

CABINET

**Venue: Town Hall, Moorgate
Street, Rotherham. S60
2TH**

Date: Wednesday, 9 November 2011

Time: 10.30 a.m.

A G E N D A

1. To consider questions from Members of the Public.
2. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
3. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
4. Minutes of the previous meeting held on 31st October, 2011 (copy supplied separately)
5. Diabetes Scrutiny Review (report herewith) (Pages 1 - 14)
 - Chief Executive to report.
6. Targeting and Co-ordinating Resources to the most Deprived Areas (report herewith) (Pages 15 - 20)
 - Chief Executive to report.
7. Children's Peer Challenge October 2011 (report herewith) (Pages 21 - 25)
 - Strategic Director of Children and Young People's Services to report.
8. Mid Year Treasury Management and Prudential Indicators Monitoring Report 2011/12 (herewith) (Pages 26 - 37)
 - Strategic Director of Finance to report.
9. Management Review Consultation (report herewith) (Pages 38 - 54)
 - Chief Executive to report.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet
2.	Date:	9 November 2011
3.	Title:	Diabetes Scrutiny Review
4.	Programme Area:	Chief Executives

5. Summary

As part of its 2010/11 work programme, Adult Services and Health scrutiny panel set up a review group to examine patient experience of care and support in relation to the diagnosis and management of diabetes in Rotherham. The full report is attached which sets out the background to the review and full recommendations for consideration and approval by Cabinet.

6. Recommendations

That Cabinet:

- **Endorse the findings and recommendations of the report and make any amendments as necessary**
- **Agree that the recommendations be forwarded to the Health and Wellbeing Board for information, to ensure appropriate inclusion in the Health and Wellbeing Strategy and relevant commissioning plans**

7. Proposals and Details

Summary of the key findings:

- There are potentially around 4000 undiagnosed people with diabetes in Rotherham, which highlights the need for awareness raising and education in relation to early symptoms in high risk groups
- Obesity and unhealthy lifestyles are prevalent in Rotherham, along with high levels of deprivation; raising awareness of the risk factors and focusing on prevention is needed to reduce the rise in diabetes
- NHS Rotherham have undertaken a project to redesign diabetes services in the borough, addressing a number of issues relating to patient diagnosis and care
- There is a lack of awareness of the condition with health professionals, which has raised questions in relation to the poor management of the condition when patients with diabetes attend hospital for another unrelated issue
- There is poor take-up of structured education for newly diagnosed patients, which may be a result of lack of awareness and understanding of the benefits to attending

The recommendations from the review are detailed in Section 4 of the full review report and include:

- The new statutory Health and Wellbeing Board will provide a way of coordinating all partners to focus on prevention of unhealthy lifestyles, which will subsequently reduce diabetes and inequalities across the borough
- Prevention of obesity and raising awareness of the risk factors in both children and adults needs to be the main focus in reducing the prevalence of diabetes
- Need to maximise take-up of NHS Health Checks and structured education and widely promote the range of information sources available to inform people about risk factors and early symptoms
- Focus on education and early diagnosis of symptoms needs to be targeted at high risk groups
- The work being undertaken to redesign diabetes services in Rotherham needs to be supported and providers responsible for implementing this to be held to account by the Health and Wellbeing Board to ensure continued improvement in outcomes for patients

The indicative timetable for the onward consideration of the review and its recommendations is as follows:

- Following ratification by OSMB, it is proposed to forward the report and recommendations to the Health and Wellbeing Board to comment on and endorse before further action is taken
- It is recommended that progress on the review's recommendations will be monitored by the Health and Wellbeing Board with an update in six months to OSMB, with further exception reporting as necessary to the Health Select Commission should further work be required

8. Finance

A number of the review recommendations may have financial implications, but it is considered that these will remain within existing budgets and resources in NHSR and GP commissioning once established. Costs in relation to the prevention and public health agenda are not yet certain and further guidance will be sought from NHSR as we move forward to leading on public health within the Council.

9. Risks and Uncertainties

There are approximately 11,600 people diagnosed with diabetes in Rotherham, with around 4,000 undiagnosed cases, which highlights the need for awareness raising and education in relation to early symptoms in high risk groups. Obesity and unhealthy lifestyles are prevalent in Rotherham, along with high levels of deprivation; raising awareness of these risk factors and focusing on prevention is needed to reduce the rise in diabetes.

10. Policy and Performance Agenda Implications

Diabetes is implicit within the NHS Rotherham five year plan (better health better lives) in relation to reducing morbidity and mortality from diabetes (and its complications) which will help to achieve their strategic outcomes of reducing ambulatory care sensitive hospital admissions and CVD (cardiovascular disease) mortality rate.

Diabetes and the risk factors associated with diabetes, such as obesity, are also strongly featured within the Public Health Annual Report 2011 and will be picked up within the Rotherham Health and Wellbeing Strategy currently in development.

11. Background Papers and Consultation

Scrutiny Review of Diabetes Report (2010)

Diabetes Community Health Profile (2010)

NHS Rotherham Redesign of Diabetes Services Report (2010)

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Scrutiny Review of Health Inequalities: Diabetes

Report of the Adult Services and Health Scrutiny Panel

Scrutiny Review Group:

Cllr Brian Steele (Chair)

Cllr Hilda Jack

Cllr Frank Hodgkiss

Cllr John Turner

Jonathon Evans (Co-optee)

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1 EXECUTIVE SUMMARY

As part of its 2010/11 work programme, Adult Services and Health scrutiny panel set up a review group to examine patient experience of care and support in relation to the diagnosis and management of diabetes in Rotherham. This report sets out the process and findings, and makes recommendations for improving services.

The review methodology was based on a pilot model developed by Doncaster Council's Health Overview and Scrutiny Committee, which provides a structured approach to reviewing health inequalities. The review took place between August and October 2010

Summary of Key Findings

- There are 11,650 adults (aged 17 or over) diagnosed with diabetes in Rotherham based on 2009/2010 data¹
- And an estimated 4,150¹ adults with undiagnosed diabetes, which highlights the need for awareness raising and education in relation to early symptoms in high risk groups
- NHS Rotherham have undertaken a project to redesign diabetes services in the borough, addressing a number of issues relating to patient diagnosis and care
- Obesity and unhealthy lifestyles are prevalent in Rotherham, along with high levels of deprivation; raising awareness of the risk factors and focusing on prevention is needed to reduce the rise in diabetes
- There is a lack of awareness of the condition with some health professionals, which has raised questions in relation to the management of the condition when patients with diabetes attend hospital for another unrelated issue
- There is good support for patient groups such as Diabetes UK within the hospital, but there may be ways of promoting their services wider and utilising the knowledge and experience of groups such as this
- There is poor take-up of structured education for newly diagnosed patients, which may be a result of lack of awareness and understanding of the benefits to attending the programme

¹ Rotherham PCT Diabetes Community Health Profile (2010). Yorkshire & Humber Public Health Observatory

Summary of Recommendations

The recommendations have been made under four specific themes, from prevention and education to early diagnosis, good practice and better self-management:

- The new statutory Health and Wellbeing Board will provide a way of coordinating all partners to focus on prevention of unhealthy lifestyles, which will subsequently reduce diabetes and inequalities across the borough
- Prevention of obesity and raising awareness of the risk factors in both children and adults needs to be the main focus in reducing the prevalence of diabetes
- Need to maximise take-up of NHS Health Checks and widely promote the range of information sources available to inform people about risk factors and early symptoms
- Focus on education and early diagnosis of symptoms (potentially through the NHSR diabetes testing equipment) needs to be targeting at high risk groups
- The work being undertaken to redesign diabetes services in Rotherham needs to be supported and providers responsible for implementing this need to be held to account by the Health and Wellbeing Board to ensure continued improvement in outcomes for patients
- Structured education for newly diagnosed patients is a key tool for supporting people to manage their condition, ways of encouraging this need to be considered
- Better links need to be made with patient groups such as Diabetes UK, as well as LINKs and HealthWatch once established to understand patient experience

2 METHODOLOGY FOR REVIEWING HEALTH INEQUALITIES

A model for reviewing health inequalities has been piloted by Doncaster Council's Health Overview and Scrutiny Committee to provide a structured approach to reviewing inequalities relating to a particular medical condition, a service being delivered to patients, or issues within a specific neighbourhood. It has been designed to provide members of the scrutiny panel with an opportunity to research issues within their own constituencies, require commissioners and service providers to provide information, pose questions to identify gaps and then reach conclusions about the need for change.

The decision was taken to utilise elements of the Doncaster model for the purpose of the Rotherham review to help in understanding the broad range of issues in relation to diabetes, including; general awareness of the associated risk factors and possible issues faced by patients during diagnosis and management of their condition.

The model is based around a number of components which took place between August and October 2010:

- Initial notification of review subject and the requirement of expert opinion
- Questionnaires to all review Members to consider issues within their constituencies
- Desk top research to look at existing practice and policy framework
- Group discussions with clinical expertise

3 KEY FINDINGS

3.1 Redesign of Rotherham Diabetes Services

NHS Rotherham has undertaken a piece of work to help in understanding issues in relation to diabetes services locally. Through discussions with various providers in Rotherham, the following issues were identified:

- There was no intermediate level of care between care provided by the GP and specialist care provided by the hospital
- There had been variation in outcomes and prescribing costs per person with particular concern about insulin prescribing
- There was a shortage of structured education for people with diabetes and in particular top-up education for people with type II diabetes
- There was fragmentation of the specialist diabetes team
- There was a lack of incentive for GPs to take on more advanced management of diabetes in primary care such as insulin initiation and review

The redesign of the diabetes pathway started in March 2010 and is due for completion April 2011. The purpose of the redesign is to improve the effectiveness of diabetes care as measured by practices achieving higher levels of good outcomes for patients. The new model includes 3 levels of care, from essential primary care, to enhanced primary care services and secondary care. Following completion the responsibility to implement this new model will be with the providers; GPs and Rotherham Foundation Trust and this review makes recommendations to support this new model and ensure it is implemented and monitored to continually improve outcomes for Rotherham patients.

3.2 In-patient Services

The review found anecdotal evidence of poor management of diabetes when patients were attending hospital as an in-patient for another matter.

There was evidence of problems in getting ward staff in hospitals released for training purposes, which may be a reason for the poor management of diabetes with in-patients, due to lack of awareness and appropriate skills to

manage the condition. Getting access to the diabetic specialist nurse also appeared to be an issue in some cases.

3.3 Patient Groups

There is good support for the Rotherham branch of Diabetes UK at Rotherham Hospital. Diabetes UK produce a range of leaflets and posters about the charity and services they offer, which are distributed around the hospital. There may also be potential to promote Diabetes UK and their services much wider and utilise their knowledge and experience in helping to design appropriate services in the future.

Other groups such as LINKs and Local HealthWatch, once established, may also provide essential knowledge in relation to service redesign and providers and commissioners of services (NHSR at present, then GP commissioning consortium once established) also need to ensure they are linked up to these user groups.

3.4 Retinopathy Screening

A number of issues were raised in relation to the diabetic eye screening service. Issues raised included:

- No location map of Maltby Service Centre sent with appointment letter and inadequate signage for patients attending retinopathy tests there
- Choice of location (between Rotherham Hospital and Maltby Service Centre) was not always communicated to patients, but this is being looked into following a complaint made by one of the patients
- Choice of location is particularly important given many patients' need for public transport as they are unable to drive after the test.
- When testing is done at Maltby, feedback is not available on the day; instead, the results are posted to the patient up to 6 weeks later.
- A further source of confusion is the fact that the tests are administered by Barnsley Hospital NHS Foundation Trust and the correspondence reflects this, even for patients from Rotherham.
- Service is only open 4.5 days per week

Following investigation into these issues, they had been picked up and dealt with directly by the Barnsley and Rotherham Diabetic Eye Screening Service and assurance has been made to the patients (through Diabetes UK) that they will continue to develop the service to ensure a positive patient experience.

3.5 GP Services

Diagnosis and subsequent care through GPs appears to be good, but there may be scope for more follow-up, such as GP-based diabetic groups where newly diagnosed patients can get reassurance.

GPs currently refer newly diagnosed patients to a structured education programme (see DAFNE and DESMOND below), however, although there is evidence that this service helps patients with management of their condition and therefore potentially reduces their need for time off work due to sickness and more serious complications in the future, there are a number of perceived barriers to patients accessing this service. Patients may feel they are unable to take time off work to attend the programme and may also be reluctant to inform their employer, there may also be feelings of anxiety which prevents them from attending. Ways of encouraging patients to attend this service and ensuring they receive the appropriate information in relation to the benefits of attending need to be considered.

3.6 Management, Treatment and Training

DAFNE (Dose Adjustment for Normal Eating) is a five day course for people with type I diabetes. DAFNE is a way of managing Type 1 diabetes and provides people with the skills necessary to estimate the carbohydrate in each meal and to inject the right dose of insulin.

DESMOND is aimed at newly diagnosed type II patients. It provides 6 hours of nurse lead group education via a formal curriculum. Each group consist of 6-10 people newly diagnosed with Type II diabetes and each person a can choose to be accompanied by a partner, family member or friend.

Lifestyle changes, early detection and good management all result in better outcomes for people with diabetes, however, self-denial (or lack of understanding) when early symptoms develop appear to be an issue with some individuals, suggesting a clear need for patients and service providers to be appropriately trained and educated in diabetes, to understand the potential issues and ways to appropriately manage condition.

There are also a number of resources available for health professionals to support them when working with people with learning disabilities, who are a significantly higher risk group due to a lack of awareness of the risk factors and symptoms and potentially poorer access to services and understanding of their needs by health professionals. "My Health" is a training initiative developed by Speakup Self Advocacy, the training focuses on diagnostic overshadowing, the health inequalities faced by people with learning disabilities and reasonable adjustments to practice. To date over 300 health professionals including GPs, Nurses, Receptionists and Practice Managers have attended these training sessions within Rotherham. "I'm a Person Too!" is a national training initiative aimed at improving the communication techniques of public and private sector organisations when working with people with learning disabilities and "Bywater" is an online resource based on the Knowledge and Skills Framework aimed at improving the service offered to people with learning disabilities within hospitals. The resource uses online video clips, knowledge tabs and assessments to improve participants' knowledge, presently there are 4 levels and this is being trialled within Rotherham Foundation Trust from January 2011.

4 RECOMMENDATIONS

Responsibility for Public Health will be moving over to local authorities when PCTs cease to exist in 2013, which increases the potential for a more joined-up public health message with regard to healthy lifestyles through the Health and Wellbeing Board.

The recommendations look at ways of improving care and services now as well as through the transition to this Board being established, set out under four specific themes.

Education and Prevention

- 4.1 Ensure the remit of the Health and Wellbeing Board focuses on the **promotion** of healthy lifestyles such as good diet, physical activity and the prevention of obesity, through the development of the partnership Health and Wellbeing Strategy
- 4.2 NHS Rotherham to ensure links are made with the community weight management services such as Reshape and the Carnegie Clubs to ensure those at risk of diabetes due to being overweight or obese are made aware of the risks and sign-posted to early support where this may be appropriate
- 4.3 RMBC to investigate the possibility of putting diabetes awareness on PSHE curriculum.
- 4.4 Ensure GPs continue to raise awareness and inform patients of the risk factors and early symptoms, through the GP consortium and Health and Wellbeing Board once established

Early Diagnosis

- 4.5 Investigate ways of encouraging people to seek advice through the range of sources available, such as GP practices, pharmacies and NHS Direct, through the council and NHSR websites and the use of posters/leaflets available through Diabetes UK
- 4.6 Consider ways of utilising the EzScan machine owned by NHSR as widely as practicable with high risk groups and communities, such as BME and older people – and investigate the possibility of training other staff (RMBC/NHSR) and volunteers to use the machine due to a lack of staff resource currently available to do this.
- 4.7 NHSR and the Health and Wellbeing Board (once established) to investigate ways of maximising the take-up of the NHS Health Checks Programme which can help to identify those with diabetes as well as other long term cardiovascular diseases earlier.

Spreading Good Practice

- 4.8 Support recommendations included in the redesign of diabetes services which was undertaken by NHSR and ensure that this is implemented by holding the GP consortium and relevant providers to account through the Health and Wellbeing Board once established

Ensure the Health and Wellbeing Board looks at performance in relation to service and patient improvements, resulting from the redesign of services, and refers relevant issues to Health Scrutiny where they feel it is necessary

- 4.9 NHSR to work with GPs and the Specialist Diabetes Service to look at ways of encouraging newly diagnosed patients to complete structured education and ensuring GPs are promoting this to patients and reassuring those who may perceive barriers to attending (such as lack of time and feelings of anxiety)

Better Self-management

- 4.10 Ensure NHSR are engaged with the Rotherham branch of Diabetes UK and other patient groups, such as LINKs (and HealthWatch once established) to raise awareness as well as understand patient experience of their condition and the services provided for them in order to inform improvement in the quality of services.

5 BACKGROUND

Diabetes is a long-term condition with far reaching implications for people living with it and their families and carers. These range from the need to adopt a suitable diet, to possible long-term complications such as aggravated heart disease and diabetes is the leading cause of blindness and renal failure and (after accidents) the biggest cause of lower limb amputation. The average life-expectancy of people living with the condition is also considerably reduced if not managed properly.

There are two types of diabetes:

- Type I is genetic and begins in childhood
- Type II begins in adulthood and is influenced by lifestyle/diet and ethnicity

Diabetes does not impact upon everyone in society equally. Significant inequalities exist in the risk of developing diabetes, in access to health services and the quality of those services, and in health outcomes, particularly with regard to people with Type II diabetes. Those who are overweight, physically inactive or have a family history of diabetes are at increased risk of developing diabetes. People of South Asian, African, and African-Caribbean descent have a higher than average risk of developing Type II diabetes, as do less affluent individuals and populations. Socially excluded people, including prisoners, refugees and asylum seekers, and people with learning difficulties or mental health problems may receive poorer quality care. The knowledge that people have about their diabetes also varies considerably.

5.2 Prevalence

Prevalence of diabetes is increasing and has more than doubled in the last 10 years. Nationally, over 5% of men and over 4% of women have diagnosed diabetes.

In Rotherham there are 39 GP practices, caring for over 11,000 people with diabetes of which 2500 are on insulin.² There are 10 people diagnosed with type II diabetes for every person diagnosed with type I. But prevalence of both types is increasing. However, the actual prevalence of diabetes locally may be less than predicted and suggests there may be approximately 4000 people with undiagnosed diabetes across the district.

Diabetes prevalence is forecast to grow at 2.5% per year, which could mean 16,500 diabetics in Rotherham by 2020.³ The longer someone has diabetes, the greater chance of complications such as blindness and circulatory problems.

5.3 Risk Factors

People from deprived areas are considerably more likely than those from more affluent areas to die from diabetes complications. In Rotherham, there are relatively high levels of deprivation across the borough which may be related to the higher numbers of people with type II diabetes.

Rotherham also has a high prevalence of overweight and obesity in adults and children. Most GP practices have over 50% of patients with a BMI of 25+ which is a major concern in relation to the growing number of people diagnosed with diabetes

The links between type II diabetes and obesity are firmly established. Without the intervention of a healthy diet and appropriate exercise, obesity may develop into diabetes over a relatively short period of time. There is clearly a need for any interventions to reduce diabetes in the Borough to focus on prevention and support people to take-up and maintain healthy lifestyles.

5.4 Current Spend

Spend in 2008-09 was around £2.3 million per 100,000 total population which is about average for similar PCTs. However, there is considerable variation between practices within Rotherham in relation to risk factor management and outcomes, suggesting there is potential for sharing good practice across the borough.

² QUEST Qtr 2 2009

³ NHS Rotherham Redesign of Diabetes Services 2010

NHS Rotherham has the highest level of insulin prescribing within Yorkshire and the Humber and there is considerable variation in its use within the district. Some of this may be due to prevalence of diabetes within different practices and experience of managing diabetes, however there is also a variation in the types of insulin used which impacts on costs; there are plenty of practices achieving higher levels of good outcome using low cost insulin, whilst there are some practices achieving lower levels of good outcome using and more expensive insulin. The redesign of diabetes services has set out to address these issues.

5.5 Policy Framework

The national policy framework is the National Service Framework for diabetes, published in 2001. This sets out what action is needed in relation to diabetes nationally. Subsequently a set of NICE guidance has been issued which details how diabetes should best be managed.

Locally, diabetes is implicit within the NHS Rotherham five year plan (better health better lives) in relation to reducing morbidity and mortality from diabetes (and its complications) which will help to achieve their strategic outcomes of reducing ambulatory care sensitive hospital admissions and CVD mortality rate.

The NHS Rotherham redesign of diabetes services has also been underway to improve the services and care provided to Rotherham patients.

6 THANKS

The review group would like to thank the witnesses for their time, co-operation and willingness to engage in this process. Their contributions are gratefully acknowledged.

With special thanks to Dr Nagpal Hoysal, Public Health Consultant, NHS Rotherham, for his contribution and involvement in the review.

7 CONTACT

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1.	Meeting:	CABINET
2.	Date:	9th November 2011
3.	Title:	Targeting and coordinating resources to the most deprived areas
4.	Directorate:	Commissioning, Policy and Performance

5. Summary

The Corporate Plan priority ‘making sure no community is left behind’ is key to our work in tackling deprivation. In recent months there has been much discussion on how the Council and partners are addressing the challenges of our most deprived areas. This has been highlighted following the recent publication of the Indices of Deprivation results which reveal that deprivation has deteriorated in many parts of Rotherham.

This short paper sets out a range of options to consider in helping to target deprivation. It highlights the need to do things differently whilst also building upon previous approaches, both locally and further afield, to ensure lessons are learned.

6. Recommendations

That the Cabinet:

- **Consider the approach to targeting and coordinating resources into the most deprived areas**
- **Assess the number of targeted areas which require a sustained, long term partnership approach**
- **Approve that a Cabinet Member and an SLT lead officer are assigned to each targeted area to ensure ownership, leadership and to make things happen at a local level**
- **Note the potential future implications on area assembly and partnership working and consider whether it is timely to move away from a standard borough wide approach to a more targeted approach for allocating resources to areas of greatest need**
- **Commission finance to identify a baseline position of total spend and resources in each of the areas, including partner contributions**
- **Approve that a further report is presented to the LSP Chief Executive Group setting out areas where partners are able to influence services in the targeted areas**

7. Proposals and Details

7.1 Background

Over recent years the Council has undertaken a number of regeneration and intensive neighbourhood management approaches including Single Regeneration Budget, neighbourhood renewal, Local Ambition and pilot projects such as Chesterhill. Many of these initiatives have been as a result of additional, external grants provided by central government. The economic outlook and funding position for the public sector is now very different so it is timely to reassess the Council's resources and how it is able to redirect mainstream activities to areas of greatest need.

It is evident that a fresh approach is needed in ensuring that the Council and partners are helping to protect and target the most vulnerable individuals and the communities they live in. The Rotherham Babies analysis in 2010 highlighted the significant differences in life chances and expectancy between different areas of the borough. This position is not acceptable, we need to learn from the lessons of previous approaches to tackling the effects of deprivation and consider what different approaches are needed.

A scrutiny review has been commissioned exploring the impact of previous regeneration initiatives across Rotherham which will help to inform this work.

7.2 Indices of Multiple Deprivation Report

The Indices of Deprivation 2010 illustrates the scale and nature of deprivation affecting Rotherham. Crucially, the Index of Multiple Deprivation (IMD) 2010 shows that deprivation has increased since the 2007 Index and the gap between the most and least deprived areas has grown wider.

The IMD 2007 ranked Rotherham as the 68th most deprived district but the position deteriorated to 53rd out of 326 districts in the IMD 2010. Health, Employment and Education remain the most challenging domains or themes of deprivation affecting the Borough. There has been a general deterioration in terms of Health and Employment since the IMD 2007, and in Education for those in the most deprived areas.

A particular concern is that the increase in deprivation in Rotherham has been concentrated in the most deprived areas. There is an urgent need to target mainstream resources to avert any further deterioration. There are 11 neighbourhoods defined by Super Output Area (SOA) or SOA clusters, where deprivation is particularly high (amongst the most deprived 10% of England):

- East Herringthorpe (2 SOAs)
- Canklow
- Eastwood (3 SOAs)
- Town Centre
- East Dene (4 SOAs)
- Dalton & Thrybergh (4 SOAs)
- Ferham & Masbrough (3 SOAs)
- Maltby South East (3 SOAs)
- Dinnington Central
- Aston North
- Rawmarsh East

These above areas contain 15% of the Borough's population and Central Rotherham remains the focus with three quarters of the most deprived SOAs. Most of these areas can be categorised as either council estates, multi-ethnic terraced areas or coalfield communities.

All areas of high deprivation present a long term challenge with deep seated problems, often affecting the same families across generations, notably:

- Poor health including mental health, and high rates of disability
- Low educational attainment and low adult skills
- High levels of long term unemployment and sickness
- High crime and ASB affecting some areas
- Poor quality housing and environmental problems in some areas

The mix of issues affecting areas varies so support needs to be tailored to local needs. A common factor affecting areas of high deprivation is the need to raise aspirations and develop community capacity

7.3 Learning from local and national strategies

An evaluation of the national strategy for neighbourhood renewal, published last year, identified the following factors as having the most powerful effect on the probability of a neighbourhood improving:

- housing tenure
- skill levels
- population churn
- economic performance in the wider sub-regional economy
- accessibility to lower skilled jobs

The policy implications identified by the evaluation included an additional flexible pot of money is needed to bring partners together and provide flexibility, but resources should be carefully targeted and not spread too thinly. Mechanisms to ensure a continuing and increasing emphasis on deprived neighbourhoods by mainstream providers must be a priority over the long term.

In Rotherham, the Chesterhill Intensive Neighbourhood Management pilot was a success in reducing crime and anti-social behaviour through targeted levels of community engagement and involvement. There is considerable learning which can be mainstreamed and delivered to other vulnerable neighbourhoods, for example:

- Creation of 'vulnerable trigger lists' which identify the most vulnerable families and individuals
- The need for high visibility and presence on a regular basis
- Evening high visibility walkabouts past 10pm
- Delivering regular intensive 'neighbourhood pride' weeks in targeted zones

The Local Ambition Programme – an intensive neighbourhood management initiative operating in Canklow, Ferham and East Herringthorpe – ended in March 2011. Whilst this initiative was short lived it did deliver a number of improvements in the chosen areas and included significant involvement with the community.

Among the key learning points and conclusions identified in the programme's evaluation reports, were the following:

- There is a need for high visibility presence in vulnerable neighbourhoods, on a continuous basis, across a range of agencies, especially those with enforcement powers
- Service providers need to ensure appropriate allocation of resources in the most vulnerable neighbourhoods
- The way in which services are delivered should be appropriate for the area, avoiding blanket approaches
- Residents need to not only feel informed about work being done in the area, but also need to feel that they can have an input and help tailor it to the needs of the community

The work in addressing EU migration issues in Eastwood including waste, private sector housing, child neglect and human trafficking has also highlighted the need for stronger, more coordinated partnership activity at all levels. It has also been essential in having a strong interest from Cabinet and SLT to ensure that issues, when escalated, can be dealt with promptly.

7.4 Recommended approach for each targeted area

Building upon the lessons learned from previous approaches, there are a number of critical success factors to be applied for each target area.

- **Strong Community involvement and ownership**
Nothing can be successful without the involvement and buy in from each community. It is essential that all agencies work in partnership with the local communities. Each target area must invest time and resources to help inform communities, encourage their involvement and ultimately develop their ability to take ownership of the issues rather than being reliant on the public sector. There needs to be involvement of all sectors: private, public and the third sector. Involvement via on line methods should also be explored rather than just focussing on face to face or public meetings.
- **Leadership across all levels of the partnership**
A member and senior lead officer from the Council or partner agency is needed to ensure that issues are tackled. They need to have the ability to influence and move issues forward and will enable staff to escalate concerns when barriers exist. The political leadership and involvement of elected members is also essential.
- **Coordination role**
It is critical to have a small operational team who can help coordinate activity, engage with the local community and get them involved in the solutions. This team needs to be full time working closely with all providers – public, private and third sector – who work in the targeted area. They are responsible for helping to achieve a number of quick wins in the areas and also help to focus on the longer term plans for the area. Daily or weekly tasking and sharing of intelligence and data will be key to ensuring this coordination role is effective.
- **Visibility in the area**
A high degree of visibility is needed across all agencies. Regular walkabouts are one mechanism which help to involve local residents and also to ensure responsive action is taken to local issues. It is also important for a high visible presence of staff working in these areas, often in the evening when issues arise.
- **Resources to be flexibly deployed across all areas**

Partners need to be committed to shifting mainstream resources into areas of greatest need. No area is the same nor are the issues they face. Action must be coordinated across other agencies and staff working in these areas need a 'can do', pragmatic approach supported by sufficient authority to make things happen. This needs to be supported by a political commitment to reducing services into other less needy areas to a residual level 'core offer'.

- **Long term commitment**

Tackling deprivation is not a short term fix. Whilst "quick wins" are essential in gaining involvement and trust of the community, there needs to be a long term commitment both in resources and leadership to these targeted areas. An improvement plan, based on in depth needs analysis and consultation, is needed for each area

- **Effective communication**

Shifting resources to areas of greatest need will need careful handling both politically and with neighbouring areas. Regular communication of progress to residents, councillors and staff across partner agencies is crucial

Similar to the Local Ambition programme, a simple four stage approach for each area is recommended.

Four phase approach:

- 1. Needs assessment and understanding of the area
- 2. Development of targeted plan for the area - engagement
- 3. Making things happen - delivery
- 4. Evaluation and learning

7.4 Proposed corporate governance arrangements

There may be a need for some local governance arrangements so that local members are informed and in control of what is happening. In addition, closer alignment or changes to other local partnership structures may need to be made. Areas to explore include how area assemblies can support, the role of the neighbourhood action groups and other associated community groups.

There may be a case to look at using area partnership staff differently and moving away from a 'one size fits all' area assembly model. Partnership staff and partners could be refocused on some of the targeted neighbourhood neighbourhoods to ensure ownership, accountability and outcomes focus.

8. Finance

In excess of a billion pounds is spent by the public sector in Rotherham each year. The challenge is to assess how effective the Council and partners are able to redirect their resources into some of the most deprived communities. This is not about additional resources but about exploring more cost effective solutions and challenging and changing the way things are done in Rotherham.

It will be important to identify total spending resources committed to dealing with issues in an area to see how they can be used to better effect. This is about looking at what each partner

can directly resource and contribute to an area but also where additional resources may need to be provided to deliver longer term outcomes.

The role of the third sector may also be able to provide a pivotal role in delivery. It is not clear what the sector currently offers in each area but there is already a wealth of organisations, formal and informal organised, which can provide much needed early interventions and activities for some of the most vulnerable individuals and families.

Other revenue sources such as Lottery, European funding and voluntary sector infrastructure and advice services can also be explored and re-commissioned where needed.

One aspect to consider for each area is the creation of a small pot of money which can be accessed by community groups to help support specific initiatives. A few hundred pounds given to a community group can make a real difference and lasting impact on an area.

9. Risks and Uncertainties

There is no single solution to these areas. Each one is unique, the issues are long term, deep rooted and complex. However there are many case studies where real progress has been made. Similarly, there are a number of barriers which regularly surface which impede partnership activity. Examples include:

- Data and information sharing – protocols already exist and strong leadership is needed to ensure safe and secure sharing where possible
- Lack of involvement by some agencies – some agencies historically have not been involved in some initiatives e.g. private sector, Department of Work and Pensions
- Spend in each area – current financial systems do not allow easy analysis of spend. Coordination across partners is key
- Political – the issue of universal versus targeted service provision is a continual debate. Careful handling with ward members, particularly in areas not chosen for targeted work.

10. Policy and Performance Agenda Implications

The Localism Bill will also be central to the work in communities. Proposed greater powers to local authorities and communities will focus attention at more local issues and there is the prospect that communities will be able to challenge service delivery at a local level.

Increasingly the council will be seen to facilitate work with the communities rather than always seen as the direct delivery of services. There are potential increased opportunities for the community to take the lead assisted by voluntary and community groups.

In addition, further refinement to performance management arrangements are ongoing to enable more accurate reporting and assessment of outcomes by area.

11. Background Papers and Consultation

Consultation with operational staff and service directors involved in Local Ambition and Chesterhill

Local Ambition evaluation reports and Learning lessons from Chesterhill intensive management pilot

Contact Names :

Matthew Gladstone, Director of Commissioning, Policy and Performance, ext 22791.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet
2.	Date:	9th November, 2011
3.	Title:	Children’s Peer Challenge October 2011
4.	Directorate:	Children and Young People’s Services

5. Summary

Children and Young People’s Services underwent a Peer Challenge facilitated by Local Government Improvement and Development (LGID) from the 3rd to 7th October, 2011. The key focus of the challenge was safeguarding, an additional focus of looked after children was added as one of the peers had experience in other local authorities of working with looked after children. 4 additional discretionary themes were included at Rotherham’s request to provide an independent view on progress around these particular areas.

The week concluded with a feedback and prioritisation conference on Friday, 7th October where the Peer Challenge Team summarised their findings, identified what they perceived as strengths and areas for consideration.

The actions and recommendations arising from the Peer Challenge are being fed into the existing Improvement Panel action plan that continues to be monitored following removal of the intervention notice in January 2011.

6. Recommendations

- (i) That Cabinet accept this report.**
- (ii) That Cabinet approve that the actions are included in the monitoring arrangements of the Improvement Panel.**

7. Proposals and Details

The Safeguarding Children Peer Challenge was facilitated by the Local Government Improvement and Development (LGID), this was a supportive but challenging approach which should assist Rotherham MBC and its partners in celebrating strengths and identifying jointly areas for improvement. These challenges are now forming very much part of the Coalition Government's thoughts on sector led improvement.

The peer team included Peter Rentell (LGID, Challenge Manager), Helen Jenner (DCS Barking and Dagenham), Lorna Scarlett (self employed consultant) , Judith Blake (Deputy Leader, Leeds CC), Ghislaine Miller (self employed consultant), Sarah Baker (Health Associate), Hilary Hall (Herefordshire Council) and Paul Clarke (LGID)

The challenge included a large amount pre on-site activity including:

- Reading list – documents including LSCB business plan, Children and Young People's Plan, OFSTED Performance Profile, child protection procedures etc. These were supplemented during with week with requests for many other documents.
- Key Lines of Enquiry document based on the 4 additional themes to show context and point to specific evidence in the reading list/
- Data sheet which included key safeguarding and child protection statistics
- Case mapping group exercise – a small group of partners from the RSCB conducted a case file mapping exercise and produced an in-depth report around multi-agency case audits of 4 cases.
- Results from a safeguarding survey of partners – a wide range of partners (64 in total) completed a self-evaluation questionnaire around safeguarding

During the week around 68 interviews, focus groups and visits took place with the Peer Team meeting more than 86 officers and members from across the council and its partners.

The feedback from the Peer Team at the prioritisation conference on Friday 7th October covered the following:

7.1 Summary of overall Strengths

- A positive journey of improvement was acknowledged
- Strong political and managerial leadership was evident
- There is a commitment to safeguard Rotherham's children
- There is a strong focus on developing user engagement
- Evidence of partnership and joint working
- Good Learning and Development Practice

7.2 Summary of Areas for overall Consideration

- Clarity of roles, responsibilities, relationships and leadership around strategic boards eg Children's Trust Board, Health and Well Board, Local Strategic Partnership, Rotherham Safeguarding Children's Board and the Rotherham School Improvement Partnership Board.
- More detailed outcome focused service improvement planning is required taking into account data and information and the use of it by managers
- Increased pace in key strategies, delivery and quality assurance around:
 - The rigour and detail of social care practice
 - The fostering service
 - Quality of audit and the action arising from it.
- Communication with staff at all levels from across the partnership to be improved
- Clarification of Children's Trust commissioning approach and strategy

7.3 In relation to Looked After Children

- This is an improving service with several strong performance indicators
- Looked after children are routinely visited by social workers
- There is a high quality of provision for care leavers

However, further consideration needs to be given to:

- Health Assessments (with health partners) for looked after children
- Reducing the number of multiple placement moves
- The Multi Agency Support Panel must ensure clearer outcomes for children

In relation to the 4 additional themes:

7.4 The effectiveness of the delivery and commissioning of early intervention services and the use of CAF and effectiveness of thresholds.

- The refresh of the Prevention and Early Intervention Strategy has unfortunately delayed pace in this area despite strong support for the agenda

7.5 How the council and its partners can learn from and improve the service user experience

- There is evidence of significant progress in this area which is becoming a strength

7.6 Review the effectiveness of the multi-agency support panel in relation to Out of Authority Placements and value for money.

- The Panel has delivered financial savings, it could be developed further to support children's outcomes

7.7 An independent perspective on the approach to improving Key Stage 2 results.

- The more robust approach is welcomed by schools, specific actions need to be taken now with clear targets and performance management

7.8 The workshop session in the afternoon involved attendees prioritising the findings in relation to their organisation and role, the following were felt to be the key areas:

- Strategic Governance
- Prevention and Early Intervention and the use of the Common Assessment Framework
- Aspirations of staff for children and young people in Rotherham
- Communication and engagement with staff
- Performance and Data analysis and the understanding of this by the services
- Accountability for our looked after children
- Commissioning for outcomes
- Quality Assurance and Audit
- Rotherham School Improvement Partnership
- Constant drive for value for money with regarding to cost and quality of interventions.

These will have action plans developed and fed into the overarching Improvement Panel action plan, monitored regularly by the Improvement Panel.

8. Finance

The LGID now carry out the peer challenges free of charge, there was however some costs associated with ICT set up costs, refreshments and room bookings for the reviewers during the on site week. It is anticipated that the total cost of this has been in the region of £2000.

9. Risks and Uncertainties

The completed report will be shared with partners involved in the challenge as well as the Department for Education, but will not feed into any formal OFSTED Children's Services Assessments ratings, however it could be shared as evidence with OFSTED to demonstrate our continued direction of travel.

10. Policy and Performance Agenda Implications

Although not a mandatory requirement in the letter from Tim Loughton MP in January 2011, there was an expectation that Rotherham take part in a peer challenge and that results are forwarded onto the DfE for their information. We will share the report with our Ofsted Link Inspector, Bernard Campbell, and also the Children's Service Assessment Link, Pauline Allinson.

11. Background Papers and Consultation

- LGID Peer Challenge Guidance
- Previous reports to SLT, Improving Lives Select Committee

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ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET
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1.	Meeting:	Cabinet
2.	Date:	9th November 2011
3.	Title:	Mid Year Treasury Management and Prudential Indicators Monitoring Report 2011/12
4.	Directorate:	Financial Services

5. Summary

Revisions to the regulatory framework of treasury management during 2009 introduced a requirement that the Council receive a mid year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury report required previously.

This report meets that revised requirement. It also incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs).

The report is structured to highlight the key changes to the Council's capital activity (the PIs), the economic outlook and the actual and proposed treasury management activity (borrowing and investment).

6. Recommendations

Cabinet is asked to:

- 1. Note the report and the treasury activity; and**
- 2. Recommend Council approve the changes to the prudential indicators.**

7. Proposals and Details

The Strategic Director of Finance has delegated authority to carry out treasury management activities on behalf of the Council and this report is produced in order to comply with the CIPFA Code of Practice in respect of Treasury Management in Local Authorities and the “Prudential Code”.

8. Finance

Treasury Management forms an integral part of the Council’s overall financial arrangements.

The assumptions supporting the capital financing budget for 2011/12 and for future years covered by the Council’s MTFS were reviewed in light of economic and financial conditions and the future years’ capital programme.

The Treasury Management and Investment Strategy is not forecast to have any further revenue consequences other than those identified and planned for in both the Council’s 2011/12 Revenue Budget and approved MTFS.

9. Risks and Uncertainties

Regular monitoring will ensure that risks and uncertainties are addressed at an early stage and hence kept to a minimum.

10. Policy and Performance Agenda Implications

Effective treasury management will assist in delivering the Council’s policy and performance agenda.

11. Background Papers and Consultation

Audit Committee – 19 October 2011
CIPFA Code of Practice for Treasury Management in Local Authorities
Local Government Act 2003
CIPFA “Prudential Code”

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Mid Year Prudential Indicators and Treasury Management Monitoring Report

1. Introduction and Background to the Report

- 1.1 Revisions to the regulatory framework of treasury management during 2009 introduced a requirement that the Council receive a mid year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury report required previously.
- 1.2 This report meets that revised requirement. It also incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs). The Treasury Strategy and PIs were previously reported to Audit Committee, Cabinet and Council in February/March 2011 respectively.
- 1.3 The Council's revised capital expenditure plans (Section 2.2 of this report) and the impact of these revised plans on its financing are set out in Section 2.3. The Council's capital spend plans provide a framework for the subsequent treasury management activity. Section 3 onwards sets out the impact of the revised plans on the Council's treasury management indicators.
- 1.4 The underlying purpose of the report supports the objective in the revised CIPFA Code of Practice on Treasury Management and the CLG Investment Guidance. These state that Members receive and adequately scrutinise the treasury management service.
- 1.5 The underlying economic and financial environment remains difficult for the Council, foremost being the improving, but still challenging, concerns over investment counterparty risk. This background encourages the Council to continue maintaining investments short term and with high quality counterparties. The downside of such a policy is that investment returns remain low.
- 1.6 The Strategic Director of Finance can report that the basis of the treasury management strategy, the investment strategy and the PIs are not materially changed from that set out in the approved Treasury Management Strategy (February 2011).

2. Key Prudential Indicators

- 2.1. This part of the report is structured to update:
 - The Council's capital expenditure plans;
 - How these plans are being financed;
 - The impact of the changes in the capital expenditure plans on the PIs and the underlying need to borrow; and
 - Compliance with the limits in place for borrowing activity.

2.2 Capital Expenditure (PI)

2.2.1 This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget. The revised estimate reflects the capital programme approved by Cabinet at its meeting on 20 July.

Capital Expenditure by Service	2011/12 Original Estimate £m	2011/12 Revised Estimate £m
Children & Young People's Services	5.896	9.320
Environmental & Development Services	29.848	33.759
Neighbourhoods & Adult Services	23.650	22.947
Financial Services*	4.517	12.707
Total	63.911	78.733

* - includes the RCAT loan facility (£5m) and the new Mortuary and facilities (£2m)

2.3 Impact of Capital Expenditure Plans

Changes to the Financing of the Capital Programme

2.3.1 The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the expected financing arrangements of this capital expenditure.

Capital Expenditure	2011/12 Original Estimate £m	2011/12 Revised Estimate £m
Total spend	63.911	78.733
Financed by:		
Capital receipts	1.431	1.660
Capital grants, capital contributions & other sources of capital funding	35.141	37.999
Borrowing Need	27.339	39.074
Total Financing	63.911	78.733
Supported Borrowing	0.463	0.719
Unsupported Borrowing	26.876	38.355
Borrowing Need	27.339	39.074

The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

- 2.3.2 As reported to Audit Committee in September actual expenditure in 2010/11 was less than anticipated and thus the increase in borrowing need for 2011/12 reflects the re-profiling of projects within the approved capital programme together with new approvals (e.g. the RCAT loan facility (£5m) and the new Mortuary and facilities (£2m).

Changes to the Capital Financing Requirement (PI), External Debt and the Operational Boundary (PI)

- 2.3.3 The table below shows the CFR, which is the underlying external need to borrow for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement

- 2.3.4 A key accounting change for 2009/10 was the inclusion of the Council's PFI schemes and similar arrangements on the Council's balance sheet. This has the effect of increasing the Council's borrowing need, the CFR. No borrowing is actually required against these schemes as a borrowing facility is already included in the contract. The adjustments required were finalised during the 2009/10 accounts closedown and are now fully reflected in the indicators. The estimate for 2011/12 has been revised to incorporate the effect of the increased borrowing need.

Prudential Indicator – External Debt / the Operational Boundary

RMBC	2011/12 Original Estimate £m	Current Position £m	2011/12 Revised Estimate £m
Prudential Indicator – Capital Financing Requirement			
CFR – Non Housing	312.079		320.922
CFR – Housing	290.460		286.782
Total CFR excluding PFI and similar arrangements	602.539		607.704
Net movement in CFR	16.467		28.429
Total CFR excluding PFI and similar arrangements	602.539		607.704
Cumulative adjustment for PFI and similar arrangements	114.146		156.393
Total CFR including PFI and similar arrangements	716.685		764.097
Prudential Indicator – External Debt / the Operational Boundary			
Borrowing	494.103	459.636	505.054
Other long term liabilities*	114.146	156.393	156.393
Total Debt 31 March	608.249	616.029	661.447

* - Includes on balance sheet PFI schemes and similar arrangements, etc.

Former SYCC	2011/12 Original Estimate £m	Current Position £m	2011/12 Revised Estimate £m
Prudential Indicator – External Debt / the Operational Boundary			
Borrowing	96.412	96.412	96.412
Other long term liabilities	0	0	0
Total Debt 31 March	96.412	96.412	96.412

3. Limits to Borrowing Activity

- 3.1 The first key control over the treasury activity is a PI to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2011/12 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent to do so.

RMBC	2011/12 Original Estimate £m	Current Position £m	2011/12 Revised Estimate £m
Gross Borrowing	494.103	459.636	505.054
Plus Other Long Term liabilities*	114.146	156.393	156.393
Less Investments	30.000	8.720	15.000
Net Borrowing	578.249	607.309	646.447
CFR* (year end position)	716.685	764.097	764.097

* - Includes on balance sheet PFI schemes and similar arrangements, etc.

- 3.2 The Strategic Director of Finance reports that no difficulties are envisaged for the current or future years in complying with this PI.
- 3.3 A further PI controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt (RMBC + Former SYCC)	2011/12 Original Indicator £m	Current Position £m	2011/12 Revised Indicator £m
Borrowing – RMBC	615.372	459.636	627.334
Borrowing – SYCC	96.412	96.412	96.412
Other long term liabilities*	114.146	156.393	156.393
Total	825.930	712.441	880.139

* - Includes on balance sheet PFI schemes and similar arrangements, etc.

4. Treasury Strategy 2011/12 – 2013/14

4.1 Debt Activity during 2011/12

4.1.1 The expected borrowing need is set out below:

RMBC	2011/12 Original Estimate £m	Current Position £m	2011/12 Revised Estimate £m
CFR (year end position)	716.685	764.097	764.097
Less Other Long Term Liabilities*	114.146	156.393	156.393
Net Adjusted CFR (y/e position)	602.539	607.704	607.704
Borrowed at 30/09/11	441.176	459.636	459.636
Under borrowing at 30/09/11	161.363	148.068	148.068
Borrowed at 30/09/11	441.176		459.636
Estimated to 31/03/12	52.927		49.394
Total Borrowing	494.103		509.030
Under borrowing at 31/03/12	108.436		98.674

* - Includes on balance sheet PFI schemes and similar arrangements, etc.

4.1.2 The Council is currently under-borrowed although it is still anticipated this may be reduced by the end of the financial year. The delay in borrowing reduces the cost of carrying the borrowed monies when yields on investments are low relative to borrowing rates. There is also an interest rate risk, as longer term borrowing rates may rise, but this position is being closely monitored and the overall position carefully managed.

4.1.3 During the first half of 2011/12 the Council has borrowed the following amounts:

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£1m	Fixed rate	4.76%	25 years
PWLB	£1m	Fixed rate	4.24%	25 years
PWLB	£1m	Fixed rate	4.08%	25 years
PWLB	£10m	Fixed rate	3.01%	8 years
PWLB	£10m	Fixed rate	3.20%	9 years

4.1.4 The Council has repaid the first instalment (£1m) on a PWLB loan of £20m which was taken up in March 2011 on an Equal Instalment of Principal basis over 10 years at an interest rate of 3.46%. To date this part repayment has not been replaced.

4.1.5 There has been no restructuring or early repayment existing debt.

5. Investment Strategy 2011/12 – 2013/14

5.1 **Key Objectives** – The primary objective of the Council’s investment strategy is the safeguarding the repayment of the principal and interest of its investments on time – the investment return being a secondary objective. The current difficult economic and financial climate has heightened the Council’s over-riding risk consideration with regard to “Counterparty Risk”. As a result of these underlying market concerns officers continue to implement an operational investment strategy which further tightens the controls already in place in the approved investment strategy.

5.2 **Current Investment Position** - The Council’s held £8.72m of investments at 30 September 2011 (excluding Icelandic Banks), and the constituent parts of the investment position are:

Sector	Country	Up to 1 year £m	1 - 2 years £m	2 – 3 years £m
Banks	UK	0.22	0	0
DMO	UK	0.00	0	0
Local Authorities	UK	8.50	0	0
Total		8.72	0	0

5.3 **Risk Benchmarking** – A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting.

The following reports the current position against the benchmarks.

5.3.1 **Security** – The Council monitors its investments against historic levels of default by continually assessing these against the minimum criteria used in the investment strategy. The Council’s approach to risk, the choice of counterparty criteria and length of investment ensures any risk of default is minimal when viewed against these historic default levels.

5.3.2 **Liquidity** – In respect of this area the Council set liquidity facilities/benchmarks to maintain:

- A Bank overdraft facility of £10m
- Liquid short-term deposits of at least £3m available with a week's notice.

The Strategic Director of Finance can report that liquidity arrangements were adequate during the year to date.

5.3.3 **Yield** – a local measure for investment yield benchmark is internal returns above the 7 day LIBID rate

The Strategic Director of Finance can report that the return to date averages 0.37%, against a 7 day LIBID to end September 2011 of 0.47%. This is reflective of the Council's current approach to risk whereby security has been maximised by using the Debt Management Office and other Local Authorities as the principal investment counterparties.

6. Revisions to the Investment Strategy

6.1 The counterparty criteria are continually under regular review but in the light of the current market conditions no recommendations are being put to Members to revise the Investment Strategy.

7. Treasury Management Prudential Indicators

7.1 **Actual and estimates of the ratio of financing costs to net revenue stream** – This indicator identifies the trend in the cost of capital (financing costs net of interest and investment income) against the net revenue stream.

	2011/12 Original Indicator %	2011/12 Revised Indicator %
Non-HRA	9.90	9.62
HRA	15.78	14.40

7.2 Both revised indicators reflect the impact of borrowing at rates less than originally anticipated for 2011/12.

7.3 Prudential indicator limits based on debt net of investments

- **Upper Limits On Fixed Rate Exposure** – This indicator covers a maximum limit on fixed interest rates.
- **Upper Limits On Variable Rate Exposure** – Similar to the previous indicator this identifies a maximum limit for variable interest rates based upon the debt position net of investments.

RMBC	2011/12 Original Indicator	Current Position	2011/12 Revised Indicator
Prudential indicator limits based on debt net of investments			
Limits on fixed interest rates based on net debt	100%	75.38%	100%
Limits on variable interest rates based on net debt	30%	24.62%	30%

- 7.4 **Maturity Structures Of Borrowing** – These gross limits are set to reduce the Council’s exposure to large fixed rate loans (those instruments which carry a fixed interest rate for the duration of the instrument) falling due for refinancing.

RMBC	2011/12 Original Indicator		Current Position	2011/12 Revised Indicator	
	Lower	Upper		Lower	Upper
Maturity Structure of fixed borrowing					
Under 12 months	0%	20%	3.48%	0%	20%
12 months to 2 years	0%	25%	1.52%	0%	25%
2 years to 5 years	0%	30%	13.27%	0%	30%
5 years to 10 years	0%	35%	15.23%	0%	35%
10 years to 20 years	0%	40%	3.48%	0%	40%
20 years to 30 years	0%	45%	5.72%	0%	45%
30 years to 40 years	0%	50%	1.09%	0%	50%
40 years to 50 years	10%	60%	18.78%	10%	60%
50 years and above	15%	100%	37.43%	15%	100%

The former SYCC account is due to be wound up by the end of 2020/21 and the maturity structure is now largely fixed as the need and indeed opportunities to re-finance within the remaining 10 years will be limited. As a result future limits are currently set in line with the on-going maturity profile.

Former SYCC	2011/12 Original Indicator		Current Position	2011/12 Revised Indicator	
	Lower	Upper		Lower	Upper
Maturity Structure of fixed borrowing					
Under 12 months	0%	50%	0%	0%	50%
12 months to 2 years	0%	70%	0%	0%	70%
2 years to 5 years	0%	100%	9.76%	0%	100%
5 years to 10 years	0%	100%	90.24%	0%	100%

- 7.5 **Total Principal Funds Invested** – These limits are set to reduce the need for the early sale of an investment, and show limits to be placed on investments with final maturities beyond each year-end.

The Council currently has no sums invested for periods exceeding 364 days due to market conditions. To allow for any changes in those conditions the indicator has been left unchanged. The above also excludes any Icelandic investments that are due to be recovered after more than 364 days.

RMBC	2011/12 Original Indicator £m	Current Position £m	2011/12 Revised Indicator £m
Maximum principal sums invested > 364 days	10	0	10
Comprising			
Cash deposits	10	0	10

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET		
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1.	Meeting:	Cabinet
2.	Date:	9 th November 2011
3.	Title:	Management Review Consultation
4.	Directorate:	Strategic Leadership Team

5. Summary

This report provides an update on the progress made in reviewing the Council's management arrangements to improve the efficiency and effectiveness of the organisation. These proposals are designed to help achieve better outcomes for citizens while being flexible and robust enough to respond to the changing national policy agenda.

The Council has already taken a proactive stance to minimise the impact of the reductions in central government funding. Through careful stewardship and the support of Elected Members, colleagues and trade unions we have so far managed to avoid major employee relations issues evident in some Councils and minimised the need for compulsory redundancies.

Consultation has taken place with the management cohort on the proposals set out in this report and a headline structure has been drafted following extensive consideration by the Strategic Leadership Team, individually and as a group.

This report provides an update at the end of the consultation period and gives the latest position in respect of interest shown in the short term opportunity to apply for the Voluntary Redundancy programme which closed on the 19th August 2011.

6. Recommendations

- **Note the contents of the report and the staffing implications arising from the proposal**
- **Affirm the actions from this first phase of implementation, up to and including M3 manager and senior professional level appointments.**

7. Proposals and details

As part of the financial and service planning process for 2011/12, Elected Members agreed to a review of the Councils management arrangements.

This review has had three main objectives: -

- a) To deliver £1.25 million savings during the current financial year
- b) Enable us to organise our services in a way that makes more sense to our citizens
- c) Help us make better use of our limited resources to maximise the impact within the community.

This review is consistent with our overall organisational development strategy so that we are able to create a stronger, more purposeful council that is firmly focussed on Council priorities while supported by efficient integrated service and resource management.

Our overarching aim is to ensure our citizens, communities, and businesses can see that the management of the authority is designed around meeting their needs. We can visibly demonstrate this commitment, through this review, by making managers more accessible and accountable to the public.

External consultants (Hay Group) had described the council's management structures as "*lean and hard working*" before we undertook the various service reviews that took place over the previous financial year. The service specific reviews undertaken last year on Policy & Performance and Asset Management functions significantly reduced back office functions and brought together similar jobs from directorates to improve consistency and managerial effectiveness under a more streamlined managerial structure.

This activity was in addition to the ongoing recruitment 'freeze' that elected members had supported being put in place for all (except front line essential) jobs together with specific time-limited opportunities to apply for early and flexible retirement and voluntary redundancy.

All these initiatives together significantly contributed to a reduction of 591 Full Time Equivalent (FTE) jobs as at end of October 2011 (even after taking account of the TUPE in to the Council of 80 Grounds Maintenance employees from Ringways and 143 from 2010 Rotherham Ltd). Proportionately two thirds of the job reductions have been from back office and managerial levels rather than front line posts.

This review has been led by the Strategic Director Neighbourhoods and Adult Services, with Strategic HR support, involving individual consultations with Strategic Directors and reporting to SLT as a group.

SLT is committed to bringing about a managed reduction in the workforce which minimises the need for compulsory redundancies and maintains service continuity. It must be said that while the current level of service provision/delivery is required there may be less scope to reduce numbers significantly in future without ceasing some service provision and/or reducing the demands on the now much slimmer workforce.

The review is scheduled to be concluded in two phases: -

November 2011

This first phase will bring about an early reconfiguration of our management arrangements following recent cross cutting and service reviews and the re-integration of 2010 Rotherham while also taking account of the significant reductions made due to voluntary redundancy.

This has so far been managed to produce maximum savings whilst minimising the risk of destabilising existing services during a period of significant uncertainty.

November 2013

A second phase will enable a further progressive configuration of services and provide an opportunity to shape the structures to reflect prospective changes arising from the integration into the Council structure of Public Health, RBT services and any future potential shared service solutions currently being explored.

Guiding Principles

A set of guiding principles (Appendix 1) have been drawn up designed around our intention to deliver the five priorities which are set out in the Corporate Plan and provide a series of commitments about how we, as a Council, will serve our community.

These guiding principles have been designed to ensure that we adjust the way we operate managerially to reflect the wishes of elected members These guiding principles define how we will conduct our business to meet Elected Member and public expectations.

These ten guiding principles are designed amongst other things to: -

- Create a strong emphasis on “getting things right first time.”
- Eliminate duplication to speed up decision making and the time taken to translate decisions into action.
- Enable staff who directly serve the public to make decisions and take action to support people and resolve problems.
- Free our staff to be more creative in improving the way services are delivered and by encouraging them to try new ideas.
- Ensure that all back office services adopt a culture that supports front line and actively contributes to problem solving alongside front line staff.

Progress

Analysis of the existing structures highlighted the primary areas of focus. As a result of this work we have arrived at some initial conclusions in relation to the first three tiers which cover SLT, Directors and M3 level managers and senior professional officers.

This is shown on the draft structure charts tabled in support of this report and has proposed: -

- SLT – Retention of four Strategic Directors and to create a new Resources Directorate consisting of HR, Legal, Financial Services, Asset Management and Commissioning, Policy and Performance to be managed by the former Strategic Director of Financial Services with a new broader job role. There may be potential to reduce the Strategic Leadership Team by a further post by November 2013.
- Directors – These have reduced from 19 to 14 in recent months but there has been scope identified for a further potential reduction of 3 Directors down to 11 by November 2011 by taking advantage of retirements, volunteers for redundancy etc and by broadening responsibilities in some areas.
- M3 Level Officers – 36 posts have been removed from the structure and mainly from back office functions and M3 managers/ Senior Technical Professionals following applications under the recent Voluntary Release opportunity.
- These proposals include the reduction in posts following the 2010 Rotherham Ltd transfer back into the council. All those posts are however HRA funded and do not contribute to the required budget savings.
- The proposed structures are considered suitably flexible to accommodate a variety of options to integrate Public Health and RBT functions in the future.

The proposals put forward represent a significant streamlining of the council's management arrangements and present lean management structures. Our citizens, communities, and businesses should be able to experience improved access to managers and understand who is accountable for decision making. Fewer management layers will help us translate decisions into action much more quickly.

Support services have been 'stripped out' of front line teams and unified in a new Resources Directorate. The culture of this new directorate will be critical to the success of the change. Front line services need to benefit from the creation of unified support services that can identify/spread best practice and proactively work with front line delivery staff on delivering better outcomes. Lean systems that are geared towards delivering better outcomes are essential.

Summary of key issues from the feedback to the proposals

A good number of responses have been received in relation to the proposals in the form of comments from teams and individuals.

In the main there has been widespread support to the proposals and a general understanding of the reasoning behind the proposed arrangements. Generic responses to the frequently asked questions have been drafted following consideration of the issues raised and discussion with SLT colleagues. These are attached at Appendix 2 for information. These responses are intended to be published after final consideration by SLT and Elected Members.

By far the most fundamental change relates to the formation of a new Resources Directorate and the majority of specific comments relate to this proposal. The intention of this configuration of support functions is to provide truly effective operational support to

front line services and lead to more efficient internal operating arrangements through closer integration and broader sharing of knowledge and expertise between colleagues.

The recent arrangements combining Policy & Performance and a new Commissioning team together with the Asset Management review has been widely welcomed and has been seen to have already delivered significant improvements e.g. reduced the backlog of outstanding cases in Occupational Therapy service, increased food hygiene inspections and more assessments for adult social care within 48 hours.

A number of concerns have been expressed regarding the relative size and apparent disproportionate number of senior graded professionals compared to front line services. There is also a reasonably widespread concern that a centralised culture could result in a lack of customer responsiveness from some services within the new Resources Directorate.

The role of the Strategic Director and Service Directors in Resources will be to work closely with the Chief Executive and SLT to ensure Strategic Directors and Service Directors in direct service delivery areas get the service / support they need. The end user customer is the most important focus of service work and therefore it is proposed that Directors will need to be tasked to support service managers by devising and proposing solutions.

Specific responses to the feedback are given on Appendix 2, but it should be noted that the posts that sit within the proposed Resources Directorate have already reduced by over 20%. In response to the consultation some further reductions have been proposed but no unnecessary risks have been taken where there is uncertainty about future service delivery options.

The newly formed Resources Directorate will represent around 6% of the total pay costs of the Council even after the introduction of Asset Management functions from EDS (including 400 plus cleaners) and those posts brought together as a consequence of the various cross cutting reviews undertaken last year.

It should also be noted that many of the posts in the Resources Directorate are specialist professionals who are paid the 'market rate' applicable to say Solicitors, Accountants, HR Managers etc at levels paid by most Councils and are necessary to perform the tasks required in the main on behalf of the whole organisation and not just one Directorate. In cases such as Legal Service Solicitors and Service Accountants for example these services are being provided from a centralised Resources Directorate but work on activity for a specific service directorate.

Priority Issues to be determined

3 specific areas are tabled for information and to affirm the proposed direction set out as follows: -

- ***Under the initial proposals the Council's most senior Legal Adviser would have seen this post operate at Tier 3 level.*** In the light of discussions at SLT and taking account of feedback and research across the region, it is now believed this would be at too low a level to ensure the Council is served appropriately by such an arrangement. The Chief Executive now proposes to re-instate a post at Director level for Legal & Democratic Services and for an appropriate recruitment process to

source a suitable appointment. This post would also then act in the statutory capacity of Monitoring Officer, which traditionally is predominantly held by a legally qualified employee. This would result in an additional Director post having reduced from an original 19 posts down to 11.

- **Discussions have taken place regarding the seniority and allocation of Statutory roles** i.e. Monitoring Officer (see Legal consideration above), Section 151 Finance Officer, DASS, Safeguarding. It is considered there is scope to re-align these in the coming months as the situation regarding the appointment of a new Director of Legal Services and the holders of other statutory roles becomes clearer.
- **Representations regarding the position and influence of the Corporate Policy team have been made.** However it is considered the proposed arrangement does provide appropriate and timely access to the Chief Executive as per previous arrangements. This team also has matrix management responsibility to the wider group of SLT while it is felt reasonable for day to day management issues to continue to be dealt with through the proposed Resources Directorate structure.

Overarching Issues

A number of further issues result from the decisions on the proposed management review which have a Council wide impact. Cabinet are asked to note that the following matters will naturally need to follow the implementation of the new management structure: -

- **The need to review Director and Extended Principal Officer Grades** - to eliminate inequities in the current arrangements.
- **The need to consider options for future service delivery models** - such as Mutual's, Social Enterprises, Voluntary or Private sector providers.
- **The need to consider options for managing Public health and RBT functions** - Public Health arrangements are still being discussed at central government level including impacts of TUPE legislation on such arrangements. It would be proposed that as in the case of previous transfer arrangements, there would be an initial 'lift and shift' approach while we learn where improvements / efficiencies are appropriate once integrated into the wider Council structure.

Service Specific Issues

The consultation process also highlighted a number of service specific questions for consideration, which in the main relate to those services proposed within Resources Directorate. General responses are detailed at Appendix 2 but a number of service specific points of detail have been raised. These are not exhaustive but specifically relate to :-

- **Member Development** - The lead responsibility for this work is currently proposed to sit within Scrutiny Team as they in reality probably have the most day to day contact with Elected Members, but it is also anticipated support would be available as necessary from the wider Resources Directorate team such as HR or Finance and Legal. It is proposed that Elected Members confirm their preference.
- **Estates and Projects & Partnerships teams within the Asset Management structure** - could be transferred into the new Resources Directorate but it is considered at this stage it would be more appropriate for this to remain with EDS and benefit from its close links with Planning & Regeneration.
- **Internal Audit** – their independence to act on asset management contractual matters has been questioned if co-managed within a joint Asset Management and Audit function. However Audit currently has close affiliation within Financial Services and still operates with independence on behalf of the Council. It is accepted

however that as the shared internal audit service with Doncaster develops and becomes more sustainable this would be proposed to aim to transfer once more to Financial Services.

Conclusions

Good progress has been made in the last 12 months in reducing the cost of management across the Council however further savings are needed and this review highlights where these are considered possible.

A managed reduction in our management arrangements over the coming two year period will allow us to manage the reduction in a more sympathetic way and cause least disruption to services and customers.

This work to date has concentrated on the top three tiers of the organisation but this obviously impacts the whole of the organisation and so it is important that these principles are applied consistently at all management levels.

A structure chart setting out the proposed posts at M4 & M3 level and the functions they will manage is attached at Appendix 3.

A recent comprehensive audit of qualifications across the workforce has indicated that even after the significant job reductions and loss of experience through the retirements of longer serving employees there is evidence that the Council will still have well qualified employees for the work the Council requires to deliver current services. Activity to engage and develop the workforce continues and will help meet the demands of the current challenging economic climate.

Further consultation will be undertaken with employees and their representatives as proposals and decisions are implemented and as the consultation regarding M2 and M1 level officers evolves.

8. Financial Implications

Overall salary savings from all of the associated FTE reductions identified to date including this latest round of volunteers are estimated at approximately £16m from our pay bill.

Colleagues in Financial Services have assessed the impact of changes agreed to date and forecast that the proposals drawn up so far under this management review will provide salary cost savings in the region of £1.76 million. However Cabinet are asked to note that the annual revenue savings within this are only £1.15m as a number of posts were funded through non-revenue sources. These include ring-fenced grants, externally funded, capital, Housing Revenue Account (HRA) or traded services etc.

The projected revenue cost savings assessed to date for this financial year from the Management Review savings are assessed at £567,000 with full year savings projected at £1.15m. Further reductions to lower level management level posts are still being considered and potentially there will be further reductions from the consultations into changes at lower management levels.

Costs associated with the voluntary redundancy opportunity are being met centrally and funded through a successful application to central government to capitalise appropriate costs. There is an ongoing budget challenge of funding these borrowing costs.

9. Risks and uncertainties

This review involves a reconfiguration of resources and a reduction in the number of management layers with the aim of maximising efficiency, increase public confidence in our use of resources and through improved delegation improve our ability to satisfy the customer first time.

Good progress has been made to reduce the cost of management in the authority over the last 12 months however further savings are needed if we are to deliver our local commitments.

There is also a need to retain sufficient capacity, expertise and knowledge at managerial level to be able to maintain the high standards of service and customer care that we have delivered in recent years. The recent qualifications audit indicates an appropriately qualified workforce remains after the recent changes to help deliver the Council's priorities and continuing training and development will help prepare colleagues to meet these future challenges.

Changes in the management arrangements will need to be carefully balanced so that we are certain that we can continue to retain and attract high calibre managers and senior professionals so that we can deliver the aspirations of Elected Members.

There are also concerns that further reductions without the equivalent cessation of service provision will result in increased pressures on the remaining but significantly reduced workforce. This could have a potentially damaging and reduced level of engagement of the type being evidenced in recent electronic employee Pulse surveys and being discussed at forthcoming employee Focus Group events.

Other risks depend upon the response to specific concerns listed in the feedback section.

10. Policy and Performance Agenda Implications

This review will determine the Council's approach to resourcing and delivery of its management arrangements and should ensure that the Council has a fit for purpose structure which is responsive and agile and offers an effective and value for money approach.

11. Background papers and consultation

Whilst headline discussions commenced early in the current financial year the formal consultation commenced on 13th June 2011 with an M3 session on 16th June set out the broad overview of the process and timetable.

Directorate specific meetings have been taking place and views contributions sought from the employee groups.

Elected Members and Trade Unions have been informed about the progress at JCC, Leader's Meeting and other briefings.

All affected managers have been consulted about the proposals.

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Appendix 1

Management Review Guiding Principles

Outcome

1. Fit For Purpose organisation that will deliver our core offer to residents

Shaping

2. Use limited resources to deliver maximum impact for the citizens
3. Flatter structure with clear, added value from each layer
4. Organisational fluidity to facilitate emergent organisational issues
5. Simple structures that the public can understand
6. Consistent and equitable gradings and responsibilities
7. Human resource levels are linked to the corporate plan

Behaving

8. Rational and consistent delegation hierarchy
9. Distinction between senior professionals and managers
10. Consistent job profiles, behaviour and capability requirements.

Appendix 2

Management Review – Frequently Asked Questions

Feedback received generally welcomes the formation of a Resources Directorate which facilitates the key strategic services that impact across the Council operating much more closely together.

A number of common themes emerged, the majority naturally around the Resources Directorate that will affect employees across all Directorates and so it is thought helpful to summarise these in one document.

- **Why are there more Directors in Resources than other Directorates? Should the roles of Directors be combined?**

The structural changes propose a significant reduction from the nine Directors previously managing the functions now proposed to operate under the new Resources Directorate. Any further reduction at this time would place the Council at risk of not being able to fulfil its organisational obligations and priorities.

- **How can we justify the comparative size of the Resources Directorate when we have stated we prioritise front line services?**

The Resources Directorate has drawn together most of the back office activity that was embedded within Service Departments and consolidated it in one location. This has highlighted the total resources deployed on these activities and provided the opportunity for us to streamline processes, drive out efficiencies and reduce and combine managerial roles. It has also strengthened our ability to ensure the whole of the organisation has a firm focus on making sure our front line service delivery is as effective as it can be.

The process of consolidation has seen us considerably reduce the number of Directors working in these areas. In total, the directorate has transferred in about 75 posts that previously sat in service departments, and about 50% of the reduction in posts that have occurred in the new structure fall within the resources directorate.

The Resources Directorate as proposed will only account for around 6% of the Council staffing cost and this includes the costs of the employees transferring in from Asset Management including Cleaners and Caretakers in Facilities Services.

The structure has evolved following this consultation exercise and will be sufficiently flexible to take into account changes in functions over the next few years e.g. transfer of Public Health from NHS, re-integration of services in RBT and changes in service delivery models such as shared services, social enterprises and co-operatives.

The support functions are routinely compared and benchmarked to ensure they provide efficient, high quality value for money services. These services are being aligned to support front line staff and to ensure the organisation is adequately served in both an organisational and professional capacity.

- **Almost half of the remaining M3 level posts sit in the Resources Directorate and there are several instances where it appears there are multiple M3's managing what are ostensibly single functions. Why is this?**

These officers are specialist professionals providing high level of advice and guidance in specialist areas or strategy to senior management or elected members and in most cases work across and support the whole organisation.

Approximately 50% of M4/M3 post reductions in the new structures are from Resources: Chief Executives loss of 39 employees, Financial Services loss of 32.5 employees and corporate cross cutting review reductions in Directorates account for a further 26 employees.

- **How will the movement of staff to the central Resources Directorate affect the service provided to Directorates?**

By consolidating common functions it is possible to reduce management costs, share knowledge and experience and through economies of scale improve the overall level of services provided across the organisation. The intention is not to adopt a centralised approach but ensure that these staff continue to support front line service delivery through streamlined management arrangements.

- **Will the span of control and workloads across the M3's be comparable?**

The structure has been put together based on a corporate set of guiding principles, which includes spans of control and statutory responsibilities. This has been designed to incorporate flexibility for variations to cater for the wide diversity of functions. This will help ensure that the organisation is consistent where possible, is fit for purpose but with organisational fluidity to still meet any future emergent issues.

- **Why is Asset Management being moved out of Environment Development Services? Should Audit transfer into Environment Development Services?**

The property portfolio currently being managed by Asset Management is one of the Council's most valuable resources. The principal of creating the Resources Directorate is to draw together such services to focus attention on how we deliver related activity to maximum effect.

- **Will the merger of Audit and Asset Management compromise the audit of Asset Management contracts?**

There are various areas in the Council where appropriate "firewalls" are needed for the Council to operate lawfully and ethically. Audit currently has to operate 'independently' of Financial Services direction where this is necessary and it is considered this arrangement will be no different.

- **Has consideration been given to setting up a separate governance function?**

Yes, a number of options including one of a separate governance function were looked at as part of the structure deliberations. However this approach was not recommended because it was felt the Council as a whole will benefit more from combining functions and generating savings by reducing the number of Director Posts whilst delivering the services that the Council requires.

- **Will the split of Environmental Health professionals based on a division between environmental/public health result in an arrangement that best suits the organisation rather than the citizen?**

There are strengths and weaknesses from different models. Following representations made during the consultation phase proposals have been reconfigured to move regulatory service delivery functions such as pest control, motor vehicle nuisance and dog wardens to Streetpride while the majority of Public Health responsibilities remain in Neighbourhoods and Adult Services. The future model for services will be reviewed in light of functions transferred to the Council from NHS Public Health.

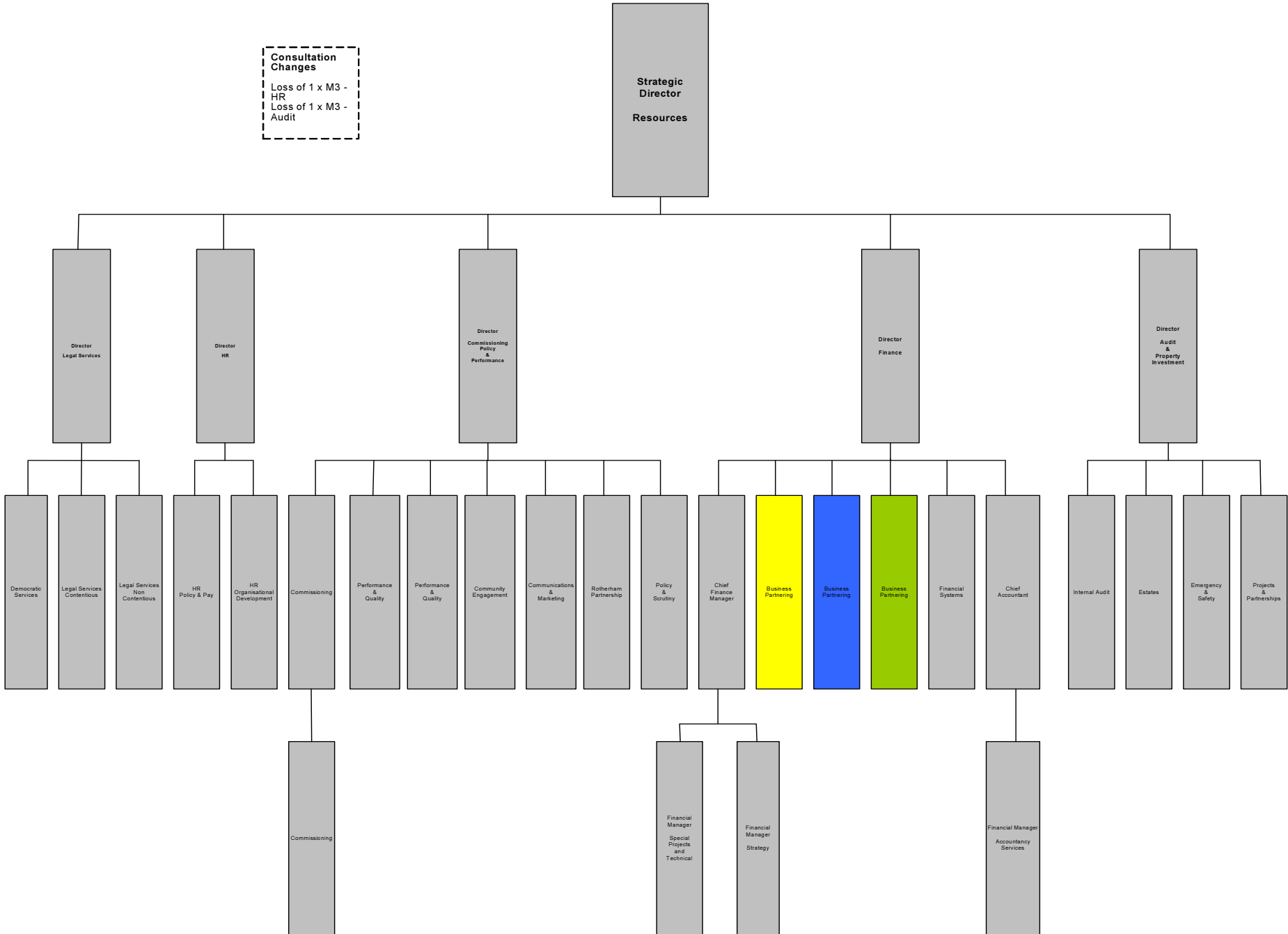
- **What will happen to the functions in RBT when the contract ends?**

We believe the new structures are flexible enough to allow for the re-integration of the functions in RBT, such as Customer Services, Procurement, ICT, HR & Payroll, as and when they are released from the contract. The majority of functions are expected to move into the Resources Directorate but options for some functions require further consideration.

- **The Children's and Young People's Service, Early Intervention and Planned Intervention appear to have six M3 Managers working on an area basis. Has consideration been given to combining these functions?**

Services and functions have been reviewed and combined where practicable resulting in a reduction of three Directors and seven M3 Manager Posts. This is seen to be the minimum required at this time. The six M3 Managers proposed are not working on an area basis only two are. The others have very clearly defined statutory functions and appropriate responsibilities commensurate with the grades.

Appendix 3

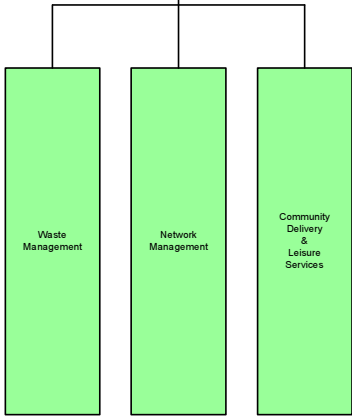
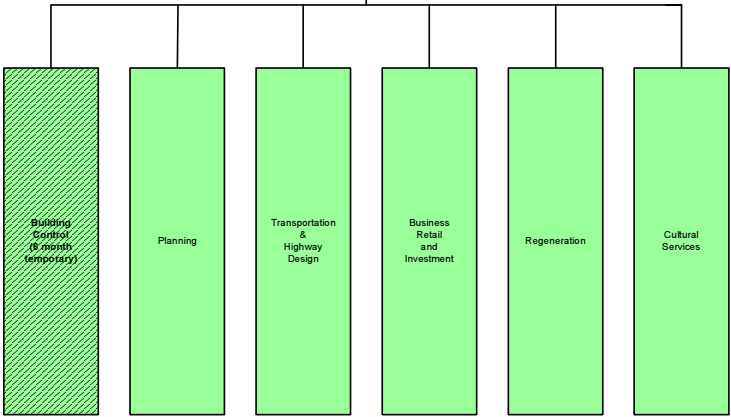


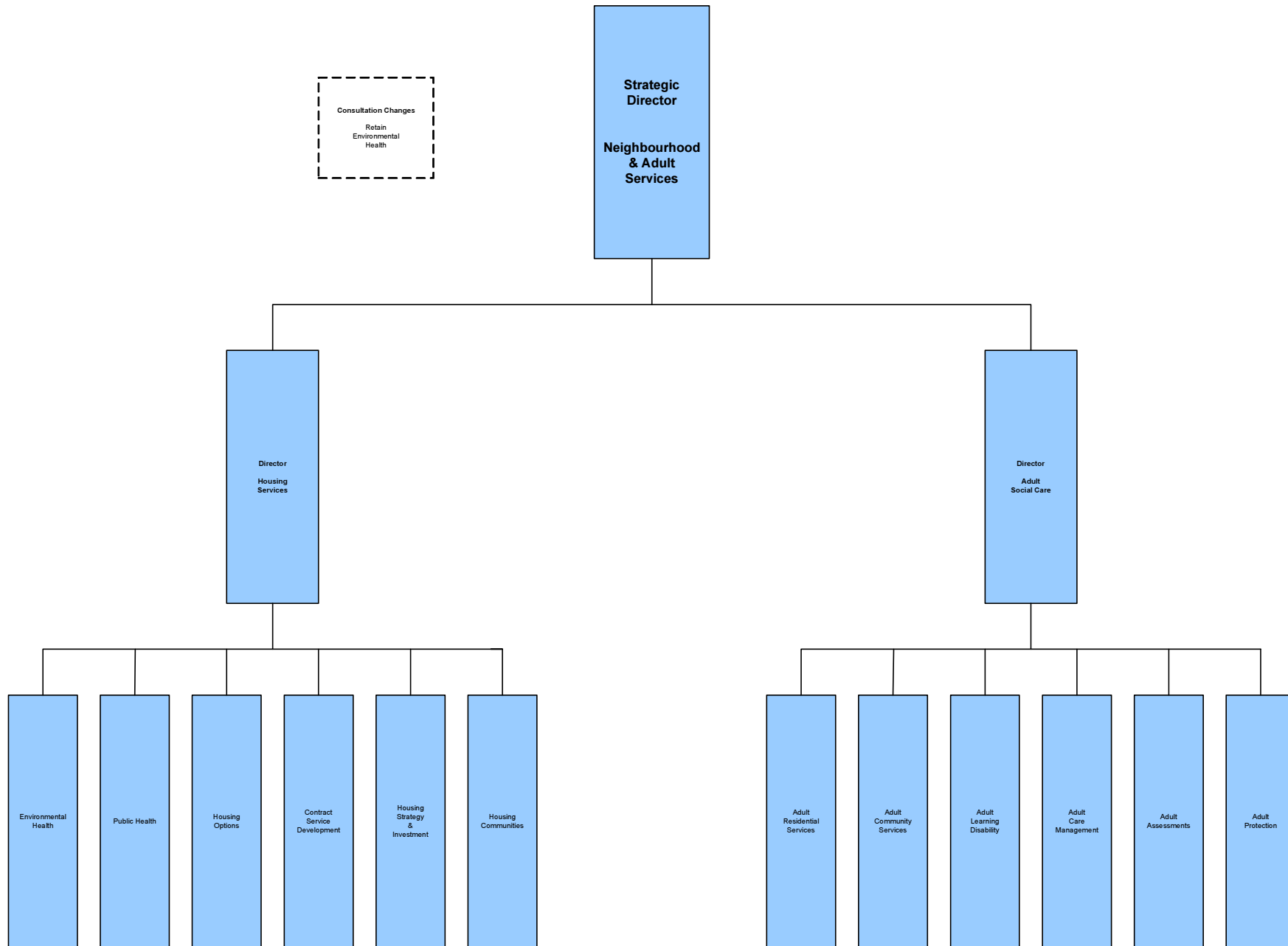
Consultation Changes
Environmental Health M3 not transferring in
Building Control 6 month temporary appointment

Strategic Director
Environment & Development Services

Director
Planning, Regeneration and Culture

Director
Streetpride





Consultation Changes
Retain
Environmental
Health

Strategic Director
Neighbourhood & Adult Services

Director
Housing Services

Director
Adult Social Care

Environmental Health

Public Health

Housing Options

Contract Service Development

Housing Strategy & Investment

Housing Communities

Adult Residential Services

Adult Community Services

Adult Learning Disability

Adult Care Management

Adult Assessments

Adult Protection

No Consultation
Changes

**Strategic
Director**

**Children and
Young People's
Services**

Director
**Safeguarding
and
Corporate
Parenting**

Director
**Schools
&
Lifelong
Learning**

Prevention
and
Early
Intervention

Planned
Intervention
North

Planned
Intervention
South

Youth
Offending

Long Term
LAC

Provider
Services

Safeguarding

Extended
Learning

School
Organisation
& Development
&
SENAS

Youth
Service

School
Music
Service

School
Effectiveness

Education
Psychology