



Date: Thursday, 24 November 2016

Time: 9.30 am

Venue: Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire,
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AUDIT COMMITTEE

TO FOLLOW REPORT (S)

- 6 Management Report: Assurances on Social Care Commissioning (Pages 1 - 14)**
The report of the Chief Executive Officer is to follow.
Contact Clive Wright (01743) 258675

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<u>Committee and Date</u>	<u>Item</u>
Audit Committee	
24 November 2016	<u>Public</u>

Management Report on Assurance of Social Care Services (Adults and Children's) Commissioning

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1. Summary

This report sets out the range of processes and activities which are applied through Social Services Commissioning (Adults and Children's) to ensure that the services which have been procured are delivering the volume, cost and quality set out in their contracts.

The approach draws on different relevant information that is available to the council ranging from demographic information through to demand and activity information, and reported delivery of services by providers. It is strengthened through key partners and organisations sharing intelligence and targeting resources, and the application of a risk based approach.

The report gives assurance on the robustness of the commissioning of Adult and Children social care services, and also highlights the potential to continuously improve how commissioning and contract management is carried out, is applied by the Council.

2. Recommendations

Members are asked to consider and endorse with appropriate comment the contents of this report.

3. Risk Assessment and Opportunities Appraisal

Failure to Commission outcomes and services, and manage subsequent contracts effectively could result in best value not being achieved, needs not being met, and vulnerable people service providers and the Council being at risk. A clear understanding of needs using the Joint Strategic Needs Assessment and Market Position Statements enables commissioning intentions to be developed which support the Council in commissioning the correct outcomes and services and providers to understand what the Council is looking for. Equality and Social Inclusion Impact Assessments are also completed to ensure that services or outcomes being commissioned take account of all of the challenged characteristics and do not impact on any of them unfairly or unequally.

Reviewing systems and processes, taking advantage of new ICT developments and seeking to continuously improve how the Council commissions and manages contracts will be essential to meet future requirements. Continuing to draw on knowledge and information from partners, providers and regulators across the Health and Social Care system will strengthen these developments.

4. Financial Implications

Whilst there are no financial implications directly related to this report there would be costs for the Council associated with responding to provider failure.

Report

5. Assurance at a senior level on the commissioning and contract management of services for Adult Social Care and Children's Social Care

Audit committee have asked for assurances in relation to the Commissioning of Adult and Children Social Care Services and specifically that senior management, including the Chief Executive are aware.

It is important to highlight that assurances that are provided take place at different levels to build up an overall picture on performance and risk. A 'cascade system' exists where the Chief Executive delegates commissioning responsibility to the Directors of Children and Adult Services who will raise any key strategic issues around commissioning directly. The Directors in turn will rely on their Heads of Services and Commissioners for assurance and they will either monitor contracts directly or utilise specialist contract managers and experts to do so and report to them.

A recent report to Audit Committee dated the 15 September 2016 (Appendix 1) provided information on the existing and emerging assurance and

management controls and risk management arrangements within the Council. This included the work undertaken to develop strong governance around commissioning, and also provided an update on the Commissioning Support Unit, Intelligence led organisation, Commissioning Approach and a Procurement and Contract Management update.

The report gave assurance on the robustness of governance arrangements for all commissioning activity arising from the Council's business plan and financial strategy.

In addition, the Annual Governance Statement Action Plan links through to the Strategic Risks which highlight assurances through the three levels of defence. The Strategic Risks are reviewed and updated on a bi-monthly basis and are reported to the Chief Executive and Directors. The three lines of defence are briefly defined below, with some examples to illustrate how they relate to commissioning and contract management in Adult Social Care (and Children's Social Care).

1st line of Defence - Operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

Examples include:

- The Adult Safeguarding, Children's Safeguarding Strategic Risk Profiles and Strategic Finance Risk Profiles.
- The Adult Social Care market failure document and policy
- The Joint Strategic Needs Assessment which sets out current and expected needs and population trends
- The Adult Social Care Market Position Statement (MPS) which goes into further detail and focus on Adult Social Care a related services such as housing, and helps to inform the Council's commissioning intentions. The MPS is currently being updated to ensure that it provides a view of the most recent information and knowledge.
- The Early Help Needs Assessment and Market Position Statement which provides a view of need and demand for services and support which can help prevent children entering care and remaining with their families.
- The Looked After Children and Placement Strategy 2016/17 which provides the context for commissioning placements for children and young people who require care or are on the edge of care

2nd line of Defence - Consists of activities covered by several components of internal governance (compliance, risk management, quality, performance arrangements, financial and legal controls, members assurance, IT and other control departments).

Examples include:

- Adult Social Care Outcomes Framework (ASCOF) performance measures which include hospital discharge and housing indicators and provide a monthly overview on how services are delivered. Measures related to hospital discharge are further informed by regular reports from the brokerage function which includes:
 - Monthly dashboard on overall performance and use of commissioned pre purchased hours and in house provision
 - daily 12 noon update on packages waiting to facilitate hospital discharge
 - 5pm daily update on packages outstanding and waiting to facilitate hospital discharge, time in days between request and sourced, average hourly rate, requests per area, single or multiple calls, time of day requests are received vs time sourced and new development this month is monitoring use on a daily basis of pre purchased beds
- The monthly Adult Social Care finance report which includes a summary of all expenditure, emerging trends of expenditure and cause,
- The annual review or unplanned reviews by social worker on services provided to vulnerable adults
- The statutory annual service user survey and bi-annual family carer surveys which form part of the ASCOF measures
- Local engagement and involvement structures such as the Making it Real Board and user groups, and feedback from the Partnership Boards for Family Carers, Mental Health and Learning Disabilities

3rd line of Defence - Functions that provide independent assurance: Internal audit/ External inspections (Ofsted, CQC)/ External audit

Examples include:

- The independently chaired Adult Safeguarding Board which sets safeguarding policy and monitors performance across Adult Social Care and partners who support vulnerable adults (e.g. Shropshire Clinical Commissioning Group (CCG), the Police, and the Care Quality Commission(CQC)). The Board produces an annual report, and information from the Board informs commissioning and decommissioning intentions and any corrective action required through contract enforcement actions with providers.
- The Shropshire Children’s Safeguarding Board is also independently chaired, and brings together a representative group of agencies in Shropshire involved in safeguarding children and child protection. The Board uses section 11 auditing to assess compliance around safe operating procedures. [Section 11 \(s.11\) of the Children Act \(2004\)](#) places a number of duties on a range of organisations and individuals (and the services they contract out to others) to ensure that when they go about their day to day business,

they do so in a way that takes into account the need to safeguard and promote the welfare of children. The organisations covered by Section 11 are:

- Local authorities
 - NHS organisations include the NHS Commissioning Board and clinical commissioning groups, NHS Trusts and Foundation Trusts.
 - The police
 - British Transport Police
 - Probation Service
 - Governors / Directors of Prisons and Young Offender Institutes
 - Directors of Secure Training Centres and
 - Youth Offending Services
 - [And the organisations which they commission to provide services on their behalf]
- The use of Ofsted regulated services for Children's Social Care and Education Services
 - The use of CQC regulated services for Adult Social Care and monitoring of ratings and performance through the bi-monthly CQC liaison meetings.
 - The use of HealthWatch who can carry out enter and view of Adult Social Care care settings and collect the patient perspective on services.
 - Bimonthly meetings of the Contracts Team, Adult Social Care Commissioners, Safeguarding and the CCG to address any emerging provider concerns.
 - Working with Shropshire Partners in Care (SPIC) and the Care Workforce Development Programme (CWDP) to ensure the workforce across all commissioned services are trained and appropriately skilled to support vulnerable adults.

6. Information received at a senior level and the opportunities to challenge

There are frequent monthly and quarterly reports to Directorate Management Teams (chaired by the Chief Executive), the Director Team and Cabinet on a range of different subjects. These include plans and proposals for new approaches to commissioning, performance reports, strategic risk register and reviews, and customer feedback reports. These are challenged where required and the information and conclusions within them are used to inform views of changing demand and need, as well as the quality and impact of services.

The issues arising from the different reports are considered through the different directorate management structures and Directors share and provide constructive challenge to each other in their Senior Team meetings.

7. What processes are in place across the business that provide this information?

There is a wide range of activities and approaches that are used to inform commissioning activity and decisions, engagement of the best provider to deliver the outcomes and services required, and to carry out contract monitoring and management. These include the Council's Commissioning Approach (recently updated in October 2016), the financial Appraisal and Assurance of contractors, the formulation of contracts, the use of complaints and customer feedback, day to day monitoring and performance reporting, and working with provider organisations, partners and regulators through Boards such as the Safeguarding Boards, and liaison meetings to specifically share and understand provider concerns. These are covered in more detail in Appendix 2.

8. Areas for improvement

Recently there has been further recognition within Adult and Children services and also particularly from the Information Governance Group for a need to tighten up on certain aspects around commissioning risks and the need for the Chief Executive and Directors team to have more and earlier visibility of emerging issues, building on current arrangements such as the contracts register used by Adult Social Care. Work has commenced within the Commissioning Support Unit to provide them with further regular visibility of:-

- Contract information and contractor information
- Contract expiry dates and re-commissioning timescales
- Contract performance and risk issues by exception reporting

This work is currently in development with some trialling taking place in order to ensure that the right information in the right and most useful format is available to the senior team.

Complimentary to these developments, work is also progressing with Children's Early Help to develop a consistent framework for contract measures and in light of this to develop the approach for contract management and monitoring arrangements with providers. The focus is on exception based reporting around the following headings:

- Delivery and performance
- Quality, compliment and complaints
- Safeguarding including health and safety
- People (staffing and volunteers)
- Innovation and development
- Finance
- Company insurance

Social Value, taking account of additional social, environmental and economic benefits delivered by providers through contracts can also be

reported. Learning from the work with Children's Early Help will be used to refine contract management and monitoring as it is rolled out.

In addition for further assurance, Directors are considering procuring an expenditure analysis tool which categorises and tracks Council spend with individual contractors, provides details of other authorities spend with our contractors and highlights potential collaboration opportunities. The tool can also highlight market risk by identifying the percentage public sector spend with a particular contractor that is Shropshire Council expenditure.

The Council is also involved in new regional initiatives around commissioning activities. For example the West Midlands region having recently set up a Children Services West Midlands Quality Assurance (QA) working group to look at regional QA activity, QA templates, risk matrix and outcomes monitoring.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)
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Michael Wood, Lee Chapman, David Minnery
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Local Member

All

Appendices

Appendix 1 – Audit Committee report 15 September 2016

Appendix 2 - Details of current processes in operation that provide assurance

Details of current processes in operation that provide assurance

Appendix 2

Current General Processes

The Commissioning Approach

The Council wide Commissioning Approach is applied to the commissioning of Children and Adult Services through the work of the commissioning development team and the guidance toolkit available to commissioners (Appendix 2). This ensures a consideration of all relevant factors in the design of new and the re-commissioning of existing services to ensure they are fit for purpose, have adequate governance arrangements, include performance measures where possible and provide value for money for the Council and meet all other strategic requirements as far as possible. Additionally work through the Social Value Group and Commissioning Development has also helped to embed Social Value outcomes as essential considerations in all our commissioning activity

Contractors: Financial Appraisal and Assurance

In relation to financial appraisal and assurance around contractors, as part of procurement processes and based on value of contract and risk, Audit Services undertake financial appraisals to highlight any risk and to confirm if from a financial standing point of view that a contractor is able to undertake the specific contract in question.

Contract Formation

In terms of contract formation Legal Services provide expert advice to Children and Adult Services and work in close liaison with commissioners, procurement and contract officers within Adults and Children services

Complaints and Customer Feedback

Complaints and customer feedback is a valuable source of information used to inform contract management and wider commissioning activity. Complaints recording and reporting is based around corporate complaints and statutory complaints for Adult Social Care and Children's Social Care. The processes and requirements, including timescales for Adult Social Care statutory complaints and Children's Social Care statutory complaints are set out nationally, and differ from each other. The processes broadly have two stages and in all cases people can refer their complaint to the Local Government Ombudsman.

Complaints about providers are dealt with by the provider using their complaints procedure. Where people are not happy with the way that their complaint has been handled they contact the Council. During the second quarter of 2016/17 Local Government Ombudsman communicated that it considers third party provider complaints to be the responsibility of the local authority. Guidance and requirements for Commissioners are being developed, and work has been progressed with regard to ensuring that procurement and contract requirements are clear that the Council will require copies of complaints procedures and the Council should be notified

when a provider receives a complaint. This is currently under development and the Council is progressing it with the independent sector.

Monitoring and reporting of complaints is carried out each quarter with reports shared with the relevant directorate. The lead officers for each directorate take the reports to appropriate meetings in their Directorates to discuss the emerging issues e.g. Directorate Management Teams and in Children's Services their report goes to the Directorate Performance Group. Any recommendations included in the quarterly reports are discussed and learning and actions are agreed to address any performance concerns.

Risk Registers and Reviews

The operational risks around commissioning are detailed on the appropriate operational risk register. This is updated quarterly by managers and a detailed report highlighting the current position is sent by the Risk Management team to the Heads of Service and the Director. An overarching operational risk report is then shared with directors where all operational risks can be discussed.

Any major projects within commissioning will also have its own risk register which will follow the council's Opportunity Risk Strategy.

The strategic risks are updated on a bi-monthly basis during which discussions are held with the heads of service prior to the risk owner updating the risk. Updates are then shared with the Chief Executive and Portfolio Holder before a detailed report is sent to Directors and also Informal Cabinet and Directors Policy Group for discussion.

Procurement Systems and Processes

The Procurement systems and processes used provide assurance around a contractors' technical capability to undertake a contract, including their resources, insurance, and accreditations. Pre-contract credit checks are also carried out. There has been recent strengthening of these processes through the use of the e-tendering System 'Delta' as previously reported to this committee. Also the introduction of the new contract reference system for all contracts entered into above £5,000 in value has provided further governance and an audit trail.

Adult Social Care Specific Processes

Adult Social Care Commissioning work closely with the Commissioning Development and Procurement team and other internal colleagues to ensure that the initial commissioning and procurement of services are carried out in adherence to the Council's overall commissioning and procurement approach and systems set out earlier in this report. This provides assurance in relation to the selection of contractors and award of contracts to them and also takes account of the Adult Social Care strategic risk register and strategic finance risk register, as well as the market failure document and policy. The Joint Strategic Needs Assessment (JSNA) provides a wider view of needs and population trends, and the Adult Social Care Market Position Statement which looks at a range of factors affecting

Adult Social Care in more detail is currently being updated and will inform future commissioning.

In terms of regular review and monitoring of the market, there are bimonthly meetings involving the Contracts Team, Adult Social Care, Safeguarding and Shropshire Clinical Commissioning Group (CCG) to highlight, discuss and address any emerging provider concerns, which are also covered in regular liaison meetings on residential care and domiciliary care with the Care Quality Commission (CQC)

Work also takes place with Shropshire Partners in Care (SPIC) and the Care Workforce Development Programme (CWDP) to ensure the workforce across all commissioned services are trained and appropriately skilled to support vulnerable adults.

Adult Social Care Specific Customer Feedback

Annual statutory surveys of Adult Social Care service users and bi-annual surveys of Family Carers are carried out as part of the Adult Social Care Outcomes Framework (ASCOF) measures. These results provide a view of whether people feel safe, supported and are achieving the outcomes they want to achieve.

The Council has a Making it Real Board which draws on a cross-section of staff, the Portfolio Holder, HealthWatch and Champions by Experience who identify how changes can be influenced going forwards. Feedback on issues and services is also received through the Partnership Boards for Family Carers, Mental Health, and Learning Disabilities

Day to Day Monitoring and Management

Within Adult Social Care a range of systems, process and reports are used to maintain a view of service provision and impact. The ASCOF performance measures includes hospital discharge and housing indicators and provide a monthly overview on how services are delivered. Measures related to hospital discharge are further informed by regular reports from the Council's brokerage function which includes:

- Monthly dashboard on overall performance and use of commissioned pre purchased hours and in house provision
- Daily 12.00 noon update on packages waiting to facilitate hospital discharge
- 5.00pm daily update on packages outstanding and waiting to facilitate hospital discharge, time in days between request and sourced, average hourly rate, requests per area, single or multiple calls, time of day requests are received vs time sourced and new development this month is monitoring use on a daily basis of pre purchased beds

A monthly finance report provides a further view and contributes to service and contract management. It includes a summary of all expenditure and emerging trends of expenditure and the cause for any changes observed.

The completion of annual review or unplanned reviews by social worker on service provided to vulnerable adults identifies any changes in need, as well as any required changes to the care provided.

Commissioning Residential Care

In relation to Adult Social Care commissioning of residential care services on-going assurance of contractor performance and risk is provided through a system involving a range of agencies including Care Quality Commission (CQC), CCG, Healthwatch and our own safeguarding and contacts teams. Multi-agency information sharing meetings take place and these meetings agree the relevant agency to engage with any highlighted provider regarding evidencing concerns or supporting improvements.

Healthwatch can also be asked to undertake an Enter & View visits to residential care settings, as well as seeking patient perspective on services, and Healthwatch can make recommendations for improvements via its publically available report. Specifically health watch have completed reviews of all LD care homes in response to the Winterbourne View concordat and also specifically as requested as an outcome from the CQC liaison meetings in response to concerns raised.

Overall the system in place is about sharing intelligence and using capacity in a targeted way, rather than a programmed approach to monitoring and reviewing quality of all providers by direct engagement. This approach has been adopted in some part due to the contract team supporting Adult Social Care who no longer have dedicated contract monitoring capacity to investigate quality issues and drive provider improvement.

In addition the contracts team supporting Adult Social Care Commissioning manage a risk matrix for all residential providers. The risk matrix is a desk top assessment tool, using publically available info and that shared between all relevant agencies to determine where greatest risk lies, and hence where to focus our efforts in seeking improvements and where necessary occasionally to suspend providers while these improvements are put in place.

Domiciliary Care and Supported Living

There is an accreditation procedure for new domiciliary care and supported living services providers. This involves, as a minimum: checking registration and status with the regulator, CQC; checking insurance; ensuring that the provider is signed up to the Council's policies and procedures. If the provider is based out of county then references from the relevant local authority are sought. If a provider does not hold accreditation with another local authority or is based in Shropshire an accreditation visit will be made to the provider's offices to verify that their systems appear to be compliant with the contract in areas such as recruitment, training and care documentation.

Once accredited domiciliary care providers are entered on to the Contracts team risk matrix. Whilst programmes of monitoring all providers are not possible, the matrix is used to risk assess provider through the logging of concerns received into the Contracts team, known complaints and latest CQC reports. Failing providers are then discussed at regular internal

information sharing meetings with adult care and safeguarding management and bi-monthly meetings with Telford and Wrekin Council and CQC. Meetings are held with providers who are identified to be significantly failing to address the relevant issues which may lead to suspension in some cases.

Adult Safeguarding Board

The Adult Safeguarding Board sets safeguarding policy and monitors performance across Adult Social Care and partners who support vulnerable adults. The Board includes key partners such as the CCG, Police, and CQC, and has an independent chair. It produces an annual report which is presented to the Health and Adult Social Care Scrutiny Committee. Information from the Board also informs commissioning and de-commissioning intentions and any corrective action required through contract enforcement actions with providers.

Children's Social Care Specific Processes

Children's Social Care Commissioning also work closely with the Commissioning Development and Procurement team and other internal colleagues to ensure that the initial commissioning and procurement of services are carried out in adherence to the Council's overall commissioning and procurement approach and systems set out earlier in this report. This provides assurance in relation to the selection of contractors and award of contracts to them.

Children's Social Care Commissioning is based on understanding demand and need. The Early Help Needs Assessment and Market Position Statement provide evidence to inform commissioning services that prevent children needing to enter care. Alongside these documents the Looked After Children and Placement Strategy provides a clear context for the commissioning of services for children and young people who are on the edge of care or require care. As well as covering fostering and residential care, it also sets out the Council's policies to prevent children needing to come into care and those leaving care. By way of prevention examples include Family Group conferencing, Parental mediation, Outreach Workers and short break services. For Care Leavers and 16/17 year olds identifies, as key, housing accommodation and support including preventing family breakdown and semi-independent living as a step down from residential care, and local housing provision for care leavers.

In terms of continued assurance and performance management on an operational level the service commissioner, manager and operational teams will monitor through formal quarterly monitoring. Early Help external commissioned providers work in an integrated way with internal services; this way continuous assurance, improvements and co-production result in adding value to quality assurance. In addition most services also involve other agencies including Ofsted and CQC who provide further assurance through their inspections and reports.

Observational visits to provision are made by a range of officers and feedback provided to commissioners and providers.

Regional Frameworks

An element of Commissioning Assurance within Children's Social Care comes from regional activity. As an example this occurs within the monitoring of Residential & Foster Care with Shropshire Council being part of two Regional Frameworks:-

- (1) West Midlands Residential Framework
- (2) West Midlands Foster Care Framework

The Council procure residential and foster care placements from both of these frameworks and the nationally available contracts. These frameworks are hosted and provider details and assurance are updated continually with any issues arising being detailed and also reported to the West Midlands Operational Contracting Group that meet on a monthly basis. There is a standing agenda item called 'Marker Matters' where concerns are raised. Any relevant issues arising relevant to Shropshire council are reported back to the Service Manager to put in place any appropriate action.

National Frameworks

The Council also procure Service Providers that are not on the regional or national frameworks however these Providers are signed up to the National Residential or National Foster Care Contracts to preserve consistency. Monitoring of these particular providers is done on a reactive basis through the input of social workers (i.e. if we have any indication of a significant problem arising with one of the homes our young people are at, a Registered Manager from Social Care would undertake a monitoring visit).

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