures Limited (“OVL”) and (3) Oak Holdings plc (the “DA”).

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

Further information was provided on the obligations set down in the DA and alternatives for potential development.

Cabinet Members noted the potential difficulties, but supported the actions being taken to move this project forward.

It was noted that Oak Holdings plc were doing an excellent job of managing Rother Valley Country Park and that this would continue for the foreseeable future.

Resolved:- (1) That the situation regarding progress towards satisfaction of the conditions pursuant to the DA be noted and if these are found to not to be satisfied by the longstop date specified in the DA of 31st December, 2010, pursue termination of the DA be pursued.

(2) That the Strategic Director of Environment and Development Services be authorised to explore alternative options to bring forward the development of the Pithouse West site.

(Exempt under Paragraph 3 of the Act – information relates to finance and business matters)

C106 THE FUTURE MANAGEMENT OF COUNCIL HOUSING IN ROTHERHAM

Councillor Akhtar, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Neighbourhoods and Adult Services, which provided a summary of the findings from an independent financial options appraisal carried out by Pricewaterhouse Cooper (PwC) to determine the best means of managing and maintaining Council housing in the future. The options appraisal was commissioned in advance of the June, 2011 expiry of the management contract, which allowed 2010 Rotherham Ltd to manage Council house landlord services on behalf of Rotherham Council.

The report noted that the ALMO was set up and chosen as an option by tenants because of a strong economic argument.

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

Cabinet Members considered the next steps.

Resolved:- (1) That the findings of the independent options appraisal undertaken by PwC be noted.

(2) That the future of Rotherham's arms length management organisation (ALMO), 2010 Rotherham Ltd. be considered further.

(3) That, subject to further consideration of the outcomes of a comprehensive programme of consultation, including a tenants' test of opinion survey, a report be submitted to the Cabinet on the possible reinstatement of the direct management of housing services by the Council.

(Exempt under Paragraph 3 of the Act – information relates to finance and business matters)