

SELF REGULATION SELECT COMMISSION
Thursday, 15th September, 2011

Present:- Councillor Hughes (in the Chair); Councillors Atkin, Beck, Currie, Donaldson, Ellis, J. Hamilton and Sharman.

Also in attendance were:-

Councillors Lakin and Rushforth in relation to Item 6 on the agenda.

Councillor Whelbourn in relation to Item 7 on the agenda.

Apologies for absence were received from Councillors N. Hamilton and Swift.

Councillors Pitchley and Read from the Improving Lives Select Commission submitted their apologies in relation to Item 7 on the agenda.

11. DECLARATIONS OF INTEREST

There were no Declarations of Interest to report.

12. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

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

13. MINUTES OF THE PREVIOUS MEETING HELD ON 21ST JULY, 2011

Resolved:- That the minutes of the meeting of the Self Regulation Select Commission held on 21st July, 2011 be approved as a correct record for signature by the Chairman.

14. CHILDREN'S PEER CHALLENGE OCTOBER 2011

Consideration was given to a report presented by Sue Wilson, Performance and Quality Manager, and supported by Joyce Thacker, Strategic Director of Children and Young People's Services, which set out details of how Children and Young People's Services would be undergoing a Peer Challenge facilitated by Local Government Improvement and Development Agency from the 3rd to 7th October, 2011.

A scoping meeting was held on the 20th June, 2011 with representatives from Local Government Improvement and Development at which there was an early indication of the areas that would be covered:-

- The effectiveness of the delivery and commissioning of early intervention services and the use of Children and Families, thresholds and effectiveness.
- How the Council and its partners can learn from and improve the service user experience.
- An independent perspective on our approach to improving Key Stage 2 results.
- Review the effectiveness of the multi-agency resource panel in relation to Out of Authority Placements and value for money.

The Select Commission were informed that the peer challenges from the Local Government Improvement and Development Agency were safeguarding focused, but the review team was to look at facilitating a Key Stage 2 attainment element to give an independent view of the work that had been taking place around this specific issue in Rotherham over the past few years

It was noted that there were a series of deliverables which have to be in place prior to the review commencing which needed to be complete and submitted by the second week in September.

The Local Government Improvement and Development Agency would convene a team to deliver the challenge representing a variety of backgrounds and expertise from an integrated children's sector, typically comprising of a Director of Children's Services, Lead Member, Operational Manager or Senior Social Worker, a NHS Manager/Practitioner plus the Peer Challenge Manager and Analyst. It was intended that the Team Leader would be Helen Jenner, Director of Children's Services in Barking and Dagenham.

It was noted that the peer challenge was free of charge with no cost to the Local Authority, apart from refreshments for the period of the review team were on site in Rotherham.

On receipt of the final report the Council had the choice in whom they wished to share the information and this would be given further consideration.

A discussion and question and answer session ensued and the following issues were raised and subsequently clarified:-

- In light of this peer challenge, whether or not the Consultants employed following the Ofsted inspection of Children and Young People's Services were considered value for money.
- Whether the perspective of the KS2 results would mirror the outcome of the performance clinic.
- Early intervention and electronic tracking of performance of rising four and five year olds in order to improve KS2 results and to bring the results above the national average.
- Opportunities to recommended different methods of working in order to improve KS2 results.
- Safeguarding young people and the implications of using social network sites.
- Role of the Councillor in the peer review.
- Safeguarding controls and whether the review team would give consideration to the Council's partner agencies.
- Invitation to Head Teachers and Chairs of Governors to review meetings to discuss the performance of schools not achieving their floor targets.
- Risks associated with sustaining partners whilst reducing costs.
- Evidence of working with young people and more difficult to engage families.

Resolved:- (1) That the Cabinet Members for Lifelong Learning and Culture and Safeguarding Children and Adults and Sue Wilson and Joyce Thacker from

Children and Young People's Services be thanked for their attendance.

(2) That the report be received and the contents noted.

(3) That the final report following the conclusion of the challenge be submitted to this Select Commission in due course.

15. CENTRAL ESTABLISHMENT CHARGES

The Chairman welcomed Stuart Booth, Director of Central Finance, to the meeting of the Select Commission who gave a presentation on the review of central establishment charges and gave an update on progress.

The presentation drew specific attention to:-

- What central establishment charges are, how they are allocated and what was charged out.
- Which services were typically treated as central establishment charges.
- Service cost composition.
- Which services and costs were excluded from central establishment charges.
- Central establishment charges charging methodology.
- Services treated as central establishment charges in Rotherham.
- The 2010/11 central establishment charges analysis by Directorate.
- Central establishment charges related reviews and how these have contributed to reducing back office costs.
- Issues currently being faced.
- The review's progress to date.
- Final report recommendations.

An in-depth discussion and question and answer session ensued and the following issues were raised and subsequently clarified;-

- The need to refresh aspects of the current charging methodology
- Changes to the charging methodology and what these would be.
- Outcome of the review and whether this should be undertaken on an annual basis.
- Why External Audit had not picked up on the need to update methodologies for charging used by the Council.
- Distribution of charges across all Directorates.
- Role of External Audit and their consideration of the Council's statutory returns.
- Reasons for charging central establishment charges at year end.
- Whether the charges at the year end contributed to the overspend of Directorates.
- Whether central establishment charges would impact on business rates of Council buildings.
- Whether shared services would improve central establishment charges.
- Who was responsible for allocating charges to codes.
- The need for a timely review of central establishment charges given the economic downturn.

Resolved:- (1) That Stuart Booth be thanked for his informative presentation.

(2) That the report relating to the review of central establishment charges be submitted to the Select Commission's next meeting in October, 2011.

16. PERFORMANCE REPORTING UPDATE - FEEDBACK FROM MEMBERS' WORKING GROUP

Further to Minute No. 5 of this Commission's meeting held on 21st July, 2011, which asked for a sub-group to review the format of future performance data, Caroline Webb, Scrutiny Adviser present this report which summarised the discussions and sought the views of the Select Commission on the recommendations of the working group.

The new reporting format was based on the twenty nine priority areas outlined in the Corporate Plan. The working group discussed with officers the rationale behind each of the targets and offered suggestions where measures could be improved or where a greater level of detail was required. These suggestions have been incorporated, were being considered, or have informed other pieces of work.

The Members requested that a number of areas also be addressed, but suggested that this Select Commission could either be:-

- Proactive in between receiving the agenda and the meeting and seeking clarification on areas of concern, which could then be fed into the meeting.
- Receive the agenda and at the meeting request clarification/further information on areas of concern that would be reported on at the next meeting.

The officer involved in this review of future performance were thanked for their support and would provide score card information, which would highlight to this Select Commission the value and intent of each delivery outcome.

Resolved:- (1) That officers be thanked for their support to the sub-group and the progress made to date.

(2) That the draft format of future performance reports be approved.

(3) That the sub-group continue to take a proactive approach and undertake detailed scrutiny of areas for improvement/concern on receipt of their agendas.

17. REVENUE ACCOUNT OUTTURN 2010/11

Consideration was given to a report presented by Stuart Booth, Director of Central Finance, which set out how in 2010/11 the Council budgeted to spend £216.985m on its General Fund Revenue Account. Actual spending for the year was £214.756m, a saving against budget of £2.229m (or 1.0%).

In addition, the Delegated Schools' Budget was £185.276m. Actual spend

against this was £185.196m, an under-spend of £80,000 for the year which has been added to Schools' Reserves which at 31st March 2011 stood at £2.828m.

The Housing Revenue Account in 2010/11 showed a variance to budget of +£4.118m which had been met from Housing Revenue Account Reserves.

Reflecting on the above out-turn position the Council's Revenue Reserves as at 31st March, 2011 stood at:-

- Reserves available to support the Budget £8.4m.
- Earmarked Reserves (incl Schools and HRA Reserves) £31.3m

In spite of these significant pressures and commitments, the Council had managed to achieve, through careful financial management, a positive financial out-turn. Excluding the position on schools, there was a net under spend of £2.149m (1.0%) on the Council's Revenue Budget. This reflected the Council's continued prudent and sustainable approach to financial management.

As part of the process of reconfiguring and rationalising its services in order to meet the challenges facing it both in 2010/11 and future years the Council offered the option of voluntary severance scheme during the latter half of the financial year. By the 31st March, 2011 some 483 employees had left or had been given approval to leave the Council under the terms of its Voluntary Severance arrangements (that was Voluntary Early Retirement, Voluntary Redundancy, Phased Retirement and Redeployment).

The impact of unforeseen circumstances and adverse variances against budget would be minimised by continuing improvements in financial management, including the more effective management of financial risks.

Discussion ensued on the Housing Revenue Account overspend of £4.1m, the reduction in Housing Revenue Account balances, the moratorium on spending in Directorates and the costs associated with the voluntary severance scheme.

It was suggested that as part of the remit of this Select Commission and its scrutiny of the Council's budget setting process that a small sub-group look at this and report back to the next meeting.

Resolved:- (1) That the Council's General Fund, Schools' and the Housing Revenue Account (HRA) Revenue Outturn Position Statements for 2010/11 be noted.

(2) That the level of the Council's Revenue Reserves as at 31 March 2011 be noted.

(3) That the carrying forward of the under-spends of £500,029 in accordance with the Council's approved policy on the carry forward of year end balances on the Revenue Account be noted.

(4) That a report be submitted to the next meeting of this Select Commission outlining the position of the Housing Revenue Account balances.

[5] That a small sub-group made up of Councillors Atkin, Ellis, J. Hamilton, Hughes and Sharman considers the Select Commission's involvement in the budget setting process and report back their deliberations at the next meeting in October, 2011.

18. WORK PROGRAMME

Further to Minute No. 4 of the meeting of this Select Commission held on 21st July, 2011, Caroline Webb, Scrutiny Adviser, updated the meeting on the areas that would be subject to further work. These included:-

- The budget process.
- The review of central establishment charges.
- . Customer feedback and complaints

Resolved;- That the selected areas above be approved for inclusion on the respective agendas and the work take place as suggested.

19. DATE AND TIME OF THE NEXT MEETING

Resolved:- That the next meeting of this Select Commission take place on Thursday, 27th October, 2011 at 3.30 p.m.