

North East Lincolnshire Council

**Annual
Governance
Statement
(Addendum)**

(December 2021)

Addendum

Preamble:

The Annual Governance Statement for the Council was signed by the Leader and Chief Executive/Head of Paid Service on 30th September 2021.

On 11 November 2021 the Annual Governance Statement was accepted by the Audit & Governance Committee.

In the meantime the Council has undergone an inspection by Office for Standards in Education, Children's Services and Skills (OFSTED), the result of which will impact on the value for money assessment conducted by the Council's independent external auditors, Mazars.

It is in this context and with the support of Mazars that the addendum is made.

Page 9 Section 5 External Audit

The following paragraph is deemed deleted:

“External Audit – There were no significant issues arising from the external audit of the Council's 2020/2021 financial statements. The Council's external auditors, Mazars, have proposed an unqualified opinion on the financial statements. In relation to the VFM Conclusion, auditors have not identified any significant risks as part of their work to date.”

In its place the following is inserted:

“External Audit – Until the OFSTED inspection conducted in October 2021 and the report being published on 26th November 2021, there were no significant issues arising from the external audit of the Council's 2020/2021 financial statements. The Council's external auditors, Mazars, have proposed an unqualified opinion on the financial statements. In relation to the VFM Conclusion, auditors had not identified any significant risks as part of their work to date.

However, as a result of the OFSTED report and rating, Chief Officers of the Council engaged with Mazars who advised that the VFM conclusion would have to be revisited given the reported risk of significant weakness.”

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The Office for Standards in Education, Children's Services and Skills (Ofsted)

The above section sets out a chronological account of recent Ofsted activity.

After the paragraph:

“In addition during 2020/21 the Council appointed a new Director of Children’s Services reporting to the Deputy Chief Executive, whilst subsequent appointments have been made to all senior manager posts within Children’s Services.”

The following is deemed inserted:

“From 4th October 2021 to 15th October 2021 Children’s Services were subject to a full Inspecting Local Authority Children’s Services (ILACS) inspection by OFSTED.

The final report identified widespread weaknesses in assessment, planning and management decision-making. Further, that Corporate decision-making was not prioritising the needs of children or providing the necessary resources to drive or sustain the systemic improvements that are required to make a difference to children’s lives.

The high turnover of social workers and managers had had a profound impact.

As a result, OFSTED rated the Council to be “Inadequate”.

This was in contrast to the findings made by OFSTED in their visits prior to this.

The Council anticipates the appointment of a Commissioner shortly who is likely to carry out a diagnostic exercise over a period of time and reach conclusions as to the operation of Children’s Services going forward.

The Council is putting in place more stringent oversight arrangements in Children’s Services from both an officer and member perspective.

The Council continues to work closely with the Department for Education led Improvement Board and anticipates a close and constructive working relationship with the Commissioner.

In the meantime arrangements are being made to form a Children’s Services Oversight Group (CSOG) with a remit for oversight of the Children’s Services improvement agenda (including a key and leading role for elected members), following the recent Ofsted inspection.

The Terms of reference of the CSOG being proposed as follows:

- To receive such reports as it directs from the Director of Children’s Services in respect of the progress, implementation and impact of the Children’s Services Improvement / Transformation Plan
- To receive such reports as it directs regarding the use and effectiveness of resources in Children’s Services
- To make such recommendations to the Portfolio Holder for Children and Education, the Director of Children’s Services and the Chief Executive as it considers appropriate - without prejudice to the role, remit and functions of Full Council, the Cabinet or the Children and Lifelong Learning Scrutiny Panel

- Membership will be extended to include the Department for Education (DfE) appointed Commissioner and may also include co-opted representatives whose skills and experience strengthen and are complementary to those of CSOG.
- CSOG may extend invitations to other officers and partners with relevant skills, experience or expertise to attend the meeting
- CSOG will be the mechanism for reporting through the Commissioner to the DfE regarding progress and improvement
- CSOG will meet at least monthly”

15th December 2021.