

CYNGOR SIR POWYS COUNTY COUNCIL.

**CABINET REPORT
23 February 2016**

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Portfolio Holder for Adult Services

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Portfolio Holder for Finance

SUBJECT: Wales Audit Office Report: Review of the Letting of a Domiciliary Care Contract to Alpha Home Care Support Limited and Improvement Plan Incorporating a Review of Learning

REPORT FOR: DECISION

Summary

In March 2014, the Council awarded contracts to four domiciliary care providers following a competitive tender: two in the north of the county, and two in the south of Powys. Implementation of three of the awarded contracts proved challenging, resulting in the mutual termination of two contracts, and the termination of Alpha Home Care Support Service Limited's contract.

In late 2014, Alpha Home Care Support Services Limited advised the Authority that the company was in serious financial difficulties. In order to ensure continuity of care to its vulnerable elderly clients, the County Council put in place arrangements to support Alpha Home Care Support Services Limited. However, despite attempts to support the organisation improve its financial viability, the contract was terminated following a significant deterioration of performance, and a view that Alpha Home Care Support Services Limited was no longer financially viable.

The Wales Audit Office (WAO) published a Review of Powys County Council's letting of the domiciliary care contract to Alpha Home Care Support Services Limited in January 2016. The WAO's findings describe how the Domiciliary Care Framework was procured in January 2014, together with their judgement on how tenders were evaluated and to a lesser extent details a number of actions undertaken by Powys County Council to try and support Alpha Home Care Support Services Limited to continue to deliver the appointed contract. As such, the Review describes how tenders (in early 2014) were evaluated, rather than on how tenders are currently assessed as a result of our earlier learning and subsequent changes to the process

A specific action plan has been prepared in response to the WAO recommendations and is included in Appendix A of this paper.

Summary of Review Recommendations:

The WAO Review was carried out during the final quarter of 2015 and interviews were undertaken within the council, in addition to a comprehensive desktop analysis of Powys County Council records and electronic procurement systems.

The WAO report issued Powys County Council with three recommendations that relate to Adult Social Care and wider Council services. In delivering the three recommendations, WAO recommend that the County Council also pay particular attention to ensuring that the governance arrangements for developing, scrutinising and approving of future contracting exercises in line with agreed strategic objectives.

Domiciliary care provision

1. The Authority should ensure that any weaknesses and/or deficiencies in the arrangements identified in letting the domiciliary care framework are not replicated in any future domiciliary care procurement exercise. These include deficiencies in:
 - governance and accountability;
 - the way the contract was structured;
 - information made available to tenderers; and
 - the way in which tenders were evaluated.

Wider implications for the Authority

2. In order to meet the challenges of transforming its service delivery in the light of reduced financial resources and increasing demand, the County Council has a clearly defined commissioning and procurement strategy.

Document retention

3. The County Council also consider the extent to which adequate documentation is produced and retained to support key decisions made when developing and letting tenders.

The Senior Management Team accept the recommendations contained within the WAO report and will take these forward as a corporate issue within the overall improvement agenda. In response to WAO recommendations a detailed action plan and progress report is included in Appendix A of this paper. Delivery of this action plan will be reported through to Management Team and monitored through the Commissioning and Procurement Board. Oversight and scrutiny will be undertaken through both the Audit Committee and the People Scrutiny Committee - Adult Social Care Working Group which is welcomed. Reporting will be incorporated into the existing arrangements to ensure oversight where there is specific cross over with Adult Social Care exiting improvement activity. As evidenced in the action plan, good progress has already been made on delivering the recommendations included in the report.

Response to the Welsh Audit Office reports content and recommendations

The WAO Review was the third review undertaken on the County Council's procurement of domiciliary care at the start of 2014. Ahead of WAO's review, Adult Social Care, and Commercial Services have already made significant changes around corporate commissioning and tender evaluation processes following lessons learned within earlier reviews undertaken by IPC Brookes University, and CSSIW of domiciliary care service commissioning undertaken last year.

The WAO Review is an important addition to the other two reviews/inspections because it focuses primarily on lessons identified to improve governance and accountability, data management and how data is analysed and communicated within tenders, and record management.

The following sections give commentary on the findings made by WAO in their report, and the response from Adult Social Care to these judgements.

i. Governance

The report recognised the need to strengthen Governance and arrangements. Under the Leadership of the Health and Adult Social Care Integrated Leadership Board, thematic partnership boards have been established and considerable work is underway for older people, carers, those with a learning/physical disability and mental health issues. As highlighted to the September 2015 Cabinet in relation to the CSSIW Inspection Report of Adult Social Care, it is important to note that this governance was introduced following a joint assessment of the partnership working led by the Director of Social Services and the Director of Nursing [PTHB] as there was no existing strategic mechanism in place for the joint strategic planning of services. The partnership and governance arrangements were subsequently agreed by both CEO's and portfolio holders in December 2013.

The Integrated Care Pathway Board for Older People is overseeing and managing the development of domiciliary care market across the county, and has already successfully implemented many of the requirements outlined within both the earlier CSSIW Report and Oxford Brookes University's (IPC) independent review of the domiciliary care tenders. Here, it should also be noted that Adult Social Care are continuing to work closely with Oxford Brookes University to develop long-term commissioning and market development proposals to secure high quality, personalised home care support services in the future. Delivery of all domiciliary care change is overseen by a multi-agency Domiciliary Care Board Chaired by the Head of Adult Social Care.

A further review of governance is currently underway to ensure our readiness for the implementation of Part 9 of the Social Services Wellbeing (Wales) Act 2014 and to ensure effective cabinet oversight and accountability on the integration's intentions that were set out in the report agreed by the Council's cabinet on 15/12/15

ii Contract Development

The review highlighted a need to improve the way contracts are constructed to support future sustainable delivery. A Domiciliary Care Provider Forum was developed in summer 2015, and this has resulted in greater levels of joint working between the Council and providers. The Forum was the first of a range of new thematic forums to be developed to help deliver the transformational change required across social care market. Since the forum was developed, an additional Residential Care provider forum has been developed, and a further forum for Disability Service providers will be established shortly. Together with increased public consultation, work undertaken through the new forums will improve the appropriateness and sustainability of contracts tendered.

iii Ambiguities within the Invitation to Tender (ITT)

A Corporate Commissioning Toolkit and Checklist has been developed and is available to all commissioning and procurement staff providing easy accessible information and guidance. The toolkit gives staff a better understanding of the commissioning process and design of future services. Work is already underway between Commercial Services, Business Services, and Adult Social Care to improve the quality and availability of data included within Invitation to Tenders. The commissioning toolkit is under revision to improve advice and guidance to commissioners on how to ensure future ITTs display best practice within their production.

In continuing to improve the commissioning skills of staff, in addition to the 78 staff who have already completed the Commissioning ELearning Course, 36 lead commissioning staff have completed commissioning training delivered by the Institute of Public Care across the council, with 36 members of staff going on to complete a Post Graduate Certificate in Commissioning. All of this work will underpin improvements of future ITTs.

iv. Tender Evaluation

The Review also identified an inability to evidence that the evaluation of tenders had been undertaken in line with corporate tender processes. Work has been undertaken by Commercial Services to improve the operation of the council's electronic tendering portal 'Bravo'. The review identified a weakness within the electronic portal that meant that whilst officers were able to undertake all evaluation in line with corporate processes, the system did not automatically require each individual stage of the evaluation to be separately recorded. This issue has now been addressed, and new Guidance on how to record evaluation processes on Bravo has been issued for use in all future tenders.

v. Wider Implications for the Authority

The key points in the WAO report offer wider learning for the council. There is evidence that lessons have been learnt following the

procurement of domiciliary care services in 2014 as part of the commissioning authority approach. For example a number of integrated, thematic commissioning strategies have either already been developed, or are in the final stages of development. Each of these strategies include details of our commissioning intentions over the next five years, and will be supported by associated Market Development statements to ensure markets are supported to change and to continue to deliver services that meet the needs of residents.

The report underlines the importance of investing in capacity and capability to deliver major projects. At the time of the tendering exercise the council had limited corporate procurement capacity that was also dealing with other contract tendering exercises. In 2014 agreement was reached to establish a Commercial Services unit to support directorate commissioning and contracting plans. The team is developing in-house expertise by developing existing staff who have joined the unit. It is appropriate that a review of their progress is now commissioned to assess capacity and capability to deliver the challenging work programme.

Improvement in planning for major procurement events is an area highlighted by the WAO report. The 2016/17 Medium Term Financial Strategy (MTFS) will have a balanced three year financial plan. In order to deliver three year financial balance a number of significant transformation or re-procurement events will need to be delivered. The 2015/16 budget included funding to support project delivery and has already been accessed by the Education Service to support schools transformation. Even so, any major piece of work must assess whether capacity and capability exists to deliver the required output.

Oversight of major projects has been brought into the corporate arena through an increasing level of oversight and challenge from the Commissioning and Procurement Board. The Board now receives a forward plan and whilst this is still in development it is a feature of the approach being taken by the Board that is chaired by a Deputy Leader. The Board will also seek assurance that effective tender evaluation has taken place. The forward plan is an important link to the delivery of the MTFS.

Underpinning any significant process is the need for sound information and good analytical skills. The WAO report points to a lack of sound information when noting the range of hourly rates but this lesson has wider application. Currently the Council is developing a Business Information approach and has redefined the work of the performance team. However the level of demand for data analysis may require corporate investment in this area.

Raising corporate awareness of all significant projects will assist deployment of resource. The council will need to take steps to ensure this overall view is maintained and as a result the Head of Professional

Services and Commissioning will take a lead in providing this oversight. This will not conflict with or undermine the accountability of other Heads of Service who lead on commissioning in their directorates but will raise corporate awareness of the overall position and the consequent assessment of resource allocation.

There is a link between the WAO report and risk management. Since the tendering exercise the council now has a Risk Management and Business Continuity Officer in post. The council now has an effective corporate risk register that forms part of the annual budget and MTFS. The Audit and Governance Committee receives an update on the risk register at each meeting. In addition the Leader has taken on the portfolio of Risk Management.

A new impact assessment process is now in place that will be used to assess the wider impact of changes. For the 2016/17 budget and MTFS the Strategic Integrated Impact Assessment is being used for the first time and pulls together the impact of new legislative requirements as well as the operational impact of decisions. The full suite of documents is shared with all councillors. It is important this framework is used by all managers to support service change.

Overall there is evidence that improved Governance and Scrutiny arrangements have been put in place to deliver strategic commissioning plans, and to increase effectiveness around future commissioning activity. There is evidence that the knowledge and skills of commissioning and procurement staff continues to increase, and there is now a lower dependence on external commissioning support. In summary there has also been improvements around information management, with Business Services, Commercial Services, and Commissioning Managers working together to ensure completeness of data is achieved ahead of any future tenders, including robust trend and option analysis.

vi Document Retention

The County Council is currently in the process of commissioning a new social care database (CCIS) to replace its current Draig system. Ahead of this change, existing records are being reviewed, and where appropriate, scanned copies of records and correspondence are being attached to electronic files. This will both improve document retention, and promote improved access to documents to people who need them. Commissioning and Contract managers are also working with Commercial Services to ensure all appropriate contract and provider records are attached to the electronic tendering portal BRAVO. Workshops are also planned for February across Adult Social Care driving forward the importance and value of effective document retention. A workshop is being planned for the Adult Social Care Senior Management Team, Commissioning and Contracts Team, Commercial Services, IT and Finance section to plan how the process for documentation retention may be improved.

Summary of progress and learning to date

The WAO Review complements and adds value to an earlier review and inspection regarding the procurement of domiciliary care service in Powys undertaken by:

- Oxford Brookes University's Institute of Public Care (IPC), jointly commissioned by the Authority and the Social Services Improvement Agency for Wales in August 2014 with the findings presented to the cabinet on 6 January 2015 concluding with a detailed improvement plan submitted to cabinet on 6 March 2015; and
- CSSIW published an inspection report on Adult Social Care within Powys County Council on 10th August 2015 which was accepted by cabinet along with an improvement plan on the 12 September 2015.

Both of these improvement plans have been subject to robust reporting and accountability arrangements. The IPC improvement plan has been taken forward through a corporate task and finish group with accountability through the Council's Management Team and reporting through the cabinet led Commissioning and Procurement Board. The CSSIW improvement plan has been subject to the service reporting progress through to the Strategic Director - People and the Portfolio Holder for Adult Social Care. The oversight of the Adult Social Care Scrutiny Group has also been important and valued; this was requested by the cabinet in order to provide assurance on progress.

Together with the other reviews there is now a considerable body of information to support improvement and as described above considerable activity has been undertaken across both the service and the wider Council. There is now evidence of improvement in the way services are now commissioned and tenders evaluated; however the Council will not be complacent. To date Adult Social Care have fundamentally restructured their Commissioning and Contracts team and appointed a Strategic Commissioning Manager to oversee all future service commissioning. Commercial Services have also remodelled all tender evaluation processes to ensure robust analysis is undertaken and this has been done in partnership with finance..

Together, Adult Social Care and Commercial Services have addressed the recommendations issued as part of Institute of Public Care (IPC) report on domiciliary care in Powys commissioned by the Council in partnership with the Social Services Improvement Agency (SSIA) in August 2014. The majority of the recommendations included in this report have now been delivered and have been embedded within the Council's commissioning processes.

In August 2015, the Care and Social Services Inspectorate Wales (CSSIW) published a report focusing on their inspection of Adult Social Care (between March and May 2015) and issued twelve recommendations. The report indicates good progress has been achieved in delivering recommendations

within the earlier CSSIW inspection report and monitoring of this action plan is conducted at regular intervals by Scrutiny.

A 'Lessons Learnt' document has been developed please see Appendix B for more detail in respect of this.

One Powys Plan

The development of sustainable domiciliary care markets, and contracts providing high quality consistency domiciliary care is consistent with the aims and aspirations of the one plan as we seek to maximise the independence of our customer and support people to live independently in their own homes.

Options considered

This paper outlines Adult Social Care's response to the recently published WAO Review, and invites cabinet to receive the detailed action plan in relation to the report's recommendations.

Preferred Choice and Reasons

N/A

Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc

Domiciliary care, and all tendered services are delivered by providers interacting with customers through their preferred language (either Welsh or English). There is a statutory requirement placed on the Council to provide good quality domiciliary care services for the individuals assessed as needing support and who reside in Powys.

Children and Young People's Impact Statement - Safeguarding and Wellbeing

Whilst the WAO review is in relation to domiciliary care delivered to adults, the wider findings and implications are applicable to Children and Young People services.

Local Member(s)

The decision of the development of future models of domiciliary care services applies to all electoral divisions in Powys.

Other Front Line Services

All support services are involved in providing support to Social Services and continue to be involved regularly.

Support Services (Legal, Finance, Corporate Property, HR, ICT, BPU)

Comments from:

Legal: The recommendations, response and delivery plan can be supported from a legal point of view.

Finance: The Finance Business Partner notes the comments made in the report and can confirm that the Finance Manager, Operations has worked in

partnership with Commercial Services to remodel all tender evaluation processes to ensure robust analysis is undertaken.

Corporate Property – no comment.

HR – no comment.

ICT – no comment.

Business Services – no comment.

Local Service Board/Partnerships/Stakeholders etc

(Describe whether the Proposal has implications for or needs the involvement of the LSB, a partner body/organisation or stakeholders and, if so, set out their views and those of the relevant Portfolio Holders)

Corporate Communications

The report is of public interest and requires use of news release and social media to publicise the recommendation.

Statutory Officers

The Solicitor to the Council (Monitoring Officer) has commented as follows: “I note the legal comment and have nothing to add to the report.”

The Strategic Director Resources (Section 151 Officer) notes the comments made by Finance. In addition it is important that the authority learns from the lessons identified in the WAO report and applies the learning to future commissioning activity. The report and the action plan note the requirement to resource change activity in order deliver successful outcomes. It is appropriate that the authority’s financial plans include funding for this requirement.

Members’ Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
1. That cabinet accept the WAO report, the recommendations of the WAO report and the responses included within this paper.	In order to contribute to the organisations ongoing learning and compliments earlier learning from the CSSIW report.
2. That Cabinet accepts the enclosed improvement plan in relation to the WAO recommendations as at Appendix A	To ensure that the recommendations contained within the report are translated into cross council improvements and service delivery.

3. That Cabinet endorse the 'learning document' as at Appendix B	To ensure both service and corporate improvements are made to mitigate against the likelihood of any such further significant difficulties
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Relevant Policy (ies):			
Within Policy:	Yes	Within Budget:	Yes

Relevant Local Member(s):	All
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Person(s) To Implement Decision:	David Powell, Strategic Director – Resources. Jeremy Patterson - CEO Amanda Lewis, Strategic Director - People.
Date By When Decision To Be Implemented:	

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Background Papers used to prepare Report:

Review of the Letting of a Domiciliary Care contract to Alpha Care Limited