

SELF REGULATION SELECT COMMISSION
26th January, 2012

Present:- Councillor Hughes (in the Chair); Councillors Atkin, Beck, Currie, Ellis, J. Hamilton, Mannion and Sharman.

Apologies for absence were received from Councillors Donaldson, N. Hamilton, Parker and Swift.

46. COMMUNICATIONS

Caroline Webb, Senior Scrutiny Adviser, reported on the request for a Member of the Self Regulation Select Commission to attend a performance clinic on child poverty scheduled to take place on Wednesday, 22nd February, 2012 at 2.00 p.m.

Resolved:- That Councillor Sharman attend the performance clinic on the Commission's behalf.

47. DECLARATIONS OF INTEREST

There were no Declarations of Interest to report.

48. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

There were no questions from members of the public or the press.

49. MINUTES OF THE PREVIOUS MEETING HELD ON 12TH JANUARY, 2012

Resolved:- That the minutes of the meeting of the Self Regulation Select Commission held on 12th January, 2012 be approved as a correct record for signature by the Chairman.

50. REVENUE BUDGET MONITORING

Further to Minute No. C118 of a meeting of the Cabinet held on 21st December, 2011, consideration was given to a report presented by Andrew Bedford, Strategic Director of Resources, detailing the unprecedented level of savings (£30.3m) resulting from the withdrawal of Central Government funding and grant allocations. The budget process focused on the customers the Council served, the communities and businesses of Rotherham and as a first course of action, the Council's management and administration and back office costs were streamlined.

The report provided details of progress on the delivery of the Revenue Budget for 2011/12 based on performance for the first eight months of the 2011/12 financial year and it was currently forecast that the Council would overspend against its Budget by £7.393m (3.4%). This showed an increase in overspend of £470k compared to the budget monitoring report for the first six months of 2011/12. The main reasons for the forecast overspend were:-

- The continuing service demand and cost pressures in looking after vulnerable children across the Borough, which were also being felt both

nationally and locally by a large number of councils;

- Additional, one-off property costs relating to the continued rationalisation of the Council's asset portfolio as part of the efficiency drive to reduce operational costs; and
- The extended timescale for realising the full forecast management and business support savings of £1.45m.

Further savings were expected from Neighbourhoods and Adult Services as a result of additional funding, but Members were made aware of the significant pressures being faced by the Council.

A discussion and question and answer session ensued and the following issues were raised and clarification sought:-

- Allocation of reserves to meet the funding gap.
- Use of New Homes Bonus to support general expenditure.
- Measures in place to mitigate risks of not balancing the budget between now and the end of March, 2012.
- Staffing reductions and the delivery of savings.
- Scrutiny of external contracts and the realisation of savings and value for money.
- Upfront costs associated with staffing reductions and forward planning.
- Review of Children and Young People's Services and its structured budget deficit.
- Review of partner contributions.
- Insufficient budget allocation in "Other Children and Families Services" to meet the needs of care leavers.
- One off budget savings such as in Regeneration and Planning restructures.
- Shortfall in Neighbourhood Services and the period this covered.
- Repercussions of underspends offsetting overspends, especially in Neighbourhoods and Adult Services.
- Significant Local Government budget reductions and the comparisons to other Local Authorities.

Resolved:- (1) That the progress made to date in delivering the significant financial challenges presented in the Council's Revenue Budget be noted.

(2) That any further actions be suggested to Directorates so as to minimise the impact on the Council's medium term financial position.

51. 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 [as amended March, 2006 (information relates to finance and business affairs)].

52. BUDGET 2012/13

Andrew Bedford, Strategic Director of Resources, gave an update on the approach to bridging the funding gap for the Budget 2012/13, the timetable involved and discussion forums and the various options being explored.

It was the intention to be as flexible with the Medium Term Financial Strategy where it was prudent to do so in pushing spend back. However, it was noted that sensitive decisions would have to be made with proposals being put to Elected Members for decision shortly.

Discussion ensued and issues relating to the delivery of the budget on time, scrutiny of the proposals being put forward, factoring in of the Council Tax Base and New Homes Bonus and the latest position on the Icelandic Banks were answered to the satisfaction of Members.

Resolved:- (1) That Andrew Bedford be thanked for his update.

(2) That the information be noted.

53. STRATEGIC PARTNERING

Andrew Bedford, Strategic Director of Resources, gave an update on the current position relating to the Strategic Partnership with RBT and the plans to complete the partnership by the 31st January, 2012.

A number of savings had been factored into the budget for next year, but once services had been returned to the Council reviews would commence.

A number of issues were discussed.

Resolved:- (1) That Andrew Bedford be thanked for his update.

(2) That the information be noted.

54. DIGITAL REGION

Andrew Bedford, Strategic Director of Resources, gave an update on the current position with the Digital Region.

Further information was provided on coverage across the sub-region, internet service provision, the lead being taken by Rotherham amongst shareholders on the ways forward, the business case and the need for a six week analysis.

A number of issues were discussed.

Resolved:- (1) That Andrew Bedford be thanked for his update.

(2) That the information be noted.

55. DATE AND TIME OF NEXT MEETING

Resolved:- That the next scheduled meeting take place on Thursday, 8th March, 2012 at 3.30 p.m.