General Purposes & Audit Committee

Meeting of the General Purpose and Audit Committee held virtually on Wednesday, 27 January 2021 at 6.32pm via Microsoft Teams.

This meeting was Webcast – and is available to view via the Council's Web Site

MINUTES

Present: Councillor Karen Jewitt (Chair);
Councillor Stephen Mann (Vice-Chair);
Councillors Jamie Audsley, Jan Buttinger, Mary Croos, Steve Hollands, Stuart Millson, Tim Pollard, Joy Prince and Clive Fraser (In place of Bernadette Khan)

Co-optee Member: James Smith

Also Present: Councillor Alisa Flemming (Cabinet Member for Children, Young People & Learning)
Elaine Jackson (Assistant Chief Executive)
Lisa Taylor (Director of Finance, Investment and Risk and S151 Officer)
Matthew Davis (Deputy S151 Officer)
Ian O'Donnell (Finance Consultant)
Nish Popat (Interim Head of Corporate Finance)
Iain Low (Head of SPOC and Assessments)
Nick Pendry (Director of Early Help and Childrens Social Care)
Kim Hyland (Complaints Officer)
Stephen Rowan (Head of Democratic Services and Scrutiny)

Apologies: Councillor Alisa Flemming for lateness

PART A

56/20 **Disclosure of Interests**

There were none.

57/20 **Urgent Business (if any)**

There were no items of urgent business.

58/20 **Council Meeting Dates 2021/22**

Officers spoke to the report of the dates for Council dairy in the 2021-2022 municipal year, highlighting that the Committee was to agree the dates of the

Council meetings set out in the report. The report also noted the dates of the Cabinet meetings that had been set by the leader. The report also noted the remaining diary dates for all the various committees. The council diary dates for 2021-2022 had allowed the pre-election period in 2022 with not many meetings in April.

Members highlighted the comment made on the local elections and that the annual council was described as an indicative date. And I would suggest it would be moved back a week until the 30th May.

The Committee **RESOLVED** to:

1.1 Approve on behalf of the Council the schedule of Full Council meeting dates for 2021/2022 as detailed in paragraph 3.2 of the report;
1.2 Note the schedule of Cabinet meeting dates for 2021/22 as detailed in paragraph 3.3 of the report; and
1.3 Note the proposed schedule of remaining meeting dates for 2021/22 as detailed in Appendix 1.

59/20 **Croydon Finance Review - Phase 1 Report - update on implementation**

Officers present updated Members with an overview of the implementation of the Financial Review Phase 1 Report, which was commissioned in May 2020.

This first phase report reviewed three areas: 1 – Finance planning; 2 – Budget setting; and 3 – Budget monitoring processes and arrangements within the council.

With regards to the arrangements, the CIPFA financial management standards had been mandatorily adopted by local government as best practice standards, with effect from April 2020. The action plan set out alongside the seventy-five recommendations, recognised that it would take time to implement the recommendations and therefore officers prioritised those that were to be implemented quickly. This was how the recommendations were graded as priority 1 to priority 5.

Officers shared that the progress thus far indicated the key issues highlighted in paragraph 3.4 of the report were related to specific areas.

Since October 2020, some of the recommendations had been completed, there were others in progress and some had not been completed, and with the challenges faced, the team had worked very hard on this.

In detail, with regards to the Priority 1 recommendations, there had been improvements in the financial governance and new budget settings processes had been put in place. This followed from the development budget meetings held in autumn and a report would be brought to Cabinet in March 2021.

A lot of work had been done on the medium term financial strategy which was also one of the recommendations that came from the report in the public interest. This set out the proposals to build up reserves over the next three years. The medium term financial strategy also had a contingency budget for both next year and future years, which was important for the organisation in the current circumstances. The council had received support from external advisors like CIPFA to help review the medium term financial strategy, provide feedback, challenge and support. Officers had also reviewed the financial risks of the organisation to ensure that they were reported and monitored monthly and quarterly at the various Cabinet and General Purpose and Audit Committee meetings for more transparency.

Officers highlighted the housing revenue accounts and indicated that the thirty year business plan was to be refreshed, and a new council wide asset management plan was being developed. The capital programme for the next three years was under review, which looked into the in-year capital programme with a view to reducing the capital programme, which ultimately would reduce the council's borrowing. This item went to Cabinet ahead of the budget setting report in January 2021, where there was discussion on the budget monitoring. Officers advised that they had improved and increased the level of budget monitoring, with all areas due to be reviewed monthly from the start of the next financial year.

Officers also shared that a lot of work had gone into identifying savings. A number of substantial savings had gone into the budget this year, and the budget bill for next year would require even more savings. A tracker system to track all of the savings had been implemented. This would hold senior staff to account and provide an early insight on any risk to delivery or any non-delivery performance.

Members of the Committee welcomed the report and thanked officers for their work in challenging circumstances. The Members discussed the report in detail with comments and asked a variety of questions.

There was a question relating to the number of recommendations that were marked as closed or partially closed based on the Cabinet approval received in July and September 2020. Since there had been changes within the leadership, Members wanted to know whether there was a change within the approach to reopen or examine some of the decision that were approved. Officers informed that there had been ongoing work around setting the budget for 2021-2022 and the review of the capital programme. Though all forward options were reviewed, previous options had not been reviewed under the new Leader.

In a supplementary question relating to closed items, officers confirmed that closed items were thoroughly discussed with other officers before being signed off. They further advised that signing off an action in relation to a recommendation did not necessarily mean the recommendation was implemented as there often may be more than one action to a particular recommendation.

Members reflected on the seventy-five recommendations where some had been completed, some were being progressed and others may had slipped, which provided difficulty in visualising the time scales for success. This was noted by officers.

Members discussed recommendation forty-five and the input council Members in the backbenches of both groups should have to be able to challenge officers with asking the right questions. Officers took note and highlighted that briefings with Shadow Cabinet Members would be arranged for reports to be reviewed in detail so challenging questions could be addressed at meetings.

In regards to recommendation sixty-six, Members asked for further insight to the development, which was not up to standard. Officers informed that this related to high risk budgets and whether they were being scrutinised monthly as a minimum. Though high risks were identified, the analysis around what could be done to manage this was not part of the report. Discussions were held between the Executive Leadership Team and Cabinet, and thus the budget monitoring report would provide further information to assist that process, meaning that the standard was not met.

Members discussed the recommendations, the overall framework for the budget and the implementation of the savings, particularly to actions thirty and forty-one. It was asked what the difference was between what was decided by project management and how the financial systems were monitored, and how cost savings were identified and accounted for by department. Officers informed that the programme officers had designed a tracker where it had been tweaked to cater to the organisation specifically to avoid any duplication. Budget managers would input their forecast and understand the importance of how to forecast inputting the right information for data to be retrieved from the tracker. This had been trialled for implementation for next year. The savings tracker was in an electronic format and managed by the programme management office, the finance team and a responsible officer. Officers further informed that financial monitoring alone would not provide a full picture of the implementation of a particular saving. It provided understanding to the activities happening to support process and identify risk. In regards to the double counting, officers said that as part of the budget setting process the organisation was very much more alert to regularly ensuring balance was in place.

Members questioned the new processes that helped with the delivery of savings and queried its success. Furthermore, it was questioned whether progress was in line with expectations, and also the impact the change would have on the governance model. Officers agreed that there had been challenging periods, but the organisation now had a greater understanding of its financial position. Although, the council was in a better position than when this work started, there was still more room for improvement. In response to the question about progress, officers informed that by setting expectations it prioritised actions and set deadlines for implementation of tasks where there

was considerable progression. In response to the impact of the changes on the governance model and the recommendations and decisions, officers noted that the arrangement would be tweaked within the operation of the organisation should there be a change, though the fundamental principles that applied to the financial management would not change only the decision making which was underpinned by the financial management.

In regards to recommendation forty-four, Members noted that the budget report should only contain saving proposals, and had asked where the evidence was within the budget setting process for clear, achievable and believable path to the benefits realisation. Officers responded that there was a business case that had been challenged and reviewed at the budget development meetings and signed off by the Director responsible in consultation with the finance team. Bigger business cases deemed more risky or challenging had external support for further review. With more scrutiny around this in the future, it would also to be part of the tracker process to hold to hold people to account.

In regards to recommendation forty-six, Members noted the engagement of Corporate Leadership Team for the budget development in regular briefings and asked how there was assurance that a wider leadership team was collectively taking responsibility for the budgets rather than an individual responsibility. Officers informed that at the bi-weekly budget development meetings, the Corporate Leadership Team would be in attendance where several conversations were held (and also within their departmental teams) to work together in delivering cross cutting savings. This was a developmental process which would evolve to more challenging scrutiny within the organisation in the future.

In regards to recommendation fifty-five, Members had noted that budget managers should be held to account for failure to deliver corrective action and asked what impact it would have on the ability to monitor budgets. Officers advised that there was several conversations around holding people to account. Regular monthly monitoring reports (presented at Cabinet meetings) along with the use of the tracker would review the transparency of the savings, overspending in departments and spending control panels. Officers further added that corrective action had been addressed in a controlled way with nearly £29 million pounds worth of corrective action taken during the course of the year to try and bring the budget back within the bounds of affordability; although it was not enough it was a significant amount.

With reference to recommendation twenty-eight, regarding the budget development meetings, Members asked about the challenges and expectations from these meetings. Officers informed that the proposals put forward were tested for robustness and accessibility, though the high level standard of challenge was not met, the services were working towards improving the quality of information at these meetings to provide more robust challenge in future budget development processes.

Members asked for further details relating to EY who had been commissioned to support the medium term financial strategy with an assessment. Officers informed that the scenario based financial resilience assessment was to review and provide guidance for sustainability and deliverance as an organisation. This model stress tested the council's budget to reflect extreme circumstances to understand whether the council's finances would hold within those circumstances. It also reviewed the level of reserves that needed to be planned for the medium term financial strategy.

In relation to programme management, Members wanted to understand the process further. Officers advised that transformation projects were treated in the same way as any saving options. For example, with an in-progress activity, the transformation budget would be set aside for the new financial year in April 2021 where officers would be required to bid for the money and produce a business case which would allow the responsible person to be held accountable. These transformation activities and actions would be reported within the programme management officer report as it was to be delivered as part of the 2021-2022 medium term financial strategy holding responsible persons to account. The programme management officer would also manage the response to the report in the public interest and there was a senior level of accountability as part of this process.

The Chair thanked officers for their report.

60/20 **Children's Service Complaint Report**

Officers spoke to the report and updated Members on the findings and recommendations following a complaint within Croydon Early Help and Children's Social Care Services, which was passed to the Local Government & Social Care Ombudsman (LGSCO). This included another local authority Kent County Council which was also mentioned within the report.

Officers informed that following a referral that came to Children's Social Care in June 2018, the response from Croydon had not met practice standards and was not child focused. The LGSCO was concerned of the cross boundary issues, where the young person resided in one local authority and the alleged perpetrator(s) resided in another local authority. The findings stated that Croydon did not carry a strategy discussion, pulling key professionals and protective agencies (such as police, health, schools) together to agree a plan, actions and timescales in carrying out different tasks.

In Croydon, this did not happen and the strategy meeting did not take place and thus there was no coordinated approach from Croydon and the other local authority to fulfil clear roles and responsibilities.

The LGSCO recommendations was to carry out an audit of fifty similar cases where there were cross boundary issues, to ensure that correct procedures were adhered to, putting the young person at the centre of all decision making, and that they were right and proper.

The review and findings needed to be reported back to the LGSCO upon completion; further, with similar practice found, a wider audit was to be conducted. Officers concluded that senior officers were conducting the review which was to take place in February. Findings from the audit was to return to GPAC, the Safeguarding Partnership and the Improvement Board.

Cllr Flemming arrived at the meeting at 8:14pm.

Members raised questions in relation to the learning of audits and professional curiosity. Officers advised that there was a bi-monthly programme of audits and twice yearly practice week session of audits that reviewed work across Children's Social Care and Early Help. In the last year the proportion was made up of senior managers, which was very good, with a small proportion that required improvement, and one that was inadequate though it did not identify with the same issues that the LGSCO reported. This instance was therefore noted as an exception rather than a general matter of concern; though much learning was to be taken from this, and officers added that across the service this was not indicative of wider issues around poor practice and lack of professional curiosity. Further, officers highlighted that the service proposed to conduct through the multi-agency lens, a similar audit of activity at the front door service, with police and health partners, who would also be involved at strategy meetings.

Questions were raised by Members whether the Committee would be able to have sight and monitor the findings of the case going forward and officers responded informing that the findings of the audit would allow the Continuous Improvement Board chaired by external multi-agency, which will get over sight in scrutiny, though a summary could also be reported to this Committee.

Members had commented in relation to the organisation of the audit and queried that in identifying similar cases over a period of three to four years, would officers be able to identify the fifty cases and how would they be chosen. Further questions were asked about how senior managers were chosen to audit and whether it was good practice for external regulators and other local authority to review. Officers responded to the questions advising that colleagues in performance would be able to interrogate the data held across Children's Services to gather the key issues within the named case. This included looking for types of presenting needs for the young person and the cross-border issue. Should the team be unable to collate fifty cases, they would look for similar cases.

With regards to the senior management, officers enlightened that it was general practice for senior management in Children's Social Care to undertake audits of the work within their organisation for reasons such as technical knowledge required in particular procedures. Senior management was said to be very experienced in being very critical of their own work following regular external regulators such as Ofsted Inspectors who would scrutinise their work. Senior management would be pulled from across the service and would sit independently. Members heard that external regulators

would review the audits upon their request, where they would be required to review the recent and current audits undertaken. The service continued to use their improvement partner Camden as another local authority to peer review and peer audit work, though this was not a requirement from the LGSCO recommendation and auditing in this case would not be shared with Camden for scrutiny; Camden was the Department for Education partner in practice.

Members made comment in relation to the human resource impact, noting that there was no impact and queried whether there was a process that had not been followed correctly and whether there should be reference to training or cultural change as part of the human resource impact. Officers informed that this was to be included within the human resources recommendations, and clarified that the outcome of the audits would move into the internal Continuing Professional Development (CPD) Cycle, and that the front door service would receive a specific wider learning for practitioners and management development. Supplementary comments were made regarding the massive amount of improvement within the Children's Social Service and the service was congratulated for their hard work.

Further comments echoed the failings in working with other departments and with other councils, and Members queried whether there was any council wide learning particularly from the transformation of Children's Social Care that could be applied to other areas of the council. Officers informed that they worked very hard in Children's Social Care to work much closer with families and this was conducted by auditing and working directly with the families for families to learn what working in the service would be like, and feed back to service delivery. This was important, as hearing the voices of the families and the voices of the young person in the work that was conducted helped to show compassion and thoughtfulness to vulnerable families in a way that made a difference to how they would experience the service, and this was a great stance to be in.

In addition, the Chair noted from the report, that it was disappointing that all councils involved in the named case that had been invited to attend the strategy meetings were not in attendance. Officers informed that within Children's Social Care partner agencies or other local authorities often receive short notice meetings with stretched resource for staff to attend. Croydon Children's Service though do try their very best to ensure they attend other agency meetings. The Chair concluded that having the LGSCO involved, though there was an understanding, in the circumstances it was not an acceptable response given the importance of strategy meetings with sufficient notice provided (even up to an hour) a representative should be present; and with the seriousness of the case it was poor that no representative was present to ensure the family's best interest.

The Cabinet Member for Children, Young People & Learning added that in reflection, there was more work that needed to be done with other local authorities to ensure all services were active in all stages of the process; one of the learnings from the Ofsted journey was the way in which partner agencies worked together, and thus at any given stage should all partner

agencies not be engaged from the outset then the outcome for the young person would not be the best it could be, which was one of the reflections and learnings in this situation.

Members commented on points within the report relating to a response to the ombudsman, and highlighted that the pressure to stay 'good' could create blind spots and queried on the culture element on the 'good' journey. Officers responded that the response to the ombudsman comment was raw and that the particular example was indicative of a systemic issue across Children's Social Care. The Service's improvement would have made this more of an exception than an indication of a systemic issue, and this was evidenced by the audit programme, the increased management oversight, which was reflected in the Ofsted Inspection, and increased scrutiny from senior management of their practice in the service. The Service was continuously improving their service and this was also highlighted by the Improvement Board who reviewed practice monthly and challenged rigorously. Officers were proud of what the service had achieved.

The Chair thanked the officers and Cabinet Member to speak to the report and responding to questions.

The Committee **RESOLVED** to note the recommendations:

1.1 The Committee is asked to note the recommendations made by the Local Government & Social Care Ombudsman (LGSCO) in relation to Croydon Council in a public interest report dated 26 November 2021 as follows:-

- Share the learning points from this case across its organisation, to ensure staff are aware of their responsibilities in respect of information sharing, professional curiosity, and cross border child protection referrals; and

- Conduct an audit of 50 cases closed in similar circumstances between 2018 to date. If more than 25% of those cases identify similar issues the Council should make resources available to conduct a full case audit. The full audit should review all cases closed in similar circumstances between 2018 to date.

- Within three months the Council should confirm the actions they have taken or propose to take. The Council should consider the report at a full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this.

1.2 The Committee is further asked to agree the progress and time line to implement the recommendations as per section 7 below.

61/20 **Exclusion of Public and Press**

This was not required.

The meeting ended at 8.45 pm

Signed: .....

Date: