

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
18th November, 2016

Present:- Councillor Steele (in the Chair); Councillors Albiston, Allcock, Clark, Cowles, Sansome, Short, Julie Turner, Walsh and Wyatt.

An apology for absence was received from Councillor Mallinder.

32. DECLARATIONS OF INTEREST

There were no Declarations of Interest to report.

33. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

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

34. CHILDREN'S SERVICES BUDGET MONITORING REPORT FOR THE PERIOD ENDING 30TH SEPTEMBER 2016

Councillor Watson, Deputy Leader, supported by Ian Thomas, Strategic Director for Children and Young People's Services, and Judith Badger, Strategic Director for Finance and Customer Services, introduced the report which set out the financial position at the end of September and was based on actual costs and income for the first six months of the financial year and forecasted costs and income for the remaining six months of 2016/17.

The current forecast outturn position for the Children and Young People's Directorate was for an overspend in the region of £7.849m.

This was due to a continuation of the budget pressures which existed throughout 2015/16. The main budget pressures were on the Looked After Children placement budget and the staffing budget. The current Looked After Children (LAC) budget would support approximately 400 placements, 60 less than Rotherham's total of 460 as of October 2016. The pressure on the employee budget was due to the need to engage agency social workers and team managers with the necessary experience to reverse poor performance, fill vacancies, and reduce average caseloads to a reasonable level. The staffing budget pressure would gradually reduce as new social care employees were appointed and allocated appropriate caseloads.

In Rotherham there were 460 Looked After Children (October 2016). If this number continued to increase then there would be further pressure on social care budgets and a risk that the reported position would worsen before the end of the financial year.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD – 18/11/16

The in-year budgetary position for Children's Services was challenging. To date approved savings of £1.267m and cost avoidance of £3.063m had been delivered and further in-year mitigation of £1.865m was on target. However, it was a commitment to the investment in prevention and edge of care services that would enable a pathway to significant cost reduction and a sustainable children's service in future years.

Clarification was sought on a number of areas through Members' questioning and were summarised as:-

- The use of agency staff and team managers, their numbers, and what protocols were in place for their engagement.

A framework for agency social workers and team managers was in place and had been for two years. Vacancy rates had been reduced to 10% with turnover stabilising at 16.43% against a national figure of 16%. Agency reliance was at 18% against a national figure of 16% for Social Workers with 31% agency usage for Team Managers.

- Number of agency Team Managers and how these were sustained long term.

Pay and structures had been considered and reviewed by the Staffing Committee previously and like every other Local Authority the recruitment and selection of good Team Managers was challenging. Rotherham was becoming a child centred borough where support, competitive salaries and career opportunities were promoted through a rigorous recruitment and selection process.

- How many staff were actually in post.

Demand for good social work staff was high. A third of Social Workers left their position after two years and half within five years, which had resulted in the formation of a Government accredited scheme. Rotherham's turnover had been reduced to 16% and exit interviews were conducted for all leavers to evaluate their reasons for leaving the Authority.

- Profile across the borough for looked after children.

Demands for looked after children remained high and actions to mitigate through early help intervention were instrumental in keeping 80% of families together. A full profile of looked after children and those coming through the care system would be provided.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD - 18/11/16

Access to better social work practice was important and keeping children at home would strengthen approaches to resilience against poverty, which could be exacerbated further by the benefit cap and lead to an increased demand on children's services through migration into the borough seeking accommodation. Numbers of looked after children could continue to rise as a result this year.

- Large projected overspend and how this was being financially managed, the numbers of looked after children which needed to be funded and the impact of further increases during the remainder of this financial year. The report did not indicate if the increases in looked after children were a national/regional issue and the figures did not appear to include the purchase of the new social care I.T. software.

The forward investment into Children and Young People's Services would put them into better position, but the increased demand that could not be budgeted for exacerbated the problem. Mitigation measures were in hand with budget challenging meetings taking place on a weekly basis.

Finance confirmed that additional budget challenging meetings were being held to look at every aspect of spend. Budget setting by Members needed to be realistic and set against the priorities, which officers needed to adhere to.

It was the Strategic Director of Finance's statutory responsibility to ensure all financial, management, controls and processes were robust and adhered to properly. Finance officers were working with Directors and their financial reporting on projections to year end based on committed or assumed spend and escalated to senior leaders and Members for specific decisions.

Further work was planned with the Strategic Leadership Team on the investment of further financial controls across procurement spend and to remove authorisation to lower levels of staff to ensure Strategic Directors could observe and be responsible for financial controls driven by demand.

- Children and Young People's Services' unrealistic budget allocation, the numbers of out of area placements based on specialist need, how many of the placements out of the area could be placed in Rotherham, how many could not be placed in Rotherham and what control measures to review and manage the most significant costs were in place.

A full breakdown relating to placements would be provided.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD – 18/11/16

In terms of placement a Residential Care Panel would rigorously challenge any potential external placement when a borough solution could not be found. Some children were placed at distance due to the circumstances of coming into care, others because of the specialist care they required. Placement packages had been the subject of a procurement exercise and the £1m saved today had been outstripped by additional demand.

Work was still taking place on sufficiency, but unit costs had been reduced. Efforts were being made to increase foster carer capacity from 56% to 75% to further reduce the unit cost.

- Understanding the rationale around the placement of children in and around Rotherham, but what strategic planning was in operation for looking after children leaving care when placed long term outside the borough.

As part of the Sufficiency Strategy work was taking place to develop the market for more family based and specialist placements within a framework with individual foster care agencies, which was good news.

- What was the cost of unnecessary placement out of area.

There were no unnecessary placements of children out of area. Data on all children placed out of area would be provided. Every effort was made to ensure placements were appropriate. Placements made a number of years ago remained in place to prevent any undue disruption to the young people. However, sufficiency challenges were being made by Lincolnshire colleagues.

- Past failings were well reported, but what controls and powers were now in place to manage spend.

Children and Young People's Services had a statutory duty to protect children from harm.

Budget preparations and budget setting needed to be realistic, but work was taking place in a number of areas including reducing the reliance on agency staff, challenging quality and need for looked after children and early intervention support from Social Workers.

Robust financial systems to control spend and enforce additional authorisation levels were in the power of the Strategic Director for Finance, to safeguard the Council's finances.

- Greater financial control and audit of spend.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD - 18/11/16

The Head of Finance for Children and Young People's Services was closely monitoring spend and consulted with relevant personnel on a regular basis. A Star Chamber had also been conducted by Lincolnshire colleagues who looked at the budget line by line and had only minor comments around the Dedicated Schools Grant.

Children and Young People's Services were going through a transformational programme closely looking at value for money and how best the resources could be deployed on a weekly basis and challenged by management. Investment and development of the Sufficiency Strategy would hopefully reverse the trend.

- Concerns with the large overspend, implementation of the new software system and the costs associated with external legal counsel.

External legal counsel costs were attributable to the specialist advice required for more complicated care proceedings. Agreement had been reached for these costs to remain within Legal Services budget, but attributable to the service costs at year end. Immediate additional support had also been agreed with another Local Authority to assist with demand.

In terms of the software costs and implementation, these were funded from the capital budget and a final outturn position statement would be brought back for consideration in due course.

- The overspend on the Dedicated Schools Grant High Needs Block and whether this was due to demand or unexpected placements.

The overspends were due to increased demand with an additional forty-one placements with special educational needs requiring additional specialist equipment or provision. A report to the Rotherham Schools' Forum in January, 2017 would look at the sufficiency of such provision and how to get a better union with schools.

- Actual delivery cost of Children and Young People's Services if other services were held at the corporate centre and the confidence in predictions for longer term transition into adulthood.

The costs associated with Legal Services were a direct support to the Council and would be calculated within the full cost of delivering Children and Young People's Services at year end.

In terms of the transition the Strategic Directors responsible for Children and Adults were working together to manage any impact on transition alongside the C.C.G. The high cost of specialist packages for young people transitioning into adult social care could not be guaranteed, but would need to be kept under review.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD – 18/11/16

It was noted that there were other areas of spend within Children and Young People's Services such as schools, education and early help, which were achieving good results. The position in terms of performance and quality within Youth Services was outlined with any additional spend agreed through the executive process.

- Turnover of social work staff over five years and whether this training was sustainable and a waste of public funds.

Vacancies in Rotherham amounted to 16% which was a remarkable achievement and an indication of a more stable empowered workforce. The national picture for the recruitment and retention of social work staff was highlighted which statistically indicated more people were recruited than left employment, which may be as a result of the new accredited scheme.

- Commissioner support to the overspends.

Commissioner Bradwell and former Commissioner Newsam had written to the Secretary of State regarding the budget overspends and the need for additional funds. Progress, whilst slow, was moving in the right direction, with support from Commissioner Bradwell continuing.

The Chairman thanked everyone for their input and suggested that the budget monitoring for Children and Young People's Services continued to be overseen by the Overview and Scrutiny Management Board on a monthly basis.

The Chairman also welcomed the suggestion by the Strategic Director for Finance and Customer Services to field a report on the control measures currently in force as part of the budget monitoring process.

Resolved:- (1) That the latest financial forecast outturn for 2016/17 and the pressures facing Children and Young People's Services be noted.

(2) That the mitigation and cost avoidance implemented through in-year management actions be noted.

(3) That if placement numbers continued to increase then there would be a further pressure on social care budgets and a risk that the reported position would worsen before the end of the financial year be noted.

(4) That the latest Dedicated Schools Grant financial forecast outturn for 2016/17 and Recovery Plan be noted.

(5) That the Board continue to monitor the financial position for Children and Young People's Services on a monthly basis.

(6) That further information be provided on the profile of looked after children and those coming through the care system and in addition a full breakdown relating to placements.

35. ADULT SERVICES BUDGET MONITORING REPORT FOR THE PERIOD ENDING 30TH SEPTEMBER 2016

Councillor Roche, Cabinet Member for Adult Social Care and Health, supported by Nathan Atkinson, Assistant Director, Strategic Commissioning, Sam Newton, Assistant Director, Independent Living and Support, and Mark Scarrott, Finance Manager, introduced the report which set out the financial position and presented the forecast outturn position for Adult Services to the end of March, 2017 based on actual income and expenditure to the end of September, 2016.

The forecast was an overall overspend after management actions of £3.551m against a net revenue budget of £68.408m. The main budget pressures were due to the increase in demand for services mainly in respect of direct payments, Domiciliary and residential care across all client groups. These pressures were being partly reduced by forecast underspends within assessment and care management, day care services and supported living provision.

A number of management action plans to mitigate budget pressures have been implemented in order to reduce budget pressures.

Clarification was sought on a number of areas through Members' questioning and were summarised as:-

- 2% precept from Council Tax ringfenced to Adult Social Care and what this had funded.

2% from the 2016/17 budget amounted to £1.7 m which was used to fund contracts for residential and nursing and domiciliary care, national living wage uplift and additional social workers to meet the ever increasing pressure as previously mentioned.

- Effect on adult social care and the level of provision that could be provided in the context of reducing costs.

The Chair of the Health and Wellbeing Board was in dialogue with Yorkshire colleagues on the transformation of services in the context of reducing costs and good practice in other areas of the country. Every possible opportunity to maintain the quality of care if not improve it would be taken.

The Directorate were confident that they could reduce the impact and were considering the different care options and services that could be offered to produce the outcomes and ensure the right care packages were available to the people of Rotherham.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD – 18/11/16

- Actions taken to produce the quality of services provided.

Commissioning of services was a robust process. Some services were historical and not always of the best quality, which was why a new process had been implemented within these difficult times to make some tangible improvements.

- Underspend in Safeguarding and the number of current staff vacancies.

Adult Social Care was currently being restructured, which included Safeguarding. There were approximately three social work vacancies which would be addressed as part of the restructuring/recruitment and selection process.

- Overspend in Adult Management and Training and understanding of the older persons demographics across the borough.

It was not possible to predict the numbers of people moving into Rotherham, nor when older people would need support. Some older people lived without the need for support whilst others needs were more complex.

There were historically some poor practices in adult social care, notwithstanding around direct payments. These key pressure areas were part of the recovery and transformation plan and would be challenged effectively to mitigate the legacy that existed.

There was confidence in moving Adult Social Care forward positively in the context of better services giving more benefit to the service user.

- £54k overspend due to additional consultancy costs and why this had not been picked up earlier.

Improvements and transformation to the service was being managed effectively and regular budget meetings to address the spend were being held as well as a Star Chamber looking at finances.

The overspend for Adult Social Care had been predicted for some time, but the £54k overspend for Adults General, Management and Training were cross cutting budgets and attributable to different activities, which were sufficiently challenged as to their appropriateness.

There were a number of different management action plans to mitigate budget pressures and reduce the overspends.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD - 18/11/16

- Value and effectiveness of direct payments.

A description of direct payments was outlined. A review of direct payments was to be undertaken to audit where the money had been spent and if all the money was required as part of the monitoring and control process.

- Introduction of the Living Wage.

The Living Wage had increased to £7.20 per hour from April, 2016. This was adding financial pressures on independent care providers and formed part of the contract negotiations with the Council. This was not just in Rotherham, but a national issue.

- Unrealistic budget for Adult Social Care and whether there was sufficient scenario planning given the demographics and cost pressures for adults.

Whilst Adult Social Care was undergoing transformation and every effort was being made to reduce costs, the reduction in budgets, driven by Central Government, was having a large impact.

- Impact on the Council of future overspends.

Overspends in any area would only add to the further pressures on the Council. A report to Cabinet recently allocated additional funding to Children and Young People's Services and Adult Social Care, but this was short term funding only, would only seek to deplete reserves and push the problem onto future years. Ongoing pressures remained in future years through the cuts to Central Government funding. All avenues were being explored to reduce costs and to deliver a balanced budget.

Elected Members would decide on options and budget allocations moving forward.

Resolved:- (1) That the Overview and Scrutiny Management Board notes the latest financial forecast against budget for 2016/17 and the actions taken to mitigate the budget pressures facing Adult Services.

(2) That the Board continue to monitor the financial position for Adult Social Care on a monthly basis.

36. BUDGET 2017/18 AND MTFs PROGRESS UPDATE

Consideration was given to a report, presented by Councillor Alam, Cabinet Member for Corporate Services and Budgeting, and Judith Badger, Strategic Director of Finance and Customer Services, which provided an update on progress to identify potential budget savings to deliver the initial estimated financial challenge of £41.861m over the three

OVERVIEW AND SCRUTINY MANAGEMENT BOARD – 18/11/16

years 2017/18 to 2019/20, with £13.125m of this being the financial challenge for 2017/18.

In addition, a further report which sought investment was the subject of Cabinet approval on 14th November which increased the 2017/18 funding gap by £11.005m to £24.130m.

The report set out the first tranche of savings proposals to help address the funding gap. These proposals were from the Directorates of Assistant Chief Executive, Finance and Customer Services, Adult Care and Housing and Public Health.

Savings proposals in respect of Children and Young People's and Regeneration & Environment Directorates along with any further budget proposals currently being prepared would be considered by the Overview and Scrutiny Management Board at its meeting on 2nd December, 2016 and any subsequent budget proposals considered at OSMB later in December, 2016.

It was proposed that where it was appropriate to do so, and where no external consultation was required, the savings included in the report were implemented during 2016/17 in order to assist with mitigating the current in-year forecast overspend as well as ensuring that the savings could be delivered with full year effect in 2017/18.

Where appropriate, these and any subsequent budget proposals would be released for public consultation from 1st December, 2016 to 3rd January, 2017.

The Medium Term Financial Strategy would be updated to reflect the savings agreed for implementation (subject to consultation feedback where appropriate) and for any resource changes announced in the Provisional and Final Local Government Funding Settlements. This update to the MTFs would be included in the 2017/18 Budget Setting Report to Cabinet on 13th February, 2017 for approval by Full Council in March, 2017.

The budget proposals were largely in respect of 2017/18. Savings options and proposals for 2018/19, 2019/20 and beyond would be developed from the various reviews which were being or will be undertaken. Due to the nature and differing timelines for the various reviews, the Chief Executive had implemented a continuous Budget programme so savings options would be brought forward for scrutiny by this Board as they were developed.

The budget savings options from these reviews would be developed in line with the new Strategic Framework as set out in sections 2.7 and 2.8 of this report ensuring that into the future, investment and savings options were not considered in isolation or Directorate silos, but instead contributed to the principles and priorities as set out within the Corporate

OVERVIEW AND SCRUTINY MANAGEMENT BOARD - 18/11/16

Plan and Medium Term Financial Strategy. The Medium Term Financial Strategy Update report to Cabinet on the 11th July, 2016 set out the 'Budget Strategy and Approach' that would be adopted going forward.

Members sought clarification in a number of areas prior to considering the savings proposals, particularly around capital receipts supporting revenue, £5m Government injection, creative accounting techniques and the current level of reserves.

The Strategic Director of Finance and Customer Services answered all queries confirming in detail that in some instances some capital receipts could fund revenue budgets, maximising investment opportunities, allocation of the £5m Government injection in Children and Young People's Services, reliance on business rates and the Council reserves in the region of £100m.

Further queries were raised on the surplus to schools and if this could be clawed back, the power of which had been removed, impact assessments to minimise any risk in the longer term, salami slicing of budgets and the approach of budget reductions to individual departments.

Again the Strategic Director of Finance and Customer Services confirmed there had been a cross cutting approach to budget reductions and would not be looking for a pro rata split.

The Board proceeded to consider the Directorate proposals and Members agreed/discussed and queried the various issues, as follows:-

Assistant Chief Executive

ASR Ref No. ACE 1:-

Budgetary provision for subsistence and conference expenses for Members

- Bringing together of the Members' subsistence budget and Member Development.
- Consideration of a reduction in Member allowances.

Agreed.

ASR Ref No. ACE 2:-

Ministry of Food

- Public Health interest in diet.
- Contract negotiations and early exit clauses.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD – 18/11/16

Agreed.

Finance and Customer Services

ASR Ref No. F&CS 1:-

Traded financial support service to maintained schools and academies.

Agreed.

ASR Ref No. F&CS 2:-

Administration of Council Tax, Housing Benefit and assessment of service users

- Cost recovery.
- Realistic recovery from those people who were economically disadvantaged.

Staffing reductions in Local Taxation
Income Generation Initiative
Staffing Savings
Staffing Reductions
Reduction from the Technical Team

Use of a communal hub of services in libraries.

Would the review of service affect the most vulnerable

Agreed, with the review of services being evaluated after six months to ascertain how this was affecting the most vulnerable.

The Strategic Director of Finance and Customer Services confirmed that a number of areas had not been included in these proposals for reduction at these stage. These included Internal Audit, Procurement, Accounting, Legal and I.T.

Adult Social Care and Health

ASR Ref No. AS01:-

Review of the provision of Mental Health Services.

- Underfunding of Mental Health Services.

Agreed.

ASR Ref No. AS02:-

OVERVIEW AND SCRUTINY MANAGEMENT BOARD - 18/11/16

Review of Learning Disabilities

- Comparisons with other Local Authorities on costs.
- Reduction in care packages and the increase of care by ageing parents.

Agreed.

ASR Ref No. AS03 required further information and would be brought back at a later date.

ASR Ref No. AS04:-

Review of all Community Services care packages.

- This review to be considered by the Health Select Commission on a regular basis.
- Evaluation whether community services were supported by other Departments of the Council.

Agreed.

Public Health

Public Health

ASR Ref No. PH03:-

Care Pathway for Children's Weight Management Programme

- Not a mandated service under the transfer of Public Health to Local Government.
- Funding of Tiers 3 and 4 is responsibility of CCG as these are clinical services.
- Small numbers through Tier 4 service – no impact at a population level

Agreed.

ASR Ref No. PH04:-

Transform Public Health Lifestyle Services

- Revised model of services, integrating many contracts into a single service and tender, resulting in efficiencies and improved access.

Agreed.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD – 18/11/16

ASR Ref No. PH06:-

Review of Specialist Midwifery Services

- Midwives have an integral role on prevention work regarding drugs, alcohol and smoking. However, working with CCG to review wider service, and changes to NHS tariff payments means RMBC may be double-funding some aspects of service.

Agreed.

ASR Ref No. PH07:-

- Review of Contractor for Secondary Care Drugs and Alcohol Treatment. The service has identified these savings (8%) without any detriment to service delivery.

Agreed.

ASR Ref No. PH08:-

- End funding for the GP Alcohol Screening Service. Not seeing impact on numbers entering treatment. Alternative offer through integrated wellbeing service.

Agreed.

ASR Ref No. PH010:-

- Reduce Adult Social Care Assessment Service for Alcohol and Drugs. The proposed reduction in funding would not impact in the assessments being undertaken. The reduction would reduce assessment capacity more in line with need from the drug & alcohol treatment system.

Agreed.

ASR Ref No. PH011:-

Reducing “Know The Score”

Agreed.

ASR Ref No. PH014:-

Review of Adults Weight Management Services

Agreed.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD - 18/11/16

ASR Ref No. PH015:-

Sustainability of Mental Health Training

- Deferred for further information.

ASR Ref No. PH017:-

Ministry of Food

Agreed.

ASR Ref No. PH01:-

Reallocated Funding for Home Survey

Agreed.

ASR Ref No. PH02:-

Review of Provision of Nalmefene

Agreed.

ASR Ref No. PH05:-

Review of Partnership Team

Agreed.

ASR Ref No. PH09:-

Reduction in Public Health Staffing

- Absorption of duties by others.

Agreed.

ASR Ref No. PH012:-

Young People's Tobacco Control

Agreed.

ASR Ref No. PH013:-

Noise and Complaints/Health and Safety

- Enhancement to the statutory function.

Agreed.

ASR Ref No. PH016:-

- Funding of enhanced Trading Standards Work

Agreed.

Resolved:- (1) That feedback to the Chief Executive be provided on the proposed Strategic Framework on which the Council's Budget and Medium Term Financial Strategy would be developed beyond 2017/18 (section 2.7- 2.8).

(2) That consideration of the budget proposals be given and any feedback be provided to the Chief Executive. This would be considered alongside any consultation feedback from the public, partners and employees to inform the final budget proposals to be considered in the Council's 2017/18 Budget Report to Cabinet on 13th February, 2017 for approval by Full Council in March, 2017.

(3) That further information be provided on the savings proposals, where indicated.

37. YOUTH CABINET/YOUNG PEOPLE'S ISSUES

The next meeting of the Youth Cabinet would take place on the 1st December, 2016 and an update on an issues be provided at the Board's next meeting.

38. WORK IN PROGRESS

Health Select Commission

Councillor Sansome reported that the Commission had met the during October and received updates on:-

Response to Scrutiny Review: Child and Adolescent Mental Health Services - Monitoring of Progress
Rotherham Child and Adolescent Mental Health Services (CAMHS) - Review of Children and Young People's Voice and Influence
Response to Children's Commissioner's Takeover Challenge review by Rotherham Youth Cabinet
Joint Health Overview and Scrutiny Committee for the Commissioners Working Together Programme
Healthwatch Rotherham – Issues

A further update was provided on the meetings by the Chair in the next few weeks.

Improving Lives Select Commission

Councillor Clark confirmed the Commission was half way through the work programme and at the next meeting would have a specific agenda item on Domestic Abuse.

Resolved:- That the work in progress, as reported, be noted.

39. CALL-IN ISSUES

There were no call-in requests submitted.

40. DATE AND TIME OF NEXT MEETING

Resolved:- That a further meeting be held on Friday, 2nd December, 2016, commencing at 9.00 a.m.