

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1. Meeting:	Self-Regulation Select Commission
2. Date:	19 April 2012
3. Title:	Scrutiny review of RMBC's District Heating Schemes
4. Directorate:	Resources

5. Summary

At the meeting of the Self-Regulation Select Commission on January 12th 2012, it was agreed that "a Review take place on District Heating Charges under the remit of value for money." This report asks for expressions of interest to be part of the review.

6. Recommendations

That Members:

- a. reaffirm that they wish to undertake a review of district heating charges under the remit of value for money;**
- b. nominate members to be part of a small steering group to scope the review and determine who the panel wish to interview;**
- c. receive a further report on progress.**

7. Proposals and Details

- 7.1 The Panel received a report to its January meeting outlining proposals for Housing Rent Increase 2012/13, which includes charges for heating in those areas covered by a district heating scheme.

The report detailed that the council operates 3 distinct schemes, each with a separate charging format:

- A pooled metered scheme;
- An unmetered scheme at Beeversleigh; and
- Switch 2 card meter scheme at Swinton

- 7.2 In 2007/08, the Cabinet Member approved a three year strategy for ensuring the full recovery of district heating costs. Due to ongoing and significant increases in the prices of gas and utility charges in general, this strategy has yet to be fully realised.

- 7.3 Under its remit, the Self-Regulation Select Commission agreed to undertake a review to ascertain whether value for money is being secured.

- 7.4 The commission is asked if it still wishes to undertake this review. If so, it is suggested that a small steering group is set up to determine the scope of the review, identify witnesses, and undertake background research. This work will be supported by relevant officers across Directorates.

- 7.5 Mindful of elections and potential changes to the commission's membership, it is suggested that this work commences early in the new municipal year, after annual meeting of Council.

8. Finance

- The cost attached to the review will be met through existing resources.
- The financial implications of any recommendations emerging from the review will require further exploration by Cabinet and the Strategic Leadership Team on the cost, risks and benefits of their implementation.

9. Risks and Uncertainties

Failure to ensure the full recovery of district heating costs in the long term may have an impact on the Housing Revenue Account.

10. Policy and Performance Agenda Implication,

It is important that residents receive reliable, competitive and value for money heating. This links to the wider Affordable Warmth and Anti-Poverty Agendas.

There is also evidence to demonstrate that communal heating systems can contribute to the limitation of emissions of harmful gases. This has positive implications for the Council's Environmental policies.

11. **Background Papers and Consultation**

Housing Rent Increase 2012/13 – Report to Cabinet, 18 January 2012
Self-Regulation Select Commission – Minute 43, 12 January 2012

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