

Summary Sheet

Council Report:

Audit Committee – 19th April 2017

Title:

External Audit and Inspection Recommendations

Is this a Key Decision and has it been included in the Forward Plan?

No

Strategic Director Approving Submission of the Report:

Judith Badger – Strategic Director, Finance and Customer Services

Report Author(s):

Tracy Blakemore - Quality and Projects Officer, CYPS

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Ward(s) Affected:

All

Executive Summary:

In line with the audit committee prospectus “A fresh start”, the purpose of this report is to provide details of recent and current external audits and inspections, including the details of arrangements that are in place regarding the accountability and governance for implementing recommendations arising from these. The report will also summarise the progress against recommendations from across all key external audits and inspections.

Recommendations:

That the Audit Committee notes the governance arrangements that are currently in place for monitoring and managing the recommendations from external audits and inspections.

That the Audit Committee continues to receive regular reports in relation to external audit and inspections and progress made in implementing recommendations.

List of Appendices Included:

Appendix A: Summary of Recommendations from “Active” Inspection and Audit Action Plans

Appendix B: Ofsted Monitoring Visit October 2016

Appendix C: Ofsted Monitoring Visit February 2017

Background Papers

CYPS Improvement Plan

Fresh Start Improvement Plan and Phase Two Action Plan

Ofsted Report published November 2014

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Council Approval Required

No

Exempt from the Press and Public

No

Title – External Audit and Inspection Recommendations

1. Recommendations

- 1.1 That the Audit Committee notes the governance arrangements that are currently in place for monitoring and managing the recommendations from external audits and inspections.
- 1.2 That the Audit Committee continues to receive regular reports in relation to external audit and inspections and progress in implementing recommendations.

2. Background

- 2.1 In line with the audit committee prospectus “A fresh start”, the purpose of this report is to provide details of recent and current external audits and inspections, including the details of arrangements that are in place regarding the accountability and governance for implementing recommendations arising from external audits and inspections. The report will also summarise the progress against recommendations from across all key external audits and inspections. The report covers the 2 key improvement plans – Fresh Start and the Children and Young People’s Plan plus recommendations from inspections from across the rest of the Council.

3. Key Issues

3.1 Fresh Start Improvement Plan

- 3.1.1 The “Fresh Start” Improvement Plan is Rotherham Council’s strategic, organisation-wide response to the corporate, organisation-wide aspects of the external Corporate Governance Inspection (CGI), published February 2015 and the Jay and Ofsted reports published in 2014. Section 5 of the ‘Fresh Start’ Improvement Plan outlines the association between it, and its sister document the Children and Young People’s Improvement Plan, developed in response to the recommendations from the Ofsted inspection of children’s services.
- 3.1.2 The RMBC Council meeting on 22nd May 2015 approved the Fresh Start Improvement Plan, with full cross-party support, prior to the Plan’s formal submission to the Secretaries of State for Communities and Local Government (DCLG) and Education (DfE) on 26th May 2015. The version of the Plan as submitted to Government is publicly available via the Council website and while the Plan is not intended as a public-facing document, a short, executive summary version was prepared to support wider knowledge and understanding on the Plan’s main aims amongst council’s staff, elected members, partners and the public.

3.1.3 The Plan contains a suite of actions and milestones set out in a series of tables (sections 6.7 and 6.8). These were informed by the Government appointed Commissioner's assessment of the Council's key improvement requirements in order to achieve a "fresh start"). It took into account discussions with leading elected members, senior managers and a staff corporate working group. It also drew upon elements of initial work carried out by a corporate improvement board that the Council had established with the Local Government Association (LGA) following the publication of the Professor Jay report in August 2014.

3.1.4 The Plan is divided into two phases:

3.1.4.1 An initial "transition" phase, to May 2016, which focused on ensuring the Council had in place the basic building blocks of an effective council, namely:

- Inspirational political leadership
- Robust governance, decision-making and performance management
- A culture of excellence and outstanding implementation
- Strong, high impact partnerships

During the course of this initial phase the decision-making responsibility for a number of services was returned to the Council from Commissioners in February 2016.

3.1.4.2 The second phase of the plan, from May 2016, now focuses on embedding strong leadership and a new culture and follows on from the appointment of key, permanent senior staff and the 'all out elections' in May 2016. A "Phase Two" action plan was agreed by Commissioners at the end of the first phase in May 2016, and was subsequently endorsed at a public Cabinet and Commissioners Decision Making Meeting on 11th July 2016¹.

3.1.5 In terms of the implementation of the Plan and its governance arrangements, this continues to be overseen by the "Joint Board" of Commissioners and leading Elected Members (Labour and Opposition Groups), with links to the Strategic Leadership Team (SLT) and Assistant Directors.

¹ See <http://moderngov.rotherham.gov.uk/documents/s106354/Appendix%20-%20Improvement%20Plan%20Phase%202.pdf>

- 3.1.6 The Joint Board has met on a regular basis since July 2015, to assess progress being made against the improvement actions within the Plan. The first formal review of the Council's improvement progress to Government, submitted on 26th August 2015², featured an initial summary progress report based on the Joint Board's governance and performance management arrangements. The Commissioners' 12 month³ (February 2016) and 18 month (August 2016) progress reports to Government have since included further performance summaries, headline achievements to date, and ongoing risks.
- 3.1.7 The August 2016 (18 month) progress report included the full "Phase Two" action plan and a final performance report on Phase One. This confirmed that 82% of the identified actions (108) in Phase One had been substantively completed; with 18% of the actions (24) identified as areas of focus to be carried forward into Phase Two. The 24 actions carried forward into Phase 2 Plan were a mix of actions that had long-term timescales and/or where the Joint Board had agreed a deferral into the second phase - either because of a reassessment of their implementation timescales (e.g. due to interdependencies with other work-streams); or where delivery had been delayed). These carried-forward actions were integrated within the Phase Two action plan's 20 strategic improvement objectives, underpinned by 99 identified key milestones to assess progress. These 20 objectives and supporting key milestones now form the basis of the Joint Board's consideration through to May 2017.
- 3.1.8 The Commissioners' November 2016 progress report provided an assessment of progress being made with the Phase Two action plan and identified further service areas where Commissioners recommended to the Secretaries of State that decision-making powers should be restored. The report noted the completion of 27% of 99 actions set out in the plan (below the 20 objectives) which included the new Corporate Plan 2016/17, improved performance reporting, a new Safer Rotherham Partnership Plan, induction for councillors elected in May 2016 and a new Equalities and Diversity Strategy. The report also recommended the return of powers to the Council on nine additional service areas including community safety, adult social care, performance management and audit.

² Available on the Council's website at www.rotherham.gov.uk/download/downloads/id/2645/commissioners_six_month_progress_review_-_august_2015.pdf

³ See www.rotherham.gov.uk/homepage/351/commissioners_progress_reviews for copies of all Commissioner progress reports to Government

3.2 Adult Care and Housing

3.2.1 The Care Quality Commission (CQC) continue to undertake their programmed inspections of Rotherham MBC Adult Social Care registered providers. Below are the updates since the last report (November 2016):

3.2.1.1 Lord Hardy Court's last CQC inspection in December 2016 resulted in it being awarded an overall rating of good. Two actions were recorded with respect to:

- There were no staff dedicated to activities nor was there a structured activities programme. Due to workloads, activities were not consistently available for people to participate in. The service has taken steps to ensure that regular activities are available to all and that participation in activities is recorded in personal files. The team have recently created an accessible gardening feature using raised beds. There has been a focussed piece of work carried out on the dementia unit to develop individual activity plans for each resident.
- Changes in people's needs had not always been fully incorporated into all care records, and decisions made in people's best interest were not always clearly recorded in their care files. Action was taken to ensure recording in client files were accurately reflecting the up to date position. Follow up quality assurance checks have been scheduled by the service to ensure improvements are being consistently applied.

3.2.2 Office of the Public Guardian - External Assurance visit

A recent regular assurance visit took place on 10 January 2017. A summary extract from the external inspection letter shows a "Thank you for taking the time to meet with the (appointed external) visitor and discuss the management of the deputyships".

The visitor's report has been received and reviewed and referenced a very positive visit. A number of clients were visited as part of the assurance visit, examples include:

3.2.2.1 Ref xx58 – Miss A

The visitor raised no concerns and advised that Rotherham Metropolitan Borough Council manage the client's finances appropriately.

3.2.2.2 Ref xx18 – Mrs B

Mrs B has a profound learning disability and multi-system atrophy. She has lived in her current accommodation for approximately 30 years, she is very settled and is said to have a good relationship with her support workers. The visitor confirmed that she had no concerns with the client's environment or the support she receives. The deputy team transfer £140 per week to her care provider and the service manager reported to the visitor that this is sufficient to meet the client's needs. Again, the visitor highlighted no concerns regarding the client's finances.

3.2.2.2 Ref xx09 – Miss C

The visitor raised no concerns with the management of Miss C's finances. The visitor also made several other positive observations regarding safeguarding; finances and assets; office processes and skills and knowledge of the team.

3.2.3 Adult Social Care (ASC) continues to have a good compliance record with standards subject to inspection. Governance arrangements remain and are reported via the ASC Directorates development programme and the Transformation Board which is chaired by Sharon Kemp, RMBC Chief Executive, and has member representation from partner agencies.

3.2.4 Housing Service have had no further inspections or recommendations since the last report (November 2016).

3.3 Children and Young People's Improvement Plan

3.3.1 CYPS Improvement Plan

3.3.1.1 The CYPS Improvement Plan was reviewed in May 2016, following an intense period of change and improvement within Children's Services.

3.3.1.2 The revised Improvement Plan provided a refocus on the priority actions to ensure they mapped against the Ofsted judgements, recommendations, findings and it provided the opportunity to ensure that realistic RAG ratings were noted for each action. In addition, a process was added which provided a panel of partners undertaking evidence challenge which formally "signs off" a sample of completed actions and provides another level assurance to the CYPS Improvement Board of completeness of actions.

3.3.1.3 The 26 recommendations from the OFSTED inspection will remain in place and "open" in the refreshed plan until the secretary of state from the Department for Education has made a decision for Rotherham to come out of intervention and is satisfied that all the requirements have been met.

3.3.1.4 The focus of the improvement plan is to put in place a sustainable approach enabling CYPS to meet aspirational objectives and provide a continuous improvement cycle to enable movement to become a child centred borough with outstanding services.

3.3.1.5 The refreshed plan was presented to the Improvement Board in May 2016 and has been the focus of intense discussion at the last four board meetings.

3.3.1.5 A key element to the format of the Improvement Board meetings has been the introduction of "focus on" agenda items which are specific reports/presentations on one theme, the lead officers present to the Board and the challenge is then provided by partners at the Board.

3.3.2 CYPS Improvement Plan Governance

3.3.2.1 The governance of the CYPS Plan is through Children's Improvement Board which continues to meet 6 weekly. It is now chaired by DCS Practice Improvement Partner, Debbie Barnes and attended by the new Commissioner Patricia Bradwell. Lincolnshire County Council were appointed as Practice Improvement Partners in May 2016 following the departure of the former Children's Commissioner, Malcolm Newsam. The Improvement Board is attended by the Director and Assistant Directors of Children's Services, Chair of Rotherham Safeguarding Children's Board (RSCB) and key partners including health, police and schools.

3.3.2.2 The Children's Improvement Board continues to oversee progress through monitoring, challenging and supporting the actions of the Children and Young People's Improvement Plan. The Board considers the areas of greatest risk first, and lays the foundations for effective and sustained improvement. This includes challenging whether sufficient progress is being made, i.e. the right amount of progress in the right direction at the right pace.

3.3.2.3 A Performance Board was also established in May 2016 which has sharpened even further the senior stakeholder oversight of children's services performance. Membership of this Board is the Chief Executive, The Lead Member for Children's Services, the Director of Children's Services and the Independent Chair of the Safeguarding Board in addition to Assistant Directors and Heads of Service from across the Service. This has enabled the line of sight of key issues within Children's Services to be at the most senior within the Council.

3.3.3 Ofsted Improvement and Monitoring Visits

3.3.3.1 Since August 2015 there has been 5 visits from Ofsted as part of their improvement offer and these have looked at the MASH, Duty & Assessment, Child in Need, Child Protection, Leadership, Management & Governance, CSE and missing children and Early Help. These have been supplemented by two regional Sector Led Peer Reviews which looked at Leadership Management & Governance in June 2016 and Looked After Children and Care Leavers in October 2016. In addition our Practice Partners, Lincolnshire County Council have undertaken three Peer Reviews which looked at Looked After Children in June 2016, the Front Door 'MASH' including Duty and Assessment in November 2016 and SEND in November 2016.

3.3.3.2 As part of Ofsted publishing the framework for re-inspections of those Local Authorities who are found to be Inadequate in the Single Inspection Framework Ofsted announced the new approach of Monitoring Visits. These are similar to the improvement visits but are more formal and are subject to a published letter unlike the informal feedback received as part of the Improvement Visits. To date Ofsted have undertaken two of their four monitoring visits, the first took place on the 20th and 21st October and focused on Looked After Children, the second took place on the 9th and 10th February 2017 and focused on the 'Front Door' First Response, Duty and Assessment and Early Help. Ofsted have published a summary of the visit and findings in two letters (Appendix B: Ofsted Monitoring Visit Letter October 2016 and Appendix C: Ofsted Monitoring Visit Letter February 2017).

3.3.3.3 As part of Ofsted's approach to re-inspecting inadequate children's services, their proposal is to re-inspect two years following the publication of the action plan. Rotherham's action plan was published in February 2015. It is likely that there will be four formal monitoring visits before such a re-inspection takes place which is likely to be towards the end of 2017.

3.4 Rotherham Residential Children's Units

3.4.1 Rotherham Council, as a developing 'Child Centred Borough', has a strong resounding ambition to move away from the legacy of poorly performing services to a position of strength and confidence, which is reflected in the intention of the Children and Young People's Services Directorate to become rated 'outstanding' by 2018. In pursuit of this ambition Rotherham Council has reviewed the care offered across the whole of its residential care services for children and young people.

3.4.2 Rotherham Council's 'Looked After Children and Care Leavers Placement Sufficiency Strategy 2015-2018' identified that too many of Rotherham's children in care live in residential care and that more children need to be placed in a family based setting. To this end, it is the aspiration of the Council to reduce the numbers of children placed in residential care. The LAC and Care leavers Placement Sufficiency Strategy 2017-20 was ratified by the Corporate Parenting Panel on the 28th February 2017. The Fostering Service has a fit for purpose recruitment strategy to increase the numbers of in-house foster carers availability including:-

- Revised Financial and support packages
- Appointment to social media marketing post
- Expansion of the Therapeutic Service
- Development of a Virtual Assessment team
- Refer a friend scheme
- Mockingbird project

This is already beginning to have an impact as at w/c 13/3 there were 245 in-house placements (out of a total LAC cohort of 481) which is the highest ever *number* of in-house placements. A stretch target has been set to achieve 75% of in-house placements over the course of the Sufficiency Strategy. There are 16 assessments of prospective foster carers currently taking place with 22 new foster placements being approved over 2016/17.

3.4.3 Liberty House Short Breaks Children's Home is for young people with disabilities; The Home has 9 beds but staffing capacity dictates the number of young people able to access an overnight short break. The number of nights a child accesses the home within the month is varied and subject to their assessed needs.

3.4.5 Liberty House was judged as 'Good' on the 27/01/2016 and at the Interim Inspection undertaken on the 17/03/2016 the Home received a judgement of sustained effectiveness. Liberty House received a full inspection on the 2nd and 3rd November 2016, the outcome of which was that Liberty House was found to be an 'Outstanding' service provision. In the subsequent Interim Inspection this was further upgraded to Outstanding with Improved Effectiveness.

3.5 Regeneration and Environment Services

3.5.1 No further external inspections or audits have been undertaken since the last report.

3.6 Finance and Corporate Services

3.6.1 Each year the External Auditor issues a range of reports relating to the work to be undertaken and these are presented to Audit Committee:

3.6.1.1 External Audit Plan which outlines the audit approach and identifies areas of audit focus and planned procedures.

3.6.1.2 Interim Audit Report (if required), which details control and process issues and identifies improvements required prior to the issue of the draft financial statements and the year-end audit.

3.6.1.3 Report to those charged with Governance (ISA260 report) which:

- Details the resolution of key audit issues.
- Communicates adjusted and unadjusted audit differences
- Highlights recommendations identified during the audit
- Comments on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources (Value for Money)

3.6.1.4 Annual Audit Letter which summarises the outcomes and key issues arising from the audit work specifically in relation to:

- Audit of accounts
- Value for Money Conclusion
- Any other matters the external auditor is required to communicate

3.6.2 Any recommendations made by the External Auditor in relation to issues identified and the management responses to those recommendations are highlighted in the reports presented to Audit Committee. In carrying out the audit work each year the External Auditor examines progress in addressing previous recommendations made and comments on progress within future reports.

3.6.3 There are no outstanding recommendations from 2014/15 or earlier.

3.6.4 With regard to 2015/16, one medium and one low priority recommendation were raised within KPMG's 2015/16 ISA 260 Report which was presented to Audit Committee on 21st September 2016. These recommendations were implemented in 2016/17.

3.6.5 Each local authority's external auditor is required to certify that the annual claim for reimbursement by the Government of Housing Benefit (a means tested benefit administered by local authorities on behalf of the Department for Work and Pensions (DWP)) is fairly stated and to report any errors/adjustments to the DWP in a covering letter that accompanies the claim.

3.6.6 Whilst the DWP have no formal inspection process it does reserve the right to carry out an inspection if circumstances warrant it, i.e. if a Local Authority's performance causes concern.

3.6.7 KPMG, who carries out the audit on behalf of DWP, checks the financial validity of the housing benefit subsidy claim and, depending upon their findings, can:

3.6.7.1 Where, no errors are found during their audit, certify the claim as fairly stated (i.e. provide an unqualified opinion on the Council's return).

3.6.7.2 Where minor errors are found, agree adjustments to the claim with the Council and make no reference to errors in their opinion to the DWP (without qualification).

3.6.7.3 For more significant errors, either in process or figures, the external auditor is likely to qualify the opinion on the Council's return and explain the reasons for doing so to the DWP, who will then determine what action, if any, needs to be taken on any points raised by the auditor.

3.6.8 The audit of the Council's 2015/16 was completed on the 2nd February 2016. As in previous audits, the Council received only very minor qualifications resulting in amendments being made to the final claim in accordance with the DWP arrangements.

3.6.9 The audit for the financial year 2016/2107 will commence in July 2017 .

4. Options considered and recommended proposal

4.1 Audit Committee consider the detail of the report including Appendix A which provides a high level summary of the current position of inspection recommendations.

5. Consultation

5.1 Not applicable to this report.

6. Timetable and Accountability for Implementing this Decision

6.1 The timescales for each inspection recommendation differs and is included in Appendix A.

7. Financial and Procurement Implications

7.1 There are no financial implications.

8. Legal Implications

8.1 There are no legal implications.

9. Human Resources Implications

9.1 There are no Human Resources implications.

10. Implications for Children and Young People and Vulnerable Adults

10.1 The recommendations in relation to inspections in both Children and Young People's Services and Adult Social Care have direct implications on the quality of services provided to children, young people and vulnerable adults. Completing the recommendations will improve outcomes for these groups.

11. Equalities and Human Rights Implications

11.1 Equality Assessments are undertaken in relation to any new policies or strategies that are developed as a result of the work being undertaken to improve services.

12. Implications for Partners and Other Directorates

12.1 Partnership approaches are key to improving services, particularly in relation to Children and Young People's Services, the Improvements need to be of a multi-agency nature and owned cross the partnership. The CYPS Improvement Board is made up of senior officers from partner organisations.

13. Risks and Mitigation

13.1 There is a risk that actions are reported as completed without substance, it is important that arrangements are in place as part of the respective quality assurance regimes and monitored through performance management, evidencing not just completion of actions, but the associated outcomes. As governance arrangements are strengthened, these risks become mitigated.

14. Accountable Officer(s)

- Anne Marie Lubanski, Strategic Director of Adult Care and Housing
- Damien Wilson, Strategic Director Regeneration and Environment Services
- Ian Thomas, Strategic, Director Children and Young People's Services
- Judith Badger, Strategic Director Finance and Customer Services

Approvals Obtained from:-

Judith Badger, Strategic Director, Finance and Customer Services

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