

SELF REGULATION SELECT COMMISSION
31st July, 2014

Present:- Councillor Watson (in the Chair); Councillors Beaumont, Cutts, Ellis, Godfrey, J. Hamilton, Sharman and Tweed.

Apologies for absence were received from Councillors Currie and Sansome.

11. DECLARATIONS OF INTEREST

There were no Declarations of Interest to report.

12. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

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

13. COMMUNICATIONS

No communications had been received.

14. MINUTES OF THE PREVIOUS MEETING

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

Further to Minute No. 82(6) (Revenue Account Outturn 2013/14) it was noted that the working group would be meeting shortly.

15. REPRESENTATION ON PANELS AND SUB-GROUPS

Resolved:- That Councillor J. Hamilton represent this Select Commission on the Environment and Climate Change Steering Group.

16. WORKFORCE STRATEGY AND PLANNING 2013-14

Phil Howe, Director of Human Resources, presented an overview of workforce planning statistics and demographics, information on workforce planning data available to managers and key workforce activity carried out during 2013.

The Council Workforce Strategy had a focus on 5 key themes of which Appendix 1 detailed the current position and trends:-

- Ensuring we have a modern thriving Council
- Developing leadership capacity through change
- Developing our employee skills for the future
- Managing talent and attracting new talent as appropriate
- Ensuring we have a fairly rewarded workforce

Attention was also drawn to:-

- Budget Challenges
- Workforce demographics
- Workforce planning in Directorates
- Workforce Strategy during 2013/14
- Theme: Ensuring we have a modern and thriving Council
- Theme: Developing leadership capacity through change
- Theme: Developing our employee skills for the future
- Theme: Managing talent and attracting new talent as appropriate
- Theme: Ensuring we have a fairly rewarded workforce

Discussion ensued with the following issues raised/clarified:-

- The budget challenges facing the Council had required organisational redesign, changes to working practices and changes to Human Resources policies - a £3.8M reduction in 2013/14 had taken recurrent savings to over £27M a year
- 1,200 employees had left the Authority since 2010
- 79 apprenticeships had been supported together with over 40 work placements arranged for disabled/long term unemployed through the access all areas scheme and 9 work placements offered for Looked after Children
- Pay Protection Policy had been revised as part of the negotiated changes to terms and conditions
- An annual summary was provided to all Services with a breakdown of age profile etc. which would highlight any areas of underperformance
- Historical target for the number of employees from an ethnic minority derived from the National Office of Official Statistics outturn for 2001
- Ongoing work for successful succession planning given the downsizing that had occurred over recent years as we all giving opportunities to remaining employees
- Staff surveys and Investors in People took place every 4 years with 1 of them happening every 2 years. Both had cost implications
- Real push across the Local Government Strategic Partnership to work with the private sector

Resolved:- That the report be noted.

17. SCHOOL DEFICITS/ACADEMY CONVERSIONS

Further to Minute No. 82(6), Joyce Thacker, Strategic Director of Children and Young People's Services, and Joanne Robertson, Finance Manager, presented a report on the financial deficits attached to the conversion of Rawmarsh School and Swinton Brookfield Primary Schools to Academies.

It was important to note that only 'Sponsored' Academy conversions (where a school was in deficit) resulted in the deficit falling onto the Local Authority. Where the school was a 'Converter' (not sponsored) any deficit was funded by the Department for Education.

The current main Policy for school's deficits was contained in Rotherham's Scheme for Financing Schools:-

Planning for Deficit Budgets

Expectation that schools which identified a financial deficit could clear its deficit balances and that the budget plan would demonstrate how it could be achieved. If this could not be achieved, a school must seek approval for a licensed deficit.

Licensed Deficits – applicable to Secondary Schools only

The scheduling of repayments of deficits at Council-maintained schools were the subject of a 3 year spending plan which incorporated a maximum repayment term of 3 years. The deficit would represent no more than 5% of the school's delegated budget. This could be extended to 5 years in exceptional circumstances.

Any such arrangement could only be entered into with the authorisation of the Strategic Director and Director of Finance representative.

The school must submit a recovery plan which provided robust evidence of the size of the financial problem and how it would be addressed. Once authorised, the recovery plan would be monitored and reviewed on a 6 monthly basis.

Interest would not be charged during the terms of the repayment. However, charges would be incurred on the initial or maximum balance (whichever was the greater) if the submission was not addressed within the timespan.

The report also referred to the proposed changes to Rotherham's Fair Funding Scheme for proposed Academy conversions where schools were in deficit. The proposed changes to the Fair Funding Scheme had not been as a result of Rawmarsh but recognition of the potential risk to the Council's budget. It ensured that schools had a better understanding of what the expectation of them was but the power to remove the budget had always been there. Consultation on the proposed changes would close on 10th September, 2014, with feedback to the Schools Forum on 3rd October.

Rawmarsh Academy had seen a number of significant changes and had been transformed into a vibrant learning community. There had been a number of discussions with the Executive Head Teacher, Director of Schools and Lifelong Learning and the Head of the School Effectiveness Service regarding the School's attainment. Marked improvement had

already been seen and it was felt that the funding had been required to achieve such.

Discussion ensued with the following issues raised/clarified:-

- 75% of Rotherham's schools were "good" or better and 78% of children attended schools that were "good" or better
- The deficit to the Local Authority was expenditure within the financial year against revenue within the CYPS budget - there were no further costs once the school had converted. The school did not have to repay the deficit
- The Local Authority had no control over a school once they became an Academy
- 27% of Rotherham's schools had converted to Academies with the number increasing
- Work was ongoing with all Head Teachers to try and avoid 1 School's decision to academise not affecting another's feasibility
- The DfE had no contingency plan in the case of an unsuccessful Academy and its pupils; it would fall upon the Local Authority to take the pupils on board. However, there was robust financial monitoring in place
- The issue was included on the Risk Register

Resolved:- That the work undertaken to mitigate the revenue impact upon the Local Authority of deficit budgets in schools that were likely to become a sponsored Academy be noted.

18. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended (information relating to the financial/business affairs of any person, including the local authority).

19. DISTRICT HEATING UPDATE

Tom Bell, Strategic Housing and Investment Service, gave a 6 monthly progress update on the Scrutiny recommendations and presented the report that had been considered by the Cabinet Member for Safe and Attractive Neighbourhoods at her meeting held on 16th June, 2014 (Minute No. 16 refers).

The submitted report contained the investment requirements and funding needed to implement an improvement plan over the next eight years. This robust approach to assessing the condition of each of the 37 district heating schemes had resulted in the following recommendations:-

- 10 schemes should be retained and benefit from further investment;
- 6 schemes should be retained, but reduced in size to achieve efficiencies;
- 20 schemes (all within the Fitzwilliam estate at Swinton) should be replaced with an alternative solution;
- the scheme at Beeversleigh should be replaced with an alternative district heating;
- the investment in new fuel stores for three Bio Mass systems, subject to Renewable Heat Incentive grant funding being obtained.

Discussion ensued on the report with a number of issues clarified regarding:-

- Number of owner/occupiers on the Fitzwilliam estate
- Facility for tenants to use mobile technology to make payments
- Security measures built into the equipment to help alleviate incidents of tampering
- Fuel charges

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

(2) That a further report be submitted in 12 months.

20. DATE AND TIME OF NEXT MEETING

Resolved:- That the next meeting of the Self Regulation Select commission be held at the Town Hall, Rotherham on Thursday, 18th September, 2014 commencing at 3.30 p.m.