

## BRIEFING NOTE TO OVERVIEW & SCRUTINY

### Officer responses to Scrutiny feedback on initial saving proposals in the light of OSMB discussion on 2<sup>nd</sup> October 2015 Budget 2016/17 and MTFs Progress Update – Supplementary Paper

15 October 2015

#### Purpose

In response to the feedback and issues for clarification listed in the feedback report from OSMB to Commissioner Manzie’s Decision Making meeting on 15<sup>th</sup> October 2015, the information below has been provided by the relevant lead officers. Comments are provided in a format that mirrors the OSMB feedback report, though Members may wish to consider these alongside the original savings proposals submitted to their meeting on 2<sup>nd</sup> October 2015.

These notes are provided to inform OSMB’s further consideration of Budget matters at their meeting on 23rd October 2015.

ASR Ref	Proposed saving	OSMB comments/recommendation	Service Response
EDS 2	Increased rental charges for clients in the Council’s Business Centre by 2% year on year	Members requested further information on the consultation with businesses and the wider analysis that has been carried out to assess the potential impact on the tenancies. They expressed concern this could result in the loss of revenue if the rents become uncompetitive and tenancies are not renewed. Members would like to understand what scenario planning has been undertaken.	See separate note at enclosed Annex.  <b>Contact: Tim O’Connell (01709 254563)</b>
EDS 16	Increase income on existing commercial estate	Members requested further information on what analysis has been done to determine the impact of this. Members concerns were as follows: <ul style="list-style-type: none"> <li>the potential impact on the prosperity of the town centres</li> <li>The proposal appears to be in conflict with the Council’s policy for supporting the “town centre first” initiative.</li> </ul>	This proposal would not be implemented in a blanket way. It is, however, designed to get a general agreement to doing this on the understanding: <ol style="list-style-type: none"> <li>Rent increases in the Commercial property Portfolio take place ONLY within the context of either current lease agreements or when new leases are agreed.</li> <li>Reviews seek to recover rents to a market level. A three year old rent for example (the usual rent review interval) reflects the rent</li> </ol>

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			<p>from three years before so the review is to redress the inflationary impact on rents which effectively reduces its value over time.</p> <p>c) Rents are not necessarily increased. In each and every case, rent reviews are considered in a wider context and if it is considered that a rent increase cannot be justified then the rent remains the same and this is documented with the tenant.</p> <p>d) Each and every rent review is considered by the relevant Estates Surveyor, agreed with the Estates Manager and ultimately approved under delegated powers by the Director of Housing, Asset Management and Neighbourhoods.</p> <p>New leases or renewals of existing agreements are an opportunity to review the 'market rent' for the property which will have been fixed from the last review date, either the commencement of the lease, or a review event. Market rent is what the annual value of the property is in comparison with other similar properties and never exceeds what a tenant would expect to pay in a private sector owned property.</p> <p>As noted above, rent reviews take place as prescribed and agreed events within the contract of a lease and are also to Market Value. We always consider the individual circumstances of a property and the tenant within it and never seek to introduce rent increases that would deliberately jeopardise the tenants' occupation.</p> <p>Rent increases at the events described above are a normal part of portfolio management and are there to protect the value of the rental income stream – a vital part of the revenue funding for the Council.</p> <p>This process is reviewed and approved by the Councils Internal Audit as being fair, appropriate and properly governed.</p> <p>We are mindful of changes in the 'market' and that in some cases there is a trend towards increases being established by reference to RPI. To ensure that our tenants are not prejudiced by occupying</p>

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			<p>RMBC owned premises we consider in each case whether this review route is appropriate (Landlord and Tenant law prescribes that it can only be introduced at the start of a new lease and with the agreement of the tenant). We anticipate that this will become more popular in time, and it has benefits to both parties in that increases can be predicted and therefore managed.</p> <p>The £5,000 pa offered up is a consequence of the normal rental review process.</p> <p>There will be no blanket increase in rents in the Town Centre or anywhere else.</p> <p>Rents are reviewed in line with the terms of the individual leases and new rents are based on a market rent i.e. the worth of the unit, which in turn relates to the trading strength of the unit.</p> <p><b>Contact: Paul Smith (01709 254061)</b></p>
	Cease payment of churchyard maintenance grants to Parochial Church Councils	Members sought re-assurance that this wouldn't impact on health and safety and were informed that this is the responsibility of the Church Councils.	<p>The grants that are paid to parochial church councils (PCCs) are to assist them with the general upkeep of the cemetery, this will include matters such as grass cutting and tree pruning. It is unlikely that the cessation of these grant payments will lead to significant health &amp; safety issues, not only because the amounts paid are generally quite low – but also because the church councils receive funding from other sources which could be used to fulfil the legal obligations that are incumbent on the PCC as the land owner.</p> <p>RMBC have no statutory responsibility for either the upkeep of the churchyard, or for the health &amp; safety of people within it.</p> <p>The churchyards / PCCs affected are as follows:</p> <p>Whiston PCC  Kilnhurst PCC  All Hallows Church (Harthill)  Dalton Holy Trinity PCC  Brinsworth PCC (Catcliffe Church)</p>

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			<p>Brinsworth PCC (Brinsworth Church)  Wickersley PCC  Wentworth PCC  Firbeck St Martin's PCC  Letwell St Peter's PCC  Swinton PCC  Maltby St Bartholomews PCC  Wales PCC  All Saints Laughton PCC (Throapham Church)  All Saints Laughton PCC (Laughton Church)  Ravenfield PCC  Woodsetts PCC  Ulley PCC  Todwick PCC  Thrybergh PCC  Thorpe Salvin PCC  Thorpe Hesley PCC  Brampton Bierlow Burial Ground Fund  St Thomas's Kimberworth PCC</p> <p><b>Contact: Alan Pogorzelec (01709 254955)</b></p>
EDS 21	Reduce CCTV budget – invest to save to deliver an RMBC owned fibre communications network	<p>Members were concerned regarding the lack of information available around this project, They established that it is subject to a capital investment for which the business case has not yet been established and the value of which is not known. Further concerns were as follows:</p> <ul style="list-style-type: none"> <li>• Rapid changes in technology – is this project future-proofed?</li> <li>• The proposal should really be classed as amber as it potentially has a more significant impact.</li> <li>• CCTV is an important asset to be maintained</li> </ul>	<p>This is seeking agreement in principle to this proposal. The saving of £15k in 17/18 relates to the potential to introduce an RMBC owned fibre communications network in the Town Centre, which would require an invest to save business case to be developed.</p> <p>We currently pay BT 'line rental' for the communications links associated with the CCTV cameras in Rotherham Town Centre. There is the potential for a replacement communications link to be created by RMBC providing its own fibre comms network in the town centre, thereby no longer requiring the BT line rental and achieving a revenue saving.</p> <p>The 'invest to save' project <u>has not yet been developed</u> and as a result within the original ASR submission the RAG rating was <b>AMBER</b>. The capital costs of the scheme to deliver an RMBC owned fibre comms network are not yet defined and any saving in BT line</p>

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			<p>rental would be dependent on how the interest on the capital investment would be repaid (i.e. in service or corporately). If interest has to be met from service budgets, subject to the scale of the investment and borrowing required, the potential saving of £15k is likely to be reduced.</p> <p>It is proposed that an invest-to-save project is developed further over the next 6 months concluding by March 2016, with a view to providing a robust position. This would allow 12 months to deliver the RMBC fibre comms network <i>should</i> an invest-to-save project be financially viable.</p> <p>The business case for an invest-to-save scheme would consider future technology also the best approach to future-proof the CCTV system.</p> <p>When developed, should the invest-to-save business case be approved, and delivered, the fibre comms network created would be owned by RMBC. All existing on street cameras and associated equipment that forms part of the fixed network of CCTV are owned by RMBC. This would include issues like the costing of maintenance and the risk profile.</p> <p>As part of the work to review and develop the feasibility of the fibre comms network we will be reviewing the existing CCTV assets to identify whether they would require upgrading as part of the project. Should they need to be upgraded we will consider how to best 'future proof the system' considering the latest and emerging technologies as appropriate.</p> <p>At this time we do not have an identified cost (i.e. the investment) for the invest-to-save proposition, this needs to be developed. As indicated the work to develop the business case will be complete by March 2016, when full costs and savings will be known.</p> <p><b>Contact Name: Tom Finnegan-Smith (01709 822967)</b></p>

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EDS 26	Clifton Park – increase car park, kiosk and room hire income targets  Remove project development budget	Discussed but no further comments	No response required
NAS-ASR-15	Cancellation of MESH mediations service contract	Discussed but no further comments	No response required
RES ASR 06	Reclaim VAT on mileage	Discussed but no further comments	No response required
RES ASR 08	Move towards supplier hosted solutions where economically advantageous to reduce equipment in data centre and associated support resources  Charge schools fully for the cost of ICT support	Members requested information on the wider context and wished to understand if there were any other red or amber proposals which should be considered alongside this. A more strategic review was requested and Members were reassured this was due to take place.  Members wished to know what confidence the Council has that schools will pay the charges and were reassured. This budget is not currently covering costs and needs to be zero cost. Members also recommended the Council consider how it improves its offer in the round to schools, particularly academies.	The Council has a mix of hosted or cloud based systems – this is largely determined by ICT and the application under review. The Service will only use cloud based hosting where it is sensible to do so. It is likely that as the infrastructure / broadband speeds further develop cloud based solutions will become more of the norm. In conjunction with this position, the service will be actively looking to maximise the financial benefits from its infrastructure capability e.g. Data Centre. A review of the ICT function and the future operating model for that service is underway  The Service should be recovering its costs from providing the schools service. The proposal to do this is relatively modest and we are not expecting demand to reduce as a result of this change in fees.  With regard to Traded Services to schools, the strategic Director of CYPS is exploring how the council could improve its offer to schools at a more strategic level  <b>Contact: Stuart Booth</b>
RES ASR-12	To implement an alternative management	Members supported the proposal and wished to know if this could be achieved elsewhere in the Council?	There is a corporate management support arrangement already in place for senior level staff – this proposal is about further rationalising the use of Personal Assistants and Management

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	support operating model that provides for shared management support and allows for the reduction of staff numbers		Support across the officer leadership team.  In general administrative support relates to customers etc. but this is the type of area services are reviewing  <b>Contact: Stuart Booth (01709 822034)</b>
RES ASR-17	Additional income through charging of Academies for the servicing of School Admission Appeals	Members sought reassurance that as this is a statutory responsibility the Council is empowered to make such charges and were reassured that it can. Appeals for Academies will ultimately go the Government	The Service able to make such a charge to academies  <b>Contact: Stuart Booth (01709 822034)</b>
PH-ASR-1	Review of out of area GUM payments and local prescribing payments  Theatre and Health Education support – contract renegotiation	Members were concerned about media reports of increases in sexually transmitted diseases and whether this action could be seen as a restrictive measure. Further information was requested regarding attendance figures at Rotherham clinics.  Discussed but no further comments	Local Authorities are mandated to ensure the provision of an open access sexual health service free to the end user of the service. This includes ensuring that any of our residents can receive Sexually Transmitted Infection testing and treatment outside of Rotherham. We are reviewing our payments in line with other LAs across the country. This will not impact on the service delivered or the patient experience .The review of out of area GUM payments is being carried out across Yorkshire and Humber and will lead to providers being paid no more than the suggested National tariff (rate of payment per episode of care). At present providers are paid on invoice and some charge more than national tariff (which is not mandated) to reflect locally agreed rates. Providers are aware that this is being reviewed across the country.  Our payments for Sexually Transmitted Infections (STI) services are based on an annual figure of just over 13,000 'episodes of care' (note: that doesn't necessarily mean actual numbers of people as it is a mixture of first visits, follow ups etc). We do have a number for 'new diagnosis' of all STIs 2014 which is approximately 2000 – this doesn't mean that our episodes of care will increase by 2000 per year as some people will 'drop off' having finished treatment for example. Our activity has remained fairly static over the last few years.

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			<p>In Rotherham we had 161 new diagnosis of gonorrhoea in 2014. Because the numbers of STI that are seen in Sheffield are relatively low (386) we cannot breakdown the numbers as to how many have gonorrhoea.</p> <p>The levels of drug resistance strains are monitored in the large centres across the country (Sheffield being one of them) so that treatment can be tailored accordingly. Subsequently several antibiotics are used in various combinations according to resistance.</p> <p><b>Contact: Jo Abbot (01709 255846)</b></p>
PH-ASR-5	Budget reduction for school nursing service reflecting equivalent funding provision of immunisations now provided by NHS England	Members sought clarification that this was a real saving and noted that there would be a future similar proposal for Health Visiting	<p>The school nursing saving for vaccination and immunisation is a real saving and not a paper exercise. Prior to the current financial year, there was a lack of clarity regarding the commissioning responsibility for immunisation and vaccination in the school population. This year, NHS England agreed to fund the provider directly, which therefore freed up £176k within the agreed contract value for the SN service. The SN service is contracted by Public Health from the ring-fenced grant. It is therefore an in year saving. Please note this is <b>not relevant</b> to the 0-5 Child Health Programme (Health Visiting/FNP) contract. The current contract novated to RMBC wef 1 October 2015 for a 6 month period only.</p> <p>Work is currently underway to re-specify 0-19 children and young people's health services with the potential for a revised funding envelope and including both School Nursing and 0-5 Child Health Programme services.</p> <p><b>Contact: Jo Abbot (01709 255846)</b></p>
CYPS-ASR-3 Early Years	Management Saving  Early Years and Childcare Service funding to reduce further through	All of these proposals were considered in the context of the growth requirements for CYPS and the budget pressures being felt in that directorate. Members were reassured that these were internal efficiencies and would not impact on the public.	No response required



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	<p>increased efficiency savings</p> <p>Income generation from delivering training to PVI providers</p>		
CYPS ASR 7	Children's Social Care Management	Members were reassured that these were efficiencies from integration of management.	No response required
CYPS ASR 9 major project Early Help	<p>Rationalisation of management as FRP outreach staff move into locality teams</p> <p>Reduce travel of staff to deliver outreach</p> <p>Review of family support services</p>	<p>Members were reassured that these were efficiencies from bringing together the early help offer and reducing duplication.</p> <p>Members recommended that these proposals are monitored closely in implementation to ensure that numbers in early help do not decline as a result of these measures and sought reassurance that this did not represent a disinvestment in a crucial area of council activity.</p>	<p>The FRP (Family Recovery Programme), is one of 4 Family support services currently operating within Early Help. Our move to integrated locality teams will rationalise these discrete teams into one effective targeted support model across the borough, building on the best practice from the existing services. This will improve the consistency of assessments and make the pathways for families and partner agencies simpler and easier. Whilst we have created a North, South and Central Team (across 9 localities, we will retain an oversight and grip of quality and effectiveness through one of the 3 Heads of Service who is also the strategic lead for Family Support.</p> <p><b>Contact: David McWilliams, 01709 254160</b></p>