

THE CABINET
4th February, 2015

Present:- Councillor Lakin (in the Chair); Councillors Beck, Doyle, Godfrey, Hoddinott and Hussain.

An apology for absence was received from Councillor Beaumont.

C129 QUESTIONS FROM MEMBERS OF THE PUBLIC

(1) A member of the public asked in view of the £220 million contract with B.T. and the efficiencies and savings required, why did the Council continue to play music or give information on training events when callers contacted the Council. Was this expense of prolonging the call being passed onto the caller?

The Strategic Director of Environment and Development Services believed the member of the public to be referring to the former RBT contract which was terminated a few years ago. In terms of the use of premium telephone lines and costs incurred by the public, it was confirmed that this was not a system used in Rotherham.

Music was only played to a caller when they were placed on hold whilst being transferred to the right person.

The Council also monitored the number of abandoned calls to the Council and there was nothing to indicate the Council was having a higher number of abandoned calls.

(2) A member of the public asked when would the report by Louise Casey be published?

The Interim Chief Executive confirmed that the report was to be published later today (4th February, 2015).

In a supplementary question the member of the public asked if the Council would have early sight of the report prior to it being made available to the public?

The Interim Chief Executive was led to believe the report, when published, would be freely accessible by all.

(3) A member of the public referred to a recent Cabinet meeting where it was agreed to withdraw the level of grant provided to Parish Councils, which would cause Anston Parish Council to lose £31,000 of funding. How was this fair to withdraw Parish Council funding for key services and given this to private business?

The Deputy Leader pointed out it was unfair, but this was directly as a result of the funding cuts by Central Government to the revenue support grant, which would take place over the next few years and which was being passed on to Parish Councils.

This was not a situation the Council wished to be in, but the funding had been protected for 2015/16 to allow Parish Councils time to prepare for the proposed reduction in funding in future years.

In a supplementary question the member of the public did not accept the answer provided and that this was as a direct result of the Government funding cuts. Why was funding to Parish Councils being cut when the Cabinet were to discuss on today's agenda a proposed loan to Magna of £350,000 with money going to private businesses? Residents were being denied the services they required, which was unacceptable.

The Deputy Leader pointed out that the loan to Magna would be considered in the context of the Council receiving a return on this business, but pointed out that the effect of receiving 28% less of the revenue support grant had to be managed.

C130 DECLARATIONS OF INTEREST

Councillor Beck, Cabinet Member for Business Growth and Regeneration, declared a disclosable pecuniary interest in Minute No. 141 (Magna Trust Loan) on the basis that the Chamber of Commerce were members of the trust of Magna.

C131 REVENUE BUDGET MONITORING FOR THE PERIOD ENDING 31ST DECEMBER 2014

Councillor Hoddinott, Deputy Leader, introduced a report by the Strategic Director of Resources and Transformation which provided details of progress on the delivery of the Revenue Budget for 2014/15 based on performance for the first nine months of this financial year. It was currently forecast that the Council would overspend against its Budget by £2.103m (+1.0%); an improvement of £873k since the last report to Cabinet in December (October monitoring report).

The current forecast outturn excluded the costs of implementing recommendations from the Jay report and the Ofsted Inspection, and the costs which would be borne by the Council in respect of the Corporate Governance Inspection.

The main reasons for the forecast overspend were:-

- The continuing service demand and cost pressures for safeguarding vulnerable children across the Borough.
- Cost pressures arising from some schools converting to academies.
- Continuing Health Care income pressures and demand pressures for Direct Payments within Older People and Physical and Sensory Disability clients.
- Additional costs of responding to the Jay report and Ofsted recommendations.

Resolved:- That the current forecast outturn and the continuing financial challenge for the Council to deliver a balanced revenue budget for 2014/15 be noted.

C132 RMBC "FACING THE CUTS, DELIVERING ROTHERHAM'S PRIORITIES" 2015/16-2016/17 - PUBLIC/EMPLOYEE CONSULTATION FINDINGS

Councillor Hoddinott, Deputy Leader, introduced a report by the Strategic Director of Environment and Development Services, setting out the key headlines from the recent 'Facing the Cuts, Delivering Rotherham's Priorities' consultation which had taken place to help inform the Council's budget for 2015/15 and 2016/17. The consultation had been active since 1st November, 2014 and was completed on 31st December, 2014.

The consultation had been undertaken through input from a number of teams across the Council including Corporate Finance, Housing and Neighbourhood Area Partnerships and Engagement Service and Communications and Marketing. Rotherham residents and partner organisations had been asked to give their views on how the Council's budget should be spent and where reductions should be made on the following three priority areas:-

- Protecting our most vulnerable children and adults
- Getting people into work and making work pay
- Making our streets cleaner and better

The consultation had also asked whether people would support an increase in Council Tax.

The report set out the methods of consultation utilised and a summary of the findings for the consultation with the public, partners, voluntary and community sector and employees.

The impact of the findings would be mitigated through robust research methodology and analysis of findings, balancing qualitative and quantitative research methodologies distinguishing between respondents (such as Council employees, businesses, voluntary sector and the public) and a communication strategy that supported the consultation exercise.

All services would be encouraged to use the online forum as an integral part of their public consultation to ensure the momentum from the last two years was maintained. This would ensure that the response rate rose and improved as some momentum was lost between the last two budget consultation exercises when the online form was closed down.

Resolved:- (1) That the headline messages arising from the analysis of the budget consultation be noted.

(2) That consideration be given as to how the consultation findings aligned with and could/should influence the Council Budget for 2015/16 and 2016/17

(3) That the development of a communication plan to ensure that the Council was proactive in communicating both the results and the impact on decision making to the public and employees be supported.

C133 SAFEGUARDING ADULTS ANNUAL REPORT 2013-2014

Councillor Doyle, Cabinet Member for Adult Social Care and Health, introduced the Annual Report produced by the Rotherham Safeguarding Adults Board.

The Safeguarding Annual Report was a key mechanism through which every member of the Safeguarding Adults Partnership assured itself that Safeguarding Adults activity had been carried out effectively and to the expected standard.

Cabinet Members welcomed the report and the activity that had been taking place.

Resolved:- That the Safeguarding Adults Annual Report 2013-14 be received and the contents noted.

C134 REVIEW OF NEIGHBOURHOOD CENTRES - FINAL RECOMMENDATIONS

Further to Minute No. 29 of 6th August, 2014, Cabinet, Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, setting out proposals for the remaining nine Neighbourhood Centres and Borough-wide laundry and guest bedroom facilities following further consultation and usage analysis.

A thorough consultation exercise for each of the Neighbourhood Centres, including communal lounge areas, guest bedrooms and laundry facilities, had been undertaken to determine proposals relating to future use. The findings had been:-

- Retain one Centre – the Centre was only used six hours per week but operated at a surplus and the majority of tenants wanted to retain it. It was located within a deprived area where the Service would like to work with the existing Tenant and Residents Association to increase usage
- Decommission eight Centres – these Centres were not well used, most operated at a deficit and the majority of the tenants (on seven of the eight schemes) supported removal of the charge and an alternative use

The guest bedrooms would be removed from all facilities recommended for an alternative use. However, some of the laundry facilities may be retained if usage was above the proposed threshold. The Centres would be converted and re-let as Council homes to support housing need and demand subject to planning permission for a change of use. If planning permission was not granted that alternative options may have to be considered. Subject to the relevant approvals, the works would be phased with Centres already approved for conversion over a two year period (2015/16 and 2016/17).

The options for the proposed increase to the laundry charge were set out in the report submitted.

Informal discussions had been held with the Planning Service regarding the proposals for a change of use to residential units. There was a need to demonstrate that the existing community use was no longer required and that there was no other community use that could benefit from the building before considering allowing a change of use to residential. The Housing Service was able to justify that the community use was not viable based upon current usage and consultation feedback, however, there was a risk that planning permission would not be granted and alternative options would have to be considered. The units were located within older persons housing schemes and, therefore, future lettings would have to be sensitive towards the nature of the scheme with a relevant Local Lettings Policy being applied similar to lettings of former warden flats above centres.

It would be necessary to change the terms of the Tenancy Agreements if the communal facility was to be no longer available or changed to a nearby site. If the alternative facility was too far from the site or shared with properties of a different status, there may be a danger that they would lose their immunity from Right to Buy claims.

The Centres were currently operating at a deficit and there was no certainty that appropriate funding would be available to subsidise the units in future.

Cabinet Members welcomed the alternative arrangements that would be offered to tenants regarding the laundry service.

Resolved:- (1) That the proposals identified for each Centre in Appendices 1 and 2 and as detailed in the report submitted be approved, namely:-

- Retain one Centre
- Decommission 8 Centres for an alternative use subject to planning permission
- Increase the laundry charge to £1.60 with a minimum threshold of ten tenants resulting in the retention of twenty-nine facilities and removal of eighteen facilities
- Remove forty-three guest bedrooms for an alternative use
- Retain one guest bedroom and increase the charge to £10 per night

(2) That the removal of payphones within all Neighbourhood Centres be approved.

C135 1 SHAFTESBURY SQUARE, ST ANN'S

Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, requesting the transfer/appropriation of No. 1 Shaftesbury Square, St. Ann's, from the General Fund into the Housing Revenue Account in accordance with Paragraph 175 of the Council's Financial Regulations.

The property concerned was a vacant disabled person's respite unit which was currently administered by Adult Services within the General Fund portfolio. The three bedroom bungalow was within a community of ten bungalows formerly supported by Grafton House. The Director of Adult Social Services had advised that the property was no longer required for its current purpose.

Two of the bungalows were currently vacant and needed to be allocated as soon as possible in order to avoid any further loss of rental and to help those people who were in desperate need of this type of accommodation.

Historically the properties had been let to single people and couples who received a care/support package from Grafton House. Now that the Grafton House service had ended a different approach was required to ensure the best use was made of the housing stock. It was proposed that the two empty bungalows (which included No. 1) be allocated to families with a disabled child(ren) or adults who were currently living in unsuitable homes.

Communication with the residents of the occupied bungalows and of the neighbouring Shaftesbury House was important in order to clearly explain the reasons for allocating the empty properties to families.

The remaining properties in the complex area were Housing Revenue Account properties.

Resolved:- (1) That the appropriation of No. 1 Shaftesbury Square, St. Ann's, from the General Fund to the Housing Revenue Account be approved as set out in the report submitted.

(2) That the Director of Legal and Democratic Services complete the necessary documentation.

(3) That the Director of Finance amend the Council's Asset Register and financial records accordingly.

C136 HOUSE BUILDING ON MULTIPLE HRA SITES

Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, setting out proposals for over 150 residential development sites which had been identified across the Borough which were suitable for early delivery of a variety of house types and tenures.

The sites represented an important component of the Council's Housing Growth ambitions. To maximise the opportunity the Council had carried out a "Site Sifting" process to determine the most suitable shape and form of housing for each site.

The methodology used to carry out the site sifting was set out in the report submitted together with the initial results, analysis and a proposed delivery programme over the next three years. If approved, the proposals would generate New Homes Bonus and capital receipts to the Housing Revenue Account, new affordable and specialist housing and new homes for sale. There would also be a positive economic regeneration impact across the Borough.

If the proposed delivery programme was not supported the Council would lose the opportunity to create 987 new homes in areas of housing need. The value of assets could fluctuate and was very much dependent upon market conditions at the time of sale. It was uncertain at which point in the future the most difficult sites would become viable and generate a land receipt without further public funding support.

The site sifting process and the resulting draft New Housing Building Programme had been informed by information available at that time and, therefore, a number of assumptions had been necessary. As disposal plans and activity, such as site surveys and appraisal work, were completed new information and data may affect the final recommendations for a site.

Resolved:- (1) That the proposed delivery programme and the associated next steps, as set out in the report submitted, be approved.

(2) That the fourteen sites be disposed of to generate early wins.

(3) That the sixteen sites be offered to Registered Social Landlords to enable them to acquire the land for affordable housing development.

(4) That the Council commence the process of enabling custom built housing on identified Housing Revenue Account sites in the report submitted.

(5) That further work take place to develop a Local Authority new build programme as described in section 7.7 of the report submitted subject to financial constraints within the Housing Revenue Account business plan.

C137 DEVELOPER SELECTION TO BUILD ON MULTIPLE HRA SITES

Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, setting out proposals for marketing seven Housing Revenue Account sites.

Following a review of Housing Revenue Account land it had been identified that there were advantages in clustering sites suitable for residential development and presenting them to the market as a more significant development opportunity than would otherwise happen if released in isolation. The analysis had identified that there were thirty-one sites which should be sold on the open market and forty-nine sites identified as being suitable for Specialist Social Housing or General Needs Social Housing. All the sites ranged in size and were spread geographically across the Borough.

The results of the soft market testing of releasing multiple sites had helped the Council understand market interest in the proposed approach and the advantages it would bring and how best to present the opportunity to the market.

If the proposals were supported, the associated development programme would represent an important component of the Council's housing growth ambitions, provide new housing that met local needs, have a positive regeneration impact and receive New Homes Bonus grant funding associated to the new housing.

Should the scheme be not supported it would result in a loss of £24.9 million investment in the immediate term and the lost opportunity to create fifty-eight new affordable homes in areas of housing needs.

An important driver for the scheme was to meet the demand for affordable housing in Rotherham and offer the opportunity for the Council to acquire eleven new dwellings that were of the size and type that met local demand. The Authority would also have the opportunity to acquire forty-seven Section 106 dwellings at 55% of market value if Housing Revenue account funding was available.

Resolved:- (1) That the Council procure a development partner via the Home and Communities Agency's Developer Partner Panel to undertake residential development across seven Housing Revenue Account sites.

(2) That the tender documents give developers the opportunity to set out their preferred working arrangements with the Council that met local housing needs and provided the best consideration for the Council.

(3) That a Tender Evaluation report be submitted on completion of the tender process setting out recommendations to appoint a developer partner.

C138 STRATEGIC ACQUISITIONS FOR SOCIAL HOUSING

Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, on the progress made to acquire residential properties to be added to the Council-owned housing stock.

To date, the Authority had purchased twenty-one properties at a cost of £1,302,547 and made a commitment to purchase a further forty new homes on Whinney Hill, Dalton, and Barbers Avenue, Rawmarsh. The cost of purchasing the properties, including fees and stamp duty land tax, was £4,102,632.

Additionally, a further fourteen homes had been identified as suitable for acquisition ten of which would be built by Strata Homes at Wadsworth Road, Bramley, and four by Jones Homes at Worksop Road, Aston. The anticipated cost of the fourteen units would be £1,400,000.

There was a minimal level of financial risk to the Council if the developer failed to deliver the units but every possible safeguard would be put in place to protect the Council's interests.

In order to ensure that the new Council homes were compliant with the standards the Council would utilise the services of a Quantity Surveyor from the Land and Property Team who would agree the specifications, timetable and monitor the ongoing build programme and sign off the units as being compliant with standards which would trigger payments.

Resolved:- (1) That acquisition of the twenty-one new Council homes to date and a commitment to purchase up to forty more homes, achieving excellent value for money, be noted.

(2) That the contracts for an additional fourteen properties at Wadsworth Road, Bramley, and Worksop Road, Aston, as set out in the report, be finalised requiring up to an additional £1,400,000 allocation for the acquisitions.

C139 99A KNOLLBECK AVENUE, BRAMPTON BIERLOW

Councillor Godfrey, Cabinet Member for Safe and Attractive Neighbourhoods, introduced a report by the Strategic Director of Environment and Development Services, seeking appropriation of No. 99a Knollbeck Avenue, Brampton Bierlow, from Economic Development Services to Neighbourhoods and Adult Services Housing Revenue Account.

The property was a vacant three bedroomed residential property located above retail units on Knollbeck Avenue. It had been empty for a considerable period of time and had been the subject of break-ins and was now in a poor state of repair. The appropriation would enable the funding of essential repairs and maintenance to enable the property to be let and managed as a Council home within the Council's Housing Service.

The cost of bringing the property back into use was estimated to be £55,000 from the Structural and One-Off Property budget in the Housing Revenue Account.

Resolved:- That the appropriation of No. 99a Knollbeck Avenue, Brampton Bierlow, into the Housing Revenue Account and brought back into residential use be approved.

C140 LOCAL HIGHWAY MAINTENANCE CHALLENGE FUND: RMBC SCHEME BID

Councillor Hussain, Cabinet Member for Environment Services, introduced a report by the Strategic Director of Environment and Development Services, outlining the Department for Transport's announcement on a Local Highway Maintenance Challenge Fund that local highway authorities could bid into for schemes that addressed local highway maintenance issues.

In accordance with the criteria, a strategic corridor scheme had been developed centred on the A630 that would benefit from the submission of a bid into the Fund. The bid consisted to two elements:-

- Major works to be carried out to Crinoline Bridge (A630) – value of works £5.8M (Rotherham's contribution should be £580,000)
- Major maintenance works on the A630 (strategic network) – value of works £5.8M (Rotherham's contribution should be £580,000)

Eligible highways authorities may submit a maximum of two bids, one small scheme (over £5M) and one large scheme (over £20M). The Fund was designed to help maintain existing local highways infrastructure. The A630 ran between Rotherham's boundary with Sheffield in the west through to the Doncaster boundary in the east, forming key strategic links to the M1 from Rotherham Town Centre, the Rotherham urban area and Waverley Advance Manufacturing Park. The A630 Centenary Way played

a critical role in managing traffic movements through and around the Town Centre forming part of both the inner and outer ring road.

Reactive maintenance on the route introduced delay to drivers and the structural weakness of Crinoline Bridge (near to the junction of A630 Centenary Way and the A6021 Drummond Street) would ultimately require weight restrictions or closures to be imposed if left unaddressed. This would impose significant diversions and delay to drivers, bus passengers and freight movements resulting in a major adverse impact on the Rotherham Town Centre and urban economy.

The total cost of the scheme was £11.6M and the total contribution to the Local Authority to the Local Authority, therefore, would be £1.16M. It was likely that at least part of the Council's contribution would need to be provided through prudential borrowing in addition to Council Capital Receipts. The Department for Transport contribution would be £10.44M.

There was no certainty that applications to the Fund would be successful.

The bid must be submitted by on 9th February, 2015 and on this basis a request had been submitted to the Mayor to exempt it from the call-in procedure.

Resolved:- (1) That the submission of a bid for the A630 Strategic Corridor Scheme to the Department for Transport's Local Highway Maintenance Challenge Fund (via the Combined Authority), as outlined in the report submitted, total cost £11.6M, be approved.

(2) That a contribution from the Council to the scheme of 10% (£1.6M) be approved.

(3) That it be noted that there would be no further contributions from the Department for Transport towards the scheme costs above their contribution of £10.44M (as set out in the bid) and that any expenditure above the estimated scheme cost (including contingency) of £11.6M rests with the Council.

(The Mayor exempted this item from call-in due to the deadline for submission of bids being 9th February, 2015.)

C141 MAGNA TRUST LOAN RENEWAL

Councillor Hoddinott, Deputy Leader, introduced a report by Strategic Director of Resources and Transformation, proposing the provision of a one year loan facility to the Magna Trust of up to £250,000. The existing £250,000 loan would be repaid by the 31st March, 2015, deadline before the new loan was taken out.

In accordance with her delegated powers, an urgent decision had been taken by the Chief Executive to provide an immediate additional loan facility of up to £100,000 to the Magna Trust. This represented an increase of up to £100,000 to existing one year loan facility of £250,000.

It was suggested that an independent consultant be appointed to undertake a review of Magna's business, to help to strengthen the Magna business plan and to assess the future viability of Magna and to give some assurances moving forward. On this basis it was suggested that the short term loan facility be deferred pending the outcome of the review.

Councillor Cowles asked if the numbers for Magna in their financial statements had been looked at because from his point of view only one conclusion could be drawn.

The Deputy Leader pointed out that appointment of an independent consultant to review Magna's current trading position would consider in detail their financial position, whilst taking account of opportunities for Magna moving forward

Resolved:- (1) That a short term Council loan facility to the Magna Trust of £250,000 be deferred.

(2) That the decision taken by the Chief Executive on 16th January, 2015, in accordance with her delegated powers, to provide Magna with an immediate additional £100,000 loan facility, to be drawn down by Magna on demonstration of need, be noted.

(3) That the appointment of an independent consultant to undertake a review of Magna's business, to help to strengthen the Magna business plan and to assess the future viability of Magna, be approved and a report be submitted back to the Cabinet in due course.

(Councillor Beck, Cabinet Member for Business Growth and Regeneration, declared a disclosable pecuniary interest in Minute No. 141 (Magna Trust Loan) on the basis that the Chamber of Commerce were members of the trust of Magna and left the room whilst the item was discussed)

C142 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 (information relating to the financial or business affairs of any person (including the Council)).

C143 NEW APPLICATION FOR HARDSHIP RELIEF

Councillor Hoddinott, Deputy Leader, introduced the report by the Strategic Director of Resources and Transformation which detailed an organisation which had applied for Hardship Relief under Section 49 of the Local Government Finance Act 1988.

Details about the company, their background, financial position and reason for the request were set out in detail as part of the report.

Resolved:- That the relief, in line with previous decisions and in accordance with the policy approved at Cabinet on 24th April, 2013, be refused on the grounds that there was no real evidence that assisting as requested would lead to the long term sustainability of the business.