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AUDIT COMMITTEE
Friday, 4th November, 2016

S U P P L E M E N T A R Y P A C K

1.	DOMICILIARY CARE	A77-2016
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To consider the updated Adult Social Care Action Plan arising from the Wales Audit Office Report into the Domiciliary Contract Letting

(Pages 3 - 20)

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Powys County Council, Adult Social Care Action plan Wales Audit Office Report regarding Domiciliary Contract Letting to Alpha Care

WAO Recommendation							
<p>1. The Authority should ensure that the weaknesses and / or deficiencies in the arrangements established to let the current domiciliary care contract are not replicated in any future domiciliary care procurement exercise. These include deficiencies in:</p> <ul style="list-style-type: none"> • Governance and accountability • The way the contract was structured • Information made available to tenderers; and • The way in which tenders were evaluated 							
PCC Outline Response and indicative measures of success (show an understanding of the recommendation and what a successful response to it is likely to achieve)							
<p>This work has been undertaken following completion of the earlier CSSIW Action Plan. The Local Authority is committed to strong and effective commissioning arrangements, and has worked to ensure that all staff involved in the development of commissioning initiative, contracts, and tender evaluation are appropriately trained and follow corporate protocol. This includes agreement and adherence to clear governance arrangements for both the strategic planning of health and adult social care services under the umbrella of the Regional Partnership Board and the commissioning / tender evaluation requirements that result from this strategic planning.</p> <p>As the Council progresses its journey as a 'commissioning council' we have established the Cabinet led Commissioning and Procurement board in order to ensure oversight of commissioning and procurement activity across the council as a whole.</p>							
Response Owner				Response Ref:			
Action Ref:	Action	Outcome	Start Date	Target Date	Responsible Officer	Comments	RAG Rating
1.1	All future commissioning activity is aligned to Health and Adult Social Care Integrated Leadership Programme	Governance and Accountability structures will be agreed and communicated ahead of the start of all commissioning activity.	June 2015	Embed in business as usual	Dylan Owen	We continue to embed this recommendation throughout our commissioning	

	(HASCILB) and / or Adult Social Care Service Improvement Plan					<p>practice</p> <p>A suite of Integrated Commissioning Strategies have been developed in partnership with PtHB to fully align to the HASCILB programme. These include:</p> <ul style="list-style-type: none"> • Older People (currently out to consultation). • Learning Disabilities • Carers • Substance Misuse <p>A draft Integrated Assistive Technology Commissioning Strategy will be presented to the Joint Partnership Board for approval to undertake formal consultation.</p> <p>A first draft of an Integrated Physical Disability and Sensory Impairment Commissioning Strategy is complete.</p>
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						Governance arrangements for each strategy and all resulting commissioning activity is clearly detailed within strategies and communicated to commissioners to ahead of commissioning.	
1.2	Governance for commissioning activity is directed through the respective partnership board to the Regional Partnership Board and onto PCC Cabinet and PTHB Board.	Ongoing monitoring and scrutiny of commissioning activity will be assured at appropriate levels within PCC and PTHB	June 2015	Embed in business as usual	Dylan Owen	Measures are monitored through the Council's Quarterly Business Meeting (comprising of the Portfolio Member, Scrutiny Lead (observing role), and Director of Social Services. Governance of each strategy is via an appropriate thematic partnership board that report to the HASCILB Programme Board. Monitoring and scrutiny processes have been enhanced through additional	

						authority being given to the Joint Partnership Board (PCC & PtHB) to oversee joint commissioning activity	
1.3	PCC's existing Commissioning Toolkit will be enhanced through development of guidance around contract development, including consideration of contract size and value respective to market conditions / capacity	Future contracts size and values will be aligned to market requirements / provider capacity	February 2016	March 2016	Gail Jones	Guidance incorporated into the Guidance for Officers that is referenced within the Commissioning Toolkit.	
1.4	Governance arrangements to include scrutiny of adherence to Corporate project management processes	Project Initiation Document to include governance agreed at thematic boards and HASCILB	February 2016	Embed in business as usual	Dylan Owen	<p>A Corporate Gateway process has been agreed to provide effective challenge and management control across commissioning activities.</p> <p>Projects agreed for implementation via the Gateway process are managed in line with corporate project management processes. This</p>	

						includes the development and implementation of PID's overseen by respective thematic boards that report to HASCILB.	
1.5	PCC's existing Commissioning Toolkit will be enhanced through development of guidance around the development of ITT's	Improved quality of information provided to Tenderers	February 2016	March 2016	Gail Jones	Guidance incorporated into the Council's Contract Procedure Rules.	
1.6	Revise guidance for tender evaluation, and recording of evaluation undertaken on BRAVO	Improved tender evaluation, and evaluation recording	February 2016	March 2016	Gail Jones	Face to face training provided for evaluator by CST and guidance incorporated into the Guidance for Officers referenced in the Commissioning Toolkit	
1.7	Commission support from IPC to identify best practice, and to recommend future domiciliary care commissioning model	Best practice model developed. Market Position Statement produced. Recommendations identified for future procurement method	Nov 2015	March 2016	Dylan Owen	IPC presented their review of best practice models, and future proposed domiciliary care commissioning model in January 2016. A draft domiciliary care strategy and market position statement was	

						presented in March 2016	
1.8	Workshop to be held with all commissioning and procurement managers around tender evaluation	Improved understanding and tender evaluation skills	Feb 2016	May 2016	Gail Jones	Before tenders are evaluated, members of the Commercial Services Team provide face to face or phone training to the identified evaluators for that tender. Slides used for the training are incorporated into the Guidance for Officers referenced in the Commissioning Toolkit and deal with Evaluator responsibilities and the technical aspects of using the Bravo system for recording scores.	
PI Ref:	Measure of Success - These measures will be monitored through the Council's Quarterly Business Meeting (comprising of the Portfolio Member, Scrutiny Lead (observing role), Director of Social Services.		Baseline 2015/16	2016/17	2017/18		
	The rate of delayed transfer of care for social care reasons per 1,000 population aged 75 or over		2015/16 Data will be available May 16				
	Re-ablement clients complete a period of re-ablement (where outcomes have been achieved)		2015/16 Data will be				

		available May 16		
	Number of tenders successfully let with no issue identified during contract initiation period.	6		
	Provider Forum feedback on quality of ITT's	Individual feedback achieved on all tenders		
	Provider Forum feedback on quality appropriateness of contract size(s) commissioned	Individual feedback achieved on all tenders		
	Reduction in missed domiciliary care calls			

WAO Recommendation							
<p>2. In order to meet the challenges of transforming its service delivery in the light of reduced financial resources and increasing demand, the Authority has adopted a clearly defined commissioning and procurement strategy.</p> <p>We recommend that the Authority consider whether the issues raised in this report have wider relevance for the successful delivery of its commissioning and procurement strategy, and undertake a review of its processes for developing and letting major contracts. Particular attention should be paid to ensuring that the governance arrangements for developing, scrutinising and approving contracting exercises are appropriate and are working in practice.</p>							
PCC Outline Response and indicative measures of success (show an understanding of the recommendation and what a successful response to it is likely to achieve)							
<p>A suite of integrated commissioning strategies have been developed in partnership between PCC and PtHB. The Learning Disabilities, Substance Misuse, and Carers' commissioning Strategies are all agreed, and the Older Peoples, Assistive Technology, and PDSL Strategies are currently being scrutinised by the appropriate governance boards for agreement.</p> <p>The requirement to develop sustained market development to deliver the commissioning intentions within each of these strategies has also led to the establishment of thematic provider / engagement forums. This is already realising benefits of developing greater social capital and partnerships between the Council and partners. Care Forum Wales are an active member of appropriate forums and continue to work closely with the Council to facilitate market development.</p>							
Response Owner			Response Ref:				
Action Ref:	Action	Outcome	Start Date	Target Date	Responsible Officer	Comments	RAG Rating
2.1	Resourcing change capacity is required. This covers managerial and leadership capacity and corporate capacity and capability for legal, HR,	Capacity and capability to ensure effective delivery with minimum disruption to 'business as usual' services.	01/02/16	30/9/16	David Powell	Resource plan developed for integration with project management framework	

	finance and IT. Governance processes are adequately supported. This needs to be reflected in financial plans.						
2.2	Commissioning & Procurement Strategy – Review and Update	To ensure that the Council's current strategic intent is reflected	01/02/16	31/12/16 (revised date to reflect the need for a new strategy that fully reflects the present context as opposed to revisions to the existing strategy)	Jason Lewis	The need for a new commissioning strategy has been identified and resource has been secured to take forward this activity.	
2.3	Ensure overall co-ordination of commissioning activity in the Council through the Head of Professional Services and Commissioning taking a lead role in the Head of Service group for this area	Better awareness of the linkages between activities and support for the resourcing requirements	01/02/16	30/9/16	Jason Lewis	Role to oversee the co-ordination of commissioning activity is being recruited to and will maintain the resourcing plan and co-ordinate the activities of the programme office.	
2.4	Increase capacity to support transformation and co-ordinate commissioning at a corporate level. The 2016/17 budget includes funding for a new post of Professional	The links between commissioning and transformation will be strengthened to deliver the balanced MTFs savings. A strengthening	08/02/16	30/9/16	Jason Lewis	As above.	

	Lead of Transformation and Commissioning	of the corporate capacity will help co-ordinate the programme management capacity					
2.5	Processes for developing major contracts – Alignment of programme office Project/Gateway process for major projects	All relevant services are aware and/or involved in the commissioning and /or procurement of major contracts	08/02/16	31/3/16	Andrew Durant / Gail Jones	Complementary Gateway processes are in place for the Programme Office for major projects run by the Programme Office and for smaller projects managed by Commercial Services/Service areas that require a procurement process	
2.6	Define 'major contracts'; Establish criteria eg Length of contract Value Risk to citizens For Sign off by C&P Board	A consistent corporate understanding of what constitutes a major contract. This will enable appropriate resource allocation	08/02/16	31/3/16	Jason Lewis/Gail Jones	Responsibility for the definition of contracts on a case by case basis established in Contract Procedure Rules.	
2.7	Processes for letting major contracts Awareness raising/training for relevant staff regarding required information for specifications and Invitations to Tender	All relevant staff understand the necessity for quality data, timescales, diligence etc	08/02/16	30/3/17	Vince Hanly	Training programme in development. Identified in Commercial Services improvement action plan as a result of LGA review	

	Enhanced evaluator training and guidance before each procurement event	To ensure that evaluators understand their role in awarding public money to a 3 rd party and in protecting the Council from risk					
2.8	<p>Governance arrangements: Enhance the role of the C&P Board to include sign – off for major commissioning and procurement activity</p> <p>Projects sponsors/ HOS to report to C&P Board on progress of major commissioning and procurement events</p> <p>Professional Services to be integral to commissioning and/or procurement projects that may result in the procurement of major contracts. This will provide oversight and a consistent approach.</p>	To ensure that the appropriate balance of input is gained for each project to ensure that it is delivered in time, within the financial envelope and with the minimum of risk. Increased accountability and transparency for the delivery of contract related activity	08/02/16	31/12/16	Jason Lewis	<p>On-going. The end date reflects reporting back process.</p> <p>Progress of major commissioning and procurement projects now being reported to C&P Board</p> <p>Gateway process introduced with the purpose of ensuring that Professional Services are integral to commissioning and procurement projects.</p>	
2.9	Scrutiny - C&P Board has oversight of all planned	To ensure awareness and challenge of progress	08/02/16	31/12/16	Jason Lewis	Planning of and progress against	

	major procurement events and progress against them The scrutiny committees' work programmes will be reviewed to ensure appropriate reviews are in place for major activities	against the delivery of key projects. It is critical that enough time and resource is allocated to deliver the required outcome and minimise contract extension requirements			Wyn Richards	major commissioning projects is now being reported to C&P Board. Scrutiny reviews would only be appropriate either at the commencement of a project i.e. to seek assurance that the purpose and direction of travel are appropriate for the Council, and latterly following the completion of the project as a review. It will be essential to co-ordinate work programmes between the C&P Board, the Cabinet and Scrutiny committees, as otherwise scrutiny is unlikely to be aware of procurement activities.	
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2.10	<p>Effective review processes for contracting and commissioning activity:</p> <p>Review on completion of each major contract and commissioning exercise.</p> <p>Production of closure report and handover to service area for contract monitoring.</p> <p>Regular reporting to C&P Board</p>	<p>To ensure not only learning but that services consistently deliver good procurement and commissioning. By establishing what went well and what didn't during a particular activity lessons can be learned and shared for use with subsequent exercises</p>	08/02/16	30/6/16	Gail Jones	<p>Guidance for Officers updated to include a section that advised on the approach to be adopted in conducting a lessons learnt review. A prompt to review is incorporated into the procurement project planner.</p> <p>Future Internal Audit plans to include a review of major contracting and commissioning exercises to ensure lessons are learnt.</p>	
2.11	<p>Funding to be in place so that decision making is supported by data and appropriate analysis. Permanent base budget funding for the Business Intelligence Unit is required</p>	<p>To ensure all contract related activity is based on sound data</p>	08/02/16	30/04/17	David Powell	<p>Built in to MTFS as a permanent change from 17/18. Permanent funding now in place for existing posts that had previously been funded from Management of Change. Business Intelligence activity is now better</p>	

						aligned with the Council's direction of travel.	
2.12	A review of the finance function will take place to look at capacity and capability to meet the transformation agenda required by the three year balance MTFS	An ability to meet the requirement for management accounting data and support decision making through appropriate financial information	08/02/16	30/4/16	David Powell/Jason Lewis	Review concluded and action plan in place	
2.13	An assessment of the Commercial Services capacity and capability to help support the transformation agenda required by the three year balance MTFS	An ability to meet the requirement for commercial advice and support decision making through appropriate advice and challenge	08/02/16	31/5/16	Jason Lewis/Gail Jones	Review concluded and action plan in place.	
2.14	Market Development capacity is needed to meet the requirements of the contract packaging or the service specifications. We need to work with providers and markets to develop service provision. This is a different skill to procurement or purchasing and requires expertise. An assessment of our ability is needed and a resourcing plan. A report will go to the C&P Board	Access to this expertise and the ability to deploy it at the start of the commissioning cycle will improve likelihood of success	08/02/16	31/03/2017	Vince Hanly/Dylan Owen	The Domiciliary Procurement Project Board are currently researching the use of a Dynamic Purchasing System (public contracts regulations 2015) to let new contracts for domiciliary care. A DPS (unlike a framework which is closed at the point of award to new entries), allows new	

					<p>companies to apply to the Council to be included in any future requirements and to apply to be on the DPS contract at any time.</p> <p>The DPS will have an effect on market development as business opportunities will be open to the market through its life.</p> <p>A new Market engagement strategy will also follow on from the Commissioning and Commercial Strategy for all Powys requirements which will provide processes to be adhered to as part of commissioning and procurement activity</p>	
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WAO Recommendation							
<p>3. Audit work undertaken previously by the Auditor General in 2010 and 2014 on the Authority's whistleblowing policies identified that 'there was often a lack of an audit trail to support key decisions and events. Some key decisions were not documented and there were instances of key documents or supporting information not being found or not existing.'</p> <p>Similar issues are identified in this report. The review recommended about should also consider the extent to which adequate documentation is produced and retained to support key decisions made when developing and letting tenders.</p>							
PCC Outline Response and indicative measures of success (show an understanding of the recommendation and what a successful response to it is likely to achieve)							
<p>The WAO report highlighted a series of risks around document management.</p> <p>As a service we are aware of the challenges of maintaining appropriate records and approval of all change initiatives during the ongoing high level of change required across all public services. The service is currently working to identify opportunities to standardise record management processes through greater use of technology and appropriate software packages.</p>							
Response Owner				Response Ref:			
Action Ref:	Action	Outcome	Start Date	Target Date	Responsible Officer	Comments	RAG Rating
3.1	Review existing 'un-structured data' held in personal and shared drives for social care.	Improved management of critical data that sits outside the core DRAIG system.	In Progress	Dec 2016	Andrew Durant	Analysis to be procured via Share Point Project. Analysis of data to commence Nov 2016.	
3.2	Implement WCCIS reducing external data sources e.g. spreadsheets	WCCIS is the main social care repository. Remove the need to hold operational data outside the system.	Currently running	Dec 2016	Caroline Pears	Implementation of the National WCCIS will consolidate information.	

						Project is on target with regular updates to the Joint PCC and PtHB Management Team.	
3.3	Implement corporate share-point and improve document storage capability	Improved Information Governance for non WCCIS social care data e.g. policies etc.	In Progress	Enterprise Platform Available Q1 2017, Transformation timescales TBC.	Andrew Durant	SharePoint Project awarded Sept 2016. PoC design due Nov 2016.	
3.4	Implement a modern up to date Finance system that integrates to WCCIS	Joined up financial information and processes removing the need for manual integration	April 2016	System Specification due Nov 2016 for tender. Award and implement process through Q1/2 2017.	Jason Lewis	Major transformational project affecting multiple systems and processes.	