

LGA Corporate Peer Challenge

Rotherham Metropolitan Borough
Council

5th – 8th June 2023

Feedback report





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1. Executive summary

Rotherham is a historic minster and market town in south Yorkshire with a rich history, impressive cultural and architectural heritage, an attractive geography, and active communities. It has made, and continues to make, a valuable contribution to the region.

Rotherham Metropolitan Borough Council serves the town well and is today an impressive organisation. Being named the 'Most Improved Council' in the country at the Local Government Chronicle (LGC) Award in 2022 provides ample evidence that it is now in a very good place. It is ambitious and has well-established and robust foundations, along with several notable and commendable practices that other councils can learn from.

There is a good collective understanding of place, accompanied by a clear vision and ambitious goals. These are widely acknowledged and supported by everybody from Members and staff to partners and other stakeholders. People speak highly about the vision and aspirations of the council and are committed to delivering it.

There is strong and visible political and managerial leadership in the council at borough and sub regional level. The Leader and the Chief Executive have demonstrated drive in bringing about the necessary change across the council to get it to the position it is now at. More widely there are excellent and effective Member and officer relationships built on mutual trust at a variety of levels. Members spoke highly of the support they receive from officers and were complementary of the systems put in place for them to receive the necessary information and timely responses to their ward-related enquiries.

The peer team met some really good quality staff from across the council. They were motivated, dedicated and determined to deliver the best outcomes for residents. They knew the priorities of the council and wanted to do their best to deliver against them. There is also good evidence of effective governance and a positive and healthy organisational culture that supports the council in delivering some good quality services. These attributes should now be used to achieve outcomes, demonstrate impact and facilitate further organisational transformation to help continue improving the customer experience.

It was pleasing to learn that the council's children's services have been judged as

‘good’ twice in a row by OFSTED. The council is now aiming for an ‘outstanding’ rating in future OFSTED assessments and has a clear ambition, plan and staff motivation to achieve that. This is testament to the progress the council has made over the last five years.

The council has forged robust partnerships and cultivated good working relationships that have stood the test of time. These can now be further developed to deliver integrated public services at the local level, with the goal of enhancing health outcomes and addressing inequalities.

There is strong stewardship of financial resources in the council and a clear understanding of the financial challenges and landscape that reflects and supports council priorities. This has led to a stable financial position which is supported by a sustainable financial strategy. Going forward the council will need to keep its capital programme, borrowing levels and the level of reserves under constant review to mitigate against volatility in the economy.

The council has been successful in attracting significant public sector investment and has an extensive (£610m) capital programme to deliver over the next three years. This will help the council to address the challenge in attracting private sector investment at scale to support the need and desire for an inclusive, sustainable and more diverse economy that is not overly reliant on the public sector.

The time is right for Rotherham Council to build on this success with heightened confidence and unleash the full potential of the place. There is a positive story to be told about the place, and the council together with its key stakeholders should start the process of building a compelling outward focused narrative that can market and promote Rotherham to the outside world.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team’s key recommendations to the council:

2.1 Recommendation 1

Celebrate the council’s achievements!

There is a lot to be proud of in Rotherham. The council has undergone an impressive transformation and has many exemplary and commendable practices that other councils can learn from. These, as well as the external validations the council has received, should be more actively profiled and celebrated widely.

2.2 Recommendation 2

Develop an externally facing compelling and positive narrative of place which will help to promote and market the borough and capitalise on Rotherham's assets.

A strong, consistent and compelling outward focusing story about Rotherham told over and over again will help to market the borough, promote the place and its assets and inject confidence to attract inward investment as well as change perceptions of the town as a great place to live, work and visit.

2.3 Recommendation 3

Use the significant investments underway to expand and attract private sector investment at scale, maximising its potential and supporting a more inclusive economic future.

By diversifying investment sources, the council can not only mitigate the risk of a decline in activity if public funds were to diminish but also foster the growth of a more inclusive and mixed economy, thereby ensuring long-term sustainability for the borough.

2.4 Recommendation 4

Develop effective pathways and mechanisms for local people, especially young people, to benefit from inclusive growth that can help to deliver improved health outcomes and address inequalities.

Facilitating local people to connect into growth opportunities through clear pathways to new skills, jobs and business opportunities will ensure that economic growth is inclusive and brings tangible social value.

2.5 Recommendation 5

Review performance management with a focus on demonstrating impact and an improvement in outcomes in delivering the council's ambition; and use the strong

leadership, capacity and capability of the top-team to drive and deliver further organisational transformations and change across the borough at pace.

Streamline performance management and continue to work with scrutiny to ensure that the process of taking items to scrutiny before they reach Cabinet does not slow down decision-making. Furthermore, maximising the potential of the top-team to take on greater levels of corporate responsibility can drive and deliver future change and transformations at pace, whilst maintaining the strong foundations and good governance that has been put in place.

2.6 Recommendation 6

Building on the Neighbourhood working model, develop a clearer and shared understanding of integrated locality working across the public sector and increase the pace of digital transformation across the organisation to deliver improved outcomes for residents and consistently improve the customer experience.

This will help to further modernise the organisation and improve efficiency and effectiveness. Digital transformation should lead to the discontinuing of parallel paper-based processes to avoid duplication, increase efficiency and improve the customer experience. Integrated locality working through increased co-design and co-production of solutions and services alongside partner organisations can deliver enhanced outcomes for residents through improved services and solutions which are tailored to their needs.

2.7 Recommendation 7

Continue to keep the medium-term financial strategy under review - testing assumptions and undertaking sensitivity analysis – and continue to report to Members on a regular basis.

Using scenario planning and reviewing the medium-term financial strategy helps to identify options when there are uncertainties over future funding arrangements and volatility in the economy. This will enable the council to stress test demand-led budgets and assess risks to fully understand and reflect the impact of variables going forward. Continuing to keep Members updated on the fiscal health of the organisation and associated risks will ensure they maintain a strong grip on the budget.

3. Summary of the peer challenge approach

3.1 The peer team

Peer challenges are delivered by experienced elected Member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- **Denise Park** (Chief Executive - Blackburn with Darwen Council)
- **Councillor Cllr Eamonn O'Brien** (Leader - Bury Council)
- **Dame Mary Ney** (LGA Associate and former Government Commissioner at Rotherham MBC)
- **Stephan Van Arendsen** (Executive Director for Corporate Resources and Customer Services - Sefton Metropolitan Borough Council)
- **Richard Roe** (Corporate Director for Place - Trafford Council)
- **Satvinder Rana** (Senior Regional Adviser - LGA)

3.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of

local priorities? Does the council have the capacity to improve?

In addition to these questions, the council asked the peer team to provide observations and feedback on the council's progress in the last five years and the work being undertaken to create an inclusive economy.

3.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent three days *onsite* at Rotherham Metropolitan Borough Council, during which they:

- Gathered information and views from over 40 meetings, in addition to further research and reading of over 70 pieces of evidence.
- Spoke to over 100 people including a range of council staff together with members and external stakeholders.
- Went on a tour of the Town Centre and part of the wider borough.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and Members.

4. Feedback

4.1 Local priorities and outcomes

The council has clearly defined ambitions, priorities, and a strategic context around people, economy, environment and neighbourhoods. These are consistently articulated in high-quality corporate documents such as the Rotherham Plan 2025, the Council Plan 2022-25, the Year Ahead Delivery Plan 2023-24, and the Performance Management Framework 2022-25. These strategic documents are

further supported by service plans, team plans, ward plans, and other operational strategies and plans, demonstrating a strong alignment between strategic goals, corporate priorities and delivery mechanisms.

There is a clear sense of place and a good understanding of ambitions, and priorities among Members, staff and partners who are all supportive of what the council is trying to achieve. Everybody the peer team met was well-informed about the council's objectives and showed eagerness to contribute their part in achieving them – *“it’s an ambitious council at all levels”*.

The current performance and risk management practices are robust, but they primarily focus on activities and key performance indicators (KPIs) rather than demonstrating impact and tangible improvements in outcomes. In the next phase of developing the council plan and supporting performance management framework, it will be important to establish a stronger connection that illustrates how these activities and KPIs are directly contributing to better outcomes for individuals, the community and the place. This may involve reinforcing the alignment of outcome targets and performance measures with the council's ambitions to demonstrate how the vision, priorities, and projects translate into meaningful results that enhance the quality of life for residents.

The council has successfully stabilised its organisational position by focusing on improving its people services, which has put it in a very good position. It is now placing greater importance on its role in shaping the town and surrounding towns and villages and has ambitious regeneration plans that are making progress. It is demonstrating aspirations for the borough and providing effective leadership within the community. Its commitment to creating an inclusive economy is evident. Investments are being made in Forge Island, housing developments in the town centre, and enhancing public spaces to boost civic pride and increase footfall.

The council now needs to utilise these investments as leverage for attracting private investment, thus creating a more economically sustainable and diversified economy with high-quality employment opportunities and ensuring that all residents can benefit from these prospects. Achieving outcomes, making impact and demonstrating social value is paramount.

4.2 Organisational and place leadership

The council demonstrates effective local leadership both at the borough and sub-regional levels. It effectively fulfils its role as a system leader through strong, visible, and highly respected political and managerial leadership. People speak highly of the Leader and the Chief Executive, commending their dedication and determination in bringing about the required transformations within the council - *“they have set the right tone and culture”*. They are supported by a capable and effective top-team made up of Cabinet Members and the strategic leadership team who all offer scope for greater levels of corporate responsibility to drive future change and transformations at pace.

The council has well-established and successful working relationships with public sector partners, as well as with voluntary and community sector and faith partners. These relationships are fostered through both informal and formal structures, ensuring effective collaboration. However, there is an opportunity to expand and strengthen relationships with a broader range of local private sector partners. By engaging these partners, the council can benefit from their expertise and resources to further support the delivery of its ambitions and priorities.

The council’s Thriving Neighbourhoods Strategy aspires to strengthen the role of Ward Members as community leaders who can work with their communities, their partners and those delivering service in communities to bring about the changes that communities want to see. The peer team was impressed by the exemplary approach to community engagement at ward level, where dedicated and well-supported Ward Members take the lead.

However, presently most of the neighbourhood working occurs at ward level with the involvement of council staff and there is an opportunity to expand upon this approach by promoting integrated locality working through increased co-design and co-production of solutions and services with partner organisations. This collaborative effort has the potential to deliver enhanced outcomes for residents, ensuring improved services and solutions tailored to their needs.

The council delivers a good standard of core services, and it was pleasing to learn that the council’s children’s services have been judged as ‘good’ twice in a row by OFSTED. The council is now aiming for an ‘outstanding’ rating in future OFSTED

assessments and has a clear ambition, plan and staff motivation to achieve that.

Rotherham has positive attributes such as its location at the heart of a regional economy, excellent rail and motorway connectivity, its industrial past and post-industrial heritage, coupled with the presence of green spaces - all contributing to its unique character. The town also boasts stable and well-established communities, as well as a promising potential for developing and expanding the skills base. These attributes need to be used to market and promote the economic potential of the borough widely.

The peer team heard that the council has done a lot in building and bringing about internal pride among council staff, Members and residents. The time is now right to put similar type of effort into developing an externally facing narrative of place which will help to attract inward investment, market the borough, and promote the place.

This can be done by leveraging the knowledge and understanding of the town held by Members, staff and partners - especially private sector partners. It is possible to shape this narrative into a powerful pitch that can resonate not only within Rotherham but also in the wider world. This should be done through improved and continuing external communication, focusing on the future and Rotherham's place in it.

4.3 Governance and culture

There are clear, robust and embedded governance arrangements, accompanied by effective overview and scrutiny mechanisms. People are clear about the governance arrangements, and both the scrutiny arrangements and the Audit Committee work well and are in line with what is expected. The peer team received positive feedback on the work carried out by scrutiny through scrutiny reviews, the support Members receive from officers, and the influence scrutiny has on the council's decision-making process, particularly through pre-decision scrutiny – *“there is transparency in decision-making”*.

There is an opportunity now to review performance management and decision-making processes to ensure they continue to be proportionate and support the required pace in the council to deliver its place shaping ambition. The council should keep the process of taking items to scrutiny before it reaches Cabinet under review to

ensure that it does not slow down decision-making.

Cabinet Members and the strategic leadership team are visible and accessible, fostering effective collaboration and a strong sense of team spirit. The strategic leadership team works well together, displaying a cohesive and cooperative approach. Moreover, there are exemplary and highly effective relationships between Members and officers, built on mutual trust and respect. Members from all political groups expressed appreciation for the support they receive from officers, as well as the well-supported systems in place to provide them with the necessary information and efficiently respond to their ward-related enquiries.

The council has developed a positive organisational culture, underpinned by clear values that are widely understood and embraced by the staff – *“the ‘people and culture’ are the key success factors in Rotherham”*. Internal communication and engagement through staff networks are both effective and highly valued by employees. The staff groups that the peer team met came across as motivated, dedicated and determined to deliver the best outcomes for residents. They knew the area and the priorities of the council well and wanted to do their best to deliver against them. They feel empowered and viewed the council as a great place to work. Relationships with trade unions are *“the best they’ve ever been”*, further contributing to a harmonious and cooperative working environment. These should now be used to facilitate further organisational transformation to help continue improving the customer experience.

The council has a well-developed Equality, Diversity and Inclusion Strategy which focuses on communication and engagement; delivering accessible and responsive services; providing leadership and organisation commitment; and ensuring a diverse and engaged workforce. It is also developing a route map to reach ‘excellent’ under the Local Government Equality Framework.

Women make up a high percentage of the council’s workforce (albeit with many working in part-time roles) and it has an under-representation of people under 25 and an under-representation of people from Black, Asian and Minority Ethnic communities when compared to the profile of the local population. However, it was good to see that staff training, development and support networks are all in place to assist with career development and to foster an inclusive and supportive

organisational culture.

The council has good relationships with faith organisations and is developing its approach to equality, diversity, inclusion and engagement to strengthen conversations with local communities. It continues to support several community events celebrating and championing equality, diversity, and inclusion, including Holocaust Memorial Day, International Women's Day, Black History Month, Interfaith Week, The Rotherham Show and Disability Awareness Month to name a few.

The council should build on these foundations to ensure that all groups benefit from not just investments in services but also the economy and access to education, training and good quality jobs across the board.

4.4 Financial planning and management

Strategic financial planning in the council is robust, with strong alignment to the corporate plan. The proposal for the 2023/24 budget shows a balanced position, and multi-year savings plans have been developed. The council's transformation plans are backed up by a flexible use of capital receipts strategy.

The capital programme is ambitious and has a recent history of under delivery and slippage. Cost and market pressures have also been an issue and borrowing is set to increase as a proportion of funding - the 2023/24 delivery target is high.

The Medium-Term Financial Strategy has been developed to bolster reserves, but they are still low in comparison to peer councils. The latest Audit opinion on the accounts is unqualified, although there were significant weaknesses in Special Educational Needs and Disabilities (SEND) identified in the Value For Money (VFM) opinion. The council is participating in the Safety Valve Programme to further develop SEND provision and positive recognition has been received from the Department for Education (DfE) in relation to the progress made to date.

Generally, the peer team found there to be strong stewardship of financial resources in the council and a clear understanding of the financial challenges and landscape that reflects and supports council priorities. The council has done a lot of work in the last few years to get to a position where it is now in a sustainable financial position. This position is supported by the external auditor.

The 'golden triangle' between the section 151 officer, the head of paid service and

the monitoring officer is strong and works well. The section 151 officer and deputy are respected professionals providing strong financial leadership. They have built a robust and effective finance function with good relationships across council departments.

The 2022/23 fiscal year required proactive financial management to reduce the £18m forecasted overspend. This was reduced to £8.4m by December 2022, helped in part by £4.9m short term in-year savings. It should be noted that children's services has overspent year on year and this should be managed. To reflect continuing pressure in demand led budgets, the council should ensure increased rigour in the budget planning process around assumptions and continuously stress test these demand-led budgets.

With the huge (£610m) capital programme in place, it is essential to continue to formally review capital investment plans to ensure they remain robust and appropriate with updated sensitivity and risk analysis undertaken. Any sensitivities and risks identified should then link into the council's Medium-Term Financial Strategy as well as its reserves. This means keeping the required level of reserves under review and regularly taking the risk register to Cabinet as part of the risk management process and to ensure Members maintain a grip on the levels of borrowing. This is particularly important considering the overspend in 2022/23 and volatility in the economy that may impact on the council's capital programme.

The economy is very volatile and can have a huge impact on the council's ability to deliver its ambitious capital programme. This calls for the council to develop a robust plan to monitor market trends and market performance of assets which are required to deliver an income stream to finance borrowing, as part of the annual budget setting process.

4.5 Capacity for improvement

There is a high level of self-awareness within the council among both Members and officers and they use 2016 as a reference point to measure progress – *“we are now able to have challenging conversations across the council”*. The council engaged well with Commissioners and used the intervention period to accelerate improvements. Since then, the council has welcomed external challenge, has supported formal inspections, and has opened itself to a range of peer reviews to support a learning

culture. It was named the 'Most Improved Council' in the country at the Local Government Chronicle (LGC) Award in 2022.

The council is in a good position to support the delivery of its priorities and has the capacity, ambition and capability to bring about further transformation in its services to improve the customer experience – *“we want to be the best there is”*. People have acknowledged the council's leadership role in safeguarding residents during the pandemic, its handling of migration issues, and its current efforts to support those in need to deal with the cost-of-living crisis.

Going forward, the council needs to continue reviewing its required skills and capacity to deliver its significant capital programme and ambitions for an inclusive economy. It should think about ways to increase flexibility in skills and capacity. This might involve collaborating more closely with the South Yorkshire Mayoral Combined Authority and the private sector to make sure that the required skills and capacity are accessible whenever they are needed, particularly when the council is unable to hire those specialised skills directly.

Like many other local authorities, recruitment in some key areas is an issue that will require proactively marketing and highlighting the benefits of working in Rotherham and continuing to review the overall pay and reward package through the delivery and progression of the Workforce Plan. Promoting how Rotherham is a fantastic place to work, has brilliant staff and a favourable organisational culture can help to address some of these recruitment issues.

There is scope to enhance digitisation and service transformation consistently across the council and in collaboration with partners to improve the customer experience. This opportunity should be seized to modernise services and improve efficiency and effectiveness, including by tackling parallel paper-based processes that are still in existence within the organisation.

Additional areas of specific focus

Nine years ago, the council faced significant challenges and experienced serious failures in its governance and service. However, it has undergone an impressive transformation and is now a vibrant, ambitious and proactive organisation with high aspirations for the future. It was inspiring to see a complete transformation in the


atmosphere, culture, and relationships, as these lie at the core of all the changes and improvements that have taken place. The council has undertaken an extensive amount of work to shift people's mindsets resulting in the council's current strong position - effort which not everyone beyond Rotherham can see.

It is time for Rotherham to shift its focus towards the future with confidence. The prospects ahead are promising, and it is the council's responsibility to determine how bright it wants to make them. Despite the current unsettled and uncertain external economic climate, Rotherham possesses positive qualities that can support its advancement and enable it to seize opportunities. There is evidence suggesting that the council has already started embracing a more outward-looking perspective and is making progress. Now, it must continue to progress rapidly and confidently.

To a large extent it has already started the process of doing this and is placing greater importance on place shaping and delivering joined up services at the neighbourhood level. It is demonstrating aspirations for the borough and providing effective leadership within the community. For example, Rotherham has seen the establishment of a university centre, a major theme park, and various other projects in the town centre and local high streets.

Furthermore, construction has also commenced on improving the railway station and the Forge Island leisure development, which will introduce a new cinema, hotel, and five restaurants, attracting visitors to the town centre and utilising the recreational potential of the river. Moreover, valuable investments of £40m have been secured through the Levelling Up Fund by the council. This is being used to boost the development of the borough's leisure and tourist economy and skills with grants provided to Wentworth Woodhouse, Gulliver's, Maltby Academy, and Magna as well as facilitating the redevelopment of its own country parks at Rother Valley and Thrybergh. £20m of this grant will be used to further the regeneration of the town centre boosted with an additional £31.6m from the Towns Fund to carry out ambitious regeneration projects across the town centre, Eastwood and Templeborough. These are all very positive and exciting developments, and the peer team encourages the council and its partners to demonstrate greater confidence in pursuing further opportunities and maximising the full potential of the whole area.

The council is on track in achieving its new council housing targets and there is some



private sector development but a greater focus on developing a broader range of housing tenures across the borough to meet future housing needs of the local population would support the council's ambition of a higher waged mixed economy and help to spread economic benefits. There are also opportunities to grow and develop a coordinated visitor economy, capitalising on Rotherham's heritage, natural assets and the new regeneration schemes.

The council has achieved success in attracting significant public sector investment which means the current regeneration underway in Rotherham is primarily funded by the public sector. It is important that this investment is used as a leverage for attracting additional private sector investment, fostering the growth of a mixed economy and ensuring long-term economic sustainability for the borough.

Furthermore, by diversifying its investment sources, the council can mitigate the risk of a decline in activity if public funds were to diminish. To help do this, the council should utilise the investment of public funds to establish market conditions to create an environment that is attractive to the private sector, encouraging them to invest in Rotherham. This approach will provide a consistent stream of investment, even if public funds become limited in the future.

Therefore, there is work to be done to achieve a truly mixed and an inclusive economy that makes a strong and visible connection between the regeneration of the 'place' to meet the needs of the 'people'. The council can create greater social value and demonstrate the tangible impact it is making on addressing, for example, health inequalities and improving the quality of life of residents. Investments in skills development, employment support, local and sustainable procurement, focused planning policies, etc should complement the investment and opportunities being created through the physical regeneration.

Enabling local people to connect into those opportunities through clear pathways to new skills, jobs and business opportunities will ensure local jobs and business opportunities are more likely to be accessible to local people.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Satvinder Rana, Senior Regional Adviser is the main contact between Rotherham Metropolitan Borough Council and the Local Government Association. Satvinder is available to discuss any further support the council requires. His contact details are Email: satvinder.rana@local.gov.uk Tel: 07887 997 124.



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(On behalf of the peer challenge team)