

CORPORATE AFFAIRS AND AUDIT COMMITTEE

Date: Thursday 25th November, 2021
Time: 3.30 pm
Venue: Virtual Meeting

Please note this is a virtual meeting.

**The meeting will be livestreamed via
the Council's YouTube channel at
[Middlesbrough Council - YouTube](#)**

AGENDA

1. Apologies for Absence
2. Declarations of Interest
To receive any declarations of interest.
3. Minutes - Corporate Affairs and Audit Committee - 30 September 2021 3 - 8
4. HR Assurance Report 9 - 22
5. Legal Services Progress Update - Ofsted Response 23 - 28
6. Historic Children's Services Spend 29 - 34
7. Any other urgent items which in the opinion of the Chair, may be considered

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Wednesday 17 November 2021

MEMBERSHIP

Councillors B Hubbard (Chair), J Platt (Vice-Chair), T Higgins, J Hobson, T Mawston, D Rooney and C Wright

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Susan Lightwing, 01642 729712, susan_lightwing@middlesbrough.gov.uk

CORPORATE AFFAIRS AND AUDIT COMMITTEE

A meeting of the Corporate Affairs and Audit Committee was held on Thursday 30 September 2021.

PRESENT: Councillors B Hubbard (Chair), J Platt (Vice-Chair), T Higgins and T Mawston

PRESENT BY INVITATION: Councillors J Thompson

ALSO IN ATTENDANCE: S Reid (External Auditor) (Ernst Young), M Rutter (External Auditor) (Ernst Young) and M Thomas (Internal Auditor) (Veritau)

OFFICERS: S Lightwing, M Brearley, C Benjamin, R Painter, J Savage, C Walker, J Weston and I Wright

APOLOGIES FOR ABSENCE: Councillors J Hobson, D Rooney and C Wright

21/12 **WELCOME AND EVACUATION PROCEDURE**

The Chair welcomed all present and read out the Evacuation Procedure.

21/13 **DECLARATIONS OF INTEREST**

There were no declarations of interest received at this point in the meeting.

21/14 **MINUTES - CORPORATE AFFAIRS AND AUDIT COMMITTEE - 5 AUGUST 2021**

The minutes of the Corporate Affairs meeting held on 5 August 2021 were submitted and approved as a correct record.

21/15 **PAYMENT OF COUNCIL TAX - COUNCILLORS**

A report of the Director of Finance was presented to outline the Council's position and approach in regards to the collection of Council Tax from Councillors and the obligations on Councillors in relation to meeting payment requests. The report also provided information on Councillors' compliance with their legal duties in relation to the payment of Council Tax.

The payment of Council Tax was a statutory obligation, governed by the Local Government Finance Act 1992. Payment of Council Tax was due at regular intervals, usually on a monthly basis. Should non-payment result in further action, the legislation was clear on the stages that could be taken to secure payment.

Where payment was not made as indicated on the bill, a reminder notice was issued within 14 days of the amount becoming overdue. If payment was still not forthcoming, the account would be selected for a summons and the full year's council tax would become payable.

If full payment was not received, the Council would make a request to the Courts for a Liability Order. If granted, a Liability Order provided additional powers to recover monies due. In respect of Councillors, one of these powers was an attachment to the Councillor's allowances. If an attachment was undertaken, a percentage of the Councillor's allowance could be deducted on a monthly basis until the amount due was cleared.

Middlesbrough Council had 46 Councillors, excluding the elected Mayor, and 87.5% of Councillors paid their Council Tax by monthly direct debit, with the remainder choosing to pay by cash on a monthly basis.

The legislation which governed the payment of Council Tax and the obligations of Councillors was contained within Section 106 of the Local Government Finance Act 1992 (LGFA 1992). This legislation made it a criminal offence for any Councillor who had arrears of Council Tax outstanding for two months or more to attend any meeting at which a decision affecting the

Council's budget was to be taken, unless the Councillor concerned declared at the outset of the meeting that they were in arrears and would not be voting on the decision for that reason.

Checks made dated back to 2015, confirmed that no Councillor had been excluded from voting, albeit a small number might have fallen behind with payment. All Councillors' accounts were up to date and in some instances the full year's amount had been paid.

Revenues Service provided monthly checks against each Councillor's account. Notification was forwarded to Democratic Services should any Councillor hit triggers and fall behind with payment by two months or more.

It was highlighted that, although the Service undertook these checks, the responsibility for meeting payment obligations and raising non-payment issues, rested entirely with the Councillor, as it also applied to any other resident within the borough. The Council did not provide any variation in service that would result in Councillors being treated preferentially over other residents.

It was accepted that payment difficulties could arise, and support and payment plans could be put in place for Councillors in the same way as they could for residents. Paragraph 27 of the Members' Code of Conduct, attached at Appendix A to the submitted report, provided that Councillors must, at the earliest opportunity, make arrangements to repay. Any service response to this situation would be dealt with confidentially, provided non-payment had not resulted in other action.

Section 4 and Section 8 of the Members Handbook, attached at Appendix B to the submitted report, provided Councillors with the information pertaining to S106 of the Local Government Finance Act 1992.

AGREED that the information provided was received and noted.

21/16 **SUSPENSION OF COUNCIL PROCEDURE RULE NO 5 - ORDER OF BUSINESS**

ORDERED that, in accordance with Council Procedure Rule No 5, the Committee agreed to vary the order of business. The remaining agenda items would be considered as follows: Agenda Items 8, 9, 6, 7, 10, 11, 12 and 13.

21/17 **PROCUREMENT OVERVIEW FOR 2020/21**

A joint report of the Executive Member for Environment and Finance and Governance and the Director of Finance was presented to provide a summary of the Council's procurement activity over the last financial year including compliance with Standing Orders, practice changes and contract awards.

The Covid-19 pandemic had a significant impact on procurement activity during 2020/21 and there had been some significant challenges, which the procurement team had handled positively with suppliers to ensure continuity of provision and services.

The table at paragraph 4 of the submitted report showed the thresholds as at 1st April 2020 to 31st March 2021, which all procurement activity should adhere to. It was clarified that the thresholds were set by OJEU and Central Government. Some contracts allowed for a variance which might go over the threshold if there were sudden increases in supplies such as fuel but this was closely monitored.

One of the consequences of the Covid-19 pandemic had been the extension of 77 contracts, since it was not possible for formal tenders to be carried out. These extensions were compliant with the Public Contract Regulations and the relevant PPN's and contracts were formally varied. These procurements were being re-scheduled into future tender pipeline.

Throughout the pandemic the Council had worked to ensure that services continued without disruption and that suppliers were supported as much possible. There were currently 475 active contracts recorded on the Council's Contract Register.

In line with Standing Orders there were occasions where an exemption from Standing Orders could be obtained through a fully transparent approval process. During 2020/21 there were

48 exemptions approved, compared to 60 in 2019/20.

2020/21 breaches were minimal due to COVID restrictions reducing the procurement activity being undertaken by the Council. However there were recent occasions where standing orders had not be adhered to and assurance measures were being undertaken now to deal with them. Further training would be beneficial for staff in order to promote better understanding of the contract procedure rules and the Procurement Manager had been tasked with developing this work.

During 2020/21 the Council spent £7,515,013 via purchasing cards via a total of 25,438 transactions. The majority of spend continued to be low value with 16,842 (66%) being under £99, 6,621 (26%) were £100 to £499.99 and 1,975 (8%) were over £500. Rebates for the cards were paid 1 December to 30 November and in December 2020 the Council received a rebate of £67,345.83. A further rebate would be received in December 2021.

Previous audit recommendations in relation to purchasing cards had been implemented and this had strengthened monthly reporting to cardholders and line managers on the reviewing of the purchasing cards, and cards being cancelled where the Council's policy was not being adhered to. It was confirmed that purchasing cards were allocated to individuals only and that a pin number was usually required to make a purchase.

Following Executive approval, the Council intended to procure the Supplier Incentive Programme (SIP) (also known as an Early Payment System) with Oxygen Finance via the NEPO Framework in order to enable early as possible payment options for all suppliers in return for a rebate payment. This project would have a number of efficiencies both in relation to practice as well as financial and would result in decreased use of purchasing cards. It was anticipated that the SIP would be live by the end of the financial year and more detail on its performance would be provided in next year's report.

Local spend continued to be monitored against the Council's target, and work to enhance reporting continued to be developed. A new report had been designed in Business World and the Data Team had assisted in transferring that report into PowerBI in order to provide a visual data dashboard on spend performance. A summary of performance during 2020/21 was included at paragraph 31 of the submitted report.

AGREED that the information provided was received and noted.

21/18

SUBJECT ACCESS REQUESTS - COMPLIANCE UPDATE

A report of the Data Protection Officer was presented to provide an update regarding Middlesbrough Council's legal compliance with the right of subject access.

The Committee previously received the Annual Senior Information Risk Owner (SIRO) Report at its meeting on 29 April 2021 which included an update regarding the backlog of subject access requests (SARs).

Since the last update to the Committee, the temporary post in the Children's Services department had been put on a more permanent footing within the Medium Term Financial Plan. The effect of that role, and the existing post dedicated to historical Children's Services SARs, had resulted in a reduction of the backlog of cases received prior to 2021, to 10 within that department.

A small number of those cases were awaiting 'life story work' to be provided by the Children Looked After Service to ensure that those requestors received the information they had asked for, but with the right level of pastoral support and explanation about their time in care.

The other requests were taking a significant amount of time to process due to the nature of those cases and people who had spent a significant number of years in care. In one example, there was in excess of 650 files totalling 6,000 pages, all of which needed to be reviewed and redacted to comply with the data protection legislation. The requestors in those cases were aware of the reasons for the delays and were content to receive the information in a number of partial responses as the work progressed. It was noted that the Department had recently received thanks from someone who had been overwhelmed by the amount of information that was provided and the history of what happened to that person in care,

acknowledging the painstaking work undertaken to provide it.

It was noted that a further 56 SARs had been received by the Children's Services Department in 2021 to date, 42 of which had been responded to. In total, the current number of open SARs in the department was 24, with 17 of those being overdue.

The Chair, on behalf of the Committee, thanked the Department for the work undertaken.

AGREED that the information provided was received and noted.

21/19 **INTERNAL AUDIT AND COUNTER FRAUD PROGRESS REPORT**

The Head of Internal Audit, presented a report to update the Committee on the progress of internal audit and counter fraud work during 2021-2022 and the outcomes from work completed since the last report.

A copy of the internal audit progress report was attached at Appendix 1 to the submitted report. Details of progress against the internal audit work programme and a summary of current work in progress, internal audit priorities for the year, completed work, and follow-up of previously agreed audit actions were included. The Auditor had no specific issues to bring to the Committee's attention.

It was highlighted that target completion dates for audits were always subject to change. In addition, all P1 and P2 internal audit actions were part of the corporate performance management system and were regularly reviewed by the Chief Executive and the Corporate Management Team.

The counter fraud progress report was attached at Appendix 2 to the submitted report and detailed a range of work including activity to promote awareness of fraud, work with external agencies, and information on the level of fraud reported to date.

AGREED as follows that:

1. the progress of internal audit and counter fraud work in 2021/2022 was noted.
2. the outcomes from work completed since the last report to Committee were noted.

21/20 **ANNUAL COUNTER FRAUD FRAMEWORK REPORT**

The Head of Internal Audit provided a report to update Members on the impact of fraud nationally and in particular on local authorities. The Council's counter fraud policy framework had been reviewed and the Counter Fraud Strategy Action Plan, The Fraud Risk Assessment, and the Anti-Fraud, Bribery and Corruption Policy had been updated. A copy of the annual Counter Fraud Framework Report was attached at Appendix 1 to the submitted report.

AGREED that the following documents were received and noted by the Committee:

1. updated Counter Fraud Strategy Action Plan.
2. the updated Fraud Risk Assessment.
3. the updated Anti-Fraud, Corruption, and Bribery Policy.

21/21 **VERBAL UPDATE - STATEMENT OF ACCOUNTS AUDIT PROGRESS/VAT**

Statement of Accounts 2020/2021

The Head of Finance and Investments provided a verbal update. The statutory date for approval of the audited statement of accounts for 2020/21 was 30 September 2021. However, the audit of the accounts was not yet finished and, as a result, the approval report on the audited accounts and planned training for Members would be delayed until the work had been completed.

The Covid-19 pandemic and the ongoing impact on local authority finance teams, the overall financial position of Councils generally, and the work required by external auditors to undertake the audit had been significant. These factors had resulted in delays in audit work being undertaken and audits being signed off nationally. Many audits had still not started due

to delayed audit opinions relating to previous years and workload for finance teams and audit firms. Middlesbrough Council's audit was progressing well and was ahead of many other authorities in comparative terms.

There were some complex expenditure and funding arrangements to assess as a result of Covid-19, in respect of uncertainty around material assets and liability values. This work needed additional discussion and evidencing by auditors. There had also been staffing issues at both the Council and for local auditors also. Middlesbrough Council had had a vacancy at Chief Accountant level since early last year.

The aim was to complete the audit in the next one to two months and the audited Statement of Accounts would either be presented to Members for approval at the Corporate Affairs and Audit Committee meeting scheduled for 9 December 2021, or at an ad hoc meeting if completed earlier.

As a result of the statutory deadline not being met, a notice would be placed on the Council's website with the draft accounts from 30 September 2021, with a note to explain that the audit was ongoing and the audited accounts were not yet available for publication.

It was highlighted that no other Tees Valley local authority had been able to complete their audit of accounts within the statutory timeframe.

Responding to members' queries it was clarified that the main areas of focus were pensions accounting and covid business grants. It was confirmed that there were no penalties for late approval of the accounts.

The Chair requested that Members received notification of training as early as possible.

Value Added Tax

The Council had appointed a new VAT officer who had been in post since 23 March 2021.

In relation to purchasing cards, the auditor had previously raised an issue of council staff using their purchasing cards but either not reclaiming any relevant VAT, and/or not retaining receipts and invoices as proof for HMRC.

In general there were a number of internal controls that need improving on the use of purchasing cards and most of this was in terms of awareness and compliance with business process that the Council used in this area. This was being led by the Procurement team who had issued updated procedure notes and some direct training to remind users of what was required. The main approach on VAT would be awareness via training sessions for managers and staff, publicity via the procurement forum on purchasing cards, and also in VAT newsletters.

AGREED that the information provided was received and noted.

21/22

ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED

Exempt Reports

Following a brief discussion in relation to exempt reports, the Monitoring Officer suggested that it would be appropriate for the Constitution and Members' Development Committee to give this topic further consideration.

NOTED

21/23

EXCLUSION OF PRESS AND PUBLIC

ORDERED that the press and public be excluded from the meeting for the following items on the grounds that, if present, there would be disclosure to them of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in

disclosing the information.

21/24

APPOINTMENT OF LA GOVERNORS

A report of the Executive Director of Children's Services was presented regarding a vacancy for a Local Authority appointed School Governor that had arisen as a result of a resignation.

Members were asked to note that "The Constitution of Governing Bodies of Maintained Schools Statutory Guidance for Governing Bodies August 2015 states that Local Authority governors are nominated by the Local Authority but appointed by the Governing Body."

The Local Authority could nominate any eligible person as a Local Authority Governor, but it was for the Governing Body to decide whether their nominee had the skills to contribute to the effective governance and success of the school and met any other eligibility criteria they had set. Local Authorities should therefore make every effort to understand the Governing Body's requirements and identify and nominate suitable candidates.

Members were asked to consider formally approving the appointment of Governors highlighted in bold in Appendix 1 attached to the submitted report.

ORDERED that the following appointments, for a four year term of office, as agreed by the respective School Governing Bodies, were approved:

Berwick Hills Primary – Councillor A Hellaoui
Holmwood School – Councillor D Branson

HR Assurance Presentation

Corporate Affairs and Audit Committee

25th November 2021

Employee Health and Wellbeing 2021

- 14th July 2021 Helen Waller commenced in post as a Health and Wellbeing HR Business Partner.
- 12 month fixed term post
- Role purpose is to support Covid recovery and transition to ‘new normal’ for employees.
- We are ambitious to further develop our wellbeing culture and drive sustainable changes to improve our employee’s wellbeing long term.



HAWB Work to Date

- Developed a WFH best practice guide (to be launched with new Blended Working Policies) aims to support employees to continue to prioritise their wellbeing and develop good WFH practices for self care.
- Developed dedicated Mental Health Awareness intranet page with resources specific for line managers on how to support employees mental health.
- Pushed out promotional material for the Employee Assistance Programme including electronic posters utilising the staff portal and the distribution of 'wallet' sized contact cards.
- Purchased Suicide Prevention Kits and placed these at different venues to be accessed by any staff who may need them.

Vaccination as a requirement of deployment

- An unexpected piece of work which had to be prioritised is the Implementation of the Health and Social Care Act 2008 (Regulated Activities) (Amendment) (Coronavirus) Regulations 2021 which came into force on 11th November 2021.
- The government have now announced plans for expanding these requirements into health and wider social care. We are awaiting further clarity on who is covered but this is likely to require a further piece of work.



HAWB Work to Date



- **Occupational Flu Vaccine scheme**
 - we have secured 250 vaccines
 - we are prioritising front line workers in direct contact with vulnerable service users/clients.
 - 3 clinics were scheduled through October/November
- Negotiated and secured a 7 day free gym pass for all employees to access any Everyone Active gym free of charge to encourage physical wellbeing and activity in wake of WFH and impact of pandemic on physical activity habits.

everyone
ACTIVE

Better Health At Work Award



- We currently hold the Maintaining Excellence Award which recognises the importance of sustaining our progress.
- Better Health At Work Award – 2020 submission was deferred due to pandemic, we are currently working on a submission for 2021 assessment. We are optimistic that despite the pandemic we can retain our status of Continuing Excellence.
- The pandemic had put a pause to the great work and contribution of our employee network of Health Champions and Health Advocates, but with our new HAWB BP offering support and guidance these are groups are now back up and running.

Employee Network Groups

- Staff networks have great potential to shape the culture by tapping the ideas, passion and knowledge of our staff, effective networks can help both to create change and to support leaders and managers in implementing it.
- The following networks have been re-energised and meet regularly, which also report into the Equality & Inclusion Working Group, chaired by Erik Scollay.
 - BAME (Black, Asian, Minority, Ethnic)
 - LGBT+
 - Gender Equality
 - Disability and Wellbeing Network
 - Carers Network



Staff Menopause Support Group

- We are committed to delivering HAWB support and initiatives that our employees need and want.
- 72% of our workforce is female, there had been direct requests from employees to create a group.
- 22nd September we launched our Menopause Support Group, inclusive and open to all. We aspire to create a space for open discussion, opportunities learning sessions and support for all, whether going through or supporting an individual with menopause.
- In 2019 ET claims citing Menopause increased by 167% - HR plan to review all relevant policies e.g. Performance Capability, Managing Health Attendance and Wellbeing and deliver training to increase manager awareness of menopause and how it can present in multi faceted ways.



Menopause Group

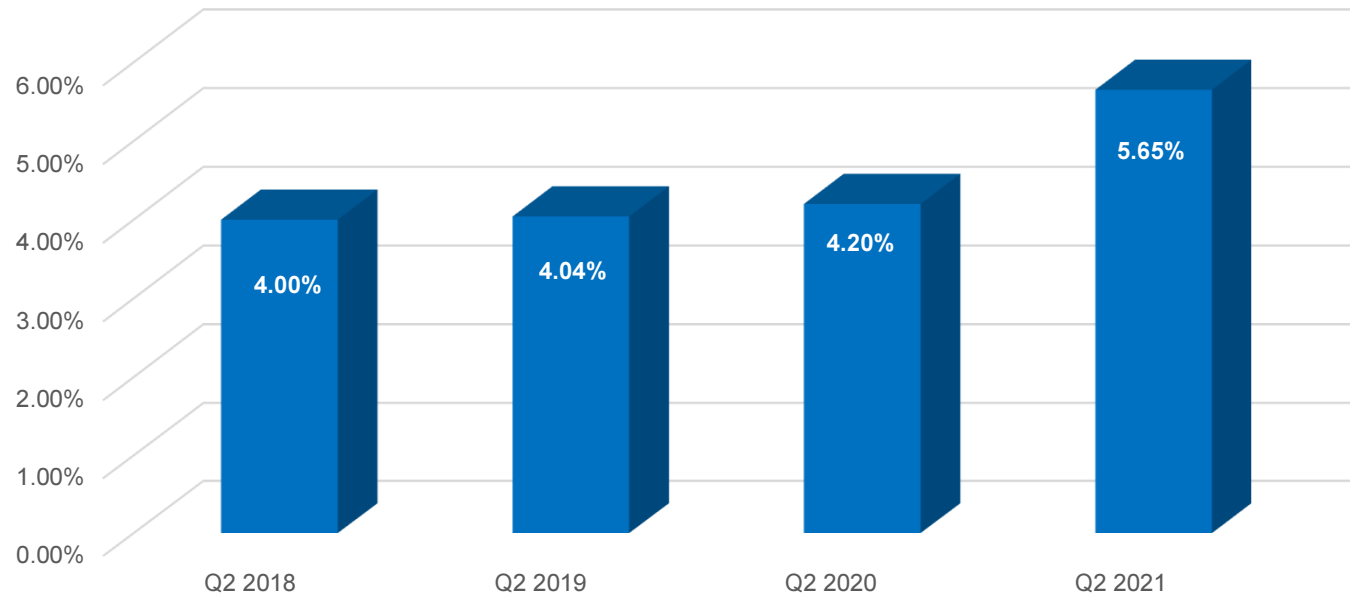
Menopause Support Group

HAWB Calendar of Events

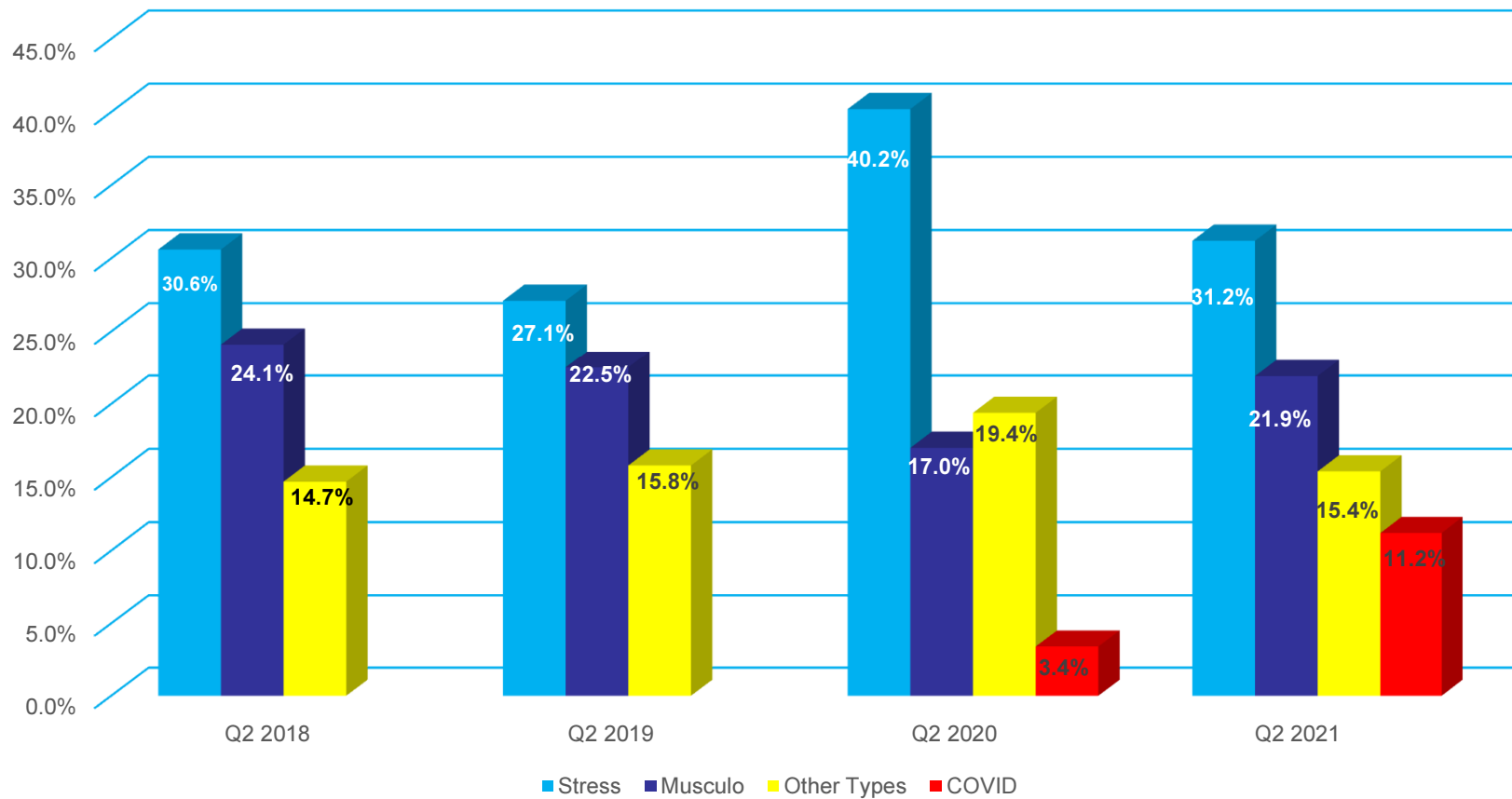
- Mental Health Awareness campaigns were endorsed with information and promotion of World Suicide Prevention Day, World Mental Health Day & National Stress Week.
- October was Breast Cancer Awareness Month across the Council teams participated in 'Wear It Pink' Day.
- November is 'Talk Money Week' we have arranged for reps from various banks; South Tees Community Bank, HSBC, Barclays to offer free webinars as well as attend staff locations to offer free financial advice and information across debt, savings, first time mortgage and financial wellbeing.

Absence Management

Sickness % in Quarter 2 2018 - 2021



Top Absence Reasons





What's Coming Next?

- Currently scoping and developing offer for additional HAWB initiatives to support employees through reoccupation these will likely include 1-1 reoccupation support, mindfulness sessions, sleep, musculoskeletal health, social and physical activities.
- Review intranet content and developed a plan for improvements, updates and increase of ease of navigation.

Questions?

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Briefing note of:	Charlotte Benjamin - Director of Legal and Governance Services Executive Member – Cllr Barrie Cooper
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Provided to:	Corporate Affairs and Audit Committee 25 th November 2021
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Subject:	Update in regards to Legal Services progress in response to Ofsted Inspection of children’s social care services
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Summary

Proposed decision(s)
No decision required. Report is to provide a briefing to the Committee giving an update on Legal Services in the response to the Ofsted Inspection of children’s social care services

Report for:	Key decision:	Confidential:	Is the report urgent? ¹
Information.	No	No	No

Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
N/A	N/A	N/A

Ward(s) affected
N/A

What is the purpose of this report?

Report is to provide a briefing to the Committee giving an update on Legal Services in the response to the Ofsted Inspection of children’s social care services

Why does this report require a Member decision?

No decision required. The report is for information only.

Report Background

1. Further to the Ofsted report of their Inspection of children's social care services (25th November 2019 to 6th December 2019), a briefing note was prepared for a meeting of this committee on 5th March 2020.
2. The briefing note set out the plan going forward for Legal Services' response to the Ofsted Inspection of children's social care services. The purpose of this note is to provide an update in regards to the progress. A previous update was provided to this committee in December 2020 and April 2021.
3. Following on from the decrease in case levels that we saw in the April report, the case levels have continued to fall, with care cases currently at around 70, which is half of the cases we had at this time last year. Again, there has been a number of contributing factors, including changes to gateway panel, a more effective use of the Public Law Outline (PLO) process, and Court increasing their hearings further to the covid issues, meaning more cases have concluded¹ .
4. In terms of the resources to meet the ongoing demand, there have been some changes to the team since the last update following the completion of the legal services review which came into effect at the start of October 2021.
5. The service review added an additional Legal Assistant post, for which we have been out to advert and recruited to the post, with the successful candidate starting on the 8th November 2021.
6. There was also an additional two solicitor posts created, for which the advert is currently live. Historically these have been hard to fill posts but given the success of our last recruitment, we are hopeful that the advert and recruitment drive will attract the right level of candidate.
7. The legal services review has introduced the role of a Senior Lawyer to lead the children's team and be the specialist lawyer and first point of contact for the team and for the client department. This allows the Head of Legal (People) more time to be involved in the strategic discussions and projects that support the improvement journey.
8. By way of general team update, we had two permanent Solicitors start in March and April 2021. The appointment to these roles have been a great success, and the feedback from both our internal partners, and external, has been unanimously positive. In particular, at a meeting with HHJ Matthews QC, the Designated Family Judge for Teesside on Tuesday 26th October 2021, HHJ Matthews QC stated that there had been a 'huge difference with the new lawyers', namely being more responsive to issues, filing orders in timescales etc, and that she was pleased with the improvements made by legal to date.

¹ Gateway Panel is where decisions are made as to whether or not to issue proceedings in regards to a child. It is attended by representatives of childrens services and legal. The PLO process refers to the pre-proceedings process that is followed before proceedings are issued where there is a period of support and assessment.

9. The Court Progression Manager (CPM) has now been in post for five months. As a reminder, this is a post that sits within the Legal Services children's team and acts as the lead officer, liaising between w Legal Services and Children's services, to ensure the timely progression of cases in family court proceedings. This role is a key part of the contribution to the improvement journey.
10. As this is a new role, the first three months in post were spent building internal and external relationships and gaining an understanding of what the issues were that prevent timely progression. This has led to some joint objectives being developed between children's services and legal, both looking at moving cases through proceedings and the outcomes, and the quality of evidence being drafted. A performance scorecard to track the improvements has been developed and is shared on a monthly basis with Children's Services.
11. Again this new role has been recognised both internally and externally as a great addition to the team, particularly with Cafcass, and with HHJ Matthews QC who was pleased to learn that this was a permanent post rather than temporary, and commented that this had been a 'good appointment'.
12. As was set out in the last update, we had been through a procurement process in order to ensure best value for the outsourcing of some cases to local Childrens Solicitors firm for the 21/22 financial year. This was based on the high levels of care cases that we had at that time.
13. It was not the intention that this outsourcing continue long term, and this was twin tracked with other projects to look at how we can better resource the service to meet the demands, including the legal services review as above.
14. The intention was that there would be up to 100 cases outsourced as part of the procurement project. This came into effect in April 2021, and in the first six months, a total of 13 cases have been outsourced, with none since July 2021. This is due to the positive impact of other strategies, including the reduction of care cases.
15. Since the last report legal services have continued to contribute to the improvement journey for Children's Services in a number of ways, both strategically and operationally.
16. Monthly audits have continued as part of the 1:1 sessions between the team members and their managers. This has seen an improvement in our practice, for example making sure that the legal planning meetings are taking place approx. 2-3 weeks before final evidence is due in a case, which will identify any issues at the earliest opportunity.
17. Further to the 'Care Order at home' work that was completed, the Head of Legal Services has been one of the leads in another project undertaken by a subsidiary of the Local Family Justice Boards, which was tasked at looking at a response into the 'Born Into Care' Paper which was published by the Nuffield Family Justice Observatory.

18. The report provided evidence over the period 2012-2020 about the number of newborn babies and infants in care proceedings in England and Wales, as well as the frequency of urgent hearings in those cases. Again the North East region was identified as being an outlier in terms of care proceedings being issued within the first 7 days of a child being born.

19. This project took place by way of holding some working groups across a number of Local Authorities and their partner agencies to look at the reasons for the trends that emerged from the paper, and how we can improve our practice in this area. We also conducted some audits across some sample cases, which were subsequently reviewed by Cafcass, to consider whether the action taken at the time was the correct plan with the benefit of hindsight. The feedback has been extremely positive and the leads will feedback to the Local Family Justice Board, and to the local Children's Services, about the learning points.

20. Work has continued on the response to the March 2021 Public Law Working Group report 'Recommendations to achieve best practice in the child protection and family justice systems'. This has been a joint piece of work which has involved using the self-analysis tool to look at where we are as a Local Authority, and where we need to be. Some immediate changes have been made, with the longer term actions now being put into an action plan so that progress can be monitored.

This evidences the improved working relationship between childrens and legal services and a push to work collaboratively to resolve the challenges.

21. The committee is asked to note the contents of this report and the continued progress being made by legal as part of the improvement journey.

What decision(s) are being asked for?

No decision required. Report is to provide a briefing to the Committee giving an update on Legal Services in the response to the Ofsted Inspection of children's social care services.

Why is this being recommended?

N/A.

Other potential decisions and why these have not been recommended

N/A.

Impact(s) of recommended decision(s)

N/A.

Legal

N/A.

Financial

N/A.

Policy Framework

N/A.

Equality and Diversity

N/A.

Risk

N/A.

Actions to be taken to implement the decision(s)

N/A.

Appendices

None

Background papers

No background papers were used in the preparation of this report.

Contact: Ann-Marie Wilson (Head of Legal Services – People)

Email: annmarie_wilson@middlesbrough.gov.uk

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MIDDLESBROUGH COUNCIL



Report of:	Ian Wright - Director of Finance
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Submitted to:	Corporate Affairs and Audit Committee, 25 November 2021
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Subject:	Historic Children’s Services Spend
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Summary

Proposed decision(s)

- That the Corporate Affairs and Audit Committee note the contents of the report.

Report for:	Key decision:	Confidential:	Is the report urgent?
Information	No	No	No

Contribution to delivery of the 2021-24 Strategic Plan

People	Place	Business
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The monitoring and review of expenditure plays a central role in ensuring that the Strategic Plan is delivered effectively.

Ward(s) affected

No direct impact on any wards.

What is the purpose of this report?

1. To inform the Corporate Affairs and Audit Committee of the spend in Children's Services, in particular Children's Care, over the last 5 years and the number of Children Looked After for each year.

Why does this report require a Member decision?

2. The report is for information only and does not require a Member decision.

Report Background

3. Following a request from the Chair of the Corporate Affairs and Audit Committee, the following table provides information as to the expenditure in Children's Care for each of the past 5 years and the projected amount for 2021/22, and also provides information about the numbers of Children Looked After (CLA) for each year.

	Children's Care Outturn Expenditure £000	CLA Number (31st March)
2016/17	29,448	444
2017/18	31,377	466
2018/19	34,905	518
2019/20	40,461	619
2020/21	47,419	570
2021/22 (projected)	46,358	533

4. The outturn expenditure figures included in the above relate to Children's Care only and not the whole of Children's Services (i.e. they do not include Education and Partnerships). The figures included in the table above are end of year positions (i.e. as at 31 March each year).
5. It should be noted that the services included within Children's Care may have varied over the years due to various service reviews within Children's Services, and therefore a direct comparison of expenditure between years may not be fully accurate. In order to provide a more accurate comparison between years the 2021/22 projected outturn figure excludes approximately £1.8m of expenditure relating to a number of budgets that transferred from Education and Partnerships to Children's Care during the first quarter of 2021/22.
6. In addition, the number of Children Looked After each year do not include some children (currently 291) who are under placed with friends and family under Special Guardianship Orders and receive allowances but who are not classified as Children Looked After.

7. The table below provides some further information regarding external residential placement costs for the past 5 years along with the number of children these relate to. It should be noted that these figures are part of the figures in the table in paragraph 3, and are not additional to those figures.

	External Residential Placements (gross) Outturn Expenditure £000	External Residential Placements (after Health & Education contributions) Outturn Expenditure £000	External Residential Placements Number (31st March)
2016/17	7,461	6,991	52
2017/18	8,907	8,501	56
2018/19	9,993	9,515	64
2019/20	12,660	11,942	74
2020/21	13,168	11,959	65
2021/22 (projected)	12,750	11,290	47

8. It should be noted that the 2021/22 projected outturn figures in the tables in paragraphs 3 and 7 only include part year effects of the reductions in expenditure, and in future years there will be the full year effect of these.
9. Whilst the expenditure is on a trajectory downwards this has been achieved alongside improvements in practice and outcomes for children, including a significant number of children securing permanence. This has been externally validated in the latest Department for Education (DFE) Commissioner’s report in July 2021, where the Commissioner reported on progress made and identified that:
- “Within the permanency strategy considerable progress has been made in the tracking and oversight of children within the care system. This has led to impressive performance in timely moves for more children into adoptive placements and a significant increase in the use of special guardianship etc. We also see evidence of more appropriate use of Public Law Outline, a reduction in emergency hearings and a stronger relationship of trust is described with CAFCASS (Child and Family Court Advisory and Support Services)”*
10. The above improvements have led to overall CLA numbers decreasing by over 24% from a peak of 702 in September 2020 to 533 currently. Middlesbrough’s CLA rate per 10,000 children aged under 18 has decreased steadily month on month from a high of over 200 in September 2020, where it was the second highest for all unitary authorities in England, to a latest position of 162, which brings Middlesbrough closer to its statistical and geographical neighbours.

What decision(s) are being asked for?

11. That the Corporate Affairs and Audit Committee note the contents of the report.

Why is this being recommended?

12. To provide Corporate Affairs and Audit Committee with information requested.

Other potential decisions and why these have not been recommended

13. Not applicable.

Impact(s) of recommended decision(s)

14. Not applicable.

Legal

15. There are no legal implications arising from this report.

Financial

16. In line with national trends Children's Social Care continues to be an area of financial pressure to the Council. The costs of these pressures in respect of increased level of need in relation to children in care and the increase in the cost of providing care is constantly being monitored via regular reports to the Council's Leadership Management Team and as part of the Council's quarterly budget monitoring reports to Executive.
17. A number of plans have been put in place for 2021/22 to mitigate overspending within Children's Services and these are detailed in the Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2021/22 report to Executive on 9 November 2021.
18. The Council has an Ofsted Improvement Plan in place, and the financial situation is being closely monitored jointly by the Service and Finance, and a three year plan has been drawn up to ascertain the estimated outturn position for the current and future financial years and therefore the potential MTFP impact.
19. Given the improvements required by Ofsted and the timescales for implementing these, a prudent financial planning approach has been taken, and a number of contingencies and reserves have been identified which should enable the pressure to be covered in the current and future financial years, assuming it stays at around the same level. As part of the MTFP Update report to Executive on 9 November 2021 and Council on 24 November 2021, additional funding of approximately £3.3m has been provided to Children's Services from 2024/25 in order to achieve a steady state for the Service, and ensure that the improvements currently being made in Children's Social Care are not compromised, and also in order so that the Service is on a firm financial footing with an appropriate budget which can be managed within.

20. This will mean that the Ofsted Improvement Plan will be properly funded in the medium term. This will be closely monitored in real time and any amendments required to the level of funding provided will be made as appropriate.
21. It should be noted that this will mean that Children's Social Care will have reduced expenditure from over £9m projected spend in excess of their current budget at the start of 2021/22 to just over £3m in 2024/25, approximately a £6m reduction in expenditure per annum by 2024/25.
22. The Council is able to accurately forecast and manage costs in relation to Children's Care. This is as a result of a number of factors including the transformation of that service's leadership, its buy in to the use of innovative business intelligence solutions to provide real time data, and close financial monitoring.

Policy Framework

23. There are no implications at this stage for the policy framework of the Council.

Equality and Diversity

24. There are no equality and diversity issues as part of this report.

Risk

25. There are no direct risks arising from the report, but as mentioned above, Children's Care is an area of financial pressure to the Council and there are a number of entries on the Council's risk registers that set out the potential risks the Council could face arising from this.

Actions to be taken to implement the decision(s)

26. None.

Appendices

None

Background papers

No background papers were used in the preparation of this report.

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