

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD
13th January, 2017**

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

Apologies for absence:- Apologies were received from Councillors Cowles and Wyatt.

70. DECLARATIONS OF INTEREST

(Councillor Steele declared a personal interest in Minute No. 75 (Budget Pressures in relation to Older People's Services) on the grounds that his mother had Dementia.

71. MINUTES OF MEETING HELD ON 16 DECEMBER 2016

Resolved:- That the minutes of the meeting held on 16th December, 2016 be approved as a correct record of proceedings.

72. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

There were no members of the public or press present at the meeting.

73. HEALTH SELECT COMMISSION SUB-GROUP: OLDER PEOPLE'S HOUSING

Consideration was given to a report presented by Nathan Atkinson, Assistant Director for Strategic Commissioning, which detailed the outcome of a sub-group of the Health Select Commission regarding housing for older people in Rotherham. Members wished to carry out this work given the close links between housing, adult social care and health in terms of maintaining people's independence and enabling them to live in their own home.

Members identified a number of important matters to be considered in the planning and delivery of housing for older people, and formulated ten recommendations. The response from Housing and Neighbourhood Services to each of these was included in Appendix A.

Members welcomed the workshop and noted the housing schemes already in existence in other areas of the country, the facilities on offer and the suggestions of other schemes which should potentially be visited.

It was suggested that following an in-depth look at alternative schemes a full cost benefit analysis on these types of schemes be developed. These would require strategic decisions moving forward, but a report on progress would be submitted to the Improving Places Select commission in due course.

Resolved:- (1) The report be received, the contents noted and any comments obtained.

(2) That as Improving Places Select Commission scrutinises delivery of the Housing Strategy which will incorporate progress on delivery of older people's housing.

74. NOVEMBER FINANCIAL MONITORING REPORT 2016/17 AND MID-YEAR TREASURY REVIEW

Consideration was given to the latest budget monitoring report presented by Councillor Alam, Cabinet Member for Finance and Customer Services, and supported by Judith Badger, Strategic Director, which set out the financial position for both the Revenue Budget and the Capital Programme at the end of November and was based on actual costs and income for the first eight months of the financial year and forecast costs and income for the remaining four months of 2016/17.

The revenue position, before adjusting for the additional budget allocation approved by Council on 7th December, showed a forecast overspend of £9.623m after currently identified management actions. The additional in year budget approval had reduced the forecasted overspend down to £1.775m, however, this additional budget approval had to be funded and the extent to which in year revenue spend across the whole Council could not be reduced, would inevitably impact the Council's reserves and future financial sustainability.

The Council report approved additional in-year funding to address pressures, predominantly in Children's Services (£7.848m) and £608k for new investments for Adults, Children's and Corporate services which would enable the delivery of significant savings in future years. The report also approved additional funding for 2017/18 of £11.005m which would be built into the Medium Term Financial Strategy and specific budget plans for next year.

There was also a significant forecast overspend (£5.505m) on the Dedicated Schools Grant (DSG) High Needs Block. This was a forecasted increase of £4.5m in an eight month period. Whilst this did not affect the Council's financial position directly at this time it was imperative that the recovery strategy reported in September Financial Monitoring Report to Cabinet was implemented in order to address this position and avoid any risk to the Council in the future.

The report showed the detailed reasons for forecast revenue under and over spends by Directorate after management actions which have/were already being implemented and which also included extensive controls with monthly budget challenging meetings, the Workforce Management Board which scrutinised all requests for recruitment etc. and was chaired by the Assistant Chief Executive, management of procurement spend and deep dives into unspent budgets.

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The Capital Programme was currently on target to deliver within the overall approved budget and the report provided a detailed update and sought support to recommend to Council the inclusion of £277k costs capitalisation in the 2016/17 programme and the re-profiling of some approved budgets to reflect revised timescales for project delivery.

The report also detailed the revisions to the regulatory framework of treasury management during 2009 which 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. The review informed on performance against the plan and included key messages on investments, borrowing and governance, which was monitored by the Audit Committee.

Members' discussion highlighted the following salient points:-

- An update on the Workforce Strategy Board and the numbers of agency staff employed by the Council.
- Pressures on the Dedicated Schools Grant linked to the increases in children with complex needs, level of exclusions and the effectiveness and sufficiency of providing support in mainstream education. It could take a few years for this pressure to lead to resolution, but it was anticipated with a new strategy in place, following agreements with the Rotherham Schools' Forum, over the next few years the Dedicated Schools Grant would balance and that where appropriate the costs returned back to the schools. This had now been included as a standing item of business on the Rotherham Schools' Forum agenda.
- Impact of Dedicated Schools Grant costs on schools and the delivery of services to children with complex needs.
- Use of reserves for Children and Young People's Services, the current level and the impact should the Council use all its reserves and the use of capital receipts to reduce the budget overspends. The Council was financial sound and decisions on meeting the budget challenges would be tough. Rotherham was not dissimilar to other Local Authorities, but the difference being there were other costs associated with historical abuse.
- Overspends and budget pressures arising from demand in Adult Social Care and Children and Young People's Services and the potential this could be more if demand for these services increased. These were unprecedented times and budgets set at indirect assumptions of need. It was noted that the current number of children in care was 489 and the number planned for was set at 500.
- Detecting overspends sooner and becoming smarter to unearth difficulties to resolve as part of the budget setting process.

Resolved:-

Revenue

1. That the current 2016/17 forecast overspend of £1.775m, after management actions and the allocation of additional in year budget. (Paragraph 3.1) be noted.
2. That the specific actions being implemented to challenge planned spend between now and the end of March to reduce the forecast overspend and minimise the call on reserves (Paragraph 2.7) be noted.
3. That any additional actions which could be implemented to help manage down the current forecast overspend be recommended to Cabinet.
4. That a detailed Dedicated Schools Grant (DSG) High Needs Sufficiency Strategy and Financial Plan to address funding and provision be discussed and consulted upon at the 13th January, 2017 Schools Forum meeting (Paragraph 3.16) be noted and for a detailed account to be included in the December budget monitoring report.

Capital & Mid-Year Treasury Review

5. That it be noted that Council would be asked to include the following schemes in the 2016/17 Capital Programme (paragraphs 2.13):-
 - Capitalisation of Building Repair and Maintenance Costs - £157,000
 - Capitalisation of costs relating to Pit House West - £85,000
 - Capitalisation of Grass Cutter - Rother Valley Country Park - £35,000
6. That it be noted Council be asked to approve changes to budgets identified in Appendix 3 for projects which are already included in the Approved Capital Programme.
7. That the position in respect of the Mid-Year Treasury Review be noted and that Council be asked to approve the changes to the 2016/17 prudential indicators.

75. BUDGET PRESSURES IN RELATION TO OLDER PEOPLE SERVICES

Councillor Roche, Cabinet Member for Adult Social Care and Health, supported by Anne Marie Lubanski, Strategic Director for Adult Care and Housing, and Nathan Atkinson, Assistant Director, Strategic Commissioning, introduced the report which highlighted the budget

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pressures and actions being taken in relation to Older Peoples Services, as part of the overall Adult Care budget.

There was a forecast overspend after management actions of £2.950m against a net revenue budget of £29.358m for Older People Services. The main budget pressures were due to the increase in demand for services mainly in respect of direct payments, domiciliary and residential care. These pressures were being partly reduced by forecasted underspends within assessment and care management, day care services and transport.

A number of management action plans to mitigate budget pressures have been implemented in order to reduce the overspends. The pressure on residential placements, domiciliary care and direct payments had increased. Some of the challenges were as a result of historical residential care practices and would take time to rectify positively and in turn mitigate access demand.

Demographically people were more frail, which was a further challenge for the hospital with more people presenting as medically unfit and a complex area with patients living longer with multiple conditions.

A close working relationship had been established and discussions were taking place with Health, the Clinical Commissioning Group and the hospital looking at hospital admissions/discharges and care needs. This would be assisted nationally via a former Executive Director of Oxfordshire, now working for the LGA, who had agreed to support the Council in its transformation and how to use its budgets differently.

The next twelve months would be challenging as costs were examined and intelligence obtained.

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

- Outcomes for patients and learning from experience.
- Challenges for the hospital in coping with demand and the wellbeing of patients.
- Variations in care costs, resource allocations and direct payments.
- High demand for adult social care nationally and the challenges for Councils.
- Demographics across the borough and the measures for dealing with an aging population.
- Delivery of the Locality Plan in meeting needs, preventing isolation and ensuring residents were provided with self-help to maintain independence.
- Challenges for Dementia and Alzheimer's sufferers and the work currently taking place, supported housing options, supported care packages and inclusion.

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- LGA Public Health Conference at the Town Hall on Tuesday, 24th January, 2017.
- Lack of investment from National Government to meet the increase in demand for adult social care and how long before this area was in crisis.
- Transformational programme to meet the challenges of reduced budgets and limited resources.
- Impact on older people and the decisions to be taken.
- Keep fit transformational programmes.
- Increased costs in residential care and pay enhancements following the introduction of the Living Wage.

Resolved:- That the latest financial forecast against budget for 2016/17, the demographic pressures facing Older Peoples Services and the actions taken to mitigate the budget pressures be noted.

(Councillor Steele declared a personal interest on the grounds that his mother had Dementia)

76. BUDGET PRESSURES IN RELATION TO LOOKED AFTER CHILDREN

Councillor Watson, Deputy Leader, supported by Ian Thomas, Strategic Director for Children and Young People's Services, Ian Walker, Head of Looked After Children, and Judith Badger, Strategic Director for Finance and Customer Services, introduced the report which set out the management actions and budget proposals that were underway to address the Looked After Children budget pressure both in the short and long term.

The original 2016/17 Looked After Children (LAC) budget was sufficient to fund only 400 placements, 88 less than Rotherham's total of 488 as of 31st December, 2016. This increase to the current level could not have been foreseen at the start of the year, but estimated prior to April, 2016 by the Directorate Leadership Team did put the number at between 440 and 450.

There was no hiding the fact that intervention costs and Rotherham, like all seriously inadequate authorities had had to spend a significant sum to make the system safer. With the system now more stable it was essential that a realistic budget – reflecting the current number of looked after children – was set going forward.

The challenge now, after the rebasing of the budget to reflect actual numbers and activity, was two-fold. Firstly, to continue work that has begun this year to address the lack of good placement provision in borough. Getting the setting mix right in Rotherham would mean better outcomes for children at a lower cost to the Council. Secondly, to put in place edge of care and preventative measures to reduce the growth in demand so that numbers reached a peak, plateaued and then slowly started to reduce.

It was noted that 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

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of £2.126m was on target. However, medium and long term financial sustainability would only be possible through the commitment to investment in the workforce and edge of care preventative services that would enable a pathway to significant cost reduction, a balanced budget for Children's Services in future years and significantly better outcomes for children.

It was pointed out that the appendices to the report set out budget proposals to achieve a sustainable Children's Service budget and to address Looked After Children budget pressures. Investment into the service would provide additional in-house foster places and prevent young people being placed in residential care.

Funding was also being sought for additional clinical practitioners to deliver highly responsive and intensive interventions for Rotherham's children in care identified as needing it most. This proposal would operate in conjunction with the fostering 'offer' and special guardianships whereby children 'most at risk' within Rotherham would have access to good quality and responsive wrap around therapeutic support to address the child's specific emotional and mental wellbeing needs.

It was explained that there would be a reduction in the likelihood of placement and special guardianship breakdowns which often resulted in the use of more expensive placement provision, including re-entry to care or move to more expensive residential placements. The service could deliver therapeutic interventions more cost effectively than by commissioned services. There was a clear argument that breaking the cycle of disruptions through intensive provision early in the child's care journey would lead to better emotional wellbeing for children and better outcomes for these children in later life. The monetary benefit, therefore, would be one of cost avoidance rather than a direct budget saving.

Clarification was sought on a number of areas through Members' questioning, which officers responded to, and were summarised as:-

- Upward trend in the numbers of Looked After Children, quality of the intelligence, current budget allocation and the potential for this number to continue increasing.
- Potential for further overspends should the upward trend in Looked After Children continue.
- Protecting children and the challenges with managing and driving down care costs.
- Budget setting and challenging drivers through unduly high care packages.
- Regular robust review of care packages and the appropriateness of out of authority placement use.

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- Investment into Children and Young People's Services and realisation of the return.
- Evidence based approaches and performance monitoring.
- Financial and budget monitoring drivers.
- Current budget position and options available for decision.
- Predictive analytics and scenario setting to assist with budget setting involving the Strategic Directors for Children's Services and Finance and Customer Services.
- Concerns around the increasing numbers for Looked After Children and the level of demand.
- Positive involvement of the Pause Project which engaged with mothers on a one-to-one basis creating a bespoke programme of intensive therapeutic activities and practical support. A review of progress was also to be undertaken.
- Implementation of a feasibility study, the outcome of which would be presented to Members to agree proposals moving forward, looking specifically at budgets, reducing trends for Looked After Children and repeat removals.
- Addressing poor performance, management arrangements, staff motivation, training and support.
- Monitoring and reporting of the progress of the foster care strategy and the appropriateness of placements, human cost benefits of long term foster care and rehousing.
- Full assessment of need for residential care and out of the borough placements
- Visibility of progress and links to the performance for Looked After Children, details of which could be provided.
- Positive increase in foster carer numbers and engagement of long standing foster carers.

The Chairman thanked everyone for their input.

Resolved:- (1) That the reasons for the pressures facing Looked After Children budgets be noted.

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

(3) That it be noted that if Looked After Children 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.

(4) That the long term impact of the Sustainability and Sufficiency Strategies and the resulting forecast cost reduction of £4m, against a baseline of £64m, by 2020/21 be noted.

(5) That the Improving Lives Select Commissioner continue to monitor progress for Looked After Children and receive progress on the feasibility study and monitor performance in due course.

77. ISSUES REFERRED FROM THE AREA ASSEMBLIES

There were no issues referred from Area Assemblies.

78. YOUTH CABINET/YOUNG PEOPLE'S ISSUES

There were no issues referred from the Youth Cabinet or Young People.

It was noted, however, that the Takeover Day would take place on Tuesday, 21st February, 2017 at 3.00 p.m. with a pre-brief at 2.00 p.m. Members of Scrutiny were asked to support this meeting.

79. WORK IN PROGRESS

Health Select Commission

Councillor Sansome reported on recent activity which involved himself and the Vice-Chair meeting with the hospital, RDash and the CCG to discuss ambulance response times. A further meeting was also arranged to consider the Better Care Fund.

He also referred to the consultation taking place on the children's cardiac unit and he stressed the importance of all Members sharing information with local residents and for them to have input into the consultation. It was noted that information sharing had been poor, but every effort would be made to promote and share this more widely.

Improving Places Select Commission

Councillor Mallinder reported that the Commission had met and discussed the Regeneration and Environment Performance Update, New Strategic Tenancy Policy and the Council Housing Tenants – Scrutiny Update.

It was suggested that the quarter performance for Regeneration and Environment be submitted to the Select Commission once it had been considered by Cabinet.

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Councillor Mallinder's mentor from Lambeth Council had also extended an invitation on the 10th February, 2017, to attend a meeting as part of the forward plan of work. Information would be reported back in due course.

The Task and Finish group for the Housing Strategy had a further scheduled in a few weeks' time.

Improving Lives Select Commission

Councillor Clark reported that the Commission had met and discussed Domestic Abuse and Adult Safeguarding, but had chosen not to have the meeting webcast due to the content discussed.

The next meeting in February would consider investment into Early Help and the impact of this and the SEN and Disability Strategy.

For information the Improving Lives Select Commission had been asked to formulate a cross part group looking at alternative models of delivery for Children and Young People's Services. This would involve visiting other Councils throughout January and February with an anticipated completion of report by the end of March, 2017.

Overview and Scrutiny Management Board

The Chairman further outlined a number of reports that would be presented to the 3rd February, 2017 pre-scrutiny meeting and views to then be reported back to the Chief Executive.

The future meeting on the 3rd March, 2017 would also consider the Housing Allocations Policy.

Resolved:- That the reports from Select Commissions be noted.

80. CALL-IN ISSUES

No issues had been referred for call-in.

81. DATE AND TIME OF NEXT MEETING - FRIDAY 3 FEBRUARY 2017 AT 9.00 A.M.

Resolved:- That a further meeting be held on Friday, 3rd February, 2017, at 9.00 a.m.