

SELF REGULATION SELECT COMMISSION
Thursday, 8th May, 2014

Present:- Councillor Currie (in the Chair); Councillors Atkin, Beaumont, Ellis, Sharman, Vines and Watson.

Apologies for absence:- Apologies were received from Councillors Beck, Godfrey and J. Hamilton.

68. DECLARATIONS OF INTEREST

There were no Declarations of Interest to report.

69. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

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

70. COMMUNICATIONS

No communications had been received.

71. MINUTES OF THE PREVIOUS MEETING

Resolved:- That the minutes of the previous meeting held on 27th March, 2014, be approved as a correct record for signature by the Chairman.

72. REVENUE BUDGET MONITORING FOR THE PERIOD ENDING 28TH FEBRUARY, 2014

Further to Minute No. 241 of the meeting of the Cabinet held on 30th April, 2014, consideration was given to a report presented by Pete Hudson, Chief Finance Manager, which provided details of progress on the delivery of the Revenue Budget for 2013/14 based on performance for the first eleven months of the financial year. It was currently forecast that the Council would underspend against its Budget by £36k (-0.016%). This represented an improvement in the forecast outturn of £1.219M since the January monitoring report.

Delivery of this very positive forecast outturn would not have been possible without the early implementation of Cabinet's Budget Strategy to bring spend back in line during the financial year. This included both the implementation of the in-year moratorium on non-essential spend (October 2013) and the release of 126 staff through Voluntary Early Retirement/Voluntary Severance (VER/VS). Implementation of the moratorium on non-essential spend had adversely impacted on some services ability to deliver income targets (most notably ICT services), however, overall a slight underspend was still forecast.

Members were asked to note that meetings continued to take place with the Clinical Commissioning Group (CCG) with regard to levels and timing of Continuing Health Care (CHC) funding. Details of progress to date were included within this report.

It was proposed that the next budget monitoring report would be the Council's 2013/14 Outturn Report which was to be presented to Cabinet in June once the Council's Statutory Unaudited Financial Statements have been prepared.

The Select Commission were advised of the forecasted over and underspends for each which were set out in detail as part of the report.

A discussion and answer session ensued and the following issues were raised and subsequently clarified where possible:-

- What was the effect on the budget when schools were in deficit and then sought academy status and how the future risk was mitigated.
- Liability on pensions when a school turned into an academy.
- Amazing achievement of a 97.1% collection rate target for Council Tax and the thanks to staff on maintaining and exceeding collection targets.
- Identification of unachievable budget savings targets and why these were still identified as savings going forward.
- Responsibility of Directorates and Finance Managers ensuring savings put forward were achieved and assurances that the monitoring process was taking place.
- Improvements in Children and Young People's Services year on year, but which were still reporting an overspend, which was being offset by bigger savings by other Directorates.
- Overspend on winter pressures and the impact on the budget of a harsher winter than that of 2013/14.
- Inherent pressure of winter maintenance which appeared out of kilter in terms of adequate budget provision and the potential for a spotlight scrutiny review on this area either by this Commission or Improving Places.
- Forecasted contribution to reserves from the Housing Revenue Account when the budget set indicated the need for a draw down from reserves and a request for the content to be explained in more detail.
- Number of Departments forecasting underspends and whether or not the budget allocations had been set appropriately and if these underspends could offset some of the services that were subject to budget cuts potentially calling into question accuracy of budget setting

Resolved:- (1) That the significant achievement of a balanced forecast outturn be noted.

(2) That the progress made to date in respect of Continuing Health Care negotiations be noted.

(3) That further financial information be provided on effect of schools in deficit seeking academy status and the future liability on pensions.

(4) That winter pressures and the Housing Revenue Account be added to the Work Programme for consideration and further investigation in the next municipal year.

73. CORPORATE RISK REGISTER

Consideration was given to a report presented by Colin Earl, Director of Audit and Asset Management, which provided details of the current Corporate Risk Register summary. The summary showed the risks associated with the Council's most significant priorities and projects and actions being taken to mitigate these risks.

The Council's key current risks continued to relate to the financial pressures faced by the Council, the impact of the Welfare Reforms, delivering effective Children's Services and economic growth. The report summarised the management actions that were being taken to mitigate these and other risks in the register and listed the risks in descending inherent risk order to emphasise the most significant.

A new risk relating to pandemics and communicable diseases had been added to the Register at the request of Public Health in recognition of the changing face of the Authority and its responsibilities.

Two risks had been removed from the Register:-

- Making the best use of properties and expanding worksmart – the aims had been sufficiently progressed to warrant its removal from the Register but would continue to be reviewed as part of the EDS top priorities/Risk Register.
- Financial impact of Mesothelioma claims to be paid through Municipal Mutual Insurance – the impact was now more clearly known and had been fully provided for.

It was noted that KPMG were carrying out an analysis of Risk Registers across the region and would provide a report on the comparison exercise in due course.

As had been noted in the previous report the impact of schools seeking academy status was affecting income by the ICT Team.

The Select Commission questioned whether or not the impact of the De-regulation Bill had been factored into the Risk Register and referred to the recent seminar held for all Members on Universal Credit as part of the Welfare Reform.

It was also noted that the Forward Plan of Key Decisions was presented to the Overview and Scrutiny Management Board.

Further information was also requested on the key lines of responsibility and accountability for those schools who had sought academy status and how safeguarding issues were monitored and also on the model of accountability and reporting mechanisms for Public Health.

Clarification was also sought on the financial impact of mesothelioma and the reasons for the removal from the Risk Register and whether or not schools not hitting targets or in dispute should be added.

Resolved:- (1) That the contents of the Corporate Risk Register summary attached at Appendix A be noted.

(2) That the current assessment of the Council's top corporate risks be noted.

(3) That the De-Regulation Bill and schools in deficit seeking academy status be considered for addition to the Corporate Risk Register.

74. WORK PROGRAMME 2013/14 - UPDATE AND FORWARD PLANNING

Caroline Webb, Scrutiny Adviser (Scrutiny and Member Development), presented an update on the progress on the delivery of its work programme, summarising the areas that had been closely monitored, achievements and changes that had taken place. It also proposed future agenda items and potential themes going forward into 2014/15.

Due to the Select Commission's monitoring role many of the issues already considered would continue to be scheduled at regular points throughout the municipal year, along with the 2015/16 budget setting process, equality impact of budget savings and workforce planning.

From previous reports winter pressures and more in-depth information on the Housing Revenue Account were suggestions that should be added to the programme moving forward.

The Select Commission were mindful of other Commissions seeking a theme to their monitoring role and it was suggested that "Budget and Performance" qualified in this instance as the 2015/16 budget setting process would feature heavily in the next municipal year. It was suggested that Directorates be encouraged to share information at an earlier stage in the process to enable more scrutinised involvement.

Resolved:- (1) That the achievements so far be noted.

(2) That the theme "Budget and Performance" be an adopted approach for the 2014/15 work programme with an earlier emphasis on the 2015/16 budget process.

75. DATE AND TIME OF NEXT MEETING

Resolved:- That the next meeting of this Select Commission be held at the Town Hall, Rotherham on Thursday, 26th June, 2014, commencing at 3.30 p.m.