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Sir Derek Myers

26th August 2015

The Rt. Honourable Greg Clark MP
Secretary of State for Communities
and Local Government
Department for Communities
and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

The Rt. Honourable Nicky Morgan MP
Secretary of State for Education
Department for Education
Sanctuary Buildings
Great Smith Street
London

Dear Secretaries of State,

Re: 6 month progress review

On 26th February 2015 Mr Pickles the then Secretary of State for Communities and Local Government made a statement to the House of Commons where he outlined the broadest intervention in English local government history. He viewed the analysis of the Council provided by the report of Louise Casey CB as creating "exceptional circumstances in which the people of Rotherham have been so profoundly let down by their authority". He directed the Council to surrender all powers previously exercised by the Council's Cabinet (the 'executive functions') and other functions including all licensing functions and the responsibility to appoint the authority's three statutory officers, and to appoint to bodies outside the Council.

The Directions provide for an assessment every three months of whether any powers could be restored to the Council; improvement plans to be in place by three months and a report every six months to both Secretaries of State as to progress. This report discharges the duty to report after the first six months of this intervention. After the first three months, Commissioners concluded they wished to make no report to the Secretary of State on any functions that they considered it appropriate to restore.

From day one, those who stepped forward to represent the Council have accepted the reality of the Commissioners' powers. In return Commissioners set out to show they respected the theory of local democratic control; they have ensured the Council's services continue on a day-to-day basis and they have set about testing what ought to be changed to get the Council back on track.

The accepted analysis is that Rotherham's Children's Services failed to function adequately and failed to improve because the leadership and corporate systems of the Council were also failing. This is an over-simplification but is in our judgement a useful starting point.

On arrival, the Commissioners set out their stall by stating the mission of the intervention to be:

'To help the Council secure a safe environment for children and ensure good sustainable services and regulation such that healthy democratic leadership and accountability can be restored'

There are now two parallel but connected Improvement Plans guiding and detailing our recovery work: one for Children's Services and one to review and improve the rest of the Council - Rotherham Improvement Plan (A Fresh Start).

What both plans have in common is a belief that Rotherham's residents will be well served when the Council has good Councillor and officer leadership, good ambitious plans, sufficient staff with the right attitudes, skills and systems to deliver and the right processes in place to measure progress; scrutinise policy and execution and work with other agencies.

The two plans are both deliverable. No individual task or ambition in either plan is impossible to achieve in the right circumstances but this introduction serves to recognise the opportunities and constraints that will affect the pace and extent of progress, given the number of actions required. The Council has some strengths to utilise:

- There has been no need to waste time or effort on arguing about the past; the merits of the intervention or the need for change
- New Councillors have stepped up who have not held executive office before, to hold positions in an "Advisory Cabinet" to work closely with Commissioners and senior staff. Other longer serving Councillors have made it plain they "buy-in" to change
- 16 new Councillors were elected on the 8th May 2015 (when the last 'election by thirds' was held), bringing new energy and fresh commitment to our mission. Some of these Councillors have not yet adapted to a full role in the Council
- Many services are good enough or better, though performance management is not strong enough overall. Children's Services are already safer; more secure and better managed. Taxi licensing is more robust, even if the new policy is still contentious with some drivers
- The Council has a cadre of experienced, long-serving staff who are loyal and want to improve the Council
- The Council ended 2014/15 with a very small underspend, though Children's Services overspent considerably against their original budget, which itself may not have been a good projection of required spending. Budget pressures in Children's Services are now considerable and growing.

All this means we have made good progress in putting the building blocks of a better service in place within Children's Services and the work to improve the rest of the Council is going well. There are 132 separate improvement projects within the corporate improvement plan ('A Fresh Start') and all but 7 are on track. Many of these tasks will see service processes re-designed and changed posts filled. We recognise that this is not the same as reliable execution of those new arrangements and assured performance from new post holders, but they are important building blocks towards being able to progress.

However the Council also faces some strong headwinds:

- The Council has lost a lot of the confidence of some local people. Reputation will take time to restore. Reputation affects whether people trust the Council to respond to their concerns
- A large cohort of senior Councillors have either resigned, withdrawn from senior positions or are otherwise “unavailable for selection” for senior roles. Councillors now in shadow roles are inexperienced and though very keen to learn, are having to learn very fast and are not yet secure in their confidence, ideas or roles.
- The Council has many holes in its senior officer ranks with only one permanent chief officer and the Director of Public Health in post; no Monitoring Officer in post and weaknesses and gaps in many other key positions. We want to recruit to 20 posts by December 2015. Currently 45% of the top three tiers of staff are currently vacant or covered by interim appointments. Most of these are likely to be external appointments. Together with the addition of a further 29 new Children’s Social Worker posts, this is a double decker bus full of talent that we need to lure to Rotherham. Rotherham may not be an obvious career move for some possible candidates. In short we may not be able to appoint to both social work and general management vacancies.
- The all-out elections in May 2016 are important to secure a new mandate for an Administration, which can then run for four years. But a very low turnout, a scramble to find candidates and too big a number of brand new Councillors can only inhibit the operation of a confident Council, sure of its public’s expectations
- The Council has to make £20m more cuts next year for 2016/17 and an estimated £21m over the two years after that. This against the determination to both improve Children’s Services and modernise Adult Services – too many of which are poor value for money, old fashioned and not supportive of personal choice or designed to maximise independence
- The Council needs to do more to get a grip of its priorities and look critically how it can stimulate local economic growth, leading to more jobs, more homes and more income opportunities for the Council.

Frankly Commissioners believe the Council can reduce its budgets over time, while minimising damage to important services but the size of projected budget reductions next year is very difficult.

Historically, the Council’s spend on Children’s Services has been low compared with its peers. This is changing in response to a significant increase in demand, with an additional £12.5m allocation in the current financial year. Adult Services are over-spending by £2m. Reducing this expenditure and reversing the legacy of poor vfm decision-making has to be done over time if vulnerable individuals are not to be put at risk. The Council is using reserves and other management action to help address these budget commitments this year.

However the Council is modelling further Government grant reductions of £12.5m; £11m and £10m over the next three years. These reductions added to the demand pressures in Children’s Services from larger numbers in care and more children under protection plans plus the proper investment in improving these vital services produce unmanageable pressures. Rotherham will face budget reductions in everything other than children’s services twice those elsewhere in local government.

Commissioners are seeking to discuss in the context of next year's Local Government Finance Settlement with the two Government Departments that sponsor our work a package that will enable the council to cope with these current children's budget pressures and effect change to deliver a smaller, more efficient, sustainable set of services.

The Corporate Governance Inspection was critical of the Council's lack of a defining vision for its work and lack of medium-term financial planning. In response, senior Councillors, supported by Commissioners, have committed to 28 Roadshows which have been held across the borough, meeting all sorts of residents, businesses and community organisations, including children and young people, to find out what is important to them and what views they have about relative priorities.

Stating a vision and naming priorities are still demanding and particularly in the run up to the borough's first all-out elections in May 2016 where political instincts might be to avoid controversy but there is a new will to show this maturity.

The second large public engagement exercise has been over a new taxi licensing regime. In the view of Commissioners too many taxi drivers with unacceptable personal conduct records have been licensed and vehicle standards have been too lax. The local taxi trade has been besmirched because of actions by some and it is in everybody's interest to act and be seen to act to reverse this. The public safety changes the policy will require will help make taxi use safer and restore confidence.

The Council is improving every week but has to do this whilst cutting budgets; both recruiting and reducing staff; delivering services as normal; ensuring new services, such as those to survivors of abuse, are brought on line and continuing to work with South Yorkshire Police and the National Crime Agency on a range of current and non-recent complex child sexual exploitation operations and continuing to handle the significant media interest that accompanies this.

The Commissioners are confident in their own experience, ideas and abilities and know they will leave the Council strong enough to continue its improvement work under the direction of a new generation of Councillors and newly formed senior management team.

At the present time, Commissioners are often drawn into doing, rather than monitoring and challenging the pace of change. This reflects both the essential nature of the intervention and the lack of capacity, and experience of current senior staff and Councillors. However, within Children's Services where there is a new Strategic Director and senior leadership team alongside engagement by both the Leader and Deputy Leader there is now a more appropriate balance between Commissioner challenge and officer and Councillor leadership.

The rest of 2015 is really to be spent in recruiting new staff, implementing new systems, preparing a three-year budget strategy and ensuring there is a pool of good local people willing to be picked as candidates for May 2016.

We have applied ourselves as to whether executive or licensing powers should be returned to Councillors at this point. As Commissioners are mostly drawn from and sympathetic to local government we hold that this intervention by Government was exceptional and that powers should be restored to Councillors as quickly as it is responsible to do so.

As Commissioners we have not come to settle and only seek to restore the Council to a functioning, credible organisation with the confidence, skills and systems to face future challenges and continue to improve.

We have discussed with Councillors and put into the public domain a Restoration Protocol (See evidence pack Appendix B). This provides that restoration of executive powers for any particular service needs to fulfil certain criteria. Critically, Councillors are not demanding the return of their powers at this moment and instead are fully engaged in the improvement activities. At the time of this report those criteria are not met for any service but we expect further progress over the next six months.

However, we think we can begin restoration of Councillor powers as follows:

- The Leader, Deputy Leader and the Advisory Cabinet Members are already chairing meetings, fronting public roadshows, discussing all decision-reports and having regular briefing meetings with senior staff
- They are moving from a “read-through” of the political decision-making roles they (or their successors) will take on to a full ‘dress rehearsal’ prior to taking back powers we hope sometime after elections in May 2016
- Similarly the Chair and Members of the Licensing Committee are sitting with Commissioner Ney as she exercises her current authority and attending public meetings when she explains the need for a tighter policy framework. They support her leadership
- Through time Licensing Committee Members will get the confidence to form independent, considered and firm judgements on their own. Over the next 6 months we anticipate that they will increasingly propose decisions that Commissioner Ney can then formally make
- The newly chosen Chairs of the Scrutiny Management Committee, Standards Committee and Audit Committee (which are technically outwith the intervention) have volunteered to agree programmes of reformed practice and ambitions with the Lead Commissioner which stand as good evidence of a commitment to whole Council change
- The City Region agenda is being taken forward by the Leader of the Council, supported by Commissioners and senior staff (that is Commissioners are not seeking to lead). The Leader is the lead amongst his peers for the “skills” agenda, working in a matrix way with the Chief Executive of Doncaster MBC to ensure progress
- The Deputy Leader and Advisory Cabinet Member for Children has been named as Statutory Lead Member for Children – recognising this as an important leadership and influencing role across the Council. Since August he has formally chaired the Corporate Parenting Panel, the Decision Making Meetings within Children’s Social Care and the meetings with the Children’s Leadership Team
- Councillors are sitting as appointment panels, to recruit senior staff but working appropriately with the Commissioner (Managing Director) to ensure a good quality process and good decisions
- The Council’s public communications recognise the Leader and Deputy Leader (both appointments required by law) as public figureheads for the Council but also promote the three other Advisory Cabinet Members in the same way
- All formal decisions to be made by Commissioners are sent to Advisory Cabinet Members for comment first, so they get used to contributing to high quality decision-making and usually they sit with the Commissioner decision-maker. Both Councillors

and Commissioners want to see standards of decision reports rise and steps are being taken to achieve this.

The detailed reports that follow are a mix of operational service improvements in Children's Services; the long haul to better management practices; the radical overhaul of the licensing policy and individual licensing decisions and the proactive work to awaken the Council's wider sense of purpose – to plan better; work with partners better and be more purposeful about local jobs and housing growth.

The Council is off its lowest point and has a strong commitment to improve. But change is not yet embedded and we have too many gaps in the crew to make progress at the pace we would wish. But future progress is not in doubt.

Our role, as Commissioners, is to enable the Council to make the "fresh start" it needs. Much of the initial work is necessarily inward-looking, but it is equally important that the Council begins to look outwards again and in particular to its role in helping to shape the future of the Sheffield City Region. Rotherham has a proud history of delivering economically both locally and on behalf of the Country, and, with its good transport links and its natural and human resources, there is clearly potential for good economic growth. Equally, it is appropriate, in the context of closer working relationships across the City Region, for Sheffield City Region partners to play a proactive role in helping Rotherham make these changes. We would welcome the Government's encouragement to our regional partners to look beyond the Borough's recently-earned poor reputation to its potential and to help ensure that Rotherham's contribution to the City Region is matched by the engagement and support of our regional partners: a stronger Rotherham will help secure a stronger City Region.

The statutory directions provide for the authority to report on its progress. In the evidence file, there is a report from Stella Manzie, who writes as the Council's Chief Executive to fulfil this obligation.

The evidence file further details our progress as a Council and on behalf of Commissioners I commend it to you.

Clearly you understand that we wish to make this letter and accompanying document a public record and propose to put these on the Council's website by 4th September.

Yours sincerely,



Sir Derek Myers
Lead Commissioner