

Commissioners' Office

Riverside House
Main Street
Rotherham
S60 1AE
E-mail: commissioners@rotherham.gov.uk

Our Ref:
DM/VH

Direct Line:
01709 255100

Please Contact:
Lead Commissioner Sir Derek Myers

10th February 2017

The Rt Hon. Sajid Javid MP
Secretary of State for
Communities & Local Government
Department for Communities & Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

The Rt Hon. Justine Greening MP
Secretary of State for Education
Department for Education
Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

Dear Secretaries of State,

I write to offer the report of the Commissioners appointed to Rotherham Council at the conclusion of nearly 24 months' work.

I attach an evidence file in which individual Commissioners and the Council have reported against the 'Mission Statement' agreed by Commissioners at the onset of the intervention in March 2015.

In overview I can report that progress continues to be steady.

In November 2016 we recommended that other functions could be returned to the Council for future decision-making. This would have the advantage of restoring democratic responsibility but also bringing these decisions once more under the orbit of local scrutiny and 'call-in' provisions thus increasing democratic accountability.

For the functions returned in February 2016 and any functions that you eventually determine should return as a result of those recommendations, Commissioners will continue to supervise and provide formal advice in any circumstances where they think the Council's decision-making requires it.

This leaves Commissioners still responsible for the following functions:

1. Children's Services

Commissioner Patricia Bradwell who is the appointed Children's Social Care Commissioner will write separately to the Secretary of State for Education with her quarterly report.

Progress continues but there remains further work to do to ensure all individual work is done to a good standard.

Work continues in the Council, on appraising potential alternative delivery models for Children's Services. Led by Improving Lives Scrutiny, Members and officers have been visiting other areas to understand how different models are working. This work is on track to be completed within agreed timescales and a report is expected by end March.

2. Asset Management

Commissioners have issued a formal statement of their expectations for this particular function and its further improvement. A review was done by CIPFA which advised the Council how it could improve value for money from this function and how it could strengthen the importance attached to good asset management in the life of the Council. An action plan has been developed but will take some months to implement.

3. Human Resources (Personnel)

Commissioners have again issued a statement of requirements. The Council has now hired a new Head of HR and her impact is already being felt.

The Council has engaged responsibly on an exercise of discussion with Trade Union representatives about selective changes in terms and conditions which are designed to decrease the pay bill. These discussions have gone well. Further improvements during the course of 2017 can be anticipated.

4. Commissioners' duty to appoint statutory officers in the Council

This covers positions including the Chief Executive; Director of Finance; Director of Children's Services; Director of Adult Social Care and the Council's Monitoring Officer.

The original Directions provided that it was for Commissioners to make appointments to these vital jobs and Commissioners consider that the responsibility should remain with them for a further period. This both ensures that there is no hesitation about acting if any of the individuals in these important jobs do not perform, but also safeguards those individuals if in the performance of their duties, elected politicians seem to be hostile to their advice.

No change is recommended at present.

5. The ability to appoint Council representatives to External Bodies

This was also part of the set of powers given to Commissioners at the onset of the intervention.

Most of such appointments are made immediately after elections, or when casual vacancies arise and having endorsed a perfectly sensible set of proposals from the Council immediately after the all-out elections in May 2016, Commissioners have made very few decisions since then and feel that this function can now be returned to the Council. This was not dealt with in our November 2016 letter, but could be agreed if the Council include this as a representation in the latest round of changes.

6. Budget

The main activity for the Council since the last quarterly report by Commissioners in November 2016 has been the final work on the public consultation around the budget proposals for 2017/18. The Council will take advantage of the Government offer to increase Council Tax for the purposes of adding to Adult Social Care resources. Some £24m of service reductions and other cost reductions are likely to be agreed. Nevertheless the Council will only be able to set a 2017/18 budget with a contribution from reserves of £5.295m and this means that further work on reductions will be required for budget years 2018/19 and beyond.

The Council now has a satisfactory Medium Term Financial Strategy but it contains a number of commitments for more fundamental questioning of how the Council spends its money (for example by comprehensive review of procurement arrangements) and on what the Council spends its money (by work to look at the future shape of the Council) which other Councils that have not faced Rotherham's difficulties have probably already had the opportunity to work through.

Commissioners on appointment were able to recommend such work, but inevitably given the large number of new elected politicians and a completely new top team of officers, there has had to be some tolerance to allow these new politicians and the officers to understand the Council sufficiently in order to challenge and examine opportunities for substantial change.

This means that most of this fundamental challenge work is only happening now or has yet to happen.

Optimistically this means that the Council will continue to improve its delivery against its Best Value legal obligations during 2017/18 and its 2018/19 budget proposals should not rely on a further contribution from reserves.

Reserves are currently sufficient to allow the contribution for 2017/18.

Importantly the budget proposals as currently anticipated for 2017/18 are now for a total net increase in the Children's Services budget of £6.2m. This includes a £9.7m investment in children's social care with savings being delivered across the wider, non-social care services within the Directorate.

This is important because currently both the Children's Services budget and Adult Social Care budget are overspending against the original budget set for 2016/17 because demand in both services continues to increase. In addition to the service demand pressures, in the case of Children's Services there has still been a continuing reliance on expensive agency staff and in Adult Social Care there has been some under-controlled cost of individual care packages as a result of historic poor practice which the new management are working through to address.

Part of the pattern of increased demand for Children's Services has arisen from the desirable consequences of the activity by the National Crime Agency to bring to justice those guilty of crimes against young people who were teenagers some years ago. In such cases, where perpetrators come to be interviewed and charged, an assessment has to be done of their home circumstances to ensure none of their family or associates or vulnerable children are at risk. Service has to be offered to any adults who have been abused in these cases in years past, who may now have a need for support through the trial or may find their own parenting abilities compromised by the stress of the criminal process which seeks to provide them with delayed justice.

To do this job well is very expensive in terms of professional time both within the Police force and within the Council and to this end a multi-agency bid for national resources has been made. This bid has come to be known as the 'Fusion Bid'. The bid has been appraised by the Government's preferred arm's-length specialist advisory body called the National CSE Response Unit and following feedback received from them the bid has been varied and we are still hopeful that the Council may expect to receive some assistance.

7. Licensing

Following the Secretary of State's agreement to restore this function to the Council, successor arrangements are now in place and a Committee of Councillors drawn from both parties represented on the Council is meeting to take ordinary decisions. This will be closely supervised as previously agreed by Commissioner Mary Ney.

All the other functions returned to the Council in February 2016 continue to be conducted in an acceptable way, respectful of the duties of Best Value. On most occasions Commissioners when reviewing draft decision reports, can think of ways in which the reports can be improved either by ensuring that discipline of Best Value is more prominent or ensuring that officer reports prompt political decision-makers to make good decisions, balancing all relevant considerations. In no instances have Commissioners taken a diametrically different view about recommendations made by officers. In all instances Councillor decision-makers have welcomed the advice of Commissioners and reports have been amended accordingly.

The scrutiny process in the Council continues to add value. As part of its constitutional reforms, the Council agreed to introduce a system of pre-decision scrutiny whereby a panel of scrutiny Councillors looks at potential decisions ahead of these being considered by the Cabinet. The bulk of this work has focused around budget options but it has also encompassed other areas where there is likely to be a lot of public interest in decisions that the Cabinet is due to consider. Despite some scepticism about whether or not the mechanics could be made to work well enough, the system has settled down to be effective and has also engaged the attentions and talent of Members of the UKIP Group who previously have been rather sceptical about the value of scrutiny.

This work has been much assisted by the free assistance given on behalf of the Local Government Association by the Centre for Public Scrutiny.

In summary therefore, after nearly 24 months of intervention and a lot of hard work by a wide cast of individuals both within the Council and from external sources of assistance, supervised and led by Commissioners, Rotherham is an organisation that is very different from that which caused so much public concern in 2014. This is not to say that the Council is yet a model for others. In many areas it needs to continue to strengthen.

In all other areas it needs to make sure that good practice now evident, is embedded and becomes unquestionably the norm.

In a small number of areas the Council has a number of choices to make but these are choices which are comparable to most, if not all other parts, of local government.

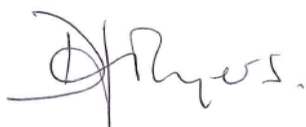
It has been my great honour to lead the team of Commissioners since the onset of the intervention and I thank them for their hard work, talent and diligence.

This is my last quarterly report on behalf of the Commissioner team as I am stepping down from my responsibilities in Rotherham and I will be replaced by Mary Ney.

I place on record my thanks to the civil servants from both the Department for Education and the Department for Communities and Local Government who have supported the intervention from the outset and without whose counsel we would have made many more mistakes and failed to make the progress we have made.

Unusually I do not think there are decisions to make on the back of this report by either Secretary of State, and this is therefore my intention to put this letter, as I have with previous letters, in the public domain after a suitable period for you to consider its content.

Yours sincerely



Sir Derek Myers
Lead Commissioner

Enc: Commissioners' 2 Year Progress Review Report (24 months)