

The Commissioners' Office - Rotherham Metropolitan Borough Council  
4th Floor, Riverside House, Main Street,  
Rotherham, S60 1AE

11 October 2016

Dear Commissioners Myers, Kenny, Bradwell, and Ney

**Rotherham Council Progress Review**

You have asked us to address the following question:

**“Is the intervention helping and requiring the Council to rectify its past deficiencies sufficient to justify the recommendation of the restoration of further decision-making powers?”**

**Our overall judgement**

Our response is based on the evidence you have prepared in support of your 18 month progress report, access to a number of further reports prepared within the Council, and a series of focussed discussions with a selection of members and officers, carried out on 4 October 2016. Our input considered the wide range of functions provided by Rotherham Council with the exception of Children's Services and Licensing, which were outside the scope of our review.

On the basis of these materials and discussions, our considered view is that your proposal for the further return of decision-making powers, is justified. We set out below the basis for this judgment and our observations on the checks and balances you may wish to consider to ensure the improvement made to date in Rotherham is sustained.

We also draw attention to particular aspects of the Council's functioning where we believe that further development is required.

Like all councils, Rotherham has significant strategic challenges ahead. We believe that the Council's senior members and officers are capable of seeing through what is required to meet such challenges, but we also believe you should maintain a watchful and, where appropriate, advisory role following the return of further decision making powers.

**The basis of our judgement that the return of further decision making powers is justified**

We saw evidence that the senior leadership of the council, both political and officer, has been almost entirely replaced since the Louise Casey report. We met the new Cabinet, Overview and Scrutiny and Audit Chairs, and the Senior Leadership Team. We found them to be able, confident and well-focussed, both as individuals and as groups. The teams have only reached their full forms over the last six months, and many of their most difficult tests still lie ahead of them, but we were impressed by the strengths that were already apparent, by their realism, and by their determination to face challenges and make good, well-informed, and fully debated decisions.

We were pleased to be able to confirm that a wide range of key players were continuing to make good use of developmental opportunities and mentors. This support and that available from the commissioners themselves, was clearly appreciated, adding value and contributing to the strengths that have developed during the intervention period.

We explored the experience of those working in and with services for which decision-making powers had been returned early in 2016, and found that the transfer had been assured and successful.

We heard evidence that members and officers were working together to review the Constitution, Scheme of Delegation, and agenda setting arrangements. There was a clear understanding that these will need to be clear and definitive, so as to underpin effective political debate, decision making, transparency, scrutiny, and accountability.

We explored the experience of leading opposition members in gaining access to information, and to officer support when they wished to explore specific issues. We were reassured that arrangements are now healthy and effective.

Our discussions with some middle managers, and with a small group of frontline staff, indicated that their commitment to Rotherham, which has proved resilient during the Council's recent crises, was now accompanied by an increasing realism supported by an optimism and high expectations of the political and officer leadership. (Although the most recent staff survey suggests that their views may not yet be fully representative of the workforce as a whole.)

Crucially, we noted that the new Leader of the Council and the new Chief Executive appear to be highly capable, principled, and intelligent individuals who are likely to continue to build well on the progress already made. They share high levels of integrity and parallel commitments to ensure open and transparent governance and decision-making.

Taking stock of these observations, we have considered the current balance of strengths gained against the risks that would remain if further decision-making powers are returned. In doing so we have been conscious that the emergent strengths that we found are associated with new member and officer line-ups which are recently established and still maturing. We have reflected on the difficulty of some of the challenges that lie ahead – many of them associated with the change agendas that will be necessary as the council adjusts to further reductions in spending levels, new ways of working and new relationships with partners.

*Our opinion is that the emergent strengths of the organisation, the calibre of the members and officer leadership teams, and their determination to meet future challenges with integrity and using good governance practice, combine to create the circumstances and momentum that would make a return of decision-making appropriate and timely.*

*In our judgment, the full development of these emergent strengths will be held back if a return of powers is now delayed.*

*We also think it important that the council begins to increase its confidence and its ambition as it moves through the next stages of its recovery. Rotherham needs a council that not only operates appropriately, but which also provides leadership in responding to the challenges ahead, for the borough and for the wider city region.*

#### Challenges ahead, and the continuing role of Commissioners

There are some significant aspects of good governance practice in Rotherham where new approaches are still being developed and embedded. We have mentioned above the current work to update the Constitution and Scheme of Delegation. We also noted that the performance management framework had been redesigned, but will need more attention to its content and use before it is sufficiently sharply focussed, and thus fully effective. It was clear that these issues are recognised within the Council, and that you will remain watchful and supportive as they are seen through.

You described to us the regular engagement with Leader, portfolio holders and senior officers that would continue as part of the third 'supportive and advisory' phase of your roles as Commissioners. They seemed to us to be appropriate arrangements for the period during which the new political and officer leadership teams mature in their roles and deal with the challenges ahead.

It is evident to us that the most significant of those challenges are likely to be strategic, rather than in operational oversight and decision-making. Three in particular loom large:

1. Strategic planning: linking together a community plan, future operating model for the council, and medium-term financial strategy - and the consequential change programme

It was clear to us, as it is to the political and officer leadership of the council, that Rotherham's recent history has left the council with much of this strategic work still ahead. We saw a well-constructed "Budget Narrative" which sets out the context and challenges, and some guiding considerations as the work is pursued. We found that there was confidence that a budget for 2017/18 will be constructed, and work was in progress on this.

We also noted the changes to conditions of service proposed: these seemed appropriate, but we thought they were likely to be difficult to implement and that they carry the obvious potential to undermine staff/management/TU relationships if they are not well managed. We noted that there is an appropriate emphasis on change management and workforce strategy in the expectations of the Head of HR post which the council is currently seeking to fill.

Some early explorations of deeper, and sometimes cross-cutting, strands for a longer term MTFs were underway, but there was a shared understanding that it would be well into 2017 before a coherent, politically-owned and deliverable, three-year strategy was available.

In our view, that stage will still leave major challenges ahead, as the Council assembles and applies the particular strengths of collective change programme leadership required to deliver the strategy, and as specific public-facing changes are implemented.

It was not clear to us that the leaderships had yet fully worked through the nature of these challenges, or the timeline they would require to deliver them. Some of the new SLT line-up have experience from similar programmes elsewhere, but for some of them, and for all of the political executive, this would be their first full exposure to such challenges. We had few doubts about their capabilities, but some concern over their lack of direct experience of seeing through hard strategic change agendas.

The change programme will also be a challenge for the workforce and will need to be effectively managed and communicated. From the evidence we drew from the middle managers and front line staff, it is reasonable to conclude that the political and officer leadership is better sighted on what is required to move forward on new ways of working than the general workforce.

2. Collaborative planning of the health and care economy

It is clear that a determined approach to the reform of the health and care economy will be necessary if a sustained approach to care delivery is to be established. This is a challenge everywhere, but will be particularly important given the pressure on the adult care budget in Rotherham. This work is at an embryonic stage and will require significant input from members, officers and partners as it develops. It will need a major cultural shift for many in Rotherham. We heard that there was a poor history of strategic collaboration with the NHS, and thus a low starting point, but that significant progress is being made on partnership working through the Health and Well Being Board. We are aware that, more generally, the current focus on Strategic Transformation Plans has been conceived primarily on NHS

terms. These circumstances make this a second difficult strategic challenge, linked to the first.

3. Working through the implications of the Combined Authority and devolution

We heard that Rotherham was committed to playing a full role in the Sheffield City Region Combined Authority. It was evident that it would also need to consider how the development of the CA's role would affect the functions of the constituent authorities, and thus the operating model of the council.

All three of these challenges are echoed across local government. We saw nothing in the political and officer leadership that suggested to us that they would not be dealt with well in due course. We were, however, concerned that Rotherham was facing up to the challenges rather later than many other councils, and that many of the most difficult still lay ahead. There is some risk that these challenges might disturb the latter stages of the council's improvement trajectory.

We took assurance, however, from the Commissioners' expectation that their support and advice role would continue for some time - probably into 2019, and thus through the immediately foreseeable period of strategic challenge.

We noted that the LGA will continue to prioritise support to the Council. This currently includes:

- ⤴ Ongoing one to one mentoring for senior members in leading roles across the council's cabinet, scrutiny and quasi-judicial functions, including the Leader of the main opposition Group
- ⤴ One to one mentoring for senior officers
- ⤴ Support for member training and development
- ⤴ Ongoing support for the development of scrutiny via the Centre for Public Scrutiny
- ⤴ Service reviews to support service development and help Rotherham access good practice from elsewhere

As the Council moves forward and as your roles as Commissioners move into an advisory capacity, the LGA through its approach to sector-led improvement can offer ongoing reassurance to CLG about the Council's ongoing improvement journey.

We wish you and Rotherham Council well for its next stage of recovery.

Yours sincerely



Rob Vincent CBE

p.p.

Rob Vincent, ex-Chair of LGA Rotherham Council Improvement Board

Keith Wakefield, Councillor, Leeds City Council

David Parr, Chief Executive, Halton Borough Council

Judith Hurcombe, Programme Manager, Local Government Association