

Report of:	Sue Butcher: Executive Director of Children’s Services Andy Preston: The Mayor and Lead Member for Children’s Social Care, Adult Social Care and Public Health
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Submitted to:	Executive - 7 September 2021
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Subject:	Commissioning a bespoke service called ‘Audit to Excellence’ to continue to lead a comprehensive audit programme, including developing audit expertise across children’s services. This is an essential element of Middlesbrough Children’s Services improvement programme.
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Summary

Proposed decision(s)
That Executive approves the content of this report and agrees that the required commissioning can take place.

Report for:	Key decision:	Confidential:	Is the report urgent? ¹
Decision	Yes as it is over the financial threshold.	Not Confidential.	This is an urgent report and therefore cannot be called in.

.Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
‘Audit to Excellence’ is a crucial element of the Children’s Services improvement programme and therefor relates to the strategic priority ‘We will show Middlesbrough’s children that they matter and work to make our town safe and welcoming and to improve outcome’s for all		

¹ Remove for non-Executive reports

children'.		
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Ward(s) affected
All wards as it is a whole Children's Services' improvement plan.

What is the purpose of this report?

1. The purpose of this report is to request agreement to commission 'Audit to Excellence' at a cost of £216k so that Children's Services can continue with the Audit to Excellence programme until March 2022 the end of the current financial year. This is not a request for additional finances as the programme can be funded from current budgets namely the Improvement or Change funds.

Why does this report require a Member decision?

2. This report requires a Member decision because the cost of commissioning Audit for Excellence at £216k is over the financial threshold of £150k.

Report Background

3. Ofsted rated Middlesbrough Children's Services as inadequate in Nov/December 2019. In order to improve practice and therefore outcomes for children it is crucial to 'know yourself, how well (or not) the service performing and the progress that is being made. This was not then the case in Middlesbrough as evidenced by the following quote from Ofsted's report of the inspection published in Jan 2020.
4. 'Risks to children and young people, including those who are being exploited, are not appropriately recognised and insufficient action is taken to help and protect children'.
5. The auditing cycle is a crucial element of any children's services' improvement programme. Work with children is examined and assessed, trends are identified, changes supported by learning and development are made to improve practice and subsequent audits identify if the improvements have been made. In Middlesbrough, an audit programme was put in place as a top priority after the inspection and experienced agency auditors were brought in to put it into practice. This was necessary because there was insufficient knowledge of what good practice looks like in the service and a skills deficit in terms of carrying out a good quality audit. Therefore, Middlesbrough's auditors have also been charged with improving the skills of members of staff to improve their audit expertise although this is the next step in the process. 'Audit to Excellence' is an ambitious programme built around Middlesbrough's specific needs in conjunction with Middlesbrough's staff. It has been commended by both Ofsted and Peter Dwyer, Middlesbrough's Commissioner appointed by the Department of Education to report back to the Parliamentary Under Secretary of State for Children and Families on the progress being made. In July 2021 the Commissioner wrote
6. 'The 'Audit to Excellence' programme has now been rolled out across the whole service with team plans/performance clinics and non-negotiables in place with strong endorsement of the approach across the service'.
7. (Please note that the Commissioner's report will not be presented to the Minister until 8th September with a decision expected before 15th September).

8. Ofsted commented:

'The 'Audit to Excellence' framework successfully builds in learning from audit, with clear links to individual team planning, wider service improvements and performance clinics. Social workers and early help practitioners provided inspectors with examples of how they had made positive changes to their practice as a result of their learning from audit.' (Focussed visit in May and published in July 2021.)

The Decision Requested

9. That Executive approves the content of this report and agrees that the required commissioning can take place at a cost of £216k.

Reason for Recommendation

10. The finances allocated for auditing purposes ceased in March 2021 and the agency auditors have formed their own business called 'Audit to Excellence' with the aim of working with other authorities to develop similar bespoke approaches. However, there is still a significant amount of work to be carried out in Middlesbrough to fully embed the 'Audit to Excellence' approach and in particular equipping the workforce with the skills to carry out internal audits to a good standard. Therefore, it would be detrimental to Middlesbrough's improvement programme if we cannot retain the auditors' skills and experience. Sufficient funds have been identified to commission them for nine months until March 2022 at a cost of £216K which compares well with the auditors previous daily rate as agency workers. A commissioning arrangement would give Middlesbrough more security as agency workers can leave an authority in two weeks, which would again be detrimental to the improvement programme.
11. The Overview and Scrutiny Board have not examined this report or a Scrutiny Panel as there is an urgent need to secure the necessary resources needed to consistently improve outcomes for Middlesbrough's vulnerable children. However the fundamental aspects have been discussed and agreed by Mayor Preston in his role as lead member for children
12. It is important to note that the 'Audit for Excellence' programme is for the whole of Children's Services i.e. for children's social care and education and partnerships not just the former. Education services play a significant role in improving outcomes for vulnerable children, indeed all children in Middlesbrough.

Other potential decisions and why these have not been recommended

13. This report sets out the reasons why 'Audit for Excellence' cannot be delivered in house.
14. Securing different auditors is not an option because it would take a significant period for them to become familiar with the 'Audit to Excellence' approach and it is important to maintain the pace of the improvement programme.

Impact of the Recommended Decision

Legal

15. However, improving social work practice will improve compliance with The Children Act 1989, subsequent Children Act legislation and Working Together 2018
16. In order to maintain continuity Audit to Excellence commenced work in August 2021 following the submission of a proposal to commission them directly rather than through the GRI Neutral Vendor Agency Framework. This work directly continued that of the agency workers undertaking the role. The contract value of £216k is above the Public Contract Regulations 2015 financial threshold and would require a formal tender, however, Children's Services have confirmed this is a unique service developed specifically by this company and as such, there would be no market to procure from. In line with Regulation 32 of the Public Contract Regulations 2015, it is proposed to directly award this contract and following Executive approval a formal contract award notice will be published.

Financial

17. The finances to commission the 'Audit to Excellence' service has been identified from the improvement budget originally agreed by full council in February 2020 £3.3 million over two years from April 2020 to March 2022 and the Change Fund.

Policy Framework

18. This decision if made will not impact on the Council's policy framework.

Equality and Diversity

19. The improvement of children's services should not result in policies and practices that impact inequitably on individual or groups because they hold one or more protected characteristics.
20. Ensuring that services to children and families are effective and appropriate for all including those who hold one or more protected characteristics is a key responsibility for the service and will be monitored at all times as part of the improvement journey.

Risk

21. Inadequate safeguarding practices lead to children and young people being at risk of significant harm resulting in organisational reputational damage. Risks are reported to the Multi-Agency Strategic Improvement Board, which takes place on a six weekly basis.

Actions to be taken to implement the decision

22. If the decision is made to approve the commissioning of 'Audit to Excellence' then the normal commissioning protocols will be followed. The auditing work is already underway.

Appendices

23. No appendices

Background papers

24. Ofsted Inspection of children's social care services. Inspection dates 25th November 2019 to 6th December 2019. Published Jan 2020

25. Ofsted focussed visit. Letter published July 2021

26. Commissioner's Report to the Department of Education July 2021

Body	Report title	Date
Ofsted	Inspection of children's social care services. Inspection dates 25 th November 2019 to 6 th December 2019	Published Jan 2020
Ofsted	Letter following focussed visit 26 th and 27 th May.	Published July 2021
Dept. of Education	Commissioner's report @ 12 months	July 2021

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