

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD  
18th March, 2016**

Present:- Councillor Steele (in the Chair); Councillors Cowles, Hamilton, Mallinder, Julie Turner, Whelbourn and Wyatt.

Apologies for absence were received from Councillors Beck, Hughes, Pitchley and Sansome.

**121. DEBORAH FELLOWES**

The Chairman referred to the recent retirement of Deborah Fellowes.

The Board wished to record their appreciation of Deborah's hard work on their behalf and wish her well for the future.

**122. DECLARATIONS OF INTEREST**

There were no Declarations of Interest made at this meeting.

**123. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS**

There were no questions from members of the public or the press.

**124. ISSUES REFERRED FROM THE AREA ASSEMBLIES**

There were no issues to report.

**125. YOUTH CABINET/YOUNG PEOPLE'S ISSUES**

Janet Spurling, Scrutiny Officer, reported that following the Children's Commissioner Takeover Challenge Day on 23<sup>rd</sup> February, 2016, a meeting had been set up for with the young people on 6<sup>th</sup> April, 2016, to discuss the recommendations and produce a report.

The report would be submitted to the Overview and Scrutiny Management Board at a future date.

**126. MINUTES OF THE PREVIOUS MEETINGS HELD ON 23RD AND 26TH FEBRUARY 2016**

Resolved:- That the minutes of the meeting of the Overview and Scrutiny Management Board, held on 23<sup>rd</sup> and 26<sup>th</sup> February, 2016, be approved as a correct record for signature by the Chairman.

**127. REVENUE BUDGET MONITORING REPORT FOR THE PERIOD ENDING 31ST DECEMBER 2015**

Further to Minute No. 19 of the Cabinet/Commissioner meeting held on 15th February, 2016, consideration was given to a report, presented by the Interim Strategic Director of Finance and Corporate Services, containing details of progress on the delivery of the Council's current year Revenue Budget for 2015/16 based on performance to 31st December, 2015. The Revenue Budget currently forecast an outturn of £8.816m (+4.3%) above budget. The forecast outturn position had deteriorated by £197k since the November 2015 monitoring report.

Key pressures contributing to the forecast overspend (£8.816m) were:-

- Additional needs-led demand pressures within Children's Services partially mitigated by reduced forecast spend in Neighbourhoods and Environment and Development Services
- Subject to Commissioner approval, £5.326m one-off funding could be made available to help mitigate the current forecast overspend to support the forecast overspend in 2015/16
- The continuing service demand and agency staffing cost pressures for safeguarding vulnerable children across the Borough and the strengthening of Social Work and management capacity;
- Demand pressures for Direct Payments within Older People and Physical and Sensory Disability clients and clients with Mental Health needs

A moratorium on all 'non-essential' spend was in place with Managers closely scrutinising orders to ensure they met the 'essential spend criteria' before orders were placed. Managers were also scrutinising the daily spend analysis reports which provided details of orders placed the previous day and provided an opportunity for orders to be challenged, reprioritised or rejected before the contractual commitment was incurred. Staff within the Procurement Team were also closely reviewing orders being placed and, where appropriate, making further enquiries to ensure spend met the 'essential' criteria.

A number of 2016/17 budget savings proposals had already been agreed (some only requiring Officer approval through delegated powers) which would also contribute towards in-year savings in 2015/16. As the proposals materialised, their impact on the forecast outturn would be reflected in future revenue budget monitoring reports.

Additionally, the financial impact of any decisions to release staff through voluntary severance or voluntary early retirement would be factored in to future budget monitoring reports at the earliest opportunity. It was expected that these decisions would reduce the current forecast overspend.

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In order to deliver on the tighter deadlines being imposed to finalise the Council's Annual Accounts, it was proposed that next month's revenue monitoring report, April 2015 to January 2016, would be the Council's 2015/16 Estimated Outturn report which would be considered by Cabinet on 11<sup>th</sup> April. In the event that anything was identified during the initial period of closing down the annual accounts in late March which was sufficiently material to warrant alerting Members urgently, a separate report would be produced for consideration.

Members' discussion highlighted the following salient issues:-

- The Chief Executive and Assistant Chief Executive were keen for forensic accounting and reporting of agency and consultancy spend to gain a better understanding of when and why they were used and alignment to workforce planning
- The estimated outturn report would be submitted to the 11<sup>th</sup> April Cabinet and then to the Board
- The budget saving for the Imagination Library, agreed in the 2015/16 budget setting, would not be fully implemented due to contractual notification termination
- Although the HR Payroll Service Centre was showing an overspend position this was being offset
- There would always be a need for agency staff in areas principally staffed by manual workers to cover holidays and sickness absence. This was mainly within waste, highways, construction, building cleaning and catering services
- The Commissioning Agreement Framework had recently been re-let and Duttons were the Authority's preferred supplier. However, they had a hierarchy of agreements with suppliers they used. There had been a separate procurement exercise for Social Care and Social Workers and had their own separate Commissioning Framework Agreement
- There was generic working across Highways and the gritting teams; it was not known if the same arrangement was in place for Waste
- It was not known if the agencies supplying staff used zero hours contracts. It was suggested that the Authority should consider having its own bank of staff they could call upon as and when required
- Was it cheaper to pay someone overtime or use agency staff?

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- The Government had proposed that from 2017/18 the closing down of public and private accounts be brought forward to the end of May. The Authority was on course to meet this requirement and estimates would be used much more; KPMG were very much supportive of the approach. The accounts would be subject to audit in July. Rotherham had a strong track record on delivering accounts with no major adjustments
- Adult Social Care was a national issue. The aim of the Better Care Fund was to move people through the system more effectively and seamlessly, tried to manage the demand on the A&E and hospital services and prevent progression to Adult Social Care. The Government had introduced the Adult Social Care precept for the 2016/17 financial year which the majority of local authorities who had Social Care responsibility had taken up to help mitigate some of the financial pressures in adult social care
- It was known that the funding the precept would generate would not be sufficient
- Additional capacity had been required within Legal Services to deal with the enquiries, investigations and requests for information arising from the Jay and Casey reports. This was to be reviewed by the newly appointed Assistant Director of Legal Services. There had also been additional business support costs as the senior management team had increased. This was to be reviewed by the Chief Executive and Assistant Chief Executive
- If the information required to fulfil a Freedom of Information request did not exceed 18½ hours it was provided free of charge
- Income targets were reported within the budget monitoring report

Resolved:- That the forecast overspend and the need to maintain continuous close scrutiny of spend to significantly mitigate the current forecast overspend be noted.

### **128. CYPs BUDGET MONITORING**

Consideration was given to a report, presented by the Strategic Director for Children and Young People's Services, stating that, as part of its performance and control framework, the Council was required to produce regular reports for the Directorate Leadership team and advisors to keep them informed of forecast financial performance on a timely basis such that where necessary, actions can be agreed and implemented to bring spending in line with the approved budget for the financial year. The submitted report contained details of spending against budget by the Children and Young People's Services Directorate covering the first ten months of the 2015/16 financial year, April 2015 to January 2016, as well as the forecast costs and income to 31st March, 2016.

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Members' discussion of this report highlighted the following salient issues:-

- The Directorate had a much better understanding of cost drivers and a grip on expenditure. A lot of work had been undertaken on the Medium Term Financial Strategy (MTFS) alongside the change programme - poor quality services cost much more
- Rotherham's spend was considerable more than its statistical neighbours on children looked after in the care system. Over the last 7 years whilst nationally costs had increased for children looked after in the care system by 11%, in Rotherham they had increased by 84%
- Far too many children were placed outside the Rotherham boundary
- The "Be a Hero" fostering campaign had generated enquiries. 18 potential foster carers were currently undertaking assessment plus receipt of 16 expressions of interest. If approved, they would add to the growing numbers of foster carers who fostered for Rotherham, however, the payment rates need to be addressed as they were currently not competitive
- Some of the additional costs for the leadership posts had been built into the Council's MTFS whilst some were one-off with a known end of contract date
- The Government's announcement about an all academy system could have far reaching implications especially if a school chose not to buy back services from the local authority
- The Directorate's developing MTFS was distinct from what had been agreed with corporate colleagues; CYPS was looking at a 5 year transformation
- The investment had made a difference so far which had been confirmed by 3 Ofsted visits, however, there was much more work to do to embed quality consistently. The Directorate had worked on the critical areas such as the front door (Multi-Agency Safeguarding Hub (MASH)) which was where the referrals came in and the Council had to get that right
- More funding had been put into CSE investigation (Evolve) – Ofsted had confirmed that it was working much more effectively
- The Authority was still accountable for the care provided by independent foster carer agencies. All children had an allocated Social Worker and there was oversight by the Independent Reviewing Officer. Legally they were still the Local Authority's responsibility

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- The Virtual Head budget had lost some grants and had an overspend of £121k. It had been 1 of the budget lines that had suffered when schools had delegated the centrally held funds leaving the Directorate with the budget pressure. The Virtual School was about supporting children in care with their education and children in the care system; compared with their counterparts nationally they had always performed poorly but in Rotherham that situation was worse. Use of the Pupil Premium Plus for children in care more innovatively and building expenditure requirements into the MTFs were being explored
- Rotherham's virtual school was deliberately more generous than other areas. The statutory requirement under the Children and Families Act was to have a virtual head teacher only, however, Rotherham had advocates for primary, secondary and post-16 to engender a sense of ambition for the children in the care system
- As at the end of January, 2016, there were 185 children in in-house foster places and 130 with independent foster carers. The independent foster placements cost approximately 3 times more than a local authority foster carer. The independent foster carer agencies tended to take the more complex children as they were equipped/resourced and the carers trained to manage the more complex behaviour of the more damaged young people. Rotherham was looking to develop a training scheme for its own foster carers in an attempt to bring more children back to Rotherham
- Independent foster carers were independent private sector organisations that set their own rates. The cost was driven by demand and the amount of supply in the market and, as the Authority had contracted supply locally, they could charge what they wanted. Quite often the Directorate found itself searching for an emergency place for a child for which the costs were exorbitant. It was the Local Authority's gift as leaders of the system to develop the market and a sufficiency strategy and ensure that it delivered. On 14<sup>th</sup> March the Cabinet had approved the introduction of 21 foster carer agencies operating and conducting their business in Rotherham which would send a signal to providers that the Authority was open for business.
- An additional 29 Social Workers had been added to the establishment. The Authority had had to be smart about retaining its existing Social Workers; an annual retention allowance had been put into place which had stabilised the workforce. The additional allowance and wage structure had been built into the MTFs, therefore, the recurrent assumption was there as part of planning going forward.

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- A way of managing demand as well as reducing the number of looked after children was to intervene early before the needs of the families escalated. The new Early Help Service, stepping down from Social Care to Early Help, was starting to gain some traction with Early Help Panels introduced from 9<sup>th</sup> February. Since then, 99 children (39 families) had been stepped down which eased the pressure on Social Workers. Caseloads would continue to be monitored with a target range of between 16 and 22 that Social Workers could operate safely with the complexity of the cases also being taken into consideration. The knowledge that Social Workers would be supported by the organisation, lower workloads and Early Help, helped with the recruitment drive
- The Directorate had a 5 year plan that not only talked about bringing it within budget but saving against where it was now if operated in a much more efficient way with strategic commissioning and productivity. However, some investment was required for that to happen

Resolved:- (1) That the report be received and its contents noted.

(2) That the following recommendation, as contained in the report now submitted, be supported by the Overview and Scrutiny Management Board:-

To re-affirm the Directorate Leadership Team Resource Management Group will drive forward actions which are already in place (without causing any significant adverse impact on service delivery):

- An ongoing review of vacant posts to determine which can be 'frozen';
- A review of agency and interim staff contracts to determine if any planned end dates can be 'brought forward';
- A review of the financial commitments assumed in the forecast to determine if any are overstated;
- Continue negotiations with partners about commissioning and joint levels of funding;
- Tight control of non-staffing budgets;
- Implement any 2016/17 budget savings proposals at the earliest appropriate opportunity (i.e. subject to clearance through appropriate approval mechanisms) both to guarantee full year effect of the saving in 2016/17 and contribute to mitigating the forecast overspend in 2015/16;
- Propose any further measures which may be implemented to help mitigate the current forecast overspend for 2015/16, and

(3) That the Overview and Scrutiny Management Board notes:

- The basis, including caveats, on which the current forecast is based;
- The Children and Young People's Services Directorate Leadership Team Resource Management approach to budget control and efficiencies;
- The Directorate Sufficiency Strategy for Looked After Children and Care Leavers' plans to reduce the costs specifically in the area of Looked After Children.

**129. FORWARD PLAN OF KEY DECISIONS**

The Chairman introduced the March-August, 2016 Forward Plan.

It was noted that the format of the Plan was to change from the start of the 2016/17 Municipal Year and would include expenditure and exempt decisions that required 28 days' notice to allow representations to be made.

The revised Plan would be submitted to a future meeting.

**130. WORK IN PROGRESS**

**Health Select Commission**

The Commission had met the previous day and had received presentations on:-

Rotherham Foundation Trust Quality Account  
Better Care Fund  
RDaSH Quality Account

**Improving Places Select Commission**

Councillor Whelbourn reported that the Commission had not met since the last update.

**Improving Lives Select Commission**

Councillor Hamilton reported that the next meeting was to be held on 6<sup>th</sup> April, 2016.

**Overview and Scrutiny Management Board**

The Chairman reported that he had recently met Shokat Lol, Assistant Chief Executive. The new Democratic Services Manager would take up the post in April.

**131. CALL-IN ISSUES - TO CONSIDER ANY ISSUES REFERRED FOR CALL-IN**

There were no issues referred for call-in.