

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
Thursday, 7th December, 2017

Present:- Councillor Steele (in the Chair); Councillors Brookes, Clark, Cowles, Cusworth, Evans, Mallinder, Napper, Sheppard, Short, Walsh and Wyatt.

The webcast of the Council Meeting can be viewed at:-

<https://rotherham.public-i.tv/core/portal/home>

49. DECLARATIONS OF INTEREST

There were no Declarations of Interest to report.

50. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

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

51. PRESENTATION - SHAPING ROTHERHAM'S FUTURE

The Leader of the Council and the Chief Executive attended the meeting to deliver a presentation to Members setting out the future direction of the Council as the preliminary part of the budget scrutiny process. This presentation was linked to the update on the Medium Term Financial Strategy and Budget Monitoring Report elsewhere on the agenda.

Resolved:-

That the presentation be noted.

52. OCTOBER FINANCIAL MONITORING REPORT 2017-18 AND UPDATE OF THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY 2019-20

Consideration was given to the report which set out the financial position for the Revenue and Capital Budgets at the end of October, 2017 and was based on actual costs and income for the seven months ending 31st October, 2017 and forecasted for the remainder of the financial year. This was the fourth of a series of monitoring reports for the 2017/18 financial year which would continue to be brought forward on a regular basis.

Delivery of the Council's Revenue and Capital Budget and Medium Term Financial Strategy within the parameters agreed at the start of the current financial year was essential if the Council's objectives were to be achieved. Financial performance was a key element within the assessment of the Council's overall performance framework.

As at October 2017 the Council had a forecast overspend on the General Fund of £4.594m, an increase of £0.6m over the £4.0m forecast overspend as at September. The main reason for this increase was a continuing rise in the projected overspend by the Children and Young People's Directorate of a further £0.434m, chiefly attributable to continued increases in the number of children in care.

This increase in the number of Looked After Children had also placed significant and unavoidable pressure on Legal Services, which currently had a forecast Budget overspend of £1.1m resulting in a net projected overspend for the Finance and Customer Services Budget of £0.6m. In addition, the Adult Care and Housing forecast overspend had increased by £0.2m from £5.1m to £5.3m.

Offsetting these pressures, the Assistant Chief Executive's Budget projected underspend had increased by £34k to £244k, chiefly as a result of staffing savings mitigating other cost pressures. It was still anticipated that the review of Business Rates and Treasury Management would deliver £5m of savings against the Central Services budget this year.

The Regeneration and Environment Services projected budget outturn remained a break even position achieved through ongoing tight day to day budgetary control.

Management actions to address areas of overspend were also ongoing and the overall budget position would continue to be monitored closely. The current round of budget monitoring showed, however, that the Council's Revenue Budget position had deteriorated by £0.6m since the previous monitoring report showing the position as at September.

The majority of the £24m budget savings approved within the 2017/18 budget were on target to be achieved. Within this target there were £11.9m of Directorate budget savings, which combined with a further £5.4m of 2017/18 Directorate budget savings agreed in previous budgets, gave a total Directorate savings target for 2017/18 of £17.3m. The current monitoring indicated that of this total, £6.8m of savings proposals were at risk of non-delivery in the manner approved by Council when the 2017/18 Budget was set (an improvement of £0.4m compared to September). These at risk proposals and the impact of mitigating actions were reflected in the current overspend projection. Approval by Cabinet would be sought for any budget savings which ultimately were proposed to be delivered differently on a permanent basis.

In order to balance the Revenue Budget for 2017/18 if expenditure could not be contained within budgets by management actions or by identifying additional savings, the Council would need to call on its reserves. The use of £10.5m from the Council's reserves was approved as part of the 2017/18 Revenue Budget, in recognition of the timescales associated with developing future plans to achieve the significant additional budget savings required to stabilise the Council's Budget position for the financial years 2018/19 and 2019/20. This approach permitted the Council to use its current balance of reserves to mitigate the overall budget risk in the short term and to support a sustainable financial plan in the medium term before these reserves were reinstated in future years.

The current financial climate, the risks associated with continuing reductions in Government funding and the resulting significant savings required by the Council meant that there was a need to maintain prudent levels of reserves and to avoid calling on them except in exceptional circumstances. Given this, it was essential that all services continued to develop mitigating actions and identify alternative savings to compensate for financial pressures and delays in delivering the full amount of savings proposed in the Revenue Budget.

The current forecast outturn position reflected the financial effects of the mitigating actions that have been identified and implemented to date and the progress made in re-establishing a balanced budget position will be reported regularly through these Financial Monitoring reports.

As indicated in the Budget and Council Tax report 2017/18, the summary Medium Term Financial Strategy had been reviewed, informed by the financial outturn for 2016/17 and taking into account current economic factors and latest financial planning estimates of the council tax base, council tax collection rates, business rates income and business rates appeals.

This review results in estimates of the MTFFS Budget Gaps for the following two financial years of £15.1m in 2018/19 and £15.8m in 2019/20, a total of £30.9m over the two years.

There continued to be significant in-year pressure on the Dedicated Schools Grant (DSG) High Needs Block – the projected overspend has increased by £140k in the past month to the current projection of £7.360m. Whilst at present this pressure did not directly affect the Council's financial position, it was imperative that the recovery strategy was implemented setting out clearly how this position would be resolved and avoiding any risk to the Council in the future. This included the planned transfer of £3m DSG in 2017/18 to reduce the forecast High Needs Block deficit.

A recovery plan intending to mitigate as far as possible the in-year pressure and achieve the previously reported position of an overall cumulative deficit of £1.796m by April 2019 had been devised by the service. As reported previously, the key areas of focus which would deliver the targeted deficit reduction by April 2019 included:-

- A revised Special School funding model (November 2017);
- A review of high cost out of authority education provision to reduce cost and move children back into Rotherham educational provision (November 2019); and
- A review of inclusion services provided by the Council (December 2017).

The Public Health Budget was forecast to spend at budget whilst spending in the Housing Revenue Account (HRA) was forecast to be £0.583m below budget, reducing the planned use of HRA reserves from £1.16m to £0.6m.

An in-year variance of £15.396m reduced spend on the 2017/18 Capital Programme was forecast, the majority of which related to schemes which were re-profiled into 2018/19. The most significant variance was in respect of the Adult Care and Housing Capital Programme – where it was estimated that £10.821m of spending would be re-profiled into 2018/19 and later years of the Capital Programme, mostly to reflect delays on several major projects providing new housing.

This revised and re-profiled Capital Programme position would continue to be closely monitored and any further revisions and adjustments required to the Programme would be reported within the next financial monitoring report to Cabinet.

Members identified the pressures in respect of Adult Social Care and noted that most unitary and upper tier council had pressures in this area. In the future it was considered that this would represent a significant pressure on the budget. In response, officers confirmed that this was correct and noted that additional 3% levied on Council Tax for adult services in 2017/18. Information would be presented to Members as part of the budget on how the adult care budget would be progressed and how increasing costs would be managed.

Having regard to the earlier presentation by the Leader of the Council and Chief Executive, Members sought assurances that the budget was under control and regularly monitored. Officers confirmed that the budget was regularly monitored through reports such as this which are considered by the Cabinet, Commissioners and the Senior Leadership Team. Any re-profiling of the budget would need to come through to Members for determination at Council and assurances would be provided with any recommendations to do so.

Reference was made to the practice of vacancy management where vacant posts had been left unfilled to deliver in-year savings and Members queried whether such posts were needed if they could be left unfilled for significant periods of time. Officers indicated that this was a valid point and the question pre-empted some of the savings that were proposed to be considered as part of the budget scrutiny process later in the month.

Assurances were sought in respect of the Troubled Families Programme and the claim submitted in October 2017 had been accepted. The Assistant Director of Financial Services indicated that he expect that it had been, but would confirm in writing outside of the meeting.

Referring back to the earlier presentation by the Leader of the Council and Chief Executive, assurances were sought in respect of the ability to scrutinise and challenge third parties who might deliver services on behalf of the Council in future. In response, it was explained that this would need to be built into agreements and contracts in future.

Resolved:-

That Cabinet be advised that the recommendations be supported.

53. REVIEW OF COUNCIL TAX SUPPORT SCHEME

Consideration was given to a report which detailed that until 2013/14 Council Tax Benefit was a national scheme administered by Councils, but fully funded by the Government. In 2013 the Government abolished the national scheme and asked Local Authorities to create their own local Council Tax Support (CTS) Schemes with reduced funding. Local CTS Schemes have to be reviewed annually and this report set out recommendations following this year's review which was carried out within the context of the substantial financial challenges facing the Council.

Since 2010 Central Government grant to local authorities had been severely cut each and every year and the Council's latest financial planning assumptions have identified that the Council needed to reduce its net spending by a further £31m over the two years 2018/19 and 2019/20. The Council must address this funding gap whilst demand for services, particularly social care for vulnerable children and adults, was continuing to rise.

As part of the review of the CTS Scheme, the level of potential savings that could be gained by changing the scheme was considered alongside the impact of a variety of options.

Rotherham's scheme had remained unchanged since it was implemented, whereas many other Councils have already reviewed their schemes and provided support which was significantly less than was currently provided by Rotherham.

The proposals related only to support for working age claimants (the support provided to pensioner claimants remained unchanged at nationally determined levels).

The options which were selected included retaining the current scheme and a further seven change options which could be implemented individually or in combination. Any proposal to change the Council Tax Support Scheme required the Council to consult major preceptors (Fire and Rescue Authority and Police and Crime Commissioner) and also to undertake a public consultation exercise. Consultation had been held with the major preceptors and a public consultation was undertaken over the period 9th October to 20th November, 2017.

A total of 401 responses were received and detailed analysis of the consultation, including its scope and the analysis of the responses received, was set out in detail as part of the report. These have informed the final recommendations.

Legislation required that any changes to the Council Tax Support Scheme must be adopted by Full Council by 31st January, 2018 in order to come into effect for 2018/19. The Cabinet would then consider the proposals and any recommendations would, therefore be forwarded for consideration at the Council meeting on 24th January, 2018.

Resolved:-

1. That Cabinet be advised that the recommendations be supported.
2. That greater clarity is provided about how consultation responses are used to inform proposals; and where the proposals differ from a majority consultation response, that a clear rationale is provided about how the proposals have been arrived at.
3. That a further report is provided in October 2018 on the take up of the Council Tax Support Scheme and the impact of the roll-out of Universal Credit across the borough.

54. ROTHERHAM LOCAL PLAN: MAIN MODIFICATIONS TO THE LOCAL PLAN SITES AND POLICIES DOCUMENT

Consideration was given to a report which was to seek Council approval to consult on Main Modifications to the Sites and Policies Document. This was necessary to accommodate the changes to the plan required by the Planning Inspector. These changes were required to make the plan sound and enable the Council to adopt it in due course.

Members queried the changes proposed by the Planning Inspector and made specific reference to the removal of a restriction on takeaways near schools. In response it was confirmed that a refusal on the grounds of being against the interests of public health reasoning had been challenged and lost on appeal, as the Planning Inspector did not attach weight to the public health argument.

Reference was also made to land at Thorpe Hesley which was proposed to be protected by inclusion within the green belt and ward Members were very pleased with that amendment. Reflecting on this point, Members concluded that one of the great advantages of the Local Plan is that it gives the Local Planning Authority and the Planning Board the power to refuse applications which are not consistent with its provisions.

Resolved:-

That Cabinet be advised that the recommendations be supported.

55. THE 'TIME FOR ACTION' INITIATIVE

Consideration was given to the report which set out the work that had been done in Rotherham to strengthen enforcement activity around environmental crime issues such as littering, dog fouling and fly-tipping following the approval by Cabinet and Commissioners of the 'Time for Action' approach on 9th January, 2017 and to progress discussions with Doncaster Council to develop shared service provision.

A pilot exercise in Rotherham had been underway since 26th April, 2017 to test the effectiveness of an alternative approach to deliver enhanced environmental crime and parking enforcement within the Borough.

The pilot had proven to be successful as could be evidenced by the increased level of fixed penalty fines and patrols undertaken to tackle littering and dog fouling and whilst it was difficult to measure any long term effects in relation to deterrent or reducing street cleansing costs, the short term aim of increasing enforcement against environmental crime offences could clearly be demonstrated.

Discussions with Doncaster Council have continued throughout with consideration of options, potential timescales, likely specifications and potential service level agreement items.

Members expressed concerns that Kingdom were operating on private owned land where the landowner had a duty to maintain cleanliness of their property and felt that Kingdom should operate solely on public land or Council owned property. In response, officers confirmed that a flexible approach could be adopted where a private landowner could pay for the service.

Further concerns were expressed that the initiative was targeting areas with larger footfall to increase the ratio of fine. In response, officers advised that targeting was something that should be pursued, but it should not be about targeting specific individuals, but rather to undertake enforcement activity to challenge behaviours.

Members sought clarification in respect of the number of fines that needed to be pursued through the courts for non-payment. In response, it was confirmed that 4,617 offences had been committed and the expectation was that 70% of these would be collected and 30% would require collection through the courts. It was agreed that specific information would be supplied outside of the meeting.

Clarification was sought as to why attendants were operating in pairs around the town centre. It was explained that this happened occasionally, although staff were provided with body cameras to record proceedings. This was particularly important due to the abuse received by staff and the authority needed to support staff undertaking what could potentially be difficult work.

Resolved:-

1. That Cabinet be advised that the recommendations be supported.
2. That the following recommendations from Improving Place Select Commission be used to inform the negotiations:

That:

- a) The service should be extended to include issuing of parking fines;
- b) A communication plan be developed to promote the initiative borough wide;
- c) Branding is clearly identified and included as part of the communications plan;
- d) Members are notified when Enforcement Officers are working in their Wards;
- e) Service provision is distributed equally across outlying areas and wards;
- f) The extension of service provision to private sector areas be explored;
- g) That contractors undertaking enforcement activity and issuing of penalties on behalf of the Council work to Rotherham MBC's code of practice;
- h) When fines are issued, that clear and consistent information is provided to the customer about the process and what happens next;
- i) Details of the contract covering the shared service arrangements should be presented to Improving Places Select Commission;

- j) Six monthly monitoring and evaluation reports are to be presented to Improving Places Select Commission to include details regarding social demographics.

56. DATE AND TIME OF NEXT MEETING

Resolved:-

That the next meeting be held on Thursday 14 December, 2017 at 2.00 p.m.