

## Commissioners' Office

Riverside House  
Main Street  
Rotherham  
S60 1AE  
E-mail: [commissioners@rotherham.gov.uk](mailto:commissioners@rotherham.gov.uk)

**Our Ref:**  
DM/CT/VH

**Direct Line:**  
01709 255100

**Please Contact:**  
Lead Commissioner, Sir Derek Myers

27 November 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

Dear Secretary of State,

I write as Lead Commissioner to the Metropolitan Borough of Rotherham to provide our next three month report due at the end of November 2015.

Since the first six month report at the end of August, the Council continues to make progress and I am pleased to report a continuing pattern of positive co-operation from all elected Councillors. There have been no standards issues to report and those currently holding senior positions continue to diligently apply themselves to their duties.

Co-operation between the parties has been good particularly together in the appointment of the Council's next Chief Executive, and other senior staff.

As agreed in the Improvement Plan, Commissioners have now received reports from external experts organised through the LGA in the form of short Peer Reviews of key services other than Children's Services and excluding those which are currently now under the management of experienced Interim Managers brought into the Council.

These have produced some mixed results. The Peer Reviews of Highways and Transport, Planning and Housing have shown overall good enough services though inevitably with some suggestions for further improvements. The Peer Review of Waste Collections and Street Cleaning services was more critical saying there was an obvious improvement agenda to deliver better services and greater value for money. The most recent Peer Review - Leisure, Culture and Sport - points to a need for improved coherent strategic direction and better positioning of the service, balanced with some excellent examples of service delivery and positive commitment from staff and managers.

This has been a busy period for the Council in conducting its Licensing responsibilities particularly for the taxi trade.

The Council adopted a new Policy with higher expectations of personal conduct and vehicle safety and is now reviewing a number of existing licences, given these higher standards. 818 licence holders have attended training sessions in relation to safeguarding children and vulnerable adults.

Commissioner Mary Ney who is Commissioner for these purposes identified 67 at risk cases and cases for review based on information held about past offences.

To the time of writing, some 24 cases have been heard with the following results:

- a) 16 licences were revoked
- b) 1 licence suspended
- c) 4 formal warnings issued
- d) 3 requiring no further action

41 cases are due to be heard at Panel Hearings between now and the end of March 2016.

Commissioner Ney is the decision-maker, but is sitting in all cases with Members of an Advisory Committee made up of Councillors who would otherwise form the relevant Licensing Sub-Committee. Commissioner Ney reports that Councillors, drawn from all three political groupings, are engaged and showing new skills and a new determination to secure high standards. These cases are complex and a proper determination can only be made after a full inquiry into the particular circumstances of the past histories of individuals and this relies upon a forensic line of questioning.

Commissioner Ney believes that over the next few months she can move to a model whereby Councillors are invited to take the main burden of questioning and therefore to determine when they have reached a position where they have the appropriate information and then propose what decision they would make on the facts elicited. Commissioner Ney can then weigh whether or not they have adequately investigated and whether she will agree with that decision. By these means we will be able to test the competency and resilience of the Councillors who have put themselves forward for these duties and move to a graduated build-up of their contribution to the decision-making.

For these reasons, this Commissioners' report does not suggest any formal handback of authority from Commissioner Ney to the Licensing Sub-Committee but we hope to be able to consider the possibility of a handback in our next Commissioners' report at the end of February 2016.

In Children's Services the Council has continued to make progress in the following areas:

- The response to the multi-agency investigation of Child Sexual Exploitation (CSE) and the work to pursue perpetrators continues to be strengthened. The multi-agency Evolve team, alongside robust and innovatory joint working arrangements, is beginning to demonstrate impact through successful interventions leading to the protection of victims and prosecution of offenders. The team are currently dealing with three live investigations alongside the non-recent investigation Operation Clover. This progress in the number of prosecutions has been achieved through a victim led approach to investigation which represents a step change in partners' approach to CSE.



- Alongside this, good progress has been made in establishing the Assertive Outreach team. This project, hosted by Barnardo's, is utilising funding from the KPMG Trust, CLG, DfE, and the Council. All staff have now been appointed and are located in new premises and the post of independent chair is currently being recruited to. It is anticipated the service will be formally launched in the New Year and this will considerably enhance the outreach and preventive capacity within Rotherham.
- After a slow start better progress has been made on Early Help. A new structure for the delivery of Early Help is now being embedded. Heads of Service and all of the team managers have been appointed. An Early Help Action Plan is in place and performance reports are beginning to be produced. This improved focus has led to a reported 'Not Known' NEET figure of 26.5%, being reduced down to 5.2% after a concerted effort across the new Locality Teams.
- The front-door of the service, the Multi-Agency Safeguarding Hub (MASH) continues to be strengthened. The first Ofsted improvement visit confirmed that the application of thresholds was secure alongside timely decision-making.
- Ofsted has reported that in the child protection teams there is clear evidence of improvement in the quality of service and intervention children and their families receive. Teams are more stable and caseloads have significantly reduced enabling social workers to undertake direct work and more qualitative assessments. Supervision is regular in the long-term teams, management rationale is clear on most records and social workers are receiving support and challenge from managers.

As you would expect at this stage, there remain a number of concerns and challenges:

- There are longstanding fundamental weaknesses not only in the Council's adoption and fostering provision but also in their residential homes. Following three successive inadequate judgements by Ofsted, the Council has taken the step to consult on the closure of one of its homes Woodview. Shortly after, St Edmunds was also judged to be inadequate. This has attracted significant adverse publicity. A fundamental review of its in-house residential services has been commissioned by the Director for Children's Services and this presents an opportunity to be more ambitious in commissioning residential services from a diverse range of providers.
- While the Ofsted visits have identified good practice in CSE and the MASH and improving practice in the locality Child Protection teams inspectors were concerned that the quality of assessments undertaken by the duty team were poor. This is disappointing as the Council has invested in both additional resources and improved systems to address the previous failings.
- The Council's social care service remains too reliant on interim social workers and managers. Although the Council approved a new remuneration package for social workers in September, recruitment to these posts has not yet taken off. After a slow start a new workforce strategy, 'Enabling Excellence in Practice', has been drafted. This will not only ensure better pay, progression, access to high quality continuing professional development and supervision, but better ICT systems, equipment and physical environment, such as accommodation and accessible car parking. These aspirations will, however now need to be turned into reality through effective and rapid implementation if the Council is to address the considerable instability in the workforce.



- Progress on improvement does currently rest with a small number of exceptional individuals and this will need to be broadened to ensure the improvements that have been achieved are embedded and sustainable. In this respect, the appointment of a new corporate leadership team alongside permanent management appointments in children's social care do give grounds for optimism for the New Year.

Inevitable and appropriate attention has been on safeguarding children newly defined as at risk and those currently known to be in need of assistance. There has also been considerable activity in supporting young people and adults who are part of criminal investigations into past abuse.

There has also been much attention to putting in place schemes of assistance to adults who have previously been the subject of abuse. Recently, those involved in Operation Clover requested and were allocated two adult social workers to work with survivors, which includes all aspects of support up to, during and post-trial. As part of this support, Adult Social Care has worked with people with relationship issues including those of domestic violence. In some cases, Adult Social Care has funded target hardening of properties.

Against the Fresh Start Improvement Plan, of 132 improvement projects, as at 31<sup>st</sup> October 25% of projects are now complete; 66% are on track and 7% are running behind but with management actions in place. The balance (2%) is not yet due to have commenced.

Since the last report at the end of August, the Council has published its report on the views of 1800 local people who attended one of 27 local roadshows or other events and activities. This was the largest face to face consultation ever mounted by the Council. These views have directly influenced the new Vision for the Council announced by the Leader of the Council in October, and the Medium-Term Financial Strategy to be agreed by the Council on the 9<sup>th</sup> December.

In November the Council received a report from the LGA on its commissioned activity to run Rotherham bespoke 'Be a Councillor' sessions for potential candidates for the May 2016 elections.

Altogether some 2,200 individuals visited relevant web pages; 547 took an initial quiz to stimulate interest; 74 people worked their way through an e-learning module and 69 people attended workshops. We want to see how many of these eventually stand as candidates, but those who do will be much better prepared.

The Council's finances remain dire.

The Council's budget position was understated because prior to the Commissioners arriving, the Council had hoped that overspending on children's placements might be balanced out by underspending elsewhere in Children's Services. This has proved a false expectation and indeed together with the overrunning in the Adult Social Care budget, has contributed to an overall projected overspend for the year of £12m, against original budgets.

The Council will be able to utilise reserves to cope with this level of overspending this year but clearly the use of reserves this year cuts down options for the following year.

In its original 2015/16 budget the Council had created a special reserve, knowing that extra expenditure would be needed not least to pay for Commissioners and Improvement Plans and this funding has now been fully committed, mostly to Children's Services.



The budget requirement for 2015/16 and the next 3 years is currently estimated at £41m but this is likely to be an understatement given the continuing pressures on Children's expenditure.

The Council has found it hard to prepare creative budget plans this year because of the complete absence of a stable set of senior managers who know how the Council works now. Interim Managers who have arrived at various points during the year have discovered operational financial problems which clearly need fixing.

In Adult Social Care, there is a pattern of old fashioned poor value for money services and the service has insufficient financial control of care packages. The net effect is some projected £3m of overspending. Efforts will be made to bring this level of overspending down.

Under the direction of the Interim Chief Officer and the Commissioner Managing Director, the Council is embarking on a major transformation programme for Adult Social Care. Councillors, on an all-party basis, have been receptive to these messages despite the shock on finding the services they were previously advised were doing well are in need of such major change.

The August report outlined the plans for recruitment to new senior staff for Rotherham. Commissioners have considered whether or not any senior posts could be shared with other authorities in order to reduce costs but our eventual judgement was that the pre-conditions for such service sharing across South Yorkshire or beyond did not exist at present and therefore the planned revised senior management structure which was agreed in June, is now being recruited to.

The Council was pleased to announce on the 12<sup>th</sup> November a new Chief Executive – Sharon Kemp, who since 2009 has been an Assistant Chief Executive in the City of Manchester. She comes with a very good reputation for delivery on behalf of that organisation and was the preferred candidate by all three parties represented on the Council and this was a choice supported by the Commissioner Team.

The process for the appointment of Strategic Directors for Finance and Customer Services; Adult Care; Regeneration and Environment; an Assistant Chief Executive and Assistant Director, Legal Services and three Assistant Director posts to cover specific functions is currently in place. The Interim Strategic Director for Children's and Young People's Services will become a permanent member of staff. To strengthen resilience, a Deputy Director for Children's Services is planned as a conversion of another soon to be vacant post.

The Council has an important Council meeting on the 9<sup>th</sup> December where a new Medium-Term Financial Strategy will be considered alongside a new Corporate Plan and Performance Management Framework and a report introducing a new local Code of Conduct for Members, to add to the provisions of the National Code, and a new Code of Conduct for Officer and Member working relationships. The Members' Code will be presented publicly to lay Members of the Standards Committee.

In October the Council signed off on a new determined Economic Growth Strategy for the local area which fits in with the ambitions of the Sheffield City Region.

The Growth Plan commits the Council to working to deliver 10,000 new jobs in the private sector over the next 10 years (up from 93,000), 700 new businesses and 14,000 new homes by 2030 (up from 108,000). The Housing Growth Plan aims for a net gain of 1,000 homes per year. As part of the Economic Growth Strategy the Council has commissioned a Town Centre Masterplan (the old plan was 10 years old) that will be available in early 2016. A new Board has been set up involving over 26 businesses to deliver the Economic Growth Strategy.



Agreement has been reached with Rotherham College of Arts and Technology (RCAT) to site a Higher Education Campus on land owned by the Council and £4m of Sheffield City Region Skills Capital Funding has passed through the first phase.

A major investor, Gulliver's World, has reached an agreement to utilise land owned by the Council and invest £37m in a children's attraction, hotel, holiday chalets and nature trail, creating 250 full-time equivalent jobs and 120 in the construction phase.

Rotherham is establishing its place within the Sheffield City Region Combined Authority and LEP structure and beginning to make its voice heard, further helped by the recently refreshed and re-launched 'Rotherham Together' strategic partnership which is developing the borough's new Community Strategy for publication next March.

The Council has enthusiastically agreed to the "in principle" devolution settlement to a new Mayor and City Region apparatus and the Leader of the Council has taken up a leadership position over the planning of the new skills agenda.

Commissioners continue to speak to civil servants about the progress of the Council and I am pleased with the progress of discussions about flexibilities which might help the Council continue to progress at a good rate. Commissioners continue to be grateful to both Secretaries of State for their interest and support.

In discussion with Commissioners, the Leader of the Council has proposed to increase his Advisory Cabinet from five Members to eight which is likely to be the size of the Cabinet after May 2016 all-out elections.

Obviously it is not for Commissioners to anticipate the outcome of those elections but if a Labour administration is returned, the Leader and the Labour Group of Councillors have given an undertaking that it is their intention that there will be continuity in the membership of the Advisory Cabinet as expanded in December 2015 through to at least May 2017. This means that the development activity aimed at Advisory Cabinet Members will not have to be started all over again with new appointments if a Labour administration is the outcome of the elections in May 2016.

Commissioners also decided that from January 2016 the Council ought to move to public meetings of the Advisory Cabinet which will be attended by Commissioners for their relevant agreed responsibilities and decisions made by Commissioners will be made at these meetings. This will provide us with an opportunity for Advisory Cabinet Members to participate in decisions and over time show how they would respond to officer reports and interrogate them and then what decisions they would propose to make on the back of these officer recommendations. This would again contribute to the growing confidence and competence of those in Advisory Executive Cabinet positions in the Council.

The Directions issued to the Council in February 2015 provided for an opportunity for the Council to periodically make a case for powers to be restored to Councillors.

This reflected the then Secretary of State's view that the significance and scale of the intervention and the extent to which powers were taken away from Councillors and given to Commissioners meant that early and regular opportunities should be taken to see whether some powers should be restored to Councillors.



On their arrival Commissioners recognised that the Council might take a different view from Commissioners as the timing of restoration of powers. To recognise such a potential difference, Commissioners made it clear that the Council's Monitoring Officer should be the principal officer responsible for channelling any expressed ambition from the Council to seek such restoration.

No such separate ambition has come from the Council body and instead all three parties on the Council have worked enthusiastically within the all party Improvement Boards chaired by the Lead Commissioner and Children's Commissioner respectively to maintain progress against the agreed Improvement Plans for Children's Services and the rest of the Council.

This Constitutional separation was mildly affected by the departure of the Council's Monitoring Officer by her own resignation in the Summer, but the Commissioners appointed an Acting Monitoring Officer and Head of Legal Services with effect from September 2015 who has conducted this responsibility since. The appointment of a substantive Monitoring Officer and Head of Legal Services is part of the senior recruitment detailed above.

The Commissioners' report at the end of August 2015 made it plain that Commissioners at that stage did not wish to recommend the restoration of any powers but that we would review this position in our report at the end of November.

We now do have a proposition for the restoration of some powers. Given the conscientious commitment that the five Members of the Advisory Cabinet have shown; the leadership shown by the Council's Leader and Deputy Leader and the growing confidence of the Advisory Cabinet Members, Commissioners have decided to operate the 'restoration protocol' (see Appendix A) which was put forward by Commissioners at their first public meeting in June 2015. This provides for a number of steps before powers can be considered for restoration to Councillors.

We are now operating this protocol which includes, inter-alia, testing of a proposition about the restoration of powers with an expert panel (which will be the core membership of the LGA appointed Improvement Panel operating up until February 2015) and a lay panel (which will be the Independent Members of the Council's Standards Committee and two 'Independent Persons' appointed by the Council to assist in the investigation of conduct matters). Commissioners are satisfied that this gives sufficient independent challenge to the proposition that we now wish to put forward to the Secretaries of State.

The restoration protocol provides for leading Councillors to agree they want executive powers restored to them. The Leader of the Council, Councillor Chris Read, has written to me to this effect (see Appendix D).

Commissioners now propose for consideration by the Secretary of State for Communities and Local Government that the functions listed at Appendix B be restored to appropriate Members of the Council appointed as Advisory Cabinet Members. The allocation between Advisory Cabinet Members will have to be determined after the formal appointment of other individuals to the expanded Advisory Cabinet as detailed above.

The functions outlined in Appendix B have been carefully chosen. They represent functions where:

- Commissioners have satisfied themselves that the services are operating at a good enough level with no significant value for money deficits.



- They are operating in areas where there is good enough officer leadership and that definitions of service quality and plans for further improvements are in place.
- Where service quality has been assured either by a Peer Review or from other activity carried out under the direction of Commissioners including review by experienced interim Chief Officers appointed from outside the authority.
- Where Commissioners feel that individual Councillors are now in a position to exercise executive authority over these functions.

The list of functions at Appendix B does not include any services where the following criteria set out above are not met and Appendix B specifically does not include the following functions:

- Licensing
- Children's Services
- Adult Social Care
- Audit
- Waste Collection and Cleaning Services; grounds maintenance
- Asset Management
- Community Safety
- Economic Development and allied functions

The proposition is that the powers in Appendix B are restored to individual Cabinet Members with effect from the 1<sup>st</sup> February 2016. The 1<sup>st</sup> February is also the date when the incoming Chief Executive takes over having started a full-time induction programme from 18 January.

Following the despatch of this letter to the Secretary of State for Communities and Local Government and the Secretary of State's reply, Commissioners would intend to give proper public notice of this intention and seek a wider public reaction. Commissioners will be mindful of any views received and would wish to reserve the right and further advise the Secretary of State in any circumstances up to 1<sup>st</sup> February if the public reaction suggests new information ought to be taken into account or there are any new conduct issues which arise which would cast this plan in doubt.

This proposition has the advantage that it will enable the progress of the intervention to adapt to recognise that the appointment of a Council Chief Executive can be timed appropriately so that the role of Head of Paid Service and Chief Executive can take over smoothly on the expiry of the contract of Commissioner Stella Manzie, the Commissioner Managing Director in February 2016. The incoming Chief Executive will not hold Commissioner powers.

Commissioner Manzie is currently responsible for a number of executive functions and those that are not contained in this proposition set out at Appendix B, will be distributed around the other members of the Commissioner Team.

The advantage of this proposition is that it will provide further information about the dependability and maturity of the 'Fresh Start' governance arrangements. It will allow the restoration of call-in arrangements where decisions are made about these functions and will provide for the full functioning of the Council's scrutiny arrangements.

It also marks a distinct second stage to the intervention where the Commissioner team moves from 'doing' to properly holding the new Chief Executive and Councillors holding executive authority to account for good governance and further progress against the Improvement Plans.



These proposed changes in executive arrangements will require changes in the Directions to the Council. The Commissioners' proposals for changes to Directions are set out in Appendix C. These are designed to allow Commissioners the ability to influence decision-making and allied matters whilst not clouding where ultimate authority and responsibilities lie.

Looking longer term, Commissioners do not wish at this stage to anticipate the return of other functions but will report further in their 12 month report at the end of February 2016.

There is clearly a lot depending on the outcome of the local elections in May 2016. A brand new administration arising from a change of control of the Council would mean the Commissioners would need to be satisfied that those Councillors then put forward for potential positions of executive authority were sufficiently well prepared to take on such responsibilities and a period of assessment and development would inevitably be appropriate. Though changes in control in lots of councils often project Councillors with little previous experience into positions of executive authority, the special circumstances in Rotherham where operational systems remain fragile, budget problems complex and Children's Services are still in a critical phase of development require a more considered approach.

On behalf of the Commissioner Team, I invite your consideration for the proposition as set out in Appendix B and I look forward to your reply.

I am of course available, as are other members of the team, to meet with you at your request.

Yours sincerely



Sir Derek Myers  
Lead Commissioner

Encs:

- Appendix A - Restoration Protocol
- Appendix B - Proposed Restoration of Executive Powers
- Appendix C - Proposed revised Directions for the Council from February 2016
- Appendix D - Letter from Leader of the Council, Cllr Chris Read