

OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Date and Time :- Wednesday, 31 January 2018 at 11.00 a.m.

Venue:- Town Hall, Moorgate Street, Rotherham.

Membership:- Councillors Brookes, Clark, Cowles, Cusworth, Evans, Mallinder, Napper, Sheppard, Short, Steele (Chair) Walsh and Wyatt.

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Questions from Members of the Public and the Press
4. To consider whether the press and public should be excluded from the meeting during consideration of any part of the agenda.

For Discussion/Decision:-

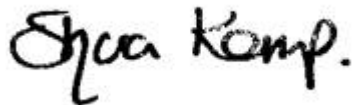
5. Review of Response to Petition - Truthfulness in Communications with Representatives and Advocates of Victims & Survivors of Child Sexual Exploitation (CSE) (Pages 1 - 12)
6. High Needs Finance Update and Budget Sustainability (Pages 13 - 25)
7. Budget Scrutiny Follow Up - Rotherham Youth Enterprise (RYE) Service (Pages 26 - 31)
8. Relationship between Audit Committee and Scrutiny (Pages 32 - 36)

For Information/Monitoring:-

9. Youth Cabinet/Young People's Issues
10. Work in Progress (Chairs of Select Commissions to report)

11. Call-in Issues - to consider any issues referred for call-in
12. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
13. Date and time of next meeting

The next meeting of the Overview and Scrutiny Management Board will take place on Wednesday 14 February 2018 at 11.00a.m. in Rotherham Town Hall.

A handwritten signature in black ink that reads "Sharon Kemp". The signature is written in a cursive, flowing style.

SHARON KEMP,
Chief Executive.

Summary Sheet

Committee Name and Date of Committee Meeting

Overview and Scrutiny Management Board – 31 January 2018

Report Title

Request for Review of Response to Petition - Truthfulness in Communications with Representatives and Advocates of Victims & Survivors of Child Sexual Exploitation (CSE)

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Shokat Lal, Assistant Chief Executive

Report Author(s)

James McLaughlin, Democratic Services Manager
01709 822477 or james.mclaughlin@rotherham.gov.uk

Ward(s) Affected

All

Summary

A request has been received for Overview and Scrutiny Management Board to review the response provided by the Council to a petition calling for the Chief Executive to remind staff of the importance of truthfulness in communications with representatives and advocates of Victims & Survivors of Child Sexual Exploitation (CSE).

Under the petition scheme, Overview and Scrutiny Management Board will determine the request for the review and may take various actions depending on the information provided to it. This report is submitted to enable the Board to discharge its responsibilities in accordance with the scheme.

Recommendations

1. That consideration be given to the request to review the Council's response to the petition on 'Truthfulness in Communications with Representatives and Advocates of Victims & Survivors of Child Sexual Exploitation (CSE)'.
2. That the Chair of the Overview and Scrutiny Management Board write to the lead petitioner to outline the outcome of the board's consideration.

List of Appendices Included

Appendix A – Petition Scheme

Appendix B – Request for Review by OSMB from the Lead Petitioner and Response to the Lead Petitioner from the Strategic Director of Finance and Customer Services

Background Papers

Minutes of the Council Meeting held on 13 September 2017

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Request for Review of Response to Petition - Truthfulness in Communications with Representatives and Advocates of Victims & Survivors of Child Sexual Exploitation (CSE)

1. Recommendations

- 1.1 That consideration be given to the request to review the Council's response to the petition on 'Truthfulness in Communications with Representatives and Advocates of Victims & Survivors of Child Sexual Exploitation (CSE)'.
- 1.2 That the Chair of the Overview and Scrutiny Management Board write to the lead petitioner to outline the outcome of the board's consideration.

2. Background

- 2.1 The Council's Petition Scheme was amended in May 2017 to provide the public with a clear route to call for action on particular issues of concern and to register support or opposition in respect of any proposal. The current Petition Scheme is appended to this report (Appendix A).
- 2.2 Under the petition scheme, a lead petitioner may request a review of the Council's response by the Overview and Scrutiny Management Board. In doing so, the lead petitioner must set out in writing why the Council's response is considered to be inadequate.
- 2.3 On 13 September 2017, the Council received a petition containing 22 signatures requesting the Chief Executive to write a letter to all employees of RMBC about the importance of truthfulness in their communications with representatives and advocates of victims and survivors of Child Sexual Exploitation (CSE) in Rotherham. As the petition had more than 20 signatures, the lead petitioner addressed the Council meeting and, in accordance with the scheme, the petition was referred to the relevant officer for response.
- 2.4 On 29 September 2017, a response was sent by the Strategic Director of Finance and Customer Services on behalf of the Chief Executive to the lead petitioner. The response is enclosed within Appendix B.

3. Key Issues

- 3.1 The lead petitioner has submitted a request for Overview and Scrutiny Management Board to review the response received to the petition. A copy of the request is enclosed within Appendix B.
- 3.2 The lead petitioner has been invited to attend the Board and may make verbal representations for up to five minutes. The Board then has the opportunity to seek further information from the lead petitioner through questions.
- 3.3 In considering the request to review the response to the petition, Members may seek and have regard to additional information to inform the review.

4. Options considered and recommended proposal

- 4.1 Should the Board determine that the petition has not been dealt with adequately it may instigate an investigation and make recommendations to the relevant officer or the Council's Cabinet.
- 4.2 The Overview and Scrutiny Management Board may also decide that the authority's response to the petition should be discussed at a meeting of the Council.
- 4.3 Once the review request has been considered the lead petitioner will be informed of the result in writing by the Chair of the Overview and Scrutiny Management Board within 10 working days of the meeting.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Overview and Scrutiny Management Board is responsible for considering the request to review the petition and communicating the outcome of the review within ten working days to the lead petitioner.
- 5.2 If Members determine that the request is valid and requires further investigation then Overview and Scrutiny Management Board will provide direction on whether it requires further consideration by an officer, the Cabinet or whether the response should be considered by the Council. The petition scheme does not provide a timescale for this to be completed, but where consideration is required by either Cabinet or Council this will be listed on the agenda for the next available meeting.

6. Financial and Procurement Implications

- 6.1 There are no financial or procurement implications associated with this report.

7. Legal Implications

- 7.1 There are no legal implications directly associated with this report.

8. Human Resources Implications

- 8.1 The subject of the petition which the Board has been asked to review has human resources implications in that the 'call for action' was for the Chief Executive to write to all staff to remind them of the importance of truthfulness in communications with representatives and advocates of victims and survivors of child sexual exploitation.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 The petition itself was concerned with ensuring truthfulness in communications with representatives and advocates of victims and survivors of child sexual exploitation. The Council has commissioned other service providers to signpost and support the victims and survivors of CSE.

10. Equalities and Human Rights Implications

10.1 There are no equalities or human rights implications associated with this report.

11. Implications for Partners and Other Directorates

11.1 There are no implications for partners or other directorates arising directly from this report.

12. Risks and Mitigation

12.1 There are no identified risks associated with this report.

Report Author: *James McLaughlin, Democratic Services Manager*
 01709 822477 or james.mclaughlin@rotherham.gov.uk

This report is published on the Council's website or can be found at:-
<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

Guidelines for submitting a petition

1.1 Petitions to the Council must include:

- A clear and concise statement covering the subject of the petition. It should state what action the petitioners wish the Council to take.
- The subject matter of the petition must relate to a function of the Council, or its partner authorities if the petition relates to an improvement in the economic, social or environmental well being of the District which a partner authority could contribute to. Petitions may also relate to matters which are sub-regional and cross-authority.
- The petition should contain the name, address and signature of at least 20 people who either are resident, work or study in the borough of Rotherham. This includes under 18 year olds.

1.2 Petitions should be accompanied by the contact details of the lead petitioner, including an address and/or telephone/email details. This is the person the Council will contact to explain the process for considering petitions. The contact details of the lead petitioner or any of the petitioners will not be published by the Council. If the petition does not identify a lead petitioner, we will contact signatories to the petition to agree who should act as the lead petitioner.

1.3 If the petition does not follow the guidelines set out above a letter will be sent to the lead petitioner explaining that the guidelines have not been met and that the petition has been forwarded to the appropriate Strategic Director for consideration.

2. How the petition will be dealt with

2.1 The petition will normally be acknowledged in writing within 5 working days of receipt although there may be a delay if it is not clear from the petition who the lead petitioner is.

2.2 The lead petitioner will need to confirm how he/she would prefer the petition to be dealt with and assistance will be provided by Democratic Services to help the lead petitioner decide which is the most appropriate route. Petitions will be progressed in one of the following ways:

Officer (relevant Strategic Director)

On receipt the petition will be forwarded to the relevant Strategic Director who has responsibility for the subject matter of the petition. The Strategic Director will nominate a Named Senior Officer to deal with the petition and the Named Senior Officer will contact the lead petitioner within 3 weeks to inform them of what action will be taken on the petition. As a lead petitioner you will be informed within the 3 week period if action has already been taken on the matter before the petition was received, or is in the process of being taken.

The Named Senior Officer will consult with the councillor who is the Member of the Cabinet holding the relevant portfolio for the service area, and if the

subject matter of the petition is concerned with a particular locality, the ward councillors, to determine the action to be taken. The lead petitioner will be notified of the outcome in writing. However, it may be appropriate for the Named Senior Officer to take a report to a meeting of the Cabinet or another council committee. The lead petitioner and local ward councillors will be informed of the date of the meeting with an invitation to attend. After the meeting the Named Senior Officer will confirm the outcome to the lead petitioner, local ward councillors and any other relevant Member in writing within 10 working days.

Meetings of Full Council

Petitions can be presented to a meeting of Council. All 63 of the Councillors on the Metropolitan Borough Council of Rotherham are Members of Council, so attending one of these meetings will provide the opportunity for the views in the petition to reach all Councillors.

The ordinary meetings of Council are held approximately every six weeks, and as a limit of 5 petitions are considered at each meeting, the lead petitioner should contact Democratic Services at the earliest opportunity. If there are more than 5 petitions then it will be necessary to consider the petitions that were received latest at the next meeting. At the Council meeting, a representative of the petitioners may speak on the subject matter of the petition for 5 minutes after presenting their petition to the Mayor. Council will not debate the petition but can refer the petition to the appropriate committee, panel or officer for response. Further details can be obtained by contacting Democratic Services on 01709 822054 or emailing petitions@rotherham.gov.uk.

Full Council debates

If a petition contains more than 2,000 signatures it will be debated at a meeting of Council. Normally the petition will be considered at the next ordinary meeting of the Council, although on some occasions this may not be possible and consideration will then take place at the following meeting. A representative of the petitioners will be given 5 minutes to present the petition at the meeting and the petition will then be discussed by councillors for a maximum of 15 minutes. The Council will then decide how to respond to the petition at this meeting. They may decide to take the action the petition requests, not to take the action requested for the reasons put forward in the debate, or to commission further investigation into the matter, for example by a relevant committee. Where the issue is one on which the Council's Cabinet is required to make the final decision, the Council will decide whether to make recommendations to inform that decision. The petition organiser will be sent written confirmation of this decision within 10 working days. This confirmation will also be published on the Council's website.

Calling an Officer to account

A petition may ask for a senior council officer to give evidence at a public meeting about a service for which the officer is responsible as part of their job. For example, the petition may ask a senior council officer to explain progress

on an issue or to explain the advice given to elected members to enable them to make a particular decision.

If the petition contains at least 600 signatures, then the relevant senior officer will give evidence at the Overview and Scrutiny Management Board. A relevant senior officer would be the Chief Executive or a Strategic Director or Assistant Director. The officer called to give evidence may be supported by other officers who have been involved in the matter. If the officer named in the petition is unavailable – for instance if the named officer has changed jobs – the Overview and Scrutiny Management Board may need to decide to call another senior officer. The Overview and Scrutiny Management Board may also decide to call a relevant councillor to attend the meeting such as the member of the Cabinet who holds the portfolio for the service mentioned in the petition.

A report will be presented to a meeting of the Overview and Scrutiny Management Board setting out the background to the matter. The lead petitioner will be able to attend the meeting to present the petition for up to 5 minutes. At the meeting the senior officer will be questioned by the Committee members. If the public is to be excluded during any part of the meeting under the provisions of Part 5A of the Local Government Act 1972 this will be set out in the attendance notification to the lead petitioner. The Committee will then make recommendations in accordance with the Council's delegation scheme. It may be necessary for the Committee to defer making the recommendations to a future meeting, for instance, if further information is requested. When the Committee has finalised its recommendations written notification will be sent to the lead petitioner within 10 working days and be published on the Council's website

3. Matters excluded from the Petitions Scheme

3.1 A petition cannot be dealt with through this scheme if it addresses or includes:

- a planning or licensing application for which other arrangements are in place.
- Matters subject to prescribed statutory requirements, e.g. an elected mayor.
- Matters where there is already an existing right of appeal, such as council tax banding and non-domestic rates, where other procedures apply.
- Repetitive or vexatious correspondence
- Potentially libellous, false or defamatory statements.
- Material which is commercially sensitive
- Material generated by local political parties
- The names of individuals in relation to criminal accusations or information which easily identifies an individual
- Statements which contravene equalities and anti-discrimination legislation

- Matters subject to appeal processes or legal actions, e.g. enforcement action.
 - Refers to a particular official of a public body
 - Material which is vexatious, abusive or is deemed otherwise inappropriate
- 3.2 If the petition contains any of the above the lead petitioner will be informed of the reason for not accepting the petition in writing.
- 3.3 If the petition is about a matter over which the Council has no direct control your petition will be forwarded to the relevant organisation. However, if the petition relates to a partner organisation the Council will consider making representations on behalf of the community to the relevant body. The Council works with a large number of local partners and where possible will work with these partners to respond to your petition. The lead petitioner will be informed of any action the Council has taken to progress the petition.

Please consult with Democratic Services if clarification is required.

4. The Council's response to petitions

- 4.1 The Council's response to a petition will depend upon what the petition is asking for and which of the options is taken for dealing with the petition, but the response will include one or more of the following:
- Writing to the lead petitioner and relevant Ward Councillors setting out the Council's views about the request in the petition
 - Taking the action requested in the petition
 - Commissioning research on the matter
 - Holding a consultation
 - Holding a meeting with petitioners
 - Holding a public meeting
 - Undertaking a referendum in a locality
 - An inquiry
 - Referring the petition for consideration by the Cabinet or relevant Scrutiny Committee (committees responsible for scrutinising the work of the Council and holding the decision makers to account)
 - Discussing the petition with other relevant organisations
 - Publish notification on the Council's website on how the petition is being dealt with.

5. Review

- 5.1 If the lead petitioner feels that the Council has not dealt with the petition properly, the lead petitioner has the right to make a request to the Assistant Director of Legal Services that the Council's Overview and Scrutiny Management Board review the steps that the Council has taken in response to the petition. The lead petitioner will be asked to provide a short explanation

in writing of the reasons why the Council's response is not considered to be adequate.

- 5.2 The Overview and Scrutiny Management Board will endeavour to consider the request at its next meeting, although on some occasions this may not be possible, and consideration will take place at the following meeting. The lead petitioner will be invited to attend the Committee and make verbal representations for up to 5 minutes. Should the Committee determine that the petition has not been dealt with adequately it may instigate an investigation and make recommendations to the relevant officer or the Council's Cabinet.
- 5.3 The Overview and Scrutiny Management Board may also decide that the authority's response to the petition should be discussed at a meeting of the Council.
- 5.4 Once the appeal has been considered the lead petitioner will be informed of the result within 10 working days.

6. E-petitions

- 6.1 The council welcomes petitions which are created and submitted through our website. E-petitions must follow the same guidelines as paper petitions as outlined above. The petition organiser will need to provide us with their name and email address. You will also need to decide how long you would like your petition to be open for signing.
- 6.2 When you create an e-petition, it may take five working days before it is published online. This is because we have to check that the content of your petition is suitable before it is made available for the public to sign. If we feel we cannot publish your petition for some reason, we will contact you within this time to explain why. You will then be able to change and re-submit your petition if you wish.
- 6.3 When an e-petition has closed for signing, it will automatically be submitted to Democratic Services in the same way as a paper petition, you will receive an acknowledgement within five working days. It will ask you how you prefer to progress the petition in line with the Council's petition scheme. Assistance will be provided to help you decide which is the most appropriate route.

McLaughlin, James

From: Liam [REDACTED]
Sent: 19 January 2018 09:37
To: McLaughlin, James
Subject: Petition Review at an OSMB Meeting

Dear James

The petition I addressed at the Council meeting on 13 September 2017 gave Sharon Kemp, Chief Executive, an opportunity to show that she understood the need of adult survivors of CSE (Child Sexual Exploitation) and their family members to get truthful response when officers were asked questions.

The eventual response from Judith Badger on 29 September 2017, on behalf of Sharon Kemp, shocked adult survivors of CSE in Rotherham.

In the period since the Council meeting on 6 September 2017, when an adult survivor of CSE spoke out, evidence has accumulated to show that officers:

- Are **not** open and transparent in everything they say and do;
- Do **not** own their decisions, do **not** do what we say and do **not** acknowledge and learn from their mistakes;
- Do **not** show regard and sensitivity for the feelings, rights and views of others;
- Are **not** dedicated, committed and positive, embracing change with energy and creativity;
- Do **not** take pride in our borough and the job that they do;

It is the view of adult survivors of CSE and their supporters it is now even more important that Sharon Kemp should:

"write to all employees of RMBC about the importance of truthfulness in their communications with representatives and advocates of victims and survivors of Child Sexual Exploitation (CSE) in Rotherham".

I would like to address the next meeting of the Overview and Scrutiny Management Board on Wednesday 31 January 2018 to explain in more detail why I think the response to my petition has not addressed the 'call for action' within my petition.

If possible, I will be happy to take up your offer to meet with you before the Council Meeting on 24 January to discuss how the OSMB meeting will work.

Sincere regards

Liam

----- Original Message -----

From: Kemp, Sharon
Sent: Friday, September 29, 2017 4:59 PM
Subject: Petition

Dear Mr. Harron,

I write in response to your petition submitted and presented to the Council on 13th September 2017. Your petition requested that I *"write to all employees of RMBC about the importance of truthfulness in their*

communications with representatives and advocates of victims and survivors of Child Sexual Exploitation (CSE) in Rotherham". As stated by The Mayor at Council it was confirmed that I would provide a written response.

As Chief Executive of the Council I believe truthfulness is essential in everything that we say and do and one of the first things I did upon becoming Chief Executive was develop a set of staff values and behaviours (attached). The five values are:

- **Honest** – *open and transparent in everything we say and do*
- **Accountable** – *we own our decisions, we do what we say and we acknowledge and learn from our mistakes*
- **Respectful** – *we show regard and sensitivity for the feelings, rights and views of others*
- **Ambitious** – *we are dedicated, committed and positive, embracing change with energy and creativity*
- **Proud** – *we take pride in our borough and the job that we do*

You will see both from the values and the underpinning behaviours for each value that I am fully committed and recognise the importance of honesty and respect with all the people of our borough and particularly with the victims and survivors. These values have been shared with every member of staff and have become embedded in our everyday practice and way of working and our managers continue to work with all staff to ensure that we consistently apply these across all our interactions with residents, partners, stakeholders and each other.

I understand that you will be meeting Shokat Lal, Assistant Chief Executive, next week who will be taking you through exactly how we have implemented and use the values and behaviours. So in response to your petition I would like to assure you that I have already engaged with the workforce on the importance of being truthful and will continue to reinforce this message.

I would also like to thank you for raising the petition and recognise both the importance and significance of the issues.

Kind regards

Judith Badger

Deputising on behalf of the Chief Executive

Summary Sheet

Name of Committee and Date of Committee Meeting

Overview and Scrutiny Management Board – 31 January 2018

Report Title

High Needs Finance Update and Budget Sustainability

Report Author(s)

Mark Chambers, Assistant Director, Commissioning Performance and Quality
01709 822238 or mark.chambers@rotherham.gov.uk

Ward(s) Affected

All

Summary

This paper outlines the financial position in 2017/18 of the High Needs Block of the Dedicated Schools Grant (DSG). It evidences the recent growth in demand for special educational places and the impact on cost compared to previous years.

Options to bring the High Needs Budget to a sustainable level are explored in light of the changes to the High Needs Fair Funding Formula, National Schools Funding Formula and the Council's SEND Sufficiency Strategy.

Recommendations

That Overview and Scrutiny Management Board:-

- Note the in-year High Needs forecast of expenditure at December 2017.
- Note the growth in demand for Education and Health Care Plans in Rotherham.
- Note options to provide future budget sustainability, the outcome of consultation with schools and the recommendation of Schools Forum.

Background Papers

SEND Sufficiency Report to Cabinet (September 2017)

High Needs Finance Update and Budget Sustainability

1. Recommendations

1.1 That Overview and Scrutiny Management Board:-

- Note the in-year High Needs forecast of expenditure at December 2017.
- Note the growth in demand for Education and Health Care Plans in Rotherham.
- Note options to provide future budget sustainability, the outcome of consultation with schools and the recommendation of Schools Forum.

2. Background

2.1 The Dedicated Schools Grant (DSG) is a ringfenced grant from the Department for Education (DfE) to fund education provision. It is made up of three funding blocks:

- Schools – Individual mainstream schools and academies.
- High Needs – funding for the education of pupils subject to Education, Health and Care Plans (EHCPs) from age 0-25 in a range of provision including special schools, mainstream schools, alternative provision, independent specialist provision and Council centrally retained expenditure for High Needs.
- Early Years – Two Year old Funding; Early Years Funding in Schools and Private, Voluntary and Independent provision (PVI)s; and local authority retained expenditure for under five year olds.

2.2 Schools and Early Years Services are delivered within their respective funding block allocation. The High Needs Block in Rotherham is in deficit.

2.3 Rotherham faces considerable pressure in continuing to meet the needs of pupils with Special Educational Needs and Disabilities (SEND). There are increasing numbers of pupils with an Education, Health and Care Plan (EHCP) or its predecessor, the Statement of Special Educational Needs (SEN) and in-borough special school provision is currently over-subscribed.

2.4 Wherever possible children and young people should have their needs met in their chosen mainstream setting, educated alongside their peers within their local community. However for children with more complex needs, specialist settings can sometimes be more appropriate. Whether they are educated in mainstream schools or through specialist provision, these children and young people have a right to additional funding from the High Needs Budget through which their educational needs must be met.

2.5 During recent years Rotherham has faced growing demand on the High Needs Budget which has resulted in a recurrent annual deficit. In 2015/16 the High Needs in-year deficit was £1.004m; in 2016/17 it was £4.632m (a cumulative deficit of £5.636m); and in 2017/18 it is forecast to be £5.075m (a cumulative deficit of £10.711m).

- 2.6 Over the same three year period the number of children and young people with EHCPs, and their predecessor a Statement of Educational Need (SEN), has risen. In 2015/16 (Jan-16) the number of EHCP/SEN was 1,230; in 2016/17 (Jan-17) it was 1,539; and in 2017/18 the current position (Nov-17) is 1,776.
- 2.7 The High Needs Budget allocation has increased year on year but, partly due to Rotherham's low High Needs funding baseline compared to neighbouring, statistical and national local authorities, the budget uplifts have not been sufficient to match the acceleration in demand and the increase in the cost of provision.
- The funding for High Needs in Rotherham has historically been at less than 10% of the overall DSG (*Appendix 1 – High Needs Budget as a Percentage of Overall DSG*).
 - The unforeseen rise in EHCPs since January 2015 (and subsequent growth in specialist placement demand) has moved at a quicker pace than estimated and hence faster than plans to increase in-borough capacity and choice.
 - There is a strategy to increase high needs provision in Rotherham by 125 places; however a lead in time whilst capital works are completed will mean that the current budget pressure will remain for the next two financial years.
- 2.8 As part of the new National Funding Formula for Schools the DfE have introduced new ring-fenced criteria which limits the previous flexibility that existed to transfer funding from the Schools Block to one of the another blocks. From 2018/19 the amount that can be transferred has been capped at 0.5%. In Rotherham this is the equivalent of £924k.
- 2.9 A “disapplication” request by the Council was made to the DfE on 30th November 2017 to allow a transfer in excess of 0.5% from the School Block to the High Needs Block in response to the High Needs funding shortfall.

3. Key Issues

- 3.1 The latest High Needs budget monitoring for December 2017 is reporting an in-year overspend of £5.075m. The forecast cumulative deficit – the deficit carried forward from previous years added to the in-year forecast – is £10.711m.

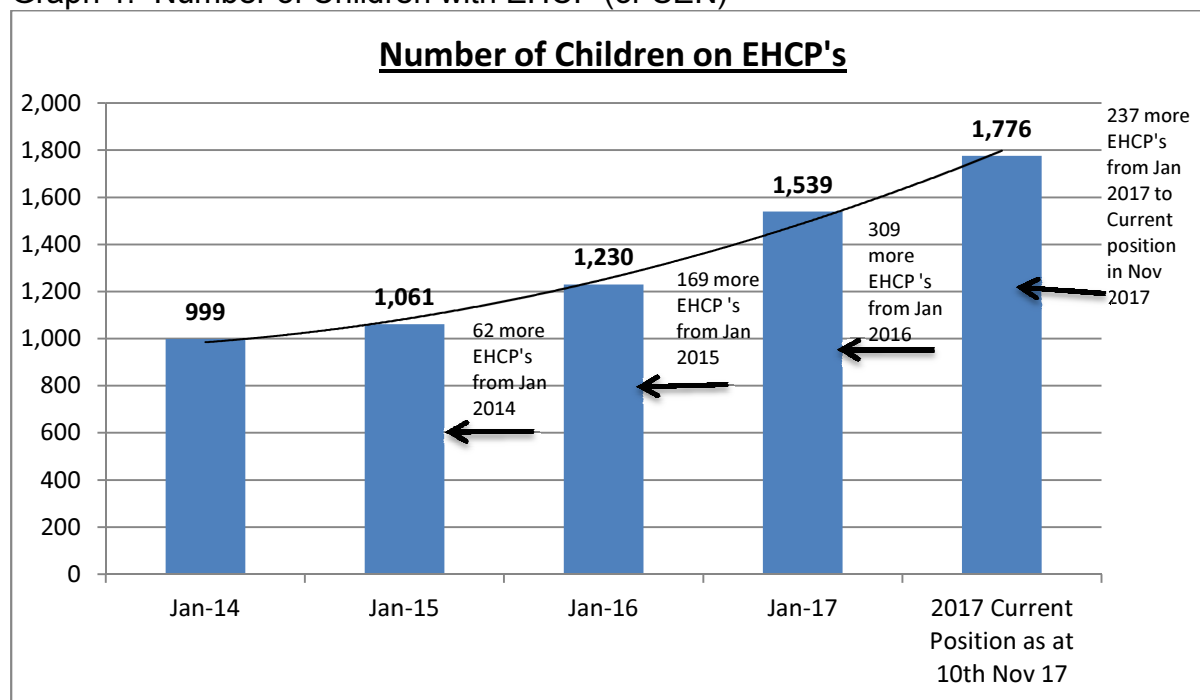
Table 1: Financial Deficit and Rise in EHCPs

| Year | In-Year Deficit (£m) | Cumulative Deficit (£m) | No. of EHCP or SEN | Rise in EHCP from previous year |
|----------|----------------------|-------------------------|--------------------|---------------------------------|
| 2015/16 | 1.005 | 1.005 | 1,230 | 169 |
| 2016/17 | 4.631 | 5.636 | 1,539 | 309 |
| 2017/18* | 5.075 | 10.711 | 1,776 | 237 |

*End Dec-17 full year expenditure forecast / Current EHCPs (Nov-17)

- 3.2 The number of EHCPs (or SEN) in Rotherham is 1,776 (November 2017). The High Needs budget in Rotherham has been in deficit for the last three years in common with many other local authorities. Over the same period, the number of children and young people with EHCPs or SEN Statements has dramatically increased. The High Needs budget has increased, through annual uplifts and transfers of funding from the Schools Block, however this has not been sufficient to keep up with demand for specialist and bespoke education places.

Graph 1: Number of Children with EHCP (or SEN)



- 3.3 In September 2017, The Association of Directors of Children's Services (ADCS) issued a survey to all directors of children's services in order to develop a better understanding of the pressures on High Needs funding. The survey aimed to quantify the financial pressures on High Needs budgets while also identifying the key contextual drivers creating the demand for High Needs funding.
- 3.4 85 local authorities, from 152 top-tier authorities in England, responded to the survey. 68 local authorities reported an overspend on the High Needs Block budget totalling £140m in 2016/17. Local authorities managed this overspend by:
- Utilising DSG reserves, as a result a number of local authorities reported that their DSG reserves are now either depleted or in deficit.
 - Transferring funding from the schools and early years block within the DSG.
 - Carrying the High Needs block deficit forward into the current financial year.
- 3.5 There has been a significant increase in the number of children with SEND who require High Needs support due to:
- The extension of support to young people up to the age of 25 (previously up to age 19) for which local authorities have received no additional funding.

- The needs of children with special educational needs and/or disabilities are becoming more complex and this is driving increased financial pressures across the system.
- There is a shortage of local specialist educational provision to meet need, particularly in relation to ASD and SEMH, and this is resulting in increased specialist placements with independent providers, some of which are located outside of the local area.
- Local authorities are also seeing increased demands for top-up funding across all settings

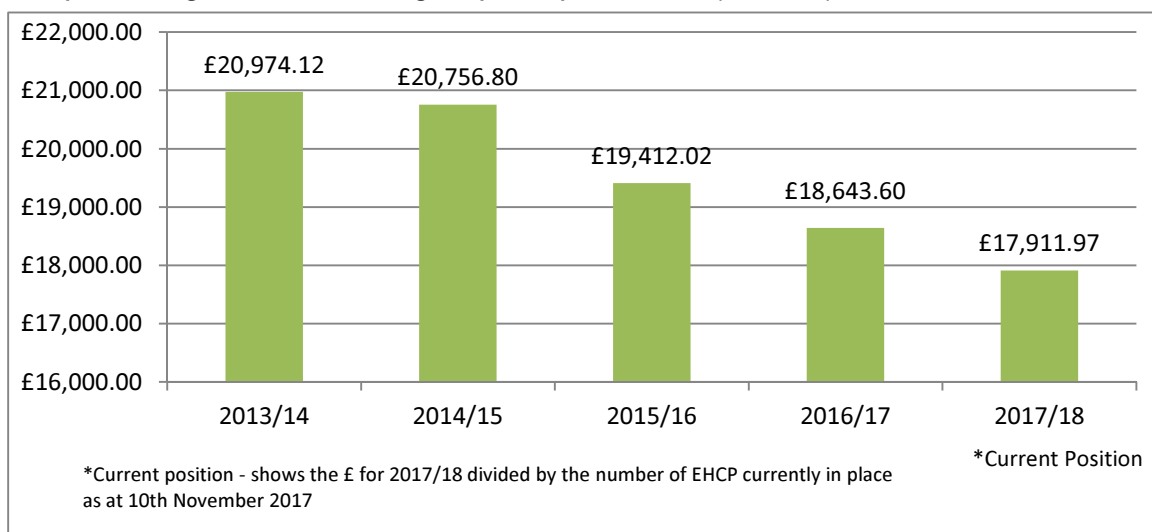
3.6 Rotherham's High Needs budget allocation has gone up, but at a slower rate than demand – demand which is attributed to combination of those factors evidenced through the ADCS survey. As a result there has been a reduction in average spend per EHCP. The graphs below show the reduction in spend per plan and the theoretical cost threshold per plan based on the budgeted allocation per year.

3.7 The graphs below show:

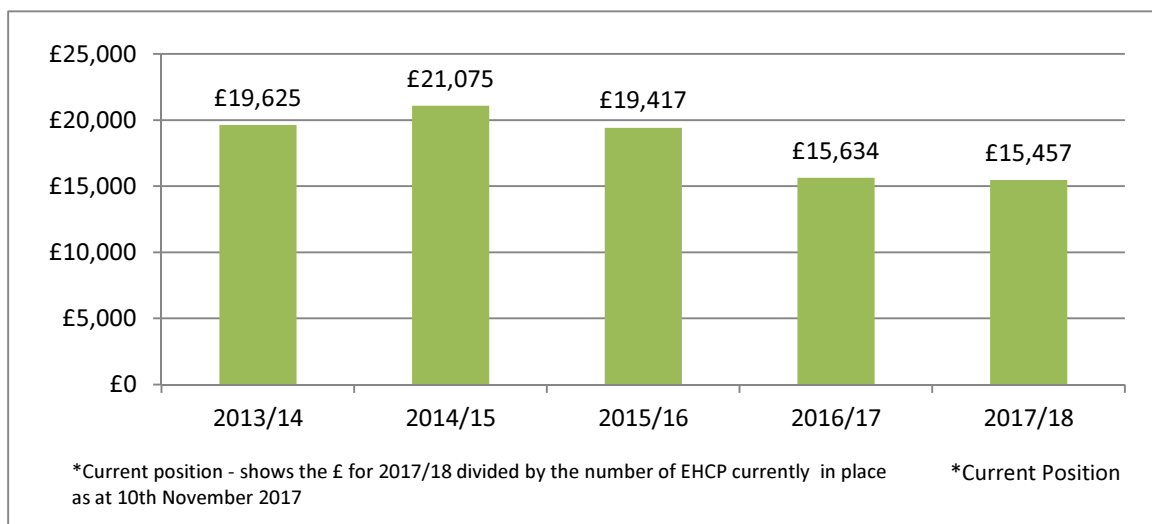
- Graph 2 – Average spend per plan;
- Graph 3 – The parameters that would apply if spend was limited to annual allocations – budget per plan; and
- Graph 4 – Annual allocations less previous years' deficits – adjusted budget per plan. A theoretical comparison based on reducing the in-year allocation by the previous year's deficit (i.e. paying off the deficit) before allocating funding for the coming year.

The challenge of operating within the existing financial envelope is clear and currently unachievable.

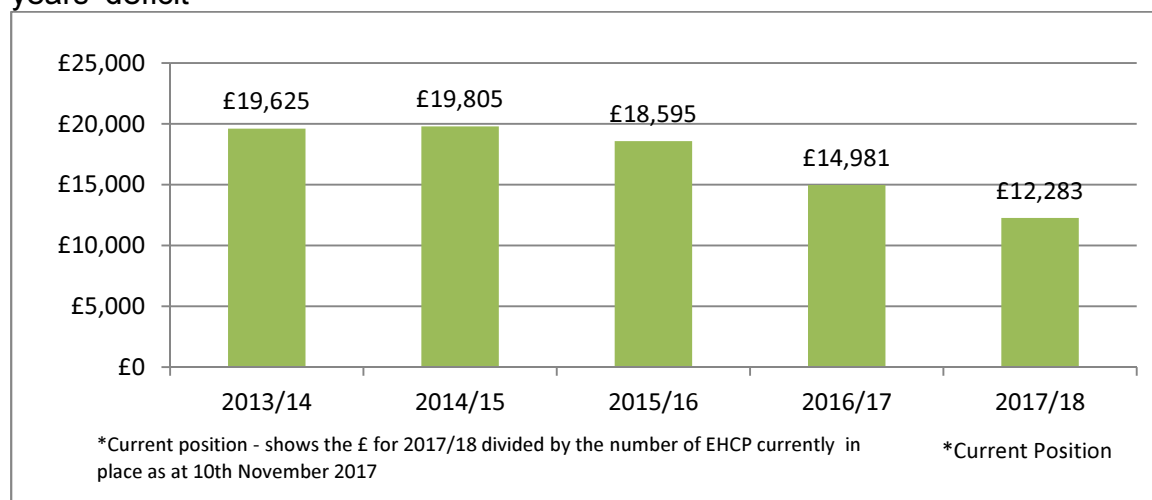
Graph 2: High Needs Average Spend per EHCP (or SEN)



Graph 3: High Needs Budget Allocation per EHCP (or SEN)



Graph 4: High Needs Budget Allocation per EHCP (or SEN) adjusted for previous years' deficit



- 3.8 The immediate aim needs to be for a re-basing of the high needs budget and the implementation of the SEND Sufficiency Strategy – Cabinet paper in September 2017 – to reduce the average cost per educational placement to a level that is sustainable over the long term.
- 3.9 The council has met demand for SEND placements via the commissioning of places not just in mainstream but in special schools, sixth form provision, alternative provision and independent specialist provision. An increase in pupils needing special school provision and specialist provision in other settings has led to increased costs. Insufficient places in specialist provision remains an issue in the borough. This has been mitigated to a degree with 135 new special school places being utilised compared to January 2015 and will be further addressed through the implementation of the SEND Sufficiency Report to Cabinet in September 2017 and the creation of a further 125 places.
- 3.10 The table below shows the educational setting for children and young people with education and health care plans and where there are increases (and pressures) in terms of placements.

Table 2: Education Placement Mix – January 2015 to November 2017

| | Number of EHCP/SEN Jan-15 | EHCPs across settings Jan-15 | Number of EHCP/SEN Nov-17 | EHCPs across settings Nov-17 |
|--|---------------------------|------------------------------|---------------------------|------------------------------|
| Total | 1,061 | | 1,776 | |
| Rotherham Mainstream Education | 433 | 40.8% | 533 | 30.0% |
| Rotherham Special Schools | 535 | 50.4% | 670 | 37.7% |
| Rotherham - Pupil Referral Units | 17 | 1.6% | 49 | 2.8% |
| Out of Authority Provision | 68 | 6.4% | 142 | 8.0% |
| Rotherham Other Provision (P-16 & EOTAS) | 8 | 0.8% | 382 | 21.5% |

| | EHCP Growth Jan-15 to Nov-17 | EHCP growth across Settings % | Percentage of additional EHCP places compared to Jan-15 |
|--|------------------------------|-------------------------------|---|
| Total | 715 | | |
| Rotherham Mainstream Education | 100 | 14.0% | 23.1% |
| Rotherham Special Schools | 135 | 18.9% | 25.2% |
| Rotherham Pupil Referral Units | 32 | 4.5% | 188.2% |
| Out of Authority Provision | 74 | 10.3% | 108.8% |
| Rotherham Other Provision (P-16 & EOTAS) | 374 | 52.3% | 4675.0% |

3.11 All settings have experienced rises in demand since 2015. The number of out of authority places has more than doubled. This has had the most significant impact on the High Needs budget as shown in Table 3.

Table 3: Spend on out of authority placements

| Year | OoA Spend £m | Increase £m |
|---------|--------------|-------------|
| 2015/16 | 5.397 | |
| 2016/17 | 7.426 | 2.029 |
| 2017/18 | 8.649 | 1.223 |

3.12 The sufficiency strategy over the coming years will focus on transferring children currently educated in out of authority provision to in-borough. This will save an average of £35k per place.

3.13 There are 142 children in receipt of education outside of the authority. It will not be appropriate to move all of the children and young people who are in settled placements that are working well and producing good outcomes. However for some children and their families a move to an educational placement in Rotherham would be preferable. If 25% of children currently educated outside of Rotherham in higher cost settings were brought into Rotherham provision the full year cost saving would be £1.2m.

- 3.14 The High Needs Fair Funding Formula indicative allocation for Rotherham is due to increase compared to the 2017/18 level, rising over three years to approximately £30.5m by 2020/21. Based on the expenditure forecast this financial year to fund current levels of education provision for children with identified special educational needs and disabilities, there would be a shortfall compared to the cash limit in the next two years of £2.485m and £0.885m respectively.

4. Options considered and recommended proposal

- 4.1 Option 1: Do nothing – this is not a realistic option given the existing budget pressures and further predicted growth in demand.
- 4.2 Option 2: To implement the SEND Sufficiency Strategy and earmark approximately 80 children and young people to place back in Rotherham, over two years, rather than in out of authority provision. This would save in the region of £1.2m per annum and by 2020/21 align expenditure with estimated future funding allocations. It would not resolve the cumulative deficit balance.
- 4.3 Option 3: As per option 2 with an additional proposal to fund the existing budget gap by transferring funding from the Schools Block of the DSG. If this option was to be explored further there are various methods regarding the amount that could be transferred and the timeframe (number of years) it would need to be applied for in order to ensure financial sustainability.

Scenarios presented to Schools Forum

Scenario 1: Transfer 0.5% of the schools block to the high needs block. Schools Forum can approval this proposal which would transfer £0.924m into the high needs budget for 2018/19.

Scenario 2 (**Recommended by Schools Forum**): Transfer the National Funding Formula uplift – of 1.3% in 2018/19 and 2.3% in 2019/20 for Rotherham Schools – in the schools block to the high needs block for two years. This option proposes transferring the additional funding over and above the 2017/18 Schools Block baseline into the High Needs Block in 2018/19 and 2019/20. It is the preferred option of schools forum.

Scenario 3: Transfer 2.4% from the schools block into the high needs block in each of the next two financial years. This option does risk impacting significantly on some mainstream schools ability to sustain existing levels of provision without significant use of reserves or setting deficit budgets; it would provide a greater proportion of initial funding to bridge the high needs funding gap.

- 4.4 In Appendix 2 two versions of the High Needs Budget Strategic Financial Plan have been developed to show the impact of scenarios 1 and 2 on the estimated in-year budget gap and the ongoing cumulative deficit.

- 4.5 Appendix 3 shows that Rotherham schools allocation per pupil is in the top one third nationally (based on 2017/18 allocations) and highest relative to statistical neighbours. Whilst accepting the challenges that may fall on individual schools for the fixed two-year period of time that a block transfer was in place, it would be a temporary reduction from an above average baseline.

5. Consultation

- 5.1 The scenarios 1 – 3 were presented to Schools Forum on the 24th November and at a joint High Needs and Finance Sub-Group on the 29th November. Both groups recommended that scenario 2 was progressed.
- 5.2 Wider consultation with all Rotherham schools ran until 15th December to review the impact of all scenarios on their medium term financial plans. They were asked to feedback to their school forum representatives a preferred option/scenario.
- 5.3 Feedback from the consultation with schools was as follows.

110 schools were consulted.
There were 58 responses.

Scenario 1 (transfer 0.5% only) – 49 schools (44%)
Scenario 2 (transfer 1.3% only) – 9 schools (8%)
Scenario 3 (transfer 2.4%) – 0 schools
No response – 52 schools (47%)

6. Timetable for Decision Making

- 6.1 A disapplication request to the Department of Education regarding the transfer of more than 0.5% of the Schools Block of the DSG to the High Needs Block was submitted to the DfE on 30th November 2017 and we expect to receive notification of a decision by 19th January 2018.

7. Financial Implications

- 7.1 The financial implications are contained with sections 3 and 4.

Appendix 1 – High Needs Budget as a Percentage of Overall DSG

| Dedicated schools grant: 2017-18 allocations local authority summary | 2013-14 DSG allocations prior to deductions for academies recoupment and direct funding of high needs places by ESFA | | | 2014-15 DSG allocations prior to deductions for academies recoupment and direct funding of high needs places by ESFA | | | 2015-16 DSG allocations prior to deductions for academies recoupment and direct funding of high needs places by ESFA | | | 2016-17 DSG allocations prior to deductions for academies recoupment and direct funding of high needs places by ESFA | | | 2017-18 DSG allocations prior to deductions for academies recoupment and direct funding of high needs places by ESFA | | | 2018-19 DSG allocations prior to deductions for academies recoupment and direct funding of high needs places by ESFA | | |
|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|
| | As % of total | 2013-14 high needs block allocation (£million) | 2013-14 total DSG allocation (£million) | As % of total | 2014-15 high needs block allocation (£million) | 2014-15 total DSG allocation (£million) | As % of total | 2015-16 high needs block allocation (£million) | 2015-16 total DSG allocation (£million) | As % of total | 2016-17 high needs block allocation (£million) | 2016-17 total DSG allocation (£million) | As % of total | 2017-18 high needs block allocation (£million) | 2017-18 total DSG allocation (£million) | As % of total | 2018-19 high needs block allocation (£million) | 2018-19 total DSG allocation (£million) |
| Dudley | 12.6% | 29.42 | 234.32 | 12.7% | 29.96 | 235.28 | 13.2% | 30.79 | 232.95 | 13.3% | 31.48 | 235.81 | 12.6% | 30.85 | 243.94 | 12.3% | 30.79 | 250.00 |
| St Helens | 13.4% | 17.06 | 127.05 | 13.6% | 17.35 | 127.99 | 14.2% | 18.11 | 127.14 | 14.3% | 18.35 | 128.64 | 13.9% | 18.65 | 134.23 | 15.4% | 21.49 | 139.89 |
| Tameside | 8.1% | 13.81 | 171.09 | 8.3% | 14.42 | 174.48 | 8.6% | 15.00 | 173.69 | 8.4% | 14.98 | 178.07 | 10.1% | 19.03 | 187.81 | 9.9% | 19.40 | 195.03 |
| Wigan | 10.6% | 24.20 | 227.47 | 10.9% | 25.05 | 229.10 | 11.3% | 26.00 | 229.12 | 11.5% | 26.47 | 230.75 | 11.3% | 27.44 | 243.34 | 11.3% | 28.20 | 249.11 |
| Barnsley | 11.2% | 17.43 | 155.47 | 11.3% | 17.74 | 156.50 | 11.7% | 18.60 | 159.54 | 11.9% | 18.88 | 159.24 | 12.4% | 21.53 | 173.09 | 12.1% | 21.86 | 181.00 |
| Doncaster | 12.2% | 26.32 | 215.64 | 12.3% | 26.93 | 219.56 | 12.5% | 27.84 | 222.30 | 12.4% | 28.07 | 226.64 | 12.3% | 28.93 | 235.12 | 12.3% | 29.73 | 242.28 |
| Rotherham | 9.0% | 19.26 | 213.85 | 9.3% | 20.12 | 217.04 | 9.6% | 20.86 | 217.02 | 9.6% | 21.18 | 220.05 | 11.3% | 25.73 | 228.45 | 12.6% | 29.52 | 234.82 |
| Wakefield | 9.5% | 22.57 | 237.10 | 9.7% | 23.24 | 240.32 | 9.9% | 23.85 | 240.27 | 10.0% | 24.45 | 245.23 | 10.5% | 27.07 | 258.28 | 10.8% | 28.76 | 266.61 |
| Hartlepool | 13.2% | 9.90 | 74.85 | 13.0% | 9.85 | 75.55 | 14.1% | 10.48 | 74.36 | 14.2% | 10.62 | 74.69 | 13.4% | 10.59 | 79.30 | 13.1% | 10.56 | 80.58 |
| Redcar and Cleveland | 13.8% | 14.87 | 107.41 | 13.7% | 14.71 | 107.43 | 14.1% | 14.95 | 106.29 | 14.1% | 15.07 | 106.80 | 14.3% | 16.11 | 112.38 | 13.9% | 16.01 | 114.82 |
| North East Lincolnshire | 14.3% | 15.44 | 107.78 | 14.3% | 15.63 | 109.65 | 13.1% | 15.92 | 121.17 | 13.5% | 16.12 | 119.22 | 13.4% | 17.11 | 127.75 | 13.5% | 17.68 | 130.60 |
| North Lincolnshire | 11.8% | 13.72 | 116.18 | 12.0% | 14.09 | 117.3 | 12.3% | 14.78 | 119.88 | 12.2% | 14.90 | 122.47 | 12.3% | 15.56 | 126.37 | 12.4% | 16.23 | 130.44 |
| Telford and Wrekin | 12.8% | 15.53 | 121.06 | 12.7% | 15.64 | 122.72 | 12.7% | 16.18 | 127.64 | 12.4% | 16.45 | 132.35 | 14.5% | 20.15 | 139.02 | 14.6% | 21.29 | 145.76 |
| In-Year Block Transfer | | 0 | | | 1.16 | | | 2.94 | | | 2.99 | | | 3.00 | | | | |
| Revised Rotherham High Needs Budget | | | | | 21.28 | | | 23.8 | | | 24.17 | | | 28.73 | | | 29.52 | |

Rotherham has consistently had a lower high needs allocation than statistical neighbours.

The impact of this has been exacerbated during the last two years due to the increase in demand for specialist placements, this coming as a direct result of the significant rise in EHCPs.

Plans for developing local provision at a lower cost are progressing and will provide greater choice and varied provision, for SEMH in particular. This will mean that some of the more expensive out of authority costs are avoided in future years.

Appendix 2 – High Needs Budget – Strategic Financial Plan (Scenario 1 and Scenario 2)

| High Needs MTFS (Scenario 1) | | | | | |
|-------------------------------------|----------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Outturn 2016/17 | Forecast 2017/18 | Indicative 2018/19 | Indicative 2019/20 | Indicative 2020/21 |
| | £ '000 | £ '000 | £ '000 | £ '000 | £ '000 |
| Area | | | | | |
| Special Schools | 11,538 | 12,099 | 12,859 | 13,432 | 13,835 |
| Primary Resource Units | 284 | 163 | 163 | 163 | 163 |
| Secondary Resource Units | 276 | 283 | 283 | 283 | 283 |
| Top up Funding | 2,687 | 3,319 | 2,995 | 2,995 | 2,995 |
| Alternative Provision | 3,605 | 4,253 | 4,853 | 4,853 | 4,853 |
| Out of Authority Placements | 7,426 | 8,649 | 7,513 | 5,913 | 5,113 |
| Inclusion Services | 2,058 | 2,492 | 2,492 | 2,430 | 2,369 |
| Other Education Services | 814 | 847 | 847 | 872 | 899 |
| Total Expenditure | 28,689 | 32,105 | 32,005 | 30,941 | 30,509 |
| Funding | 24,057 | 24,031 | 29,520 | 30,056 | 30,508 |
| Over spend | 4,631 | 8,074 | 2,485 | 885 | 1 |
| Transfer from Schools Block | | 3,000 | 924 | vote 18/19 | 0 |
| Top In-Year Budget Allocation | | 0 | 924 | | 1 |
| Contribution to deficit reduction | | -3,000 | 1,561 | 885 | 1 |
| Cumulative Deficit | 5,636 | 10,711 | 12,272 | 13,157 | 13,158 |
| | | | | | |

| High Needs MTFS (Scenario 2) | | | | | |
|-------------------------------------|----------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Outturn 2016/17 | Forecast 2017/18 | Indicative 2018/19 | Indicative 2019/20 | Indicative 2020/21 |
| | £ '000 | £ '000 | £ '000 | £ '000 | £ '000 |
| | | | | | |
| Area | | | | | |
| Special Schools | 11,538 | 12,099 | 12,859 | 13,432 | 13,835 |
| Primary Resource Units | 284 | 163 | 163 | 163 | 163 |
| Secondary Resource Units | 276 | 283 | 283 | 283 | 283 |
| Top up Funding | 2,687 | 3,319 | 2,995 | 2,995 | 2,995 |
| Alternative Provision | 3,605 | 4,253 | 4,853 | 4,853 | 4,853 |
| Out of Authority Placements | 7,426 | 8,649 | 7,513 | 5,913 | 5,113 |
| Inclusion Services | 2,058 | 2,492 | 2,492 | 2,430 | 2,369 |
| Other Education Services | 814 | 847 | 847 | 872 | 899 |
| Total Expenditure | 28,689 | 32,105 | 32,005 | 30,941 | 30,509 |
| | | | | | |
| Funding | 24,057 | 24,031 | 29,520 | 30,056 | 30,508 |
| | | | | | |
| Over spend | 4,631 | 8,074 | 2,485 | 885 | 1 |
| | | | | | |
| Transfer from Schools Block | | 3,000 | 2,339 | 4,174 | 0 |
| Top In-Year Budget Allocation | | 0 | 2,485 | 885 | 1 |
| Contribution to deficit reduction | | -3,000 | 146 | -3,289 | 1 |
| | | | | | |
| Cumulative Deficit | 5,636 | 10,711 | 10,857 | 7,568 | 7,569 |
| | | | | | |

Appendix 3: LA Schools Block table unit of allocation per pupil

Average for England was £4,618.73

Yorkshire & Humber was £4,575.23

Statistical neighbours was £4,576.09 as below:

| LA | SBUF |
|--------------------------------|-----------|
| Rotherham | £4,777.49 |
| Hartlepool | £4,763.39 |
| North East Lincolnshire | £4,673.42 |
| Tameside | £4,626.46 |
| Redcar and Cleveland | £4,618.91 |
| Wakefield | £4,573.29 |
| Wigan | £4,549.82 |
| Doncaster | £4,547.16 |
| Dudley | £4,501.34 |
| North Lincolnshire | £4,496.73 |
| Barnsley | £4,491.03 |
| St Helens | £4,485.77 |
| Telford and Wrekin | £4,384.32 |

**STATISTICAL NEIGHBOUR
AVERAGE**

£4,576.09

| |
|---|
| Overview and Scrutiny Management Board |
|---|

| | | |
|-----------|-------------------------|---|
| 1. | Date of meeting: | 31st January 2018 |
| 2. | Title: | Rotherham Youth Enterprise (RYE) Service |
| 3. | Directorate: | Children and Young People's Services |

1. Background

- 1.1 Education Services put forward a budget option for 2018/19 which was considered by OSMB who requested further information. As a result the budget option has been revised to clarify where the reductions would come from and what alternative provision will be in place. This paper sets out further information in relation to the element of the budget option that was initially referred to as School Improvement.

- 1.2 The Rotherham Youth Enterprise (RYE) Team currently employs 7 staff and the staffing profile is:

PO17 Manager x 1 post
 Band H Officer x 3 posts
 Band G Officer x 1 post
 Band F Officer x 2 posts

The team was traditionally wholly grant funded and as austerity measures have continued since 2010, grants have reduced year on year, increasing the reliance on revenue funding to keep the service operating at current levels.

- 1.3 Under the DfE's Statutory Guidance for the 'Participation of young people in education, employment or training (September 16)' the LA has broad duties to encourage, enable and assist young people to participate in education or training, particularly vulnerable young people with Special Educational Needs (SEND), Looked After Children (LAC) and young people in Pupil Referral Units (PRUs). One of these duties in particular, is to make available to all young people aged 13-19 and to those between 20 and 25 with SEND, support (careers advice and guidance) that will encourage, enable or assist them to participate in education or training under the Education and Skills Act 2008.
- 1.4 Local authorities also have a duty to ensure that the Special Educational Needs annual review of the Educational Health & Care plan from Year 9 onwards includes a focus on preparing for adult life, including employment. This review should be focused on the child or young person's needs and aspirations, and include discussion about the next steps after school, and a pathway into further or higher education or employment. Following the withdrawal of Connexions Careers Advisers, Special Schools are reporting to the Careers and Enterprise Coordinator within RYE that they do not have qualified careers advisers to 'support' students with special educational needs into appropriate learning. This carries the risk that young people are not progressing or are 'dropping out' of college.

- 1.5 Under the statutory guidance for participation, local authorities should work in local partnerships with schools, colleges and other partners to help develop the careers guidance offer. For example, this may include understanding pathways locally and embedding intelligence on the local economy. Under the Careers & Enterprise Company's funded Enterprise Adviser Network programme, the RYE Careers and Enterprise Coordinator is currently contributing towards this agenda through linking the schools with the business community and facilitating discussions with special schools and F.E. providers, thus assisting the Local Authority to deliver on its duty (under the Education Act 1996 and subsequent Acts) 'to secure suitable education and training for young people who have a Statement of Educational Need (succeeded by Educational Health and Care Plan' (EHCP) with the implementation of the Children and Family Act 2014).
- 1.6 The Careers and Enterprise Coordinator under the national Careers & Enterprise Adviser Network programme, aims to support all schools, special schools, colleges and PRUs to audit their careers and guidance programmes across the whole curriculum, identify any gaps in their provision, and engage with local employers to help schools to deliver their statutory duties for *'Careers guidance and access for education and training providers issued January 2018'*.
- 1.7 The team contributes towards the wider Education, Employment and Training (EET) and Not in Employment, Education and Training (NEET) work of the Council and Rotherham Investment & Development Office (RiDO) projects. RYE also supports careers guidance in particular in relation to employer engagement and that 'every school should engage fully with their local employer and professional community to ensure real-world connections with employers lie at the heart of the careers strategy'.
- 1.8 The priorities for Rotherham Youth Enterprise (RYE) are:
- * *Support young people in schools and colleges with enterprise and employability skills;*
 - * *Support business and school demands for greater industry-education links;*
 - * *Promote the business start-up work of the Launchpad through Rotherham Investment & Development Office (RiDO) and the Prince's Trust City Region mentoring programme.*
 - * *Develop programmes and provide support and advice to individuals, colleges, schools and business that helps better prepare young people for the world of work.*
 - * *Support and develop enterprising young people and jobseekers able to be economically self-sufficient and contribute to the borough's wealth;*
 - * *Broker close linkages between companies and Rotherham schools to facilitate business engagement in the curriculum, develop the workforce of the future and facilitate smoother education to work pathways for young people.*
 - * *Tackle youth unemployment and the skills shortage, ensuring young people are inspired, informed and have a plan to enter the world of work and fulfil their potential.*

- * *Sheffield City Region (SCR), Enterprise Adviser Network working directly with the leadership of individual schools and colleges to develop effective employer engagement programmes.*
- * *Establishing education/business partnerships and facilitating this programme in Secondary schools, special schools and colleges across Rotherham.*
- * *Promotion and awareness raising of enterprise and self-employment*
Attending careers events and post-16/18 options evenings
- * *Enterprise Advisers – matching industry leads with senior leaders in schools and colleges to both support and challenge their links with industry and how they are preparing young people for the world of work.*
- * *Work with businesses engaging with schools on developing their employer engagement and careers strategy.*
- * *Local Employment Advisory Forum (LEAF) events and other employer-education activities, and Early Help in supporting NEET young people to attend.*

2. Key Issues

2.1 Given the financial restraints and the need to make budget savings, there are 3 options to consider:

A. Leave the RYE structure ‘as is’ - and continue to fund via the current £183.5k revenue allocation, pursuing grant funding but fail to achieve a revenue budget saving with a significant impact on statutory service delivery within Education services.

The opportunity to apply for future grant funding via SCR to advance the work of the Careers and Enterprise Council (C&EC) agenda is available. The outcome of any grant funding bids would not be known until late summer 2018 and could result in RMBC receiving grant income from Sept 2018 to July 2021, RMBC would however have to find match funding.

B. Remove revenue funding in full and decommission the service - this would impact on:

Current work streams scheduled for 2018/19 onwards.

Future strategic regional influence in relation to agendas relating to business, education, enterprise and skills for young people.

Young Entrepreneurs based in RYE facilities - there are currently 2 clients based at the RYE Treeton site. These clients would need notice in order to relocate their business in parallel with dates that RYE staff would be given notice of intention to discontinue the service. This would need to be managed to minimise disruption to the business and would need to ensure that staff are available to support clients through the process.

RYE clients based in RIDO facilities.

C. Reduce the amount of revenue investment and maintain a reduced staffing profile - a staffing profile of 2 Full Time Equivalent (FTE) band H

staff to continue to deliver priorities around business, education, enterprise and skills coordination and grant funding submissions. This would enable the local authority to continue to develop careers guidance under the '*Statutory Guidance on the Participation of Young People in Education , Employment or Training*' and will support the necessary change which has to take place in careers guidance across the borough as outlined in the governments careers strategy December 2017.

The 2 post holders would focus priorities on -

Careers and Enterprise coordination:

Careers agenda

Maximising information for employers and schools regarding new qualifications and requirements for work experience

'Schools achieve' gaps

Contracts regarding the Careers and Enterprise Company

Supporting the schools training agenda

Employability and Skills:

Recruitment of businesses to participate in careers and enterprise programmes as business advisers

Identify and bid for future Sheffield City Region Employment and Skills grant funding

Support school curriculum development around future employment

School careers delivery eg CV writing, interview skills

Industry champion network

The cost of 2 Band H Full Time Equivalent (FTE) posts with 'on-costs' equates to £37.5k x 2 = £75k.

This would be off-set by the £25k grant allocation, reducing the revenue costs to £50k.

It is recommended that should this option be preferred, the 2 staff would need to be relocated / aligned to the RIDO service, to enable synergies to be fully maximised given already established business links, current overlap and duplication of some functions, such as business start-up facilities, resources, premises, administrative/finance work and grant pursuance, bidding and matching functions.

- 2.2 To implement the proposed savings in options 'B' and 'C' at point 2.3 above, there would be job losses from the current staffing profile shown at point 1.5 of this briefing.

2.3 Summary of recommended revenue savings and options for consideration:

| Proposal | Saving from revenue funding for 2018/19 |
|-----------------|--|
| RYE – option a | £ 0 |
| RYE – option b | £183.5k |
| RYE – option c | £132.5k |

3. Key actions and relevant timelines

- 3.1 Should the proposals considered in point 2.3 'b or c', be approved, a period of consultation will need to be undertaken with staff affected by the proposal following established HR procedures with a view to implementing the proposals for the commencement of the 2018/19 financial year.

4. Financial Implications

- 4.1 The table below shows the 2017/18 and projected budget information (including budget profile for 2018/19 for the options to be considered).

| Financial Year | 2017-18 £ | 2018-19 Option A £ | 2018-19 Option B £ | 2018-19 Option C £ |
|--|----------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <i>Expenditure</i> | | | | |
| Staffing | 259,583 | 289,002 | | 69,000 |
| Ind. Staff Costs | 2,201 | 1,770 | | 1,000 |
| Running Costs | 14,450 | 29,639 | | 5,000 |
| Sub-Contracts & Direct Delivery | 16,813 | 6,500 | | 0 |
| Total Expenditure | 293,047 | 326,911 | 0 | 75,000 |
| <i>Income</i> | | 326,911 | | |
| Grants / Contributions | (66,674) | (25,000) | | (25,000) |
| Traded & Other | (56,389) | (118,337) | | |
| Total Expenditure | (123,063) | (143,401) | 0 | (25,000) |
| | | | | |
| Net Expenditure (Council Revenue) | 169,984 | 183,574 | 0 | 50,000 |

- 4.2 The £25k grant / contribution represents the only confirmed funding at this stage for 2018/19 financial year, this being the Enterprise Co-ordinator programme funding from Sheffield City Region (SCR). Although the project runs academic year, the funding shown is for a full financial year contribution as SCR has confirmed this project will run to August 2019.

5. Recommendations

- 5.1 That Elected Members note the recommendations outlined in 2.3 of this briefing and the preferred option of Cabinet Budget Working Group of 'option C' - reduction of RYE revenue funding and reduction to 2 posts.

6. Name and contact details

Ian Thomas (Strategic Director – Children & Young People's Services)
Dean Fenton (Head of School Planning, Admissions and Appeals Service)

Background Papers

Education Act 1996 and subsequent Acts.

Education and Skills Act 2008.

DfE Statutory Guidance for the 'Participation of young people in education, employment or training issued September 16.

DfE Careers Guidance and access for education and training providers issued January 2018'.

Summary Sheet

Committee Name and Date of Committee Meeting

Overview and Scrutiny Management Board – 31 January 2018

Report Title

Relationship between Audit Committee and Scrutiny

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Shokat Lal, Assistant Chief Executive

Report Author(s)

James McLaughlin, Democratic Services Manager and Statutory Scrutiny Officer
01709 822477 or james.mclaughlin@rotherham.gov.uk

Ward(s) Affected

All

Summary

The Chair and Vice-Chair of the Audit Committee are appointed as members of the Overview and Scrutiny Management Board to ensure that there is a timely flow of information and opportunity for referral of items between both committees. This report has been prepared to review the current arrangement between the two committees and identify where that relationship can be strengthened further. The report proposes the adoption of a concise protocol to ensure that referrals between the committees are formally captured. This report was considered by the Audit Committee on 21 November 2017 and was supported for referral to Overview and Scrutiny Management Board.

Recommendations

1. That the report be noted.
2. That a concise protocol be adopted governing referrals between the Audit Committee and the Overview and Scrutiny Management Board.

List of Appendices Included

None

Background Papers

Overview and Scrutiny Procedure Rules
Scheme of Delegation

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Relationship between Audit Committee and Scrutiny

1. Recommendations

- 1.1 That the report be noted.
- 1.2 That a concise protocol be adopted governing referrals between the Audit Committee and the Overview and Scrutiny Management Board.

2. Background

- 2.1 The work of the Audit Committee and the scrutiny function have similarities but also key distinct differences. In Rotherham, there is some recognition of the similar work streams and activities through the appointment of the Chair and Vice-Chair of the Audit Committee as members of the Overview and Scrutiny Management Board.
- 2.2 This report sets out the nature of the relationship and highlights potential areas for improving working practices between the two different, but complementary, functions.

3. Key Issues

- 3.1 The role of the Audit Committee differs from that of the Overview and Scrutiny Committees in that the role of scrutiny is to review policy and challenge whether the Executive has made the right decisions to deliver policy goals. The Audit Committee, however, provides independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and affects the control environment, and oversight of the financial reporting process.
- 3.2 Although the Audit Committee's work programme is driven largely by statute and the governance and financial reporting cycle, there is a potential overlap between the work of the Audit Committee and the Overview and Scrutiny Management Board having regard to their terms of reference. Additionally, there could potentially be areas of overlap with the Select Commissions.
- 3.3 The co-ordination of work programmes is desirable not only to avoid duplication of work, but to ensure that resources are used most effectively. It is for this purpose that the Chair and Vice-Chair of the Audit Committee are appointed as members of the Overview and Scrutiny Management Board. This approach goes some way towards ensuring that there is coordination of activities.
- 3.4 There is presently no formal procedure for referrals to be made between the Audit Committee and the Overview and Scrutiny Management Board. This process is reliant on the chairs of the respective bodies sharing information by way of verbal update. Some other local authorities in England have identified that this has been an issue. Having researched their approach to resolving the issue, it is recommended that Members may wish to consider the adoption of the following concise protocol to ensure that the reasons for referrals are reported formally and to inform any subsequent debate:-

In the event of the Audit Committee being minded to refer an issue to an Overview and Scrutiny Management Board (or vice-versa), the issue, the reasons for referral and the desired outcome must be clearly understood, and specified in the minutes and the reference.

- 3.5 Anecdotal feedback from Members indicates that the membership of the Chair and Vice-Chair of the Overview and Scrutiny Management Board adds value to scrutiny activity and ensures that risk is a consideration in undertaking scrutiny on proposed decisions. The views of the Audit Committee on the value of the relationship between with the scrutiny function would be welcome.

4. Options considered and recommended proposal

- 4.1 The Committee could choose to continue as at present, but this is not recommended as a greater awareness of the respective Audit and Overview & Scrutiny work programmes will avoid duplication and engender more efficient and effective use of resources. The adoption of the protocol for the referral of issues between the Audit Committee and Overview and Scrutiny Management Board will help clarify the reasons for the referral and inform the subsequent debate.

5. Consultation

- 5.1 The Audit Committee has been consulted on and supports the proposed protocol.

6. Timetable and Accountability for Implementing this Decision

- 6.1 In the event that both Audit Committee and Overview and Scrutiny Management Board support the proposed wording for the protocol, this can be incorporated into the pending changes to the Overview and Scrutiny Procedure Rules and terms of reference for the Audit Committee, which is embedded in the Scheme of Delegation. This will be reported to Constitution Working Group and subsequently to Council for formal adoption of the protocol within the revised rules and terms of reference.

7. Financial and Procurement Implications

- 7.1 There are no direct financial or procurement implications arising from this report.

8. Legal Implications

- 8.1 There are no direct legal implications arising from this report.
- 8.2 If the proposed wording of the protocol is supported by both the Audit Committee and Overview and Scrutiny Management Board, it will be necessary to amend the Constitution to reflect its adoption by both bodies.

9. Human Resources Implications

9.1 There are no human resources implications associated with this report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 There are no implications for children and young people or vulnerable adults associated with this report.

11. Equalities and Human Rights Implications

11.1 There are no equalities or human rights implications associated with this report.

12. Implications for Partners and Other Directorates

12.1 There are no implications for partners or other directorates arising from this report.

13. Risks and Mitigation

13.1 The co-ordination of the Audit and Overview and Scrutiny work programmes will mitigate the risk of duplication of work and the inefficient and ineffective use of resources. The adoption of a protocol for the referral of issues between the Committees may mitigate the risk of inappropriate referrals and ensure that the debate is relevant and informed.

14. Accountable Officer(s)

James McLaughlin, Democratic Services Manager

Approvals obtained from:-

| | Named Officer | Date |
|---|----------------------|-------------|
| Strategic Director of Finance & Customer Services | Judith Badger | 13/11/2017 |
| Assistant Director of Legal Services | Dermot Pearson | 13/11/2017 |
| Head of Procurement (if appropriate) | N/A | |
| Head of Human Resources (if appropriate) | N/A | |

*Report Author: James McLaughlin, Democratic Services Manager
01709 822477 or james.mclaughlin@rotherham.gov.uk*

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