

SELF REGULATION SELECT COMMISSION

Venue: Town Hall, Moorgate
Street, Rotherham.

Date: Thursday, 12th July, 2012

Time: 3.30 p.m.

A G E N D A

1. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
2. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
3. Declarations of Interest.
4. Questions from Members of the Public and the Press.
5. Minutes of the previous meeting held on 31st May, 2012 (herewith) (Pages 1 - 3)
6. Public Sector Equality Duty (report herewith and Presentation by Zafar Saleem, Community Engagement Manager) (Pages 4 - 9)
7. Capital Programme Outturn 2011/12 and Updated Estimates 2012/13 to 2014/15 (report herewith) (Pages 10 - 27)
8. Revenue Account Outturn 2011/12 (report herewith) (Pages 28 - 42)
9. CYPS Budget 2012/13 (report herewith) (Pages 43 - 47)
10. Scrutiny of Budget Setting Process (Presentation by Caroline Webb, Senior Scrutiny Adviser)

SELF REGULATION SELECT COMMISSION
31st May, 2012

Present:- Councillor Currie (in the Chair); Councillors Atkin, Beck, Ellis, Godfrey, J. Hamilton, Pickering, Sharman, Tweed and Watson.

An apology for absence had been received from Councillor Beaumont.

1. COMMUNICATIONS.

The Chair welcomed new and returning Members to the first meeting of the Self-Regulation Select Commission during the 2012/13 Municipal Year and looked forward to the forthcoming year.

2. DECLARATIONS OF INTEREST.

A Declaration of Interest was declared by Councillor Atkin as he was a member of the Yorkshire Purchasing Organisation.

A Declaration of Interest was declared by Councillor Sharman as he was a Director of the Yorkshire Purchasing Organisation.

3. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS.

There were no members of the public or press in attendance.

4. MINUTES OF THE PREVIOUS MEETING HELD ON 19TH APRIL, 2012.

The minutes of the previous meeting of the Self Regulation Select Commission held on 19th April, 2012, were considered.

Resolved: - That the minutes be agreed as a correct record for signature by the Chairman.

5. REPRESENTATIVES ON PANELS AND WORKING GROUPS.

Resolved: - That the following representatives from the Self Regulation Select Commission be confirmed: -

[1] Health, Welfare and Safety Panel: - Councillor Sharman (Substitute Councillor J. Hamilton).

[2] Recycling Group: - Councillor Ellis.

6. SELF REGULATION SELECT COMMISSION 2012/13 WORK PROGRAMME.

Consideration was given to the report presented by the Senior Scrutiny Adviser that outlined options for the Self Regulation Select Commission's work programme during 2012/13.

The report outlined a number of issues: -

- A retrospective look at the achievements of 2011/12.
- An opportunity for Members to feed in issues of concern into the respective Commissions.
- Priority areas and those referred from the past municipal year.
- It was suggested that the work programme be regularly reviewed by the Self Regulation Select Commission to ensure that issues of greater importance were given higher priority, reflected changing circumstances and events. In order to ensure that the work programme was manageable and achievable Members would need to decide which items should 'fall off the agenda' to accommodate these discussions.

The overarching strategic priorities that had been identified by the Senior Leadership Team, the Cabinet and Chairs of the Select Commissions were noted.

Discussion ensued and the following issues were raised:-

- Budget monitoring and scrutiny of the budget setting process;
- District heating and budget – rolled over from previous year;
- Strategic partnerships;
- Performance reports;
- Private Finance Initiative - update;
- Parking charges;
- Road repairs, grass cutting and littering – refer to Overview and Scrutiny Management Board;
- Role of commissioning and whether efficiencies are being made.

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

(2) That on the basis of the comments received that the 2012/13 work programme for the Self-Regulation Select Commission be developed.

7. SCRUTINY REVIEW: DISTRICT HEATING SCHEMES - UPDATE.

Consideration was given to the report presented by the Director of Housing and Neighbourhoods, Neighbourhood and Adult Services, and the Lead Officer of the District Heating Steering Group that provided an update in relation to the number and location of schemes and the broad risks associated with some schemes.

The report outlined the background in relation to the review into district heating to ascertain whether value for money and whether the full recovery of district heating costs was being achieved.

The major issues attached to the current schemes were: -

- Need to rationalise the management of the District Heating Schemes so that repairs and maintenance of the systems, buildings and access were managed by one service area.
- How the most cost effective and fuel efficient provision of heating could be achieved.

- The cost and frequency of repairs to District Heating Schemes.
- Communication with District Heating Service users.
- A number of existing boilers had come to the end of their useful lives, and the Review was an opportune moment to assess the available alternatives.
- Issues of Green technology and energy efficiency would also be considered.
- Billing and accrual of credit opportunities within District Heating Schemes.

Discussion ensued and the following issues were raised: -

- Exploration of mixed solutions and harnessing future technology capabilities.
- Contractual issues.
- Value for money.

Resolved: - (1) That the Review of the District Heating Scheme focus on: -

- the rationalisation of the management of the District Heating Schemes as a whole.
- exploring how the most cost effective and fuel efficient provision of heating could be achieved;
- the cost and frequency of repairs to District Heating Schemes;
- improving the communications with District Heating Service Users.

(2) That the consideration of green technology be included in the Review.

(3) That Councillors Atkin, Beck, Currie, J. Hamilton and Tweed be members of the review group, with one place being offered to a member of the Improving Places Select Commission.

(4) That the Director of Housing and Neighbourhoods present a report to the next meeting of the review group highlighting the first schemes to be considered as part of the Review.

8. DATE AND TIME OF NEXT MEETING -

Resolved: - That the next meeting of the Self Regulation Select Commission be Thursday 12th July, commencing at 3.30 pm in the Rotherham Town Hall.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Self Regulation Committee
2.	Date:	12th July 2012
3.	Title:	Public Sector Equality Duty
4.	Directorate:	Resources

5. Summary

This report explains the requirements of the Public Sector Equality Duty (section 149 of the Equality Act 2010) and sets out the Council's approach to Equality Analysis, which is an important mechanism for complying with the Duty.

6. Recommendations

- 6.1 The report is received.**
- 6.2 The progress on undertaking Equality Analysis is noted.**
- 6.3 Self-Regulation Committee receive an annual report on completed Equality Analysis in June 2013.**

7. Proposals and Details

7.1 Overview of the Public Sector Equality Duty

The new Public Sector Equality Duty came into force on 5 April 2011. Supporting specific duties came into force on 10 September 2011.

The broad purpose of the Equality Duty is to integrate consideration of equality and good relations into the day-to-day business of public authorities. It requires equality considerations to be reflected in decision making, the design of policies, the delivery of services and in employee management; and for these issues to be kept under review.

The duty consists of a General Equality Duty, which is set out in section 149 of the Equality Act 2010, and Specific Duties, which are imposed by Specific Duties Regulations 2011. The new duties replace the previous public sector race, gender and disability equality duties. They apply to all public bodies, including local authorities and schools. They apply across all functions and services, including any that are contracted out.

7.2 Protected Characteristics

The new duty covers the following eight protected characteristics: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation. The duty also covers marriage and civil partnership, but not for all aspects of the duty.

7.3 General Equality Duty

The general equality duty requires that public bodies must have 'due regard' to the need to:

- Eliminate discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it.
- Foster good relations between people who share a protected characteristic and those who do not share it.

These are often referred to as the three aims of the duty. The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages experienced by people due to their characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people. (This includes taking account of disabled people's disabilities.)
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

Fostering good relations is described as tackling prejudice and promoting understanding between different groups.

7.4 Specific Duties

The purpose of the specific duties is to help performance on the general equality duty. These require public bodies to:

- Publish information to demonstrate compliance with the general duty.
- Prepare and publish one or more objectives

7.5 Principles from case law

Principles from case law on the previous race, gender and disability duties continue to apply. These include the requirements that:

- Decision makers actively consider the likely effects of decisions on people with protected characteristics:
 - Decisions include commissioning, decommissioning, policy development, policy review, resource allocation etc.
 - Decisions may require evidence gathering and/or consultation with people from the protected groups affected.
 - The duty must be complied with at the time a decision is being taken - a decision cannot be taken and justified afterwards.
- Employees and strategic leaders, including Elected Members, are aware of the duty and apply it.
- Third parties delivering functions and services on the authority's behalf also must comply with the duty.
 - RMBC remains responsible for meeting the equality duty where services are delivered by an external contractor.

7.6 Meeting the Equality Duty in Policy and Decision Making – Equality Analysis

Public authorities are required to have due regard to the aims of the equality duty when making decisions and when setting policies. This involves taking action to understand the effect or potential effect of decisions and policies on people with different protected characteristics. If a decision or policy is challenged, the Council will need to be able to demonstrate how it has carried out this process, which is often referred to as Equality Analysis. The Equality and Human Rights Commission (ECHR) guidance on the Equality Duty recommends that a record is kept of the thought process and the outcomes of the analysis.

While there is no explicit legal requirement under the general equality duty to engage with people with different protected characteristics, engaging with service users, other stakeholders and employees helps public authorities to base their decisions

and policies on evidence, rather than on assumptions. This evidence can be used to improve decision-making and is therefore an important component of Equality Analysis.

7.7 RMBC Equality Analysis Toolkit

An **Equality Analysis Toolkit** (formerly called Equality Impact Assessment Toolkit) has been developed to help managers and decision makers analyse the likely impact of decisions or policies on Equality Act protected groups and to evidence the process. It should be used when making decisions in relation to commissioning, decommissioning, policies, projects, services, strategies and functions.

A programme of Equality Analysis is currently underway within all Directorates, with particular attention being paid to decisions relating to allocation of resources and restructure of services (see appendix 1).

8. Finance

Complying with the Public Sector Equality Duty is a core requirement for all functions and services of the Council.

9. Risks and Uncertainties

Recent judicial reviews show that the courts are increasingly prepared to intervene if the equality duties are ignored. This includes compliance with the requirements to carry out equality impact assessments prior to a policy or practice being introduced, and also compliance with the relevant (Equality and Human Rights Commission) codes of practice.

Case law shows that a lack of proper consultation and the decision maker being provided with insufficient information in relation to the obligations under the Equality Duty have been at the heart of findings that a public authority has not complied with the law. (Examples are: R (Boyejo) v Barnet LBC and R (Smith) v Portsmouth CC, both of which were claims for judicial review of decisions by local authorities to cease to provide residential warden services in their sheltered housing schemes.)

In Kaur and Shah vs. London Borough of Ealing, the Council was found to have acted unlawfully by failing to carry out a race equality impact assessment before changing funding conditions for organisations dealing with domestic violence.

Equality and community cohesion implications should therefore be identified and addressed for reports to RMBC Elected Member and Management Boards covering areas such as policy decisions, policy development and review, commissioning and decommissioning, or resource allocation. The best way of doing this effectively is often through a systematic and detailed Equality Analysis based on information, research and stakeholder engagement. Report writers are encouraged to include a summary of the Equality Analysis in all reports to Member and Management Boards. Failure to do this could leave the Council at risk if a decision is challenged.

10. Policy and Performance Agenda Implications

Promoting equality and addressing inequalities is a key component in achieving the Corporate Plan priority “Making sure no community is left behind”.

11. Background Papers and Consultation

Equality and Human Rights Commission [Guidance on the Equality Duty](#)
RMBC [Equality Analysis Toolkit](#)

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Appendix 1 - Equality Analysis undertaken/schedule

Directorate	Policy/Service/Function
EDS	Library Review Strategy
	Pupil Transport Policy
	Review of Clinical Waste Disposal
NAS	Community and Home Care Service (Domiciliary Care)
	Rationalisation of the Integrated Community Equipment Service
	Transfer of Management of council housing to the local authority.
	Charging Policy (Adult Social Care)
	Shared Lives Changes (Adult Fostering)
	IDVA Service Changes
	Rethink Service Changes
	Scope Service Changes
	Connect to Support (e-Marketplace)
	Supporting People Savings
	Division of Rothercare Direct (Assessment Direct)
	Clifton Court Wellbeing Service changes
CYPS	Reshaping Children's Centres
	Schools and Lifelong Learning, Safeguarding and Corporate Parenting, Community Services
	Early Years and Child Care Services
	Early Help Strategy
	CYPS Management Structure Review
	Budget matrix reviews which will include the completion of an EA: Local Safeguarding Children's Board Learning & Development; Training and Development; Workforce Strategy and Development; Parent Partnership Service; Systems Development; Vulnerable groups - ethnic minorities.

1	Meeting:	Self Regulation Select Commission
2	Date:	12th July 2012
3	Title:	Capital Programme Outturn 2011/12 and updated estimates 2012/13 to 2014/15
4	Directorate:	Resources

5 Summary

The purpose of this report is to report the capital outturn position for the 2011/12 financial year and recommend for approval changes to the programme for the financial years 2012/13 to 2014/15 resulting from the 2011/12 outturn and scheme changes since the overall programme was agreed in February as part of the budget setting process.

6 Recommendations

Self Regulation is asked to:-

Note the 2011/12 capital outturn position

Note the recommendation the approval of the updated 2012/13 to 2014/15 capital programme by Full Council

7. Proposals and Details

7.1 Background - The Capital Programme

The finalisation of the 2011/12 capital expenditure and financing outlined in this report provides an opportunity to reflect and update the future years' programme that was previously approved by Cabinet in February for the financial years 2012/13 to 2014/15.

The current economic climate and the on-going impact of the Government's austerity measures require that the capital programme is subject to continual oversight, and if necessary, revision, to ensure that the Council's capital investment plans are aligned with strategic priorities and maximise the value from the limited capital resources available.

The financial implications of the Programme are reflected in the Council's Medium Term Financial Strategy (MTFS) and Treasury Management and Investment Strategy.

For 2011/12 the Council's capital investment into the regeneration and enhanced infrastructure of the Borough was £93.983m. The profile of this investment and the updated future expenditure plans are reflected in the Directorate summary table presented below. A detailed copy of the programme for each Directorate is attached at Appendices 1 to 4.

	2011/12 Outturn	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Directorate	£m	£m	£m	£m
Children and Young People's Service	10.048	20.231	9.964	3.725
Environment & Development Services	10.977	21.132	13.348	7.170
Neighbourhoods & Adult Services	36.687	24.398	30.063	28.984
Resources	36.271	10.691	1.275	1.275
TOTAL	93.983	76.452	54.650	41.154

The updated programme has been prepared in light of the capital resources known to be available to the Council over these financial years, and estimated on a prudent basis.

The Council is continuing to undertake a comprehensive review of its assets and buildings portfolio with the aim to rationalise both its operational and non-operational asset holdings which may contribute both a future capital receipt and a revenue saving.

7.2 Children and Young People's Services Capital Programme 2011/12 to 2014/15

The 2011/12 outturn was **£10.048m**, with total proposed expenditure over the period of the future programme of **£33.920m**.

Although some rebuilding projects had to be cancelled when the Government cancelled the "Building Schools for the Future" programme, the Council was able to bid for Priority School Building Programme (PSBP) funding and was recently informed that it had been successful in respect of two schools, Wath Victoria Junior and Infant School (£1.7m) and Oakwood School (£10.5m). At this stage it is still unclear when the works will commence or, indeed, whether the build will be procured centrally by the Department for Education. As a consequence these two projects have not been built into the capital programme but will be introduced at a later date when further information is received from the Government. A copy of the full programme is attached to this report at Appendix 1.

For 2011/12, the major capital investments into the Council's educational and learning facilities across the borough were:

Extension at Wentworth C of E School (£0.214m). Work has begun to provide Wentworth C of E School with a two storey extension that will deliver an additional class room, store rooms, a toilet for the disabled and other facilities. Expenditure of £0.214m was incurred in 2011/12 with a further £0.228m anticipated to be spent before completion in 2012/13. Bad weather and a delay to the delivery of building stone material has led to significant slippage (£0.217m) of the programme into 2012/13.

Landscaping at Swinton Queen Junior and Infant School (£0.709m) was completed in 2011/12.

Extension at Maltby Lilly Hall (£0.096m) - work to provide a six classroom extension with hall, reception and staff facilities together with refurbishment of the existing junior school building commenced in 2011/12. A further £4.472m is committed in 2012/13 to complete the scheme.

New kitchen facility at Thrybergh Primary School (£0.312m) was completed in November 2011.

Thornhill Primary School extension (£0.019m). Expenditure of £0.019m was incurred in 2011/12 as work commenced to provide Thornhill Primary School with Special Educational Needs facilities and a dining room extension to accommodate increased pupil numbers. The Council is expecting to spend a further £0.881m over the next two years. On site works have been delayed awaiting agreement from Transform Schools and its funders.

Maltby Academy development project (£0.078m) - work has commenced now that confirmation of the proposed capital allocation of £11.1m has been received from Government. A further £6.500m is expected to be incurred in 2012/13 and £4.523m in 2013/14, delivering extensive refurbishment of existing buildings plus a new sports hall and teaching block.

City Learning Centres (£1.221m). Work has been undertaken at both Rawmarsh and Winterhill City Learning Centres the most notable of these being the Winterhill extension (£0.877m) completed in, September 2011. Some of the programme relating to Rawmarsh CLC has slipped into 2012/13 following the decision to delay the works until the summer recess to minimise disruption to the pupils.

Other schemes –

- Using Government funding minor enhancement works at schools are carried out each year. In 2011/12 £3.460m of such works were carried out with a further £0.311m of works having to be slipped into 2012/13 so increasing that year's planned expenditure to £3.231m.
- Devolved Formula Capital grant of £2.272m has been used by schools to fund minor capital works to enhance the local learning environment. This leaves £0.907m of the annual allocation available to be carried forward and added to the 2012/13 allocation to give estimated expenditure of £1.822m.
- Work has started on the Orchard Centre conversion. £0.084m was incurred with a further £1.176m due to be spent in 2012/13 on extensive refurbishment in order to provide a respite unit for children with complex needs. There is slippage of £0.476m of the Orchard Centre programme into 2012/13 as a result of the need to re-tender the contract.
- Following the reorganisation of the Youth Service, £0.365m was allocated in 2011/12 for the purchase of mobile units.

7.3 Environment and Development Services (EDS) including Culture and Leisure Capital Programme 2011/12 to 2014/15

The 2011/12 outturn was **£10.977m**, with total planned expenditure over the period of the programme of **£41.650m**. A copy of the full programme is attached to this report at Appendix 2.

For 2011/12, the major capital investments that contributed to the regeneration of the borough and enhancement of its infrastructure were:

Culture and Leisure (£1.055m) – the Council is committed to improving the play and leisure environment across the borough. Renovation and redesign of Boston Castle and the surrounding landscape is now virtually complete providing a new interpretation, function, meeting and event space.

Other delays have led to some slippage of the programme into 2012/13. The main alterations to the programme are:

- The outstanding works at Clifton Park restoration (£0.395m), delayed due to the insolvency of the previous contractor, are now expected to be complete in 2013/14.
- Remedial issues at both Thrybergh and Ulley Reservoirs have been delayed due to the weather and are now expected to be resolved in 2012/13 costing £0.167m in total.
- Wath library refurbishment has been reprofiled due to delays in obtaining planning permission for change of use. Works are programmed to start in July/August 2012 at an estimate of £0.163m.
- Planned works to develop Library facilities (£658k) have been deferred pending the outcomes of the Libraries Customer Services Review.
- Work on Thrybergh Country Park showers commenced in March 2012. The work had been delayed due to a longer than expected design and tendering process. The scheme will be completed in 2012/13 and will cost £0.133m.

Highways (£6.690m) – the Council has continued to invest in its extensive road and street lighting network in recognition of its priority for local residents and businesses. This was assisted by the mid-year announcement from Government that an additional £1.875m LTP IT funding would be made available across South Yorkshire. By the year end, an underspend of £0.849m had occurred largely a result of slippage on various bridge and highways schemes.

The A57 major scheme has been reprofiled in order to facilitate the bringing together of other related highways schemes.

Economic Regeneration (£2.234m) - schemes delivered in this programme contribute to the regeneration of the town centre and other strategic locations in the borough. Most notable of these are:

- **Rotherham Townscapes Heritage Initiatives** project (£0.537m) continues to deliver the renovation and restoration of several buildings on High Street and Wellgate and will continue into 2012/13, with £0.902m due to be spent. This scheme underspent by £0.154m in 2011/12 due to the slower than expected take up by property owners who have to make a contribution to be able to draw down funding.
- **Chantry Bridge Flood Defence** (£0.627m) - the provision and installation of flood walls, a pumping station and ancillaries to protect the Town Centre against the risk of flooding from the River Don under the Defra Flood Defence Grant in Aid scheme is nearing completion. Further minor works are required in 2012/13, totalling £0.061m.
- **Property Level Flood Protection at Whiston** (£0.211m). Flood protection has been provided to forty-eight residential properties under the Defra Property Level Flood Protection Programme. The scheme was completed in March.

- **Minster Gardens Public Realm (£0.288m)** – works during the year saw the completion of the development on the previous All Saints Building site into a public open space.
- **Demolition of Crinoline House (0.335m)** which had to be brought forward due to health and safety issues with the vacant building.
- Other changes to the future capital programme include:
 - the Holmes Tail Goit project (£0.212M), where funding was not approved by the Environment Agency until March 2012 and as a consequence the project was delayed,
 - A new drainage scheme (£0.627m) has been introduced to the programme in 2012/13 which will ensure land adjacent to the River Don will be protected from flooding; and
 - Pithouse West Culvert works (£0.290m).

Waste Management (£0.618m)- the Council is currently in the process of procuring a new waste disposal facility in conjunction with Doncaster and Barnsley Councils. Expenditure on the project increased beyond those originally anticipated largely due to the increase in legal costs needed to deal with the complex contractual issues. Recycling banks/bins were also purchased to further aid home waste recycling rates.

Minor Strategic & Maintenance (£0.169m) – a number of Minor Strategic and Maintenance essential health and safety schemes were completed. Certain approved works have been reprofiled in 2012/13.

Rotherham Economic Regeneration Fund (£0.031m) – these are schemes designed to support new businesses adding value to the town centre through grant funding. This programme has slipped into 2012/13 as many applications in 2011/12 could not be supported either because they were outside the designated support zone or because they duplicated existing retail outlets.

Rotherham's Gateways (£0.180m) - The works detailed in this programme area seek to improve the access points to the Borough. Spend relates to the Dinnington and North Anston schemes that were added to the programme in 2010/11 and have now been completed.

7.4 Neighbourhoods and Adults Services Capital Programme 2011/12 to 2014/15

The 2011/12 outturn was **£36.687m**, with total planned expenditure over the period of the programme of **£83.445m**. A copy of the full programme is attached to this report at Appendix 3.

Neighbourhood Services

The 2011/12 outturn was **£36.514m**, with total estimated expenditure over the period of the programme of **£83.329m** which remains predominantly unchanged. A copy of the full programme is attached to this report at Appendix 3.

For 2011/12, the major capital investments that have contributed to the significant, on-going refurbishment of the council's housing stock, the provision of new social affordable housing and environmental improvements to the borough's neighbourhoods were:

Refurbishment Works (£4.011m) – both internal and external property refurbishment works were completed in 2011/12, although the programme was underspent by £0.275m due mainly to the higher than expected level of refusals by tenants for internal refurbishment works to be completed.

Decent Homes Void Programme (£2.154m) – during the year 185 major voids had been completed against an original estimate of 150. This increase, together with an the average cost for such works being higher than anticipated, resulted in a programme overspend on £0.654m.

Replacement of Central Heating (£1.110m) – expenditure on new central heating systems increased during the year as it became necessary to carry out essential work to repair or replace Buderus boilers. In addition work to replace ISA boilers, which was to be carried out in 2012/13, was brought forward as these units were incurring substantial revenue repair costs. This additional work resulted in additional costs of £0.610m.

Non-Traditional Investment (£1.146m) – a total of 90 non-traditional properties were renovated in 2011/12 despite delays caused by issues relating to asbestos and adverse weather conditions preventing external rendering. This resulted in an underspend of £0.777k on the programme. Budget provision has been made in 2012/13 to continue such works, predominantly thermal cladding of these properties.

HRA Self Financing Reform (£15.188m) – The final debt settlement figure for the Council as part of the HRA self-financing initiative was an allocation of additional debt of £15.188m, the payment of which was through prudential borrowing in line with the Business Plan.

Fair Access to All: Disabled Adaptations (£3.102m) – a slight overspend on the private sector adaptations (£0.082m) was compensated for with an underspend on public sector adaptations (£0.319m) as efforts were shifted to the private sector programme to ensure these demand led works were completed within statutory timescales. The private sector programme is being increased in 2012/13 to reflect additional demand and will be funded from Housing capital receipts.

Regeneration/Neighbourhood Renewal (£1.436m) – the main aspect of work has been Canklow Phase 1 & 2 (£0.535m) where a total of eight properties were acquired in 2011/12 as part of the site clearance.

HCA New Build (£6.618m) - all new build works were completed at the end of December 2011 in line with budget expectations. Overall 132 properties were delivered and have subsequently been let.

Neighbourhoods Improvements Non-HIP Programme (£0.106m) – the programme was underspent in 2011/12 by £0.636m, which has been reprofiled into 2012/13. The most notable reprofiling is on the capped landfill sites (£0.616m), caused by issues with legal negotiations, contractual obligations and surveys. In addition a proposed new housing development close to one of the sites has meant that additional investigatory works have had to be carried out.

Adult Services

The 2011/12 outturn was **£0.173m**, with total estimated expenditure over the period of the programme of **£0.116m**. A copy of the full programme is attached to this report at Appendix 3.

During the year Assistive Technology was utilised to continue to help people of all ages with mental health problems to continue to live in the community. Renovation work has been carried out to Winthorp Park which offers access to the elderly disabled, and other minor enhancements were made to other Council properties.

Changes have been made to the ongoing programme to bring it into line with latest estimates. In addition work is to be carried out on a Council property on Wellgate (£0.034m) to allow it to be used as a 'Mental Health and Wellbeing' drop in for public access. The resource will offer advice and information on maintaining good mental health, as well as a scaled down venue for onsite group work and activity. The Service also plans to carry out minor capital works and procure rehabilitation equipment at Lord Hardy Court.

7.5 Resources Capital Programme 2011/12 to 2014/15

The 2011/12 outturn was **£36.271m**, with total planned expenditure over the period of the programme of **£13.241m**. A copy of the programme is attached to this report at Appendix 4.

Asset Management (£18.259m)

- Work commenced on Rawmarsh CSC incorporating the library, community meeting room, a changing room for the sports field as well as Health Service facilities. General slippage on the scheme meant that the facility opened end of April, with profiled expenditure of £0.648m in 2012/13.
- There has been slippage on the Town Centre Design Work project and funds will be used in 2012/13 to kick-start various town centre initiatives
- Riverside House (£12.270m) – The building is now open and operational with expenditure contributing to the introduction of new IT resources and other equipment. Residual works and further improvements to the exterior are on-going and will be completed in 2012/13, at a cost of £1.157m.
- Work to convert Bailey House into an ancillary services building are ongoing, with spend of £0.960m in 2011/12. There has been some

slippage on the scheme following a decision regarding the location of the Regimental Museum and Archives. Works to both Bailey House and the Museum have been rescheduled and will extend until March 2013.

The Council is continuing to invest in its **ICT infrastructure (£3.711m)** as part of its Corporate ICT Strategy. The strategy is focussed on ensuring the Council is able to support effectively the services it delivers and promote new and innovative ways of working that will result in even greater efficiencies and effectiveness.

Other Investment Projects:

- A capital investment facility to support the build and roll out of high speed broadband access across South Yorkshire was completed (£1.864m). Following a review of the business by its shareholders, the Government awarded the Council a Capitalisation Direction of £6.28m which will be used to support Digital Region to continue in operation while a re-procurement to secure the future business is undertaken.
- The costs of capitalising Voluntary Severance costs (£1.096m) relating to the Council's Strategy for reducing its workforce in response to the significant reduction in Government funding.
- A capital contribution (£2m) was made to Rotherham NHS Foundation Trust to meet the provision of enhanced mortuary and body storage facilities at the hospital site. The purpose of this is to reduce revenue costs to the Council in future years, thereby discharging the Council's obligations to HM Coroner in the most cost effective way.
- A capital loan facility was made to Rotherham College of Arts and Technology (£4.971m) to help facilitate improved learning facilities at the Town Centre campus – all costs of the loan will be borne by the College, with no costs falling on the Council. In addition, a similar facility was approved for the purchase and subsequent re-development of properties on High Street, with £0.650m being drawn down in 2011/12 leaving a further £0.100m to be advanced in 2012/13.
- As part of the conclusion of the Council's strategic Partnership with BT Plc, ICT equipment and software were brought back into the ownership of the Council (£1.977m).

7.6 Funding of the Programme

The table shown below outlines the funding strategy associated with the schemes profiled above:

Funding	2011/12 Outturn	2012/13	2013/14	2014/15
	£m	£m	£m	£m
Supported Borrowing	0.369	0.193	0.188	0
Grants and Contributions	25.509	37.205	20.803	10.943
Revenue Contributions	1.222	1.194	8.667	7.485
Usable Capital Receipts	0.036	1.890	1.049	0.741
Prudential Borrowing	56.383	15.967	4.463	1.843
Major Repairs Allowance	10.464	20.003	19.480	20.142
Total	93.983	76.452	54.650	41.154

8. Finance

The financial implications are contained within the body of this report.

9. Risks & Uncertainties

The capital programme is funded through a number of sources: borrowing, both supported and unsupported (i.e. prudential borrowing), capital grants/contributions, major repairs allowance, revenue contributions and capital receipts. Any uncertainty over the funding of the programme rests on confirmation that grants/contributions and capital receipts continue to be available in coming years. The specific nature of these risks is outlined in greater detail above. Where funding sources are volatile in nature the risks will be managed by reviewing and where necessary amending the programme.

10. Policy and Performance Agenda Implications

The preparation of the Medium Term Financial Strategy incorporating a profiled capital programme and the associated revenue consequences, together with regular monitoring, highlights the Council's commitment to sound financial management.

11. Background Papers and Consultation

- Monitoring returns and budget setting details from Directorates.
- Government funding allocation letters.

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CHILDREN AND YOUNG PEOPLE'S CAPITAL PROGRAMME 2011/12 - 2014/15
FINANCIAL SUMMARY STATEMENT

CAPITAL INVESTMENT	ESTIMATED SPEND AND FUNDING STATEMENT			
	2011/12 £'000s	2012/13 £'000s	2013/14 £'000s	2014/15 £'000s
PRIMARY				
HERRINGTHORPE PRIMARY	73	1		
ASTON FENCE TEMP CLASS REPLACEMENT	34			
SWINTON QUEEN NEW SCHOOL	709			
ANSTON PARK INFANT EXTENSION	1			
RAWMARSH MONKWOOD - EXTENSION	81			
MALTBY LILLEY HALL	96	4,000	410	62
MALTBY REDWOOD - FIRE ALARM		1		
MALTBY REDWOOD - SEN ADAPTATIONS	120			
THRYBERGH NEW KITCHEN	312			
DALTON FOLJAMBE DISABLED WC	2			
WENTWORTH C OF E EXTENSION	214	228		
BLACKBURN KITCHEN - FLOORING	9	1		
REDScope KITCHEN - FLOORING	13			
ROCKINGHAM KITCHEN - FLOORING	15			
THORNHILL PRIMARY EXTENSION	19	831	50	
KILNHURST ST THOMAS EXTRA CLASSROOM		120		
BRAMLEY SUNNYSIDE - CREATE CLASSROOM	26			
FLANDERWELL PRIMARY EXTENSION		100	790	10
SITWELL INFANTS NEW CLASSROOM		150		
KILNHURST PRIMARY KITCHEN		80		
SECONDARY				
SUPPORT TO SCHOOLS	234	100	100	100
ACCESS INITIATIVE	215	185	188	
MALTBY ACADEMY	78	6,500	4,523	
REDBARN HOUSE ADAPTATIONS	41	28		
WELCOME CENTRE ADAPTATIONS	92			
SWINTON COMMUNITY SCHOOL IMPROVEMENTS		1,550	150	
SPECIAL				
THE WILLOWS FLOOD DAMAGE	2			
CITY LEARNING CENTRES				
CLC RAWMARSH	133	67		
CLC WINTERHILL (OLD HALL)	211			
CLC WINTERHILL - EXTENSION	877			
CAPITALISED MINOR ENHANCEMENTS	3,460	3,231	2,850	2,650
MAINTENANCE SCHEMES				
RAWMARSH ASHWOOD KITCHEN		4		
SCHOOL KITCHEN REFURBISHMENT	2			
SITWELL EXTRACTION	42	6		
OTHER SCHEMES				
DFCG	2,272	1,822	853	853
ORCHARD CENTRE REFURBISHMENT	7			
CHILDREN'S CENTRE MODIFICATION	1			
KIMBERWORTH CO-LOCATION	6			
RIVERSIDE PRU	15			
ORCHARD CENTRE CONVERSION	84	1,176		
CHATHAM VILLAS REFURBISHMENT	189			
RAWMARSH MONKWOOD ROOF	6			
PROPERTY ADAPTATIONS	91	50	50	50
MOBILE YOUTH SERVICE BUSES	266			
CYPS CAPITAL PROGRAMME	10,048	20,231	9,964	3,725

SOURCES OF FUNDING	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)	347	185	188	
GRANTS AND CONTRIBUTIONS	9,259	19,986	9,726	3,675
REVENUE CONTRIBUTION	172			
USABLE CAPITAL RECEIPTS				
PRUDENTIAL BORROWING	270	60	50	50
EARMARKED RESERVES				
MAJOR REPAIRS ALLOWANCE				
CYPS CAPITAL PROGRAMME	10,048	20,231	9,964	3,725

EDS CULTURE AND LEISURE CAPITAL PROGRAMME 2011/12 - 2014/15
FINANCIAL SUMMARY STATEMENT

CAPITAL INVESTMENT	ESTIMATED SPEND AND FUNDING STATEMENT			
	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
MOWBRAY GARDENS LIBRARY	9			
MALTBY JOINT SERVICE CENTRE CAR PARK	77	24		
WHITE CITY LAUGHTON COMMON	42	2		
CLIFTON PARK-URBAN RESTORATION	16	284	111	
BOSTON PARK	861	139		
WHARF ROAD, KILNHURST	0	4		
ROSEHILL PARK	3			
ULLEY RESERVOIR REHABILITATION	1	91		
DUN STREET PLAY AREA	4	47		
WATH LIBRARY REFURBISHMENT	1	163		
THRYBERGH RESERVOIR STRATEGIC MAINTENANCE	17	76		
CATCLIFFE GLASS CONE	0	47		
FIRSBY RESERVOIR	2			
THRYBERGH COUNTRY PARK - SHOWERS REFURBISHMENT	7	133		
BRINSWORTH LIBRARY	1	499		
STRATEGIC REVIEW OF LIBRARIES		159		
CIVIC THEATRE ESSENTIAL REFURBISHMENT	10			
CIVIC THEATRE RENOVATION	4	536		
CULTURE AND LEISURE CAPITAL PROGRAMME	1,055	2,204	111	0

SOURCES OF FUNDING	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
	SUPPORTED CAPITAL EXPENDITURE (REVENUE)			
GRANTS AND CONTRIBUTIONS	614	192	111	
REVENUE CONTRIBUTION		14		
USABLE CAPITAL RECEIPTS	23	170		
PRUDENTIAL BORROWING	418	1,828		
EARMARKED RESERVES				
MAJOR REPAIRS ALLOWANCE				
OVERPROGRAMMING C/FWD				
CULTURE AND LEISURE CAPITAL PROGRAMME	1,055	2,204	111	0

EDS HIGHWAYS CAPITAL PROGRAMME 2011/12 to 2014/15
FINANCIAL SUMMARY STATEMENT

CAPITAL INVESTMENT	ESTIMATED SPEND AND FUNDING STATEMENT			
	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
A57 IMPROVEMENTS	0	7,190	7,510	
LTP INTEGRATED TRANSPORT BLOCK	2,881	1,746	1,460	1,460
LTP HIGHWAY MAINTENANCE	2,528	4,048	2,383	2,000
REPLACEMENT/UPGRADE STREET LIGHT	655	650	650	650
OTHER HIGHWAYS PROJECTS	626	2,700	1,210	3,060
EDS HIGHWAYS CAPITAL PROGRAMME	6,690	16,334	13,213	7,170

SOURCES OF FUNDING	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
	SUPPORTED CAPITAL EXPENDITURE (REVENUE)	3		
GRANTS AND CONTRIBUTIONS	5,415	13,684	10,185	6,520
REVENUE CONTRIBUTION				
USABLE CAPITAL RECEIPTS				
PRUDENTIAL BORROWING	1,272	2,650	3,028	650
EARMARKED RESERVES				
MAJOR REPAIRS ALLOWANCE				
OVERPROGRAMMING C/FWD				
EDS HIGHWAYS CAPITAL PROGRAMME	6,690	16,334	13,213	7,170

EDS ECONOMIC REGENERATION CAPITAL PROGRAMME 2011/12 - 2014/15
FINANCIAL SUMMARY STATEMENT

CAPITAL INVESTMENT	ESTIMATED SPEND AND FUNDING STATEMENT			
	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
MASTERPLAN				
BROOKFIELD PARK LANDSCAPING - MANVERS	40	28	24	
ROTHERHAM TOWNSCAPE HERITAGE INITIATIVES	537	902		
ROTHERHAM TOWNSCAPE HERITAGE INITIATIVES - PUBLIC REALM, HIGH STREET				
ROTHERHAM CENTRAL STATION ENVIRONMENT	101	108		
FLOOD ALLEVIATION				
CHANNY BRIDGE FLOOD DEFENCE	627	61		
WHISTON BROOK	3	6		
PROPERTY LEVEL FLOOD PROTECTION - WHISTON	211			
HOLMES TAIL GOIT FLOOD ALLEVIATION WORKS		212		
PITHOUSE WEST CULVERT WORKS	10	290		
DRAINAGE WORKS DON STREET		627		
MAGNA & DINNINGTON BUSINESS INCUBATION CENTRES				
MAGNA BUSINESS INCUBATION	9	77		
DINNINGTON BUSINESS INCUBATION CENTRE	1			
WESTGATE DEMONSTRATOR PROJECT				
SITE 5 CONSTRUCTION	46			
ECONOMIC REGENERATION				
MINSTER GARDENS PUBLIC REALM (ALL SAINTS)	288			
WETMOOR LANE, WATH FOOTPATH				
MARKET PLACE PUBLIC REALM	26			
CRINOLINE HOUSE DEMOLITION	335	135		
EDS ECONOMIC REGENERATION CAPITAL PROGRAMME	2,234	2,446	24	0

SOURCES OF FUNDING	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
	SUPPORTED CAPITAL EXPENDITURE (REVENUE)			
GRANTS AND CONTRIBUTIONS	1,233	1,046	24	
REVENUE CONTRIBUTION				
USABLE CAPITAL RECEIPTS				
PRUDENTIAL BORROWING	1,001	1,400		
EARMARKED RESERVES				
MAJOR REPAIRS ALLOWANCE				
OVERPROGRAMMING C/FWD				
EDS ECONOMIC REGENERATION CAPITAL PROGRAMME	2,234	2,446	24	0

EDS - OTHER CAPITAL PROGRAMMES 2011/12 - 2014/15
FINANCIAL SUMMARY STATEMENT

CAPITAL INVESTMENT	ESTIMATED SPEND AND FUNDING STATEMENT			
	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
WASTE MANAGEMENT				
PFI RESIDUAL WASTE FACILITY	605			
RECYCLING BANKS/BINS FOR HOME WASTE RECYCLING	15			
MAGILLA HWRC	-2			
MINOR STRATEGIC				
HIGHTHORNE ROAD BARRIER	1			
ASSET INFORMATION DEVELOPMENT	8	11		
HEPWORTH DRIVE, ASTON	60			
MASON AVENUE, ASTON	17	3		
MONKSBRIDGE ROAD CULVERT RENEWAL	-5	5		
BOOTS FOUNTAIN	22			
MAINTENANCE INVESTMENT				
CENTENARY MARKETS ALARM SYSTEM	66			
ROTHERHAM ECONOMIC REGENERATION FUND				
TOWN CENTRE BUSINESS VITALITY SCHEME-PRIVATE PROPERTIES	13	76		
TOWN CENTRE BUSINESS VITALITY SCHEME-RMBC PROPERTIES	18	53		
GATEWAYS				
GATEWAYS (ADF) RYTON ROAD, NORTH ANSTON	63			
GATEWAYS (ADF) LAUGHTON ROAD, DINNINGTON	117			
EDS - OTHER CAPITAL PROGRAMMES	998	148		

SOURCES OF FUNDING	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
	SUPPORTED CAPITAL EXPENDITURE (REVENUE)			
GRANTS AND CONTRIBUTIONS	197			
REVENUE CONTRIBUTION				
USABLE CAPITAL RECEIPTS	-7	5		
PRUDENTIAL BORROWING	808	143		
EARMARKED RESERVES				
MAJOR REPAIRS ALLOWANCE				
OVERPROGRAMMING C/FWD				
EDS - OTHER CAPITAL PROGRAMMES	998	148		

SUMMARY EDS CAPITAL PROGRAMME 2011/12 - 2014/15

	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
TOTAL EDS EXPENDITURE	10,977	21,132	13,348	7,170

SOURCES OF FUNDING	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)	3			
GRANTS AND CONTRIBUTIONS	7,459	14,922	10,320	6,520
REVENUE CONTRIBUTION		14		
USABLE CAPITAL RECEIPTS	16	175		
PRUDENTIAL BORROWING	3,499	6,021	3,028	650
EARMARKED RESERVES				
MAJOR REPAIRS ALLOWANCE				
EDS CAPITAL PROGRAMME	10,977	21,132	13,348	7,170

NEIGHBOURHOODS & ADULT SERVICES CAPITAL PROGRAMME 2011/12 - 2014/15
FINANCIAL SUMMARY STATEMENT

CAPITAL INVESTMENT	ESTIMATED SPEND AND FUNDING STATEMENT			
	2011/12 £'000s	2012/13 £'000s	2013/14 £'000s	2014/15 £'000s
ADULT SERVICES				
ASSISTIVE TECHNOLOGY (PCT)	32			
MENTAL HEALTH SUPPORTED CAPITAL EXPENDITURE	19			
ADULT SOCIAL SERVICES SINGLE CAPITAL POT	86			
TRANSFORMATION IN ADULT SOCIAL CARE CAPITAL GRANT	36	64		
68 WELLGATE - MENTAL HEALTH PREMISES		34		
WEBROSTER LICENCES		10		
LORD HARDY COURT REHABILITATION EQUIPMENT AND CAPITAL WORKS		8		
IMPROVING COUNCIL HOUSING & HOUSING SERVICES				
REFURBISHMENT	4,011	10,914	16,969	16,506
REPLACEMENT WINDOWS	199	290	440	440
ENVIRONMENTAL WORKS	369	500	1,500	1,500
DECENT HOMES VOID PROGRAMME	2,154	1,588	1,675	1,767
REPLACEMENT OF CENTRAL HEATING	1,110	500	500	500
ELECTRICAL BOARD & BOND	57	140	148	148
REPLACEMENT OF BOILERS		420	420	420
REPLACEMENT OF COMMUNAL DOORS (HIGH SECURITY)	109	300	300	303
COMMUNITY CENTRE IMPROVEMENTS (5 YR PROGRAMME)		250	150	150
COMMUNAL AERIAL REPLACEMENT (DIGITAL UPGRADE)	11	10	10	10
ASBESTOS TESTING		270	100	100
ASBESTOS REMOVAL	171	100	100	100
LIFT REPLACEMENTS		100		
FLAT DOOR REPLACEMENT	139	522	500	500
DISTRICT HEATING CONVERSIONS	180	300	200	200
COMMUNAL HALLWAYS INVESTMENT		100	100	100
ONE-OFF PROPERTIES	321	300	350	350
BOUNDARY WALL TREATMENTS			200	200
GENERAL STRUCTURES		150	150	150
EPC IMPROVEMENTS		410	475	475
ENERGY PERFORMANCE CERTIFICATES	87			
NEW IT SYSTEMS		550	250	
NON-TRADITIONAL INVESTMENT	1,146	1,289	1,400	1,400
HRA REFORM	15,188			
FAIR ACCESS TO ALL				
DISABLED FACILITIES GRANT (PRIVATE SECTOR)	1,821	1,620	1,039	1,039
DISABLED ADAPTATIONS (PUBLIC SECTOR)	1,281	1,650	1,780	1,878
NEIGHBOURHOOD REGENERATION & RENEWAL				
HOME ASSISTANCE LOANS	20			
MALBY TRANSFORMATIONAL CHANGE	90	50		
DINNINGTON TRANSFORMATIONAL CHANGE	58	240		
PRIVATE SECTOR INTERVENTION	111			
CANKLOW PHASE 1 & 2	535	560	450	450
BELLOWS ROAD SERVICE CENTRE CLEARANCE	100	307	308	
SHIP INN DEMOLITION	45			
OCCUPATION ROAD CLEARANCE PROJECT		45		
WHITE BEAR, WATH	62			
ALLEY GATING SCHEMES	55			
SHELTERED HOUSING MODIFICATIONS	189			
GARAGE SITE INVESTMENT	171	300	200	200
SELF BUILD PLOTS - TREETON		80		
CUSTOM BUILD - PILOT PROJECT		65		
SITE DEVELOPMENT		100		
HOMES & COMMUNITIES AGENCY NEW BUILD				
WOOD STREET/SCHOOL STREET PHASE 1	566			
NEWLAND AVE/STONE PARK CL/ALBERT RD PHASE 2	1,437			
ALBANY ROAD/ROTHERVIEW RD PHASE 3	3,961			
WHITEHILL ROAD, BRINSWORTH PHASE 4	654			
NEIGHBOURHOODS IMPROVEMENTS NON-HIP PROGRAMME				
AIR QUALITY GRANT	6	8	9	
AIR QUALITY EQUIPMENT/SOFTWARE		30		
LANDFILL SITES	100	224	340	98
NEIGHBOURHOODS & ADULT SERVICES CAPITAL PROGRAMME	36,687	24,398	30,063	28,984

SOURCES OF FUNDING	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
SUPPORTED CAPITAL EXPENDITURE (REVENUE)	19	8		
GRANTS AND CONTRIBUTIONS	5,100	1,445	757	748
REVENUE CONTRIBUTION	1,050	950	8,437	7,255
USABLE CAPITAL RECEIPTS	20	1,715	1,049	741
PRUDENTIAL BORROWING	20,034	277	340	98
EARMARKED RESERVES				
MAJOR REPAIRS ALLOWANCE	10,464	20,003	19,480	20,142
NEIGHBOURHOODS & ADULT SERVICES CAPITAL PROGRAMME	36,687	24,398	30,063	28,984

RESOURCES CAPITAL PROGRAMME 2011/12 -2014/15
FINANCIAL SUMMARY STATEMENT

CAPITAL INVESTMENT	ESTIMATED SPEND AND FUNDING STATEMENT			
	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
ASSET MANAGEMENT				
RAWMARSH CSC	4,931	648		
TOWN CENTRE DESIGN WORK	81	110		
RIVERSIDE HOUSE	12,270	1,157		
ACCESS IMPROVEMENT PROGRAMME	12	2		
DONCASTER GATE PROCUREMENT/CAPITAL	5	7		
ANCILLARY SERVICES BUILDING	960	830		
ICT				
ICT STRATEGY	844	309		
ICT STRATEGY (2)	2,278	1,826	575	575
ICT REFRESH	527	700	700	700
DEFINE WEB STRATEGY	62	2		
OTHER PROJECTS				
DIGITAL REGION - SUPERFAST BROADBAND	8,144			
CAPITALISED REDUNDANCY COSTS	1,096			
NEW MORTUARY BUILDING & FACILITIES	2,000			
RCAT INVESTMENT FACILITY	4,971			
COMMUNITY STADIUM LOAN FACILITY		5,000		
HIGH STREET REDEVELOPMENT FACILITY	650	100		
EQUAL PAY CLAIMS	-5,289			
RIVERSIDE HOUSE STAMP DUTY	702			
RBT ASSET PURCHASE	1,977			
INNOVATION CENTRE	50			
RESOURCES CAPITAL PROGRAMME	36,271	10,691	1,275	1,275

SOURCES OF FUNDING	2011/12	2012/13	2013/14	2014/15
	£'000s	£'000s	£'000s	£'000s
	SUPPORTED CAPITAL EXPENDITURE (REVENUE)			
GRANTS AND CONTRIBUTIONS	3,691	852		
REVENUE CONTRIBUTION		230	230	230
USABLE CAPITAL RECEIPTS				
PRUDENTIAL BORROWING	32,580	9,609	1,045	1,045
EARMARKED RESERVES				
MAJOR REPAIRS ALLOWANCE				
RESOURCES CAPITAL PROGRAMME	36,271	10,691	1,275	1,275

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Self Regulation Select Commission
2.	Date:	12th July 2012
3.	Title:	Revenue Account Outturn 2011/12
4.	Directorate:	Resources

5. Summary

- In 2011/12 the Council **budgeted** to spend **£219.622m** on its **General Fund Revenue Account**. **Actual spending for the year** was **£217.618m**, a **saving** against budget of **£2.004m (or -0.91%)**. Of this, £0.494m is accounted for by surpluses on trading accounts, leaving a net underspend of £1.510m.
- In addition, the **Delegated Schools' Budget** was **£178.127m**. Actual spend against this was **£173.596m**, an **underspend of £4.531m** for the year which has been added to Schools' Reserves which at 31st March 2012 stood at £7.654m.
- The Housing Revenue Account in 2011/12 was **budgeted** to make a contribution to the HRA General Reserve of **£4.613m**. Actual contribution to this Reserve was **£5.555m** - (£0.942m additional contribution).
- This is a very positive outturn positive, especially given the challenges faced in-year, not least on the Children & Young People's Services Budget. It is a result of the hard work of both elected Members and staff in managing reducing levels of funding at a time of increasing service need, and also the generally good financial management on the part of budget holders.
- Reflecting the above out-turn position, and assuming the recommendations in this report are approved, the Council's Revenue Reserves as at 31 March 2012 were: General Fund Reserves available and uncommitted to support the Budget £7.494m and Earmarked Reserves (including Schools and HRA Reserves) £42.998m.

6. Recommendations

That Self Regulation:

1. **Note the Council's General Fund, Schools' and the Housing Revenue Account (HRA) Revenue Outturn Position Statements for 2011/12.**
2. **Note the level of the Council's Revenue Reserves as at 31 March 2012.**

- 3. Note the carrying forward of underspends on Trading Services (£493,719) and requests for carrying forward of specific items (£482,852) in accordance with the Council's approved policy; and**
- 4. Note the waiving of the Council's policy of carrying forward 20% of the underspends from 2011/12 and agree the supplementary allocation of £875,000 to support Children's Services in 2012/13. (Details included in a separate report on this Cabinet agenda).**

7. Proposals and Details

7.1 Revenue Outturn 2011/12

Rotherham's Net Revenue Budget (excluding Delegated Schools' Budget £178.127m) for the 2011/12 financial year was £219.622m. Actual spending was £217.618m, resulting in an under-spend of £2.004m (or -0.91%). In addition to this, the Delegated Schools' Budget was underspent by £4.531m.

The Revenue Out-turn position is analysed by Directorate at **Appendix 1** with the principal reasons for the variations set out in **Appendix 2**. More detailed Directorate Outturn reports have been presented to individual Cabinet Members for their portfolio areas of responsibility.

Delivering such a positive outturn position belies the budget challenges faced by the Council in 2011/12. As well as managing the significant Coalition Government funding reductions, budget monitoring has consistently identified significant financial pressures of between £4m to £5m, mostly in relation to social care for children.

In spite of these significant pressures and commitments, the Council has managed to achieve, through taking a proactive series of management actions and careful financial management, a positive financial out-turn. Excluding the position on schools, there is a net underspend of £2.004m (-0.91%) on the Council's Net Revenue Budget. This reflects the Council's continued prudent and sustainable approach to financial management.

As part of the process of reconfiguring and rationalising its services in order to meet the challenges facing it both in 2011/12 and future years, the Council offered the option of a voluntary severance scheme during the financial year. By the 31st March 2012, 336 employees had left or had been given approval to leave the Council under the terms of its Voluntary Severance arrangements (that is Voluntary Early Retirement, Voluntary Redundancy, Phased Retirement and Redeployment). This is in addition to the 483 employees who left the Council in the same manner in 2010/11.

In total the Voluntary Severance scheme cost £5.8m last year. This was composed of severance payments of £4.3m and £1.5m in pensions strain payments to the South Yorkshire Pensions Authority. These costs were met corporately by means of:

- Using successful Capitalisation Direction bids to DCLG £1.1m;
- A Provision included in 2010/11 accounts £1.7m; and
- The remaining costs were financed using resources freed up by accounting opportunities.

7.2 Schools' Budgets

Schools' budgets totalled £178.127m last year. Spending against these budgets came to £173.596m, an underspend of £4.531m which was transferred into Schools' Balances. Schools' Balances (including declared savings of £0.295m) stood at £7.654m as at 31st March 2012. The Department for Education (DfE) makes it clear, that schools are autonomous and self-managing and as such, within set guidelines the use of balances is under their control.

7.3 Housing Revenue Account (HRA)

The outturn position for the HRA showed a surplus for the year of £5.555m, which increased the HRA General Reserve to £8.327m as at 31st March 2012. The Service was budgeted to increase reserves in 2011/12 by £4.613m. This expected level of contribution was exceeded by £0.942m. The principal reasons for the above budget increase in the General Reserve are summarised in **Appendix 2**.

The HRA General Reserve has been increased in 2011/12 to partially address investment shortfalls identified in the early years of the HRA business plan.

The 30 year Business Plan (under the Government's Self Financing Regime) has been updated to reflect the Outturn position and revised reserves position so as to provide a more up to date forecast of the potential future investment levels in the Council's housing stock.

7.4 Carry Forward of Balances into 2012/13

The following treatment of year end balances is proposed:

- **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.

The outturn position for 2011/12 now reported reflects the position before the approval of the carry forward of trading services and specific balances. **Appendix 3** shows the position under each of these categories and the supporting case for their application to carry forward one-off or specific project budgets.

SLT has considered the requests for carry forward and recommends to Cabinet that all requests are approved. These total £0.977m composed of: £0.494m in respect of traded services and £0.483m relating to one-off or exceptional items.

Proposed Support for Children's Services in 2012/13

An ongoing review of Children's Services has identified that for 2012/13 an estimated financial pressure of £875k exists which cannot be contained within current Budget. Cabinet is asked to waive the policy of approving the carry forward of 20% of Directorate level underspends for use by Directorates in the new financial year and to approve that £875k be allocated as additional funding to support Children's Social Care Services in 2012/13. Details underpinning this request are included in a separate report on this Cabinet agenda.

Reserves (including Schools and HRA)

As at 31st March the Council had £52.593m in its reserves of which £7.654m was ring fenced for Schools and £11.699m for the HRA Reserves (of which £8.327m is in the HRA General Reserve) leaving the Council with General Fund Reserves of £33.240m. This total is composed of uncommitted reserves that can be drawn on, if required, to support the Council's budget and earmarked reserves set aside to meet specific needs and purposes which are ring-fenced to particular services.

Reserves to Support the General Fund Revenue Budget:

General Fund Reserves are held in order to protect the Council against unforeseen costs and contingencies and to mitigate financial risks. In order to ensure that a prudent level of balances is held the value of balances is risk assessed annually as part of the budget setting process. Reflecting the outturn position and after assuming that the carry forward requests and additional funding to CYPS are approved, **£7.494m of the General Fund Reserve is available to support future years' budgets.** This figure is equivalent to about 3.5% of the Council's Net Revenue Budget which is in line with the Council's Financial Plan and is deemed to be at a prudent level.

Earmarked Reserves

At the end of the 2011/12 financial year the Council's earmarked reserves stood at **£42.998m** comprising:

- Schools' Balances of £7.654m;
- HRA Reserves of £11.699m;
- PFI Reserve (£13.750m) to even out future contractual payments over the life of the Schools and Leisure PFI schemes;
- Commutation Adjustment Reserve (£8.394m) to meet future debt repayment costs;
- Insurance Reserve (£0.697m) to meet future claim liabilities; and
- Other Earmarked Reserves (£0.804m).

Cabinet is asked to note the level of the Council's Revenue Reserves as at 31 March 2012.

8. Finance

In total, the Council **budgeted to spend £397.749m on its General Fund Revenue Account in 2011/12**, (excluding Schools' Budgets the total was £219.622m). **The actual spend was £391.214m**; an underspend of £6.535m or -1.64% less than budget. This is made up of the following:

	£m	%
General Fund (excl. Schools Delegated Budgets)	-2.004	-0.91
Schools Delegated Budgets	-4.531	-2.54
	-----	-----
	-6.535	-1.64
	-----	-----

The summarised effect of this outturn position on the Council's reserves has been set out above in the Reserves section of this report.

Cabinet is asked to support the following proposed treatment of the non-schools unspent 2011/12 General Fund balance:

General Fund (Non-Schools) Outturn Balance - transferred to General Fund Reserves	£2.004m
--	---------

Less:

Carry forward of Traded Services	£0.494m
Carry Forward requests for specific projects/purposes	£0.483m
Allocation to support Children's Social Care Services in 2012/13	<u>£0.875m</u>
Balance available to support budget	£0.152m

9. Risks and Uncertainties

Decisions about the level of resources (including reserves) that are deployed to deliver the Council's priorities involve risk and uncertainty. However, the impact of unforeseen circumstances and adverse variances against budget can be minimised by continuing improvements in financial management, including the more effective management of financial risks.

10. Policy and Performance Agenda Implications

Approval with regard to the carry forward requests for Traded Services and for specific projects/purposes and the proposed use of the 2011/12 outturn underspend should be given as soon as possible so as to give certainty to the final level of approved budget for the current (2012/13) financial year.

11. Background Papers and Consultation

Cabinet Reports

- Proposed Revenue Budget and Council Tax for 2011/12, 23rd February, 2011
- Revenue and Capital Budget Monitoring reports to SLT and Cabinet.

Other Documents

- Statement of Accounts 2011/12

Contact Name: Andrew Bedford, Strategic Director of Resources, ext:22002, andrew.bedford@rotherham.gov.uk

APPENDIX 1

<u>Directorate</u>	<u>Budget</u>	<u>Out-Turn</u>	<u>Surplus/ Deficit</u>	<u>Trading</u>	<u>Non- Trading</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
C&YPS	37,209,419	41,325,951	+4,116,532	-132,956	+4,249,488
EDS	40,092,739	39,099,350	-993,389		-993,389
Adult Social Services	76,530,053	73,987,473	-2,542,580		-2,542,580
Neighbourhoods	<u>3,344,649</u>	<u>2,835,202</u>	<u>-509,447</u>	<u>-40,091</u>	<u>-469,356</u>
NAS	79,874,702	76,822,675	-3,052,027	-40,091	-3,011,936
(Former) Chief Executive Services	10,814,265	10,834,447	+20,182		+20,182
Asset Management	4,370,092	4,036,552	-333,540		-333,540
Financial Services	<u>3,261,116</u>	<u>2,727,390</u>	<u>-533,726</u>	<u>-320,672</u>	<u>-213,054</u>
Resources	18,445,473	17,598,389	-847,084	-320,672	-526,412
Central and Other Services	43,999,667	42,772,100	-1,227,567		-1,227,567
TOTAL (Excl Schools)	219,622,000	217,618,465	-2,003,535	-493,719	-1,509,816
Schools' Budgets	178,126,779	173,595,683	-4,531,096		-4,531,096
TOTAL	397,748,779	391,214,148	-6,534,631	-493,719	-6,040,912

APPENDIX 2 - EXPLANATION OF MAJOR BUDGET VARIATIONS IN 2011/12

Children & Young People's Services

The Children and Young People's service (excluding schools) spent £4.117m above budget in 2011/12. After allowing for the carry forward of the trading surplus on the Schools Catering Services account (-£133k), the overspend compared with budget was £4.249m. The key reasons for the variations to budget are:

- **Youth and Community - the service overspent by £84k** due to an under-recovery of income within Outdoor Education (+£46K) which is attributable to the difficult economic climate and staff cost pressures (+£65K) and additional premises expenditure (£34K) due to the timing of closures or release of properties from the Youth Service. These pressures were partly offset by non-recruitment to a vacant post within Adult Community Learning (-£10K) and additional income received from NHS Rotherham (-£51K).
- **Commissioning and Social Work services were overspent by £749k** mainly due to agency staffing costs. It should, however, be noted that through the successful recruitment to vacant social worker posts the service has managed to reduce agency costs by £1.064m from that experienced in 2010/11.
- **Children Looked After services** which consist of residential and foster care services (both in house and provided through the independent sector) have experienced significant financial pressures and **overspent by £3.261m**. This continues the trend from 2010/11.

Although the Council has managed to reduce the number of looked after children by 7 to 383 over the last 12 month period, there has not been a similar cost reduction due mostly to:

- An increase in the number of children placed with independent foster carers (131 at the end of 2011/12 compared to 108 at the end of 2010/11, an increase of 23 children) due to a lack of in house capacity to absorb those leaving Residential Placements; and
- Increased use of Special Guardianships and Residence Orders which under the current policy allows the carer to maintain the current level of financial support for 2 years even though the child is no longer regarded as being looked after.

It should be noted that through renegotiation of contracts and the introduction of a Framework Agreement for Independent Foster Care placements, £0.707m costs have been avoided.

- **Support Services and Management Costs were overspent by £730k** largely due to Legal costs (+£757K) which are needs led and exceeded budgetary provision in 2011/12. This is partially offset by under spends due to staff slippage (-£27K).
- The above pressures were partially mitigated through the flexible allocation of grant underspends (-£575K).

Environment and Development Services

The overall service out-turn position was **£0.993m below budget**. The main variations against budget were:

- **Business Support Unit** achieved an **underspend of £0.112m** as a result of managed vacancies, the moratorium on spend and a tightening of the Training programme.
- **Regeneration, Planning and Cultural Services £0.702m underspend** as a result of a council wide review of non-essential spend and staff taking up the voluntary retirement/severance offer. The Service Director has been able to report under spends on most budget heads, including Business Centres (-£161k) and Markets (-£101k). Operationally, a decision to limit expenditure on the Libraries Materials Fund has created a one off saving (-£334k). Transportation Services have also been able to offer a greater saving due to higher than anticipated trading activity (-£123k). Costs in excess of budget for former RBT services (+£17k) were also incurred within Cultural Services.
- An earmarked request for carry forward of £163,746 for Culture and Leisure has been requested for Bar Park, Third Party Funding and the Materials Fund. These are included in the figures above, together with a request to draw £155,000 during 2012/13 from Reserves for maintenance of the Business Centres. Details are included in Appendix 3.
- **Streetpride (including Leisure and Green Spaces) £0.179m underspend** has been achieved in spite of some significant service pressures. The winter maintenance budget which provides for a below average winter was overspent by £225k, mainly due to a period of severe weather in early December. Parking services under-recovered their income budget (+£125k) while delivering some savings by reducing spend to mitigate its position. Stores and Corporate Budgets also incurred costs in excess of budget for former RBT charging arrangements (+£179k). Streetpride have been able to report an under spend against budget due to the adherence of officers to only spend on essential items or services. There have been some key savings made within Waste Management (-£594k) due to lower than expected disposal costs in the final quarter, and within Network Management some small variances across Drainage, Street Lighting, Streetworks and Enforcement, Public Rights of Way and Adoptions and Searches have yielded a saving (-£142k). Other minor under and overspends within Streetpride net to a £28k overspend.

Neighbourhoods and Adult Services

Adult Services

The Adult Services outturn **delivered an underspend of £2.543m against budget**. The key variations within each service area can be summarised as follows:

- **Adults General were underspent by -£326k** mainly due to slippage in the use of additional funding from health for the further development of services for Carers (-£286k). There were also net savings due to the moratorium on printing, postage and stationary spend (-£40k).

- **Older People's Services were -£901k underspent** mainly due to the additional income received from health in the last quarter of the financial year in respect of support for the winter period and additional funding for Carers (-£1.148m). There were savings in respect of a number of vacant social work posts within Assessment and Care Management and Transport (-£267k), an overall underspend on the Intermediate Care pooled budget (-£33k) mainly in respect of slippage on employee costs and an underspend on independent sector residential and nursing care due to 11 fewer placements than planned, additional income from health and increased income from property charges (-£159k). Additional income was also received from transport fees and charges during the year (-£34k).

However, the underspend was reduced by an overall overspend on Home Care provision (+£199k) due to an increase in average weekly hours provided. There was also an increase in clients (+60) receiving a Direct Payment (+£227k) and a recurrent budget shortfall on income from In House residential care fees (+£234k) and an overspend on agency staffing costs to cover sickness absence(+£80k).

- **Learning Disability services were £552K underspent** mainly as a result of slippage on developing new supported living schemes (-£166k), contract efficiency savings negotiated with service providers (-£112k) and additional income from health (-£248k). There were also underspends due to vacancies within Assessment and Care Management and Community Teams (-£147k). These were reduced by a net overspend on residential and nursing care budgets due to additional demand for placements and a reduction in continuing health care income (+£119k) and other minor overspends (+£2k).
- **Mental Health Services were £1k underspent.** The main pressure during the year was the continued increase in uptake on Direct Payments (+£214k), which was mitigated by savings on Community Support budgets (-£196k) as clients in these services moved to a direct payment.

There were also pressures on the out of hours service and the use of agency to cover vacant posts (+£97k). These overspends were offset by additional income from health towards the funding of residential care placements (-£66k) plus efficiency savings negotiated with the service provider for supported living (-£28k).

Other savings across Mental Health services amounted to -£22k.

- **Physical and Sensory Disabilities were £340k underspent.** The main pressure during the year was a continued increase in number of clients (+22) receiving independent sector home care (+£300k). This overspend was offset by slippage on new investments to provide alternatives to residential care (-£356k), efficiency savings on voluntary sector contracts (-£41k) and underspends on Assistive Technology (-£170k) due to additional income from health. There was also an underspend against approved budget on employee costs due to the reconfiguration at Grafton House including an increase in income from client contributions (-£93k). These savings were slightly offset by service wide overspends of £20k.

- **Adult Safeguarding services were £149k underspent** due to difficulties recruiting to vacant posts during the year plus health funding for mental health capacity.
- **Supporting People services were £274k underspent.** Efficiency savings achieved as part of meeting the budget reductions agreed for 2012-13 including underspends on subsidy contracts that are based on actual activity incurred during the year.

Neighbourhoods

The net outturn for Neighbourhood services shows an underspend of £0.509m. The key variations can be summarised as follows:

- **Safer Neighbourhoods was underspent (£135k)** predominantly due to savings achieved as a result of vacant posts and Voluntary Severance/Retirement in addition to the careful controls in place on non-essential expenditure
- **Business Regulation was underspent (£96k)** mainly as a result of vacancy management throughout the year (£45k) and some additional one-off income within Food & Drugs area and increased income within the Bereavement Service.
- **Neighbourhood Investments was underspent (£11k)** as a result of a vacant post within the Energy Advice service (£8k) and some small savings as a result of interest received through the Equity Loan Scheme.
- **Neighbourhood Partnerships had an overall underspend of £54k.** This included an underspend of -£28k as a result of Members Allocations not being fully spent in the year within Community Leadership Fund. A request to support carry-forward of £19,620 was submitted on 2nd April to Cabinet Member for Community Development, Equality and Young Persons Issues (Ref minute number 58).

Other savings (-£26k) were achieved through the moratorium on non-essential spend and through tight vacancy management.

- **Housing Access was underspent by £31k** predominantly achieved through the tight management of vacant posts.
- **Housing Choices was underspent by £182k** mainly due to additional rent income and the flexible use of grant and external funding. In addition, there was an underspend of (£58k) for the cost of Lighting of Communal Buildings mainly due to a number of late refunds relating to previous year's costs; and the Dispersed Unit generated a surplus in excess of budget of £40,091. It is proposed that this service is treated as a Trading Account from 2012/13. (Further details are included in Appendix 3)

Resources

- **(Former) Chief Executive Services – overall there was a net overspend (£20k)** for these services. Legal Services were overspent by £303k compared with budget largely due to the part year effect of staff leaving the Service. This was significantly offset by savings within Commissioning, Policy and Performance (£253k) and Human Resources (£30k).

£146k of the Commissioning, Policy and Performance saving is being requested for carry-forward, the largest proportion of this being the underspend on the Rotherham Partnership account (-£95k). See Appendix 3 for more details.

- **Financial Services was underspent against budget (£495k).** This includes a net surplus (-£321k) on schools traded services which will be carried forward into 2012/13. (See Appendix 3). The balance (-£174k) is due to additional income and savings through the moratorium on non-essential spend.
- **Internal Audit and Governance was underspent (£39k)** due to the moratorium on non-essential spend.
- **Asset Management was underspent by £334k.** The key areas of underspend included Health and safety (-£37k) due largely to the moratorium on non-essential spend, Building Cleaning (-£128k) where there was a significant reduction in staffing costs and additional income generated, Fee Billing (-£93k) due to reduced staff costs following the service restructure, Miscellaneous Fees (-£162k) due to a reduced level of stock condition surveys being undertaken, School Crossing Patrols (-£21k) due to staffing vacancies and a -£5k saving due to the moratorium on non-essential spend with Facilities Services.

The above underspends were partially offset by overspends on Caretaking services (+£27k) due to additional staffing costs incurred for the joint operation of Riverside House and other Council Buildings prior to the decant to Riverside and pressures around the Management and disposal of Commercial Properties including reduced commercial property rental income (+£27k). There were a number of other minor pressures across the whole service which collectively amounted to +£58k.

Central and Other Services

Overall these services **contributed a net saving to the 2011/12 Outturn of £1.228m.** Key pressures and savings within this were:

- The net cost of the Voluntary Severance Scheme (after allowing for costs which were capitalised and provided for) +£2.797m.
- There was slippage on the delivery of 2011/12 budgeted Review savings (+£3.493m) consisting of; Management and Admin (+£839k), Customers Services (+£250k), Shared Services (+£500k), Localities & Premises (+£500k), and Commissioning (+£104k).
- Corporate Land Bank Pressures of £282k and pressures associated with a slightly later than estimated completion of the partnership with BT (+£755k).

The above pressures were mitigated through: Slippage against the Riverside House budget (-£2.416m); Waste Management procurement costs capitalisation (-£555k); use of Council Earmarked Reserves (-£1.1m) approved at Cabinet on 8th February 2012, the Council Contingency budget (-£600k); and delivery of Accounting Opportunities (-£3.881m).

Housing Revenue Account (HRA)

The Housing Revenue Account **budgeted** to make a contribution to reserves of **£4.613m**. Actual contribution to reserves was **£5.555m; £0.942m above budget**.

The principal reasons for the £0.942m additional contribution to the HRA General Reserve were:

- Additional rent income (£179k);
- Additional income from charges for services and facilities (£340k);
- Additional Subsidy (Major Repairs Allowance) (£5k);
- Additional Interest received (£48k); and
- Net expenditure less than budget – mainly relating to management and supervision costs (£370k).

APPENDIX 3 - CARRY FORWARD OF REVENUE BUDGET UNDER-SPENDS AND OVER-SPENDS IN 2011/12

Carry Forward of Traded Balances (£493,719)

In accordance with the 9th April 2008 Cabinet decision to carry forward 100% of traded services surplus and deficits and be included in future years' business plans, the following trading service balances will be carried forward in to 2012/13 financial year.

C&YPS

- £132,956 Schools Catering Service (Trading surplus). It should be noted that this service has been in deficit since 2007/08 with a deficit in excess of £200,000. The service entered 2011/12 with a cumulative deficit of £11,029 to recover. It has significantly exceeded its target to bring the service back into a balanced position.

NAS

- £40,091 This is the trading surplus on the Dispersed and Furnished Units service which provides emergency overnight accommodation. Income from the weekly charge from occupied units is used to contribute to replace fixtures, furniture and furnishings within the temporary units for the homeless and is ring-fenced to the service area. Due to the nature of what the properties are used for it is difficult to estimate the occupancy, thus the income levels that may be generated throughout the year are reinvested into the upkeep of the properties and to cover operational costs, any reserve that is generated at year end is used the following year to maintain property standards and to supplement any short fall in income due to under occupancy of the units in year. This service sits alongside the furnished accommodation scheme operated in the HRA to help support the establishment of vulnerable tenancies.

Financial Services

- £231,999 This surplus relates to the Schools' Staff Sickness Insurance Scheme which provides financial compensation to schools which need to employ additional staff to cover their own staff's absence.
- £88,673 This surplus is for Schools' Finance Traded Service which provides financial management and professional support and advice to Head Teachers and Governing Bodies in managing their financial resources

Carry Forward of One-off or specific project budgets

As previously indicated, the existing policy requires that in the case of exceptional items of expenditure, an application and supporting case be made to SLT to recommend to Cabinet the carry forward of 100% of any unspent balance at the end of the financial year.

These requests are set out below by Directorate:

EDS

The carry forward of underspends totalling £319k is requested. These underspends have been included in the Directorate outturn disclosed in this report.

- £10,000 In respect of legal fees to be incurred in the transfer of Bar Park from Sheffield City Council.
- £18,716 Third Party Funded spending, committed, but not spent in 2011/12.
- £134,000 Materials Fund underspend to be used in 2012/13 at the two newly opened Libraries.
- £155,000 To be used for Maintenance work at the Business Centres throughout the Borough.

Neighbourhoods

- £19,620 Community Leadership Fund - the Members Community Leadership Fund had an under spend of £28k at the year end. It was agreed on 2nd April at Cabinet Member meeting for Community Development and Equality and Young Persons Issues to request to Cabinet a carry forward of £19,620, for use in 2012/13.

Resources

Carry forwards are requested for the following, mainly grant funded activities:

- £95,362 Funding for the Rotherham Partnership is provided by organisations like the South Yorkshire Police, the Chamber of Commerce, NHS Rotherham, Rotherham Hospitals, Voluntary Action Rotherham and Thomas Rotherham and Dearne Valley Colleges.
- £12,765 Migration Impact Fund grant not spent in 2011/12.
- £20,000 Community Cohesion – Prevent and Cohesion funding
- £10,648 Community Grants for Jubilee Parties in June 2012
- £6,741 International Events – to fund commitments for events in 2012/13.

TOTAL

- **£976,571** **Of this, £493,719 relates to trading accounts and £482,852 to specific balances.**

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1)	Meeting:	Self Regulation Select Commission
2)	Date:	12th July 2012
3)	Title:	CYPS Budget 2012/13
4)	Directorate:	Children & Young People’s Service and Resources

5 Summary

This report presents a strategy for ensuring that the Children & Young People’s Service has a budget which is adequately resourced. Delivery of that Budget will require change in the way services are configured, and work is already well in hand to effect that change, led by staff in CYPS Directorate. Furthermore, Council-wide resource is being marshalled to support CYPS staff in the implementation of change. Details of the headline pressures within the Children and Young People’s Service budget and the actions implemented, or to be implemented to mitigate the pressures are also set out in this report. Appendix 1 provides an analysis of the Directorate’s further proposed savings and progress against delivery of these savings, with an assessment of risk.

The Directorate’s Budget Savings are monitored through an ‘Action Plan’ which is maintained on an ongoing basis with progress considered at the fortnightly Directorate Leadership Team meetings, with the Chief Executive and Strategic Director of Resources attending these meetings once a month.

6 Recommendations

Self Regulation is asked to:

- **Note the proposed actions to mitigate CYPS Directorate pressures and to ensure that expectations regarding service delivery can be achieved within the approved budget**
- **Note the progress to date regarding delivery of savings as shown in Appendix 1**
- **Note the use of Council 2011/12 underspends to finance the one-year-only residual pressures within the CYPS 2012/13 Budget.**

7 Proposals and Details

- 7.1 Children & Young People's Directorate have experienced significant pressures over recent years. The Service overspent by £3.99m in 2009/10, underspent by £0.1m in 2010/11 (however this was after additional in-year budget approval of £5.1m) and has a forecast overspend of circa £4.25m for 2011/12.
- 7.2 Regionally, one of the major pressures on Council budgets has been the high number of children looked after. During 2011 the overall level rose by 4.37%. In the same period the number in Rotherham fell by 2.04% largely due to efforts to increase the number of in house foster placements and effective multi agency management action. Had this not happened the 2011/12 outturn would have shown an even more significant deficit
- 7.3 During the Budget Setting process for 2012/13 it was recognised that due to the significance of the ongoing pressures within CYPS services, any Directorate savings would not assist in closing the Council's funding gap but would instead, and no less importantly, be used to mitigate spend in excess of the Directorate's budget. (Service 'Cost Reductions').
- 7.4 In addition to the 'cost reductions' approved as part of setting the Council's 2012/13 budget, a number of additional savings have been identified which further help to mitigate CYPS service pressures. The current position is summarised as follows:

	£'000
Headline Pressure before approved 'Cost Reductions'	5,107
Less: 'Cost reductions' approved during 2012/13 Budget Setting	(1,575)
Pressure after 'Cost Reductions'	3,532
Less: Further Savings Proposals (See Appendix 1 below)	(2,257)
Less: Contribution from Health (Health and Well Being Strategy –see 7.5 below)	(400)
Revised Forecast Pressure (2012/13)	875

- 7.5 As a result of recent negotiations with Health in relation to the Health and Well-being Strategy a contribution of £400k has been agreed for the current year to support the Directorate thus reducing the 'revised forecast pressure' above to £875k. The Directorate continues to identify further options to mitigate this including savings as a result of additional staff leaving through retirement or voluntary severance.
- 7.6 In addition to the savings included in the table above (£1.575m and £2.257m) the Directorate is also required to deliver further planned savings of £1.364m relating to savings included in the Medium Term

Financial Strategy (MTFS) proposed and agreed in previous budget rounds. (This is in line with the expectations of the other three Directorates of the Council.) These actions will ensure that the CYPS Budget will be in balance by 2013/14. The forecast pressure for 2012/13 of £875,000 is therefore a one-year-only pressure.

- 7.7 The Directorate has developed and is maintaining a Budget Savings Action Plan to track progress on delivery of the savings. Progress against the Action Plan is considered at fortnightly Directorate's Leadership Team (DLT) meetings. The Chief Executive and Strategic Director of Resources also attend these meetings on a monthly basis.
- 7.8 Delivery of that Budget will require change in the way services are configured, and work is already well in hand to effect that change, led by staff in CYPS Directorate. Furthermore, significant Council-wide resource is being marshalled to support CYPS staff in the implementation of change.
- 7.9 It is proposed that the 2012/13 revised residual budget pressure of £875,000, which is a one-year-only pressure, be funded from Council balances resulting from the 2011/12 underspend.

8 Finance

Financial details are shown in section 7.3 above and in Appendix 1.

9 Risks and Uncertainties

Delivery of the Directorate savings is critical for the avoidance of overspend in 2012/13. The tight monitoring arrangements which are in place will ensure that any slippage against the Action Plan is highlighted and reported at the earliest opportunity.

Demand on Children and Young People's Services is always greater during periods of economic pressure. The Government's reforms of welfare benefits will add further pressure to CYPS budgets as a result of increased demand for services. It is therefore possible that demand for children's services may increase during the year. Should this happen it will be necessary to identify options to mitigate the financial impact of this.

A number of proposals to reduce the recurrent overspend involve the use of Early Intervention Grant (EIG). The level of EIG for 2013/14 onwards is not yet known so should there be any reduction in grant in future years this would create a further pressure that would need mitigating.

The LA should be mindful it has a duty to discharge its education and social care functions effectively. Further reductions, particularly to the children's social care budget is high risk in our efforts to keep the most disadvantaged and vulnerable safe.

10 Policy and Performance Agenda Implications

Delivery of the Revenue Budget within the parameters agreed at the start of the current financial year is essential if the objectives of the Council's Policy agenda are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.

11 Background Papers and Consultation

- Revenue Budget and Council Tax - Report to Council on 7th March 2012.

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Appendix 1

CYPS: Further Savings Proposals 2012/13

Proposal	Detail	£'000
Outdoor Learning	Service to be self-financed within 3 years. (£20k 12/13, £20k 13/14, £24k 14/15)	20
Connexions	Reduced Connexions funding	35
Education Support Services	Post disestablished (Service restructure)	46
Sexual Exploitation Team	Disestablish vacant post	11
NHS Income	Anticipated additional NHS funding towards placement costs	350
Safeguarding Restructure	Reduction in management posts to streamline and improve management oversight	150
Family Recovery	Use of EIG funding from Early Years & Children's Centres Review	314
Legal Costs	Pressure to be funded centrally	375
Family Assessment Team	Use of EIG funding from Early Years & Children's Centres Review	400
Youth Service, Connexions and Youth Offending Service integration	Restructure savings (EIG).	150
Youth Service	Use of EIG funding from Early Years & Children's Centres Review	186
Families Together Support Packages	Use of EIG funding from Early Years & Children's Centres Review	62
Staff savings	Savings through the release of staff through retirement or voluntary severance (beyond those included in other savings proposals)	108
Systems Development	Further savings following review of ICT Support Services	50
Total		2,257