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Lead Commissioner, Sir Derek Myers

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The Rt Hon. Sajid Javid MP  
Secretary of State for Communities & Local  
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Department for Communities & Local Government  
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The Rt Hon. Justine Greening MP  
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Dear Secretaries of State,

It is now 18 months since the publication of the report by Dame Louise Casey and 17 months since the arrival of the team of Commissioners appointed by your predecessor.

I am pleased to report that services, particularly Children's Services, have moved away from failure towards the sustainable quality services that local people require.

A lot has changed:

- As a result of the final year of election by thirds in May 2015 and the all-out elections in May 2016, some 36 out of 63 Councillors have recently joined the Council. All have been interviewed by Commissioners and are committed to its improvement. We have found these Councillors committed, interested and sufficiently capable, well within the normal range for local government councillors.
- 11 permanent senior staff (Chief Executive, three Strategic Directors; seven Assistant Directors) have left the Council. The Council senior structure has been re-organised and new appointments have been made. No senior staff who were serving during the time of the Casey Review are now serving the Council.
- The Council set positive, legal and defensible budgets in March 2015 and March 2016, both of which have prioritised Children's spending and both of which are broadly consistent with expected standards of value for money analysis.

- In Children's Services, there is a new management team; there are 39 new social workers but 64 vacant posts, 57 of which are being covered by agency workers – increasing the establishment of front-line staff in critical areas by 37%. This year, some £11.6m of extra funding has been put into the Children's Services base budget. The service is led by an experienced Director of Children's Services, who volunteered to join Rotherham from Derbyshire County Council which at that point had an assessment as having 'good services' from Ofsted.
- New Councillors have stepped forward into positions of responsibility. The Leader is enthusiastic and has the support and respect of his Group. He has chosen a Cabinet/Advisory Cabinet of seven who represent the best available talent, given that other Councillors need also to serve in other important positions such as chairs of Planning, Audit, Standards and Scrutiny.
- The scrutiny systems have been strengthened with much and continuing assistance from the Centre for Public Scrutiny.
- The Council's senior management is led by the new Chief Executive, Sharon Kemp who arrived with a very good reputation, from the City of Manchester.
- As of February 2016, a third of the Council's decision-making responsibilities were returned from Commissioners to Councillors.
- In May 2016, a Labour Administration was elected with a slightly stronger UKIP opposition. The party balance is 48:14 plus one Independent. Commissioners had run preparation workshops for prospective new Councillors and 12 out of 24 of those arriving as new Councillors in May 2016 have benefited from this preparation.
- The Council now has a full suite of updated corporate documents including a Corporate Plan, a Medium Term Financial Strategy, a Corporate Safeguarding Policy and an Equalities Strategy.
- Performance reporting is strong in Children's Services and Adult Social Care but has been slow to recommence as a regular public report across the Council as a whole. Such reports are promised to re-start in September 2016. Performance reports have been available to managers for some months.
- The Council has a refreshed Improvement Plan, which builds on the first Plan written by Commissioners.
- The Council overspent its original budget in 2015/16. Children's Services exceeded budget by £8.4m and although this was offset by controlled underspending across all other areas, the Council had to commit £5.326m of reserves. This is clearly not sustainable and the Council's financial outlook remains extremely challenging.
- Training of Councillors continues. All Cabinet Members have a "Peer" allocated for coaching and support, as do three out of four Scrutiny chairs (with one pending). There is an adequate training programme. Councillors have been asked to form a Committee to take ownership of this. The Centre for Public Scrutiny continues to help the Council.

## **1. The current assessment of the services returned in February 2016**

Consequent upon the restoration of some democratic decision-making, Cabinet meetings began to happen again in public once a month as they would in other Councils. At these meetings either Councillors or Commissioners make decisions on the basis of officer reports and this unusual system has settled down into a mature set of arrangements with both Councillors and Commissioners contributing to good quality decision-making. The standard of written decision reports, which had been poor is now adequate and the new Chief Executive has a real appetite for further improvement.

There have been no matters where Commissioners have had to issue formal Advice as provided for by the revised Directions. Such Advice would be issued where Commissioners were of the view that the Council was in danger of making a decision on bad information; a decision which was not coherent given other responsibilities of the Council or a decision which risked a breach of the Council's best value duties.

Service quality and operational delivery within these services are now unproblematic and in the opinion as Commissioners, executive Councillors responsible for these functions are doing their jobs well enough.

### **Licensing**

Following the recommendation made in our May 2016 report, the previous Secretary of State had said that he would consider restoring licensing powers to the Council's current Advisory Licensing Committee. At that point it will resume the duties and responsibilities of a full Licensing Committee as in other unitary Councils. We await that final decision of the now Communities Secretary of State.

This is subject to the safeguards agreed. Commissioner Ney will maintain a strict overview of business and will have the right to give advice to the Licensing Committee at her absolute discretion. The assumption is that as with the revised Directions on other matters, this advice should be heeded or written reasons provided as to why it is set aside. The expectation is that given the confidence that Councillors have shown in Commissioner Ney, to date, this would be a sufficient safeguard.

## **2. Adult Social Care Services**

Adult social care services in Rotherham have worked on what might be called a traditional model in recent years. The pressure to reduce expenditure partly to allow resource shift into Children's Services and partly to meet budget requirements, had required change but such change would also have been appropriate in order to ensure that the Council was running modern services to support independence and choice.

The Council has benefited from an extremely experienced interim Director with a national reputation, Professor Graeme Betts.

He has married determination with skill and good communication to design and implement a transformation programme which should enable the Council to significantly change services, supporting independence, assisting local NHS services and releasing resources.

The arrival of a permanent Strategic Director, Anne Marie Lubanski, hired from North Yorkshire and who started on the 8<sup>th</sup> August, represents a mild risk of loss of momentum but to mitigate this, Professor Betts has agreed to stay on for a further transitional period to support the new postholder.

Unlike Children's Services, the service has not been characterised by failure to protect the most vulnerable and safeguarding services are currently strong.

Despite many pressures the department finished the year within its prescribed budget.

The transformation programme represents a challenge to the Labour Group of Councillors who have previously relied upon advice from past senior staff that services were appropriate and well run. But that group of Councillors, now much supplemented by newly elected colleagues, have embraced the transformation programme whilst accepting that not all change will be well received however necessary it is in all the circumstances.

The Advisory Cabinet Member, Councillor David Roche is an experienced ex Head Teacher who is showing grit and application.

As Lead Commissioner, I also act as the executive decision-maker for adult social care (relying upon expertise from my previous career as a Director of Social Services) and this combination has worked well. Once the new Strategic Director has had a chance to complete an induction period, I expect to recommend that executive decision-making can be restored to Councillor Roche from a date towards the end of 2016. The next three monthly report at the beginning of November will do a final assessment in these terms and so recommend, if all continues on the same positive trajectory.

### **3. Other services not returned at the end of February 2016**

This set of services includes regeneration, external partnerships, assets, street cleansing and waste collection, grounds maintenance, community safety and some residual headquarters functions including human resources and audit.

Executive responsibility is currently held by either Commissioner Julie Kenny or Commissioner Mary Ney.

In both of these areas the number of actual executive decisions is low and the Commissioner task is really to maintain a sense of ambition both for how the Council can take forward its regeneration ambitions, working closely with the City Region and also strive for the modernisation of working arrangements in order to reduce costs and drive better value. In community safety, the Council has achieved dramatically improved working relationships with South Yorkshire Police but local circumstances mean that these operational arrangements remain highly visible and demanding. South Yorkshire Police now has a new Chief Constable; he has much to do.

Commissioners believe that the test to be applied for these services is whether advisory Cabinet Members, who could translate into being executive decision-makers, share the same ambition and determination as Commissioners and we now believe that this is the case.

On that basis for these services we also expect to recommend in our next report at the beginning of November 2016 that these services also be returned to the Council towards the end of 2016.

#### **4. Supervision of adult social care and other services after the return of executive decision-making powers**

Commissioners are very aware of the public expectation that Rotherham Council should not be allowed to slip back to old ways. Such has been the change of Councillors and senior staff that we feel this is currently a low risk but nevertheless we accept there should be no such tolerance.

For these services, and different from the package of services returned in February 2016, Commissioners are likely to recommend that the Directions are amended to provide for a power of Direction by any Commissioner on any matter which is a subject of a formal decision-making report. Such power of Direction will need to be heeded rather than the current revised Directions for the first package of returned powers, where "Advice" can be set aside albeit with a full account.

Commissioners think that this reserve power will rarely need to be used but it represents a form of additional safeguard which we believe the public will welcome. Commissioners recognise this will be a matter for the Secretary of State and will discuss this further in our November report.

#### **5. Children's Services**

In May 2016 the first Children's Services Commissioner for Rotherham, Malcolm Newsam voluntarily stood down and on my recommendation was replaced by someone who could bring more direct experience of political management. We were pleased to welcome Councillor Patricia Bradwell, Deputy Leader of Lincolnshire County Council to the Commissioner Team with effect from 10<sup>th</sup> May.

Separately the Department for Education appointed Lincolnshire County Council as an 'Improvement Partner' to Rotherham Council. This responsibility is exercised under the leadership of the Lincolnshire County Council Director for Children's Services, Debbie Barnes and is delivered by a variety of other staff from Lincolnshire County Council.

The programme for this peer support including further diagnostic of detailed strengths and weaknesses around practice and resource usage, was agreed in a programme shared with the Department for Education in June 2016.

On the positive side it can now be said about Children's Services that:

- All services are receiving new work and dealing with it adequately. There is no back log for assessments and all work that should be allocated to a Social Worker is so allocated.
- Services are operating under heavy demands with a rate of children on protection plan significantly above the latest national averages with 65.4 per 10,000 population at the end of March 2016 compared to an average of 42.9 and the number of children in care increasing from 175 in 2014/15 to 208 in 2015/16. The number of care proceedings is up nationally in the last year by 14%, but in Rotherham by 30%.

- The service now has good Managers in place in the senior part of the organisation, capable and willing to provide leadership.
- The Advisory Cabinet Member, Councillor Gordon Watson, a former further education teacher, has served since May 2015 and now fully understands his responsibilities. He contributes well to decision-making, to monitoring and to representing the service in other settings. Commissioner Bradwell is assisting him challenging officer advice and performance and representing a resource hungry, complex service to the rest of the Council and beyond.

The Ofsted assessment following 5 improvement visits (13/14<sup>th</sup> August 2015, 14/15<sup>th</sup> October 2015, 8/9<sup>th</sup> March, 15/16<sup>th</sup> March & 19/20<sup>th</sup> April 2016) affirms many areas have improved and are improving but confirms there are still areas in need of further improvement or where changes need to be fully embedded. The Ofsted assessment is in our evidence file attached.

However it must also be said:

- The Council's own assessment against seven 'tests' put forward by outgoing Commissioner Malcolm Newsam suggests that it is too early to say that all the components of a successful Children's Service within a successful Council are in place.
- The Council has not yet come to a settled view about whether or not voluntary governance changes (including but not restricted to setting up a Children's Trust) is relevant for Rotherham. Visits have been made to Councils where learning can be gained but conclusions have not yet been crystallised.
- A Medium Term Financial Strategy for Children's Services in the Council has not yet been approved and currently the demand for new resources is better defined than appropriate work to achieve value for money from existing resources.
- It is of the view of the outgoing Children's Commissioner Malcolm Newsam, the incoming Commissioner and Debbie Barnes, the Improvement Partner, supported by the Ofsted improvement visit commentary, that there remains a lot to do to ensure that every single piece of work with children and families is being done well and followed through.
- The Council still needs to finally determine a workforce strategy for Children's Services which crucially will set out a medium term commitment to right sizing workloads for social workers; determine the level of administration support; decide what areas if any can be commissioned from other parties and define how productivity can be maximised within existing resources.

## **6. The governance of Children's Services**

The Department for Education has continued to develop its thinking about how 'failure' in Children's Services should be tackled and the latest position is set down in the Government's vision paper "Putting Children First" published in July 2016.

The intervention strategy set down in that paper is clear and welcome but it does not apply in a straightforward way to Rotherham.

It is the view of Commissioners that given where we started, much has been achieved in Children's Services and the conditions now exist for further improvement. The first tranche of improvements, once commitment, new resources and direction had been established, has come quite quickly. Moving on from where we are now to 'good' or 'outstanding', is likely to take at least another two years of hard slog. The Council has set an ambition for its Children's Services to be 'outstanding' by 2018 and at the moment this remains aspirational but not impossible.

It remains the Commissioners view that insisting on a fast transition to a Trust arrangement would be an unwelcome distraction. It would involve large numbers of staff in having to think about new arrangements most of which would in the short-term offer nothing to the current cohort of children being assisted. Commissioners therefore think that faith in the current improvement journey should be maintained under the current arrangements but the Council should be required to bring forward an assessment of its own by the end of March 2017 as to whether or not any kind of alternative governance arrangements would be relevant over the longer-term.

Commissioners have encouraged the Council to apply for Department for Education 'Innovation Fund' monies to assist with such consideration.

It follows that Commissioners are not recommending any change to the intervention Directions for Children's Services at the present time and indeed consistent with the look ahead for other services, anticipate that we will not be so recommending in October 2016 either.

It will be relevant to take another view, in January 2017 when the Improvement Partner and new Commissioner will have gained more experience.

As in previous reports, I attach an evidence file which sets out great detail what Commissioners have been doing, evidence that we have gained from inside and outside the organisation which helps us to gauge success and includes as appendices, verdicts and opinions from third parties.

Again consistent with past practice my intention will be to put this letter and the evidence file in the public domain after you have had a chance to respond to it.

I look forward to the opportunity to discuss with you and your officials our conclusions as set out here.

I would like to take the opportunity to thank you for your interest, your officials for their support, the Council for its active and positive collaboration and my fellow Commissioners.

Yours sincerely,



Sir Derek Myers  
Lead Commissioner

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