



Audit and Governance Committee

Minutes of the meeting held at County Hall, Colliton Park, Dorchester,
Dorset, DT1 1XJ on Monday, 11 March 2019

Present:

David Harris (Chairman)
Richard Biggs and Cherry Brooks.

Other Members Attending:

Steve Butler - Cabinet Member for Safeguarding

Officers Attending: Rupert Bamberger (Assistant Director - South West Audit Partnership), David Bonner (Intelligence, Insight and Performance Manager), Marc Eyre (Risk, Emergency Planning and Resilience Manager), Richard Ironside (Finance Manager), Nick Jarman (Director for Adult Social Services), Mark Taylor (Group Manager - Governance and Assurance), and Sally White (Principal Auditor - South West Audit Partnership) and Denise Hunt (Senior Democratic Services Officer).

(Notes: These minutes have been prepared by officers as a record of the meeting and of any decisions reached. This is the last planned meeting of this Committee before the start of the new Dorset Council on 1 April 2019. The minutes will therefore be confirmed and signed by the Chairman prior to 31 March 2019.)

Apologies for Absence

16 Apologies for absence were received from Ray Bryan, Clare Sutton and Bill Trite.

Code of Conduct

17 There were no declarations by members of any disclosable pecuniary interests under the Code of Conduct.

Minutes

18 The minutes of the meeting held on 21 January 2019 were confirmed and signed.

Public Participation

19 Public speaking

There were no public questions received at the meeting in accordance with Standing Order 21(1).

There were no public statements received at the meeting in accordance with Standing Order 21(2).

Petitions

There were no petitions received in accordance with the County Council's petition scheme at this meeting.

Points from the Chairman

20 The Chairman reported that recommendations in a report developed by the Overview and Scrutiny Management Board (OSMB) in relation to Children's Services, following an Inquiry Day led by the Audit and Governance Committee, had been considered and accepted by Cabinet. It was also due to be considered by the Shadow Executive that afternoon. The recommendations had implications for the way in which the Dorset Council operated and hoped to be of value to those working in the unitary council in future.

Progress on Matters Raised at Previous Meetings

- 21 The Committee considered a report containing outstanding actions identified from previous meetings that incorporated areas to be highlighted to the new Dorset Council for consideration in preparation of draft forward work plans.

The report also included the Interim External Audit Report which had been notified and received following publication of the agenda. This report drew attention to new accounting standards IFRS 9 (Financial Instruments) and 15 (Income Recognition) and requested information on the impact of the valuation of assets on the accounts as well as the implications arising from Brexit. There had been no changes to the significant risks and a reduction in materiality based on the Audit Partner's professional judgement which had been outlined in the report.

Noted

Modernising Fostering

- 22 The Committee considered an information report on the progress of the Modernising Fostering Programme which covered the background of the original proposals, the activity and impact of the changes.

The report was outlined by the Director for Children's Services and began with an investment in the Council's fostering service approved by Cabinet on 27 September 2017 to increase the number of approved foster carers and reduce reliance on independent foster carers (IFCs). A Modernising Fostering Plan followed this approval and a new Foster Carer Fees and Allowances Policy was introduced in April 2018 as the allowances paid to foster carers had been lower than those of other local authorities in the South West.

An external agency "WREC" was appointed at this time to undertake the publicity and recruitment elements of the programme and deliver foster carer recruitment prospects (from May 18 onwards) for assessment by the pre-approval team of the fostering service. The timescale for assessment of carers had been shortened from 24 to 18 weeks.

The Director highlighted that historically, 17 new foster carers had been recruited each year and the overall aim of the Plan was to recruit 70 foster carers in 2018/19 and reduce the requirement for IFCs. Funding had been built into the budget to support this, the detail of which had been included in the report. The initial proposals were ambitious and subsequently revised to 25 new mainstream foster carers and 23 connected persons for the year ending 31 March 2019.

Independent auditors, Ingson Ltd, were commissioned following the first quarter of activity and this audit identified new enquiries that had not been followed up within the 18 week timescale. An improved monitoring and tracking system was subsequently implemented and 51 mainstream carers and 23 connected persons were expected to be achieved in 2019/20 as the first full year of delivery.

In response to questions by members it was confirmed that

- the contract with "WREC" was results based with incentivised payments based on the delivery of new suitably qualified prospects. Commissioning & Partnership officers were managing the contract and there were monthly contract monitoring meetings with the contractor. Foster carer retention was recorded elsewhere in the service.
- the process was reliant on follow up of prospects in accordance with the 18 week timescale and there was a continuous system of monitoring in place to track progress. The original assumption of 70 foster carers had been overly optimistic

- and was now set at a more realistic level.
- the number of high cost placements had stabilised at 440. Although the number had not reduced overall during the past 12 months, this was a significant achievement at a time as demand was rising in other local authority areas.
 - high cost placements were the greatest challenge due to the smaller number of foster carers with the necessary skills to deal with disregulated adolescents.
 - each in-house foster carer cost £30k less than an IFC. The recruitment of 70 foster carers would generate a saving of £2.1m.
 - the number of IFCs had reduced by 6 in the past year and continued to move in the right direction.
 - That the budget allocation for 2018-19 had not been fully spent as indicated in the report.
 - The audit work undertaken by Ingson Ltd was reported to the Service Improvement Board.

The Cabinet Member - Safeguarding explained that the Modernising Fostering programme had been specifically designed to increase the number of in house foster carers and reduce reliance on IFCs. The competitive nature of the recruitment process meant that staff had to chase medicals and DBS checks in order to comply with the 18 week timeframe.

The Chairman commented that the way in which the council operated meant that the committee had not had sight of the audit work reported to the Service Improvement Board even though this had been an area of focus for the committee during the past 3-4 months. Other members commented that as this was an "invest to save" initiative that progress would be made over the longer term.

Some questions had been circulated to the committee in advance of the meeting regarding social care caseload management and effectiveness of social care practice. Both these and the responses provided by the Director for Children's Services at the meeting are outlined below.

Children's Social Care Caseload Management

- *What is the total number of DCC social workers; split by Assessments, Case Workers, Managers, Other currently? (in order to get to the ratio of 1:16.7) and will this change after disaggregation on 1st April?*

The total number of social workers is 290 split by assessments, case workers and managers as outlined in the table below.

- *What is the most common ratio? i.e. the paper mentioned a current range of 1:3 to 1:18*

The indicative caseload in respect of case management is 1:14.9 cases, but there is some variation due to part-time working and qualifications. The averages would therefore not reflect minimum or maximum caseload ratios and was unlikely to change as a result of local government reorganisation.

- *What systems are used within the service to ensure a balanced mix of complexity of cases?*

Team managers allocate cases on the specific understanding of social work demands within small teams.

- *On what basis is the Christchurch area CS budget being disaggregated?*

The disaggregation figure agreed with Bournemouth, Christchurch and Poole in

June 2018 was based on the current cost of service delivery in Christchurch and was calculated by applying the appropriate population percentage to the budget line.

- *Approximately how many cases will be transferring to Bournemouth, Christchurch, Poole Council post 1st April?*

Approximately 200 early help, 200 social care cases and 32-34 Looked After Children (LAC) will transfer.

- *What will DC's ratios be after disaggregation? Will there be any vacancies? How many Agency social workers will remain and are these covering the work of any of the 27.5 vacancies? Is there a plan to keep reducing the number of agency staff?*

The forecast at the end of 2018/19 is 11.5 vacancies. 5 full time social workers are currently funded by the Department for Education's Innovation Fund as part of the Reinvigorating Social Work project which ends in July 2019. The five members of staff will be offered posts within care and protection, meaning that there will be 6.5 vacancies if these posts are accepted. There are currently 30 agency workers, 28 covering vacancies and 2 covering maternity absence. The number of agency workers could be reduced by approximately 16, leaving a total of 14 agency workers in April 2019.

Effectiveness of Social Care Practice

- *How many case file audits have been completed in the period Oct 2017 to date?*

More than 350 audits had taken place during this period as well as 40 monthly manager's audits. The type of audits was outlined in detail.

- *What have been the specific themes/ areas targeted – is the audit process set out/ documented anywhere?*

The regular monthly manager's audit themes in this period included child in need reviews and plans; visits and use of family history in decision making. Future themes include thresholds; child protection planning and quality of certain assessments. The audit process is documented in a monthly audit report to the Service Improvement Board.

- *What have been the outputs generated from the case file audits – what action has been taken based on findings and how is this tracked/ monitored to ensure benefits realisation?*

At the end of the monthly audit cycle individual audits are put onto the child's record and sent to the operational managers to review with Team Managers and Social Workers, so that any recommendations can be considered and actioned where appropriate. In addition there are monthly quality assurance meetings that include moderation of audits and examples of good practice and areas for development.

- *What were the outputs from the LGA assistance in the case file audit process their work?*

The LGA provided funding for "Ingson" Ltd to undertake reviews of specific areas which identified areas of good practice and where improvement was needed. These reviews were sent to operational managers to agree any actions and a weekly progress report provided to the Director until completed.

Members were provided with an overview of the role of the Family Partnership Zones (FPZs) and the early intervention work undertaken by family workers to prevent children coming into care. This reduced the need for statutory children's services and high cost placements for adolescents in future, although the need for high cost placements could not be eliminated altogether.

The Chairman asked about services to support families and it was explained that, as a partnership service, the family workers were able to access services across all agencies, including adult social care, in a time limited intervention of between 12-20 weeks. These arrangements had been in place for approximately 12 months and now operated in line with other local authority areas where a clear linear connection had been established between the outcomes of the FPZs and the reduction of statutory input.

Responding to a question regarding any correlation between performance outcomes and the closure of youth centres, the Director explained that the landscape had changed from an arrangement open to all children from 11 to 18 years to targeted youth work within the FPZs to work with young people outside of a school setting who benefitted from being befriended and helped through their difficulties.

Members were concerned that the Committee had not been aware of these audit processes or the findings or peer review.

The Director confirmed that the Council had partnered with Essex County Council under the "Partners in Practice" scheme to address issues arising from the audits, in addition to monthly audit moderation meetings to ensure that audit ratings were reliable. The programme of audit work had seen a shift from a significant number of audits that were inadequate to the bulk of the audits now rated as "good" or "requires improvement". The input from Essex County Council and the external independent social work audits had been instrumental in raising standards with the Service Improvement Board overseeing this programme. The service improvement plan had been revised in light of discussions with Essex County Council with the overall aim of ensuring actions were completed and embedded. Improvements had become apparent during the past 6 months and it would be important to continue this momentum.

The previous Ofsted inspection had taken place in 2016 and the inspection report was considered by the Safeguarding Overview & Scrutiny Committee. Ofsted had commented at the previous inspection that people were busy, but not looking at the difference the activity had made. A formal process of benefit realisation had subsequently been identified using the Ofsted framework, including outcomes based accountability, in order to assess whether the actions taken had improved the lives of children.

Noted

Financial Management Report

23 The Committee considered an update on budget management and financial performance in 2018-19 that also included debt management and supplier payments for the year to date.

The latest February forecast overspend had reduced to £1.6m with the expectation that this would reduce further by the year end. The overspend in relation to the High Needs Block was expected to increase to £5m.

Whilst recognising that it would be necessary to balance the budget in 2019/20 in readiness for the new council, members stressed the need to deliver effective

services through transformation rather than the loss of services due to budgets cuts. Officers confirmed that an assessment of the impact on services would form part of the planned base budget review for the new Council in 2019/20.

The Chairman wished it to be noted that one of the reasons a balanced budget would be achieved had been due to not replacing staff over the past 6 months leading to gaps in service provision. He also highlighted that the admissions policy of the special needs school at Bovington may not benefit Dorset as much as anticipated meaning that the favourable budget assumption might not be valid.

Turning to the debt information, it was confirmed that peaks in the flow of debt would be normal due to timing of the invoicing process, and debts with other local authorities and government bodies were expected to be settled by the end of the financial year.

Noted

Report of Internal Audit Activity - Plan Progress 2018-19

24 The Committee considered a report by the South West Audit Partnership (SWAP). A significant outstanding risk remained in relation to the High Needs Block, however, there were no new risks. Follow-up work had recently commenced after a delay due to an Ofsted inspection and would be concluded by the end of March 2019.

Members reiterated concerns that the Children's Services audits had not been carried out in 2018/19. Information provided in response to questions raised earlier in the meeting had provided some additional context. They were informed that the deferred audits had been discussed with the Executive Director of People and would now be undertaken as part of the 2019/20 audit plan.

The Chairman commented that information which might have been available to assist with these audits in 2018/19 had been diverted to the Service Improvement Board and he asked SWAP to have regard to these types of forums in future as a way of gathering information.

The Group Manager - Governance and Assurance advised that these issues related to elected member oversight and that there was sometimes crossover between performance and budgets and the Overview and Scrutiny Management Board (OSMB) played a role in managing items to avoid duplication of effort across the committees. The prioritisation of services based on the Corporate Plan and monitoring of performance and outcomes as a result of investment would need to continue to be considered by the appropriate member forums going forward.

Noted

Draft Annual Governance Statement 2018/19

25 The Committee considered a report that included the draft Annual Governance Statement (AGS) and associated "Review of Effectiveness" that was informed by the Council's Local Code of Corporate Governance Compliance Assessment 2018/19.

The report was introduced by the Risk, Emergency Planning and Resilience Manager who explained that due to the unique circumstances each sovereign council would produce a draft AGS and that the final statement would be signed by the Leader of the Dorset Council and the Chief Executive. However, the Dorset County Council Chief Executive would also sign off the statement as a true reflection of the authority's systems of internal control.

There were no significant gaps in governance arrangements, however, the draft AGS identified a number of areas of action. These related to ensuring that key risks and mitigation were transferred to the new Dorset Council and for a continued focus on

value for money with better alignment between performance and finance.

The Chairman reflected on how the principles outlined in the Local Code of Corporate Governance might be scrutinised within the new committee system so that members could assess whether these were being met and used to inform scrutiny workplans.

The Group Manager stated that the overview and scrutiny committees covered specific areas of responsibility and it was important that these forums evaluate and test the links to value for money and outcomes as a result of investment and then assess the results and outcomes achieved against that investment and performance.

Noted

Monitoring Corporate Plan Outcomes: Summary of issues being addressed by the Overview and Scrutiny Committees, March 2019

26 The Committee considered a report containing a summary of the approaches taken by the overview & scrutiny committees to address issues relating to delivery of the Corporate Plan.

A member highlighted a particular issue in relation to baseline health inspections for children coming into care that should be investigated and was advised that both officers and members had a responsibility to ensure that the correct information was available to the right committee and for ensuring a framework of measures to assess whether elements of the Corporate Plan were on target.

Noted

Questions from County Councillors

27 No questions were asked by members under Standing Order 20 (2).

Meeting Duration: 10.00 am - 12.05 pm