

SELF REGULATION SELECT COMMISSION
23rd October, 2014

Present:- Councillor Currie (in the Chair); Councillors Cutts, Ellis, Reeder, Sharman, Smith, Wallis, Watson and Whelbourn.

Apologies for absence were received from Councillors McNeely Smith and Wallis.

Councillor Roche, Adviser, Children and Education Services was in attendance for item 33 regarding the Safeguarding Children and Families' Services focus, on behalf of the Cabinet Member for Children and Education Services. Councillor J. Hamilton and Ahmed of the Improving Lives Select Commission had given their apologies for this item.

29. DECLARATIONS OF INTEREST

No Declarations of Interest were made.

30. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

There were no members of the public or the press in attendance.

31. COMMUNICATIONS

Nothing was raised under this item.

**32. MINUTES OF THE PREVIOUS MEETING HELD ON 18TH
SEPTEMBER, 2014**

The minutes of the previous meeting of the Self-Regulation Select Commission held on 18th September, 2014, were considered.

Under Minute No. 27 (Complaints – annual report - April 2013 – March 2014) discussion continued on the classification of complaints and issues arising from Councillors' surgeries. How were these recorded – were they surgeries or complaints? If they were not recorded as complaints the data about complaints was incomplete. Very often Councillors resolved issues at surgery level which could well have been reported through the complaints process. Consideration needed to be given to how the constituent bringing the issue to the surgery wanted it to be recorded – either as a complaint or as a surgery request. Data was collected both on complaints and on service requests.

Councillor Whelbourn asked for clarification on whether the paper-based complaints forms had been withdrawn and how Elected Members could report complaints reported at their surgeries.

Resolved: - (1) That the minutes of the previous meeting be agreed as a correct record.

(2) That a response be provided to Councillor Whelbourn regarding methods for reporting complaints.

33. REVENUE BUDGET MONITORING FOR THE PERIOD ENDING 31ST AUGUST 2014

Councillor S. Currie, Chair of the Self-Regulation Select Commission, introduced Stuart Booth, Director of Finance, Joanne Robertson, CYPS and Schools' Finance Manager (Financial Services, Resources Directorate), and Paul Dempsey, Service Manager for Family Placements and Residential (Safeguarding Children and Families' Services, Children and Young People's Services Directorate).

The Director of Finance presented the submitted report on budget monitoring information for the period ending 31st August, 2014, for the first five months of the 2014/2015 financial year. This had been considered at the Cabinet Meeting that had been held on 15th October, 2014 (Minute No. C73 refers).

Overall, the Council was forecast to over-spend on the 2014/2015 Revenue Budget by £3.105millions. This represented an increase of 1.5% against the total budget. The main reasons for the overspend related to continuing service demand and cost pressures for safeguarding vulnerable children and young people across the Borough, cost pressures relating from some schools converting to academies, income pressures within the Economic and Development Services Directorate and ICT department, and demand pressures for Direct Payments within older people and physical and sensory disability clients.

Other information included: -

- 44 employees had been approved to access voluntary early retirement/voluntary severance, and 34 applications were currently being considered. Savings arising from the approved applications had been reflected in the forecast outturn position;
- The Chief Executive had used his delegated authority to implement a moratorium on non-essential spend;
- There were a small number of historic recurrent budget pressures across the Council where permission had been sought for a permanent budget virement to address these;
- Revenue staff savings from the day of industrial action that had taken place on 10th July, 2014, had amounted to £86,000 and had been used to reduce staff cost pressures;
- Continued close management of spend remained essential if the Council was to deliver a balanced outturn, in-year financial performance and overall financial resilience;
- It was forecast that the budgeted levels of Council Tax and Business rates would be achieved;
- The agency, consultancy and non-contractual overtime costs for each Directorate were considered at their outturn for the 2013/2014

financial year, and a comparison of spend at August 2013 and August 2014 was supplied. Overall, all spends as at August 2014 were lower than the same point in 2013.

The submitted report provided information about the annual budget allocation for 2014/2015 for each Directorate/Service and the Housing Revenue Account, their projected outturn and the forecast variation after actions. A commentary was also provided that outlined the reasons for the variations against annual budget at appendix one.

The submitted report outlined the proposals that the Cabinet had accepted to allow the £1.4 million under-spend from the voluntary early retirement and voluntary severance budget. The virements to Services were outlined along with why they were necessary: -

- £700k recurrent ICT income pressure;
- £97k to address the forecast recurrent income pressure in Parking Services;
- £437k to address the non-delivery of corporate commissioning savings targets set in the previous years;
- £166k to address previous years' unrealisable income targets associated with proposed Housing related customer service developments;
- The balance of the uncommitted budget on the Central Services Local Investment budget totalling £120k to provide additional support services for victims, families and those impacted by Child Sexual Exploitation as announced by the Leader of the Council.

Discussion followed on the issue of the virements / realignments: -

Q: - Councillor Currie asked whether the virements were one-offs or recurring?

A: - The pressures were recurring so the realignment has been agreed permanently.

Q: - Councillor Whelbourn asked whether there was a virement policy? Virements did not happen regularly as some budget allocations had remained unchanged for years.

A: - Yes. Rotherham had a virement policy as part of the organisation's Financial Regulations that were annually reviewed by the Audit Team.

Q: - Councillor Ellis referred to the different references to Parking Services within the report. The Service had received a virement of funding because of £97k recurrent income pressure which the report attributed to the new Tesco's store. How was this a recurrent income pressure when the new Tesco's was yet to open?

A: - The wording here should be sharper, the reference was related to historic income pressures and further income pressures were forecast for the future when the new Tesco's store opened.

Q: - Councillor Ellis asked whether the free weekend parking that had been approved for the 2014 festive period had been forecasted? This had agreed an extra £10k pressure on an already pressurised budget.

A: - The festive free parking had not been forecast in this budget monitoring report.

Councillor Ellis referred to the wording of the report that was more appropriate to when it was considered by Cabinet regarding the decisions to be made.

A: - The wording of the recommendations were clear that the Self-Regulation Select Commission was being asked to note the decisions made by the Cabinet in relation to the 31st August, 2014 budget monitoring report.

Paul Dempsey, Service Manager for Family Placements and Residential, was welcomed to the meeting. Paul had attended on behalf of Jane Parfremment, Director for Safeguarding, Children and Families' Services, who would be invited to a future meeting of the Self-Regulation Select Commission. Paul had been invited to the meeting to discuss the revenue budget overspends in relation to out-of-authority residential placements (+£2.528 million) and the provision of independent foster carer placements (+£221k) and the ways that the Directorate was working to reduce spend.

Q: - Councillor Currie asked about how the overspend compared to previous years, had the various Invest to Save initiatives made any differences and were any others planned? Was Rotherham looking towards best practice from other local authorities with similar resources and needs but who had better Ofsted ratings?

A: - Rotherham had significantly increased their numbers of in-house foster carers over the past three years. The Local Authority had 185 in-house foster carers in 2014/2015, compared to 165 in 2013/2014. In-house placements were more cost effective at a cost of £266 per week compared to an independent placement cost of £885 per week. The numbers of children placed in independent fostering placements had reduced by 19 placements over the year. These actions were for cost avoidance and the CYPs Directorate and Department would continue to pursue these.

Continuing work would be focused on recruiting more carers for adolescents with challenging and complex needs; the 'Fostering Plus' initiative was investing additional monies in paying higher fees to carers, which would avoid external out of the Borough provision being used.

Rotherham and Sheffield were collaborating on joint provision for children who had been sexually exploited and children at risk of sexual exploitation.

Rotherham had accessed a temporary Fostering Reform Grant of around £900k and used this to increase capacity in the staffing team which had maintained fostering and adoption statistics. Rotherham approved 18 adopters in 2012/2013 and had increased to 31 in 2013/2014. It worked with other local authorities and voluntary sector organisations to identify external adoptive placements at cost of £27k. In 2013/2014 Rotherham bought 27 placements. In 2014/2015 it was forecasting to purchase no more than 20. Through the increased capacity, Rotherham was able to sell more adoptive placements at a cost of £27k per placement.

A review of Residential Services and provision had been undertaken at the Silverwood Residential Home that aimed to return children to Rotherham who were currently placed outside of the Borough at lower cost and improved outcomes.

Q: - Councillor Sharman referred to the bigger picture of all of the Services for vulnerable children and young people. Were the problems highlighted in the Jay Report a consequence of budget failure or a cause of budget failure in the future? Elected Members needed to keep a focus on this in the coming years.

A: - Councillor Currie confirmed that the scrutiny function in Rotherham would consider the implications and recommendations of the Jay Report and how the response would be budgeted for.

A: - The Director for Finance explained that, in the past, Rotherham had invested approximately £8.5 million in its Children's Services. It had originally been in the lower quartile of funding for childrens' services but was currently placed above the median. However, whether the budget was at the right level would need to be continually examined. It would continue to be managed as a corporate entity.

Q: - Councillor Ellis was pleased that reference to the Jay report had been included. At a Members' Seminar facilitated by the Police that took place yesterday, the Chief Constable had shared detailed victim support analysis that had been discussed with the Home Secretary for the short, medium and long-term. The plan referred to Council, NHS and Police funding being utilised. Who had been involved from the Council and were the victim support cost requirements included in this budget monitoring report?

A: - The Director for Finance had not personally been involved in these discussions but understood that multi-agency conversations had taken place. He did not have access to any further details.

Q: - Councillor Ellis explained that she would be disappointed if not all stakeholders had been involved in these discussions and felt that the monetary response needed to be correct from the outset to ensure it was accurate and addressed needs appropriately.

Q: - Councillor Currie asked about the Multi-Agency Safeguarding Panel, was it working and had it been evaluated?

A: - The Multi-Agency Safeguarding Panel was the legal gateway for Court proceedings to bring children into care. The Director of Safeguarding Children and Families had to ensure that social work teams were being proactive in looking for other solutions, including extended family members to ensure the best outcomes for children and young people and also work cost effectively.

Rotherham's costs were higher than national average. They would be brought down through the use of more in-house provision.

Q: - Councillor Currie asked how care requirements were forecast?

A: - Forecasts were based on the current picture and took local intelligence into consideration.

Q: - Councillor Ellis asked what the average cost of an in-house placement was?

A: - The average cost was £830 per week and represented a mix of fostering and residential provision, the same calculation in Rotherham cost £880 per week.

Q: - Councillor Ellis asked whether the costs of Invest to Save programmes had been recovered yet? Had the original investment been re-paid?

A: - The information was not available at this meeting but would be considered at the meeting of the Self-Regulation Select Commission that the Director for Safeguarding Children and Families attended.

Q: - Councillor Currie asked how the Local Authority ensured that the interventions of other agencies were effective and had they worked? What criteria were they reviewed by?

A: - Assessment on whether needs had been met was considered and also whether children and young people were progressing. Statutory child care reviews for children in care were undertaken by Independent Reviewing Officers. Where commissioned services were in place a dispute process existed. The White Rose Consortium had a quality assurance framework and Rotherham did not place children with providers unless they were rated as Good or Outstanding.

Delivering the Budget Savings 2014/2015: -

The Financial Services Director gave a short presentation on the progress towards achieving budget savings in the 2014/2015 budget. He reported on an exceptions basis where it was believed that savings would not be met against the requirement to make budget savings proposals of £14.419million.

- Savings that been rated as being 'not delivered/not forecast to be delivered' totalled £1.154million. This risk had been red-rated;
- The savings proposed by the Special Educational Needs and Disability Service would not achieve £200k of the suggested £600k saving due in part of increasing numbers of complex cases across the Borough, pressures due to individualised budgets and increasing placement costs. The Head of Service was due to present a report to the Rotherham Schools' Forum at the end of November on this;
- Legal and Democratic Services were projecting to deliver 50% of the savings put forward from a range of smaller scale proposals;
- Adult social care were projecting to not make a proposed saving of £500k across two proposals.

Q: - Councillor Currie asked about ongoing savings being made by Corporate Commissioning. Actual savings were not matching targets.

A: - Corporate Commissioning was on target to deliver current savings, historic savings were not projected to meet target.

Q: - Councillor Ellis asked for an update to be provided to the next meeting of the Self-Regulation Select Commission regarding the failure to make £500k of savings in Adult Services and the reasons why this was the case.

A: - The Service Director would be invited to the next meeting of the Self-Regulation Select Commission.

Some savings had been delivered or delivered by alternative means and had been rated as green: -

- CYPS Business support;
- Waste disposal contracts;
- Estates.

Q: - Councillor Ellis asked for further information about how the Services had been able to meet the savings by alternative means and whether scrutiny would be required to measure the impact the savings had made and the impact on the areas that had not made their proposed savings to explore the reasons why this was the case.

A: - Service specialists and Service Accountants had checked the viability of proposed savings. Where they had not been met/could not be met alternative means had been sought.

Q: - Councillor Watson asked for future meetings to focus on car parking costs as an additional £10k of budget pressures had been taken on. A meeting of the Self-Regulation Select Commission in the early New Year, 2015, should call the Cabinet Member for Business Growth and Regeneration to give evidence about whether the policy had increased footfall and revenue for the town centre businesses.

Q: - Councillor Watson referred to the agency, consultation and non-contractual overtime section of the report. How were these expected to be addressed?

A: - It was expected that the budget would outturn at a lower level than the previous year. Spend under this budget was covered by the moratorium on non-essential spend.

Q: - Councillor Ellis noted that EDS and CYPS agency costs had been used for the provision of staff cover. Was sickness absence increasing? At a time of a reducing resources and workforce pressure on staff members was increasing and needed to remain on a watching brief.

A: - The Director of Human Resources would be asked to confirm the position on this and information would be brought back to the Self-Regulation Select Commission if sickness absence rates were rising.

Q: - Councillor Ellis asked about the process to initiate the non-essential spend moratorium, was it correct that it was done through the Chief Executive's Delegated Powers?

A: - The power to do this existed in the budget strategy and the timing of the Moratorium coincided with the August recess period. The matter was considered to be urgent enough to utilise Delegated Powers.

Q: - Councillor Ellis raised that non-essential spend meant different things in different areas/Directorates. Where did the policy to offer free car parking at weekends over the festive period stand in terms of non-essential spend? It contributed to a loss of income that created pressures elsewhere.

A: - The Director of Finance confirmed that budget holders were receiving daily reports on all spending within the budgets that they managed and were able to challenge and scrutinise all items to ensure that all spending was essential. The Purchase 2 Pay Service was also ensuring that all orders were essential and represented value for money.

Received: - (1) That the current forecast outturn and the continuing financial challenge for the Council to deliver a balanced revenue budget for 2014/2015 be noted.

(2) That the Self-Regulation Select Commission note the decision of the Cabinet to approve budget virements as set out at section 7.4 of the submitted report.

(3) That the Self-Regulation Select Commission note the decision of the Cabinet to utilise the revenue savings from the day of industrial action to reducing staffing cost pressures within the overall Council over-spend.

(4) That a copy of the Virement Policy be forwarded to all members of the Self-Regulation Select Commission.

(5) That the budget implications from the Jay Report be considered by the Self-Regulation Select Commission at an early opportunity.

(6) That a copy of the Head of Special Educational Needs and Disability Service's report be circulated to the Self-Regulation Select Commission when it was published.

(7) That the Director for Health and Wellbeing attend the next meeting of the Self-Regulation Select Commission to discuss the likely non-realisation of two budget saving proposals totalling £500k.

(8) That future scrutiny of the budget monitoring process include reference to the income pressures of the car parking service and the impact that sickness absence may have on the use of agency and non-contractual overtime spend.

34. CAPITAL PROGRAMME MONITORING 2014/15 AND CAPITAL PROGRAMME BUDGET 2015/16 TO 2016/17

The Director for Finance presented a report that provided the Capital Programme Budget Monitoring report for 2014/2015 and an outline for the Capital Programme Budgets for 2015/2016 and 2016/2017.

The forecast outturn for the 2014/2015 budget included the 2014/2015 revised estimate, the variance from the last report, the 2015/2016 estimate, the 2015/2016 variance from the last report, the 2016/2017 estimate and the 2016/2017 variance from the last report for the Council's four Directorates.

The submitted report provided commentary on how each Directorate was using their capital funding during 2014/2015. The Director of Finance explained the role of the officer group in scrutinising and accepting or rejecting new applications for capital funding.

The Director of Finance reported that there had been slippage on the new teaching block at Wickersley School and Sports College and the new Central Primary School and areas of the Environment and Development Services.

Discussion ensued on the £600k of grant funding that had been received in 2014/2015 in order to meet the Government's requirement to provide universal Free School Meals to all infant-aged school children. The funding was being spent on capital works to kitchens including extensions and new kitchen equipment. The Self-Regulation Select Commission requested more information about this process and whether it was due to complete on-time and on budget.

Q: - Councillor Ellis asked for more information about the occupancy rate of the Borough's business investment units.

A: - These were managed by the Council's Asset Management Service who worked to attract international interest and investment in the Borough. If occupancy rates were starting to drop, or if there were good news stories it would be reflected in income monitoring reports. The Service needed to ensure that it had available capacity to respond to new enquiries.

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

(2) That the Council's decision to approve the updated 2014/2015 to 2016/2017 capital programme budget be noted.

(3) That further information be requested in relation to the capital programme around the requirement to deliver universal Free School Meals for infant-aged school children.

35. DATE AND TIME OF NEXT MEETING

Resolved: - That the next meeting of the Self-Regulation Select Commission take place on Thursday 27th November, 2014, to start at 3.30 p.m. in the Rotherham Town Hall.