

Contracts Team

Summary:

An internal audit of the Contracting Team within Adult Social Care (ASC) was completed in May 2011. A number of areas for improvement were identified in relation to policy, processes, procedures and compliance.

The report outlined a number of key recommendations that needed attention in order to provide assurance to the audit team.

This report provides Audit Committee with an update on progress following the completion of the internal Audit report and the development and implementation of an improvement plan by the new ASC contracting team.

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Recommendation(s):

That Audit Committee note the improvement work completed.

That the Audit Committee confirms that they are satisfied with the improvements delivered.

Alternatives Considered: No alternatives have been considered in terms of the audit.

Reasons for Recommendation:

The Assistant Director ASC is satisfied with progress against the recommendations for improvement. There have been additional resources invested into the contracts function, improving capacity. We have also strengthened management oversight.

Background

The initial audit report outlined 17 areas for improvement. Since the audit report was completed in May 2011, Adult Social Care (ASC) has been re-structured and a new contract management team was established on the 1st July 2011. The new team has a clearer focus on key priorities and will operate more efficiently and effectively than previous arrangements where there were a number of recognised weaknesses.

Following the receipt of the audit report an improvement plan was developed and implemented by the new ASC contracting team. Work against the improvement plan has been ongoing since implementation. The key recommendations for improvement outlined within the audit report were

integrated into the improvement plan and good progress has been made against all areas.

The contracts team is now fully staffed to enable further progress against the plan. A number of additional corporate resources with varying skills and experience which compliment those of the team have also been secured to accelerate the improvement work further.

Improvement Update

Outlined below are key improvement milestones within the improvement plan achieved:

Item	Improvement Update
1	<p>All contract management meeting minutes are audited and approved by the team manager prior to being issued to providers.</p> <p>The proposed structures for Direct Payments, FAB and Brokerage were not implemented as a result of a review of services. The Management team are currently reviewing the directorate in which the teams should operate within in the future.</p>
2	The Adult Social Care Performance framework is in place.
3	<p>The training programme for all contracting staff being facilitated by procurement Lincolnshire is fully underway.</p> <p>The team now has a full compliment of staff to enable full allocation of all contracts within Adult Social Care. The additional resources remain in place at present to undertake key priority work in relation to the procurement of new services.</p>
4	<p>4.1 All existing residential and nursing contracts have been terminated and a revised contract has been issued to providers. There are now only a very small proportion of providers who have not agreed to the Terms and Conditions however the contracting team are currently liaising with the providers to resolve any issues. Targets have been agreed to resolve outstanding contact signatures for the end of the financial year.</p> <p>4.2 Work in relation to the termination and/or reissue of out of county contracts has commenced. All out of county residential contracts that no longer have a Lincolnshire resident placed within the home have been terminated and the team is in the process of terminating and reissuing all contracts for the out of county homes that do have a Lincolnshire resident within them. Targets have been agreed to resolve outstanding issues by the end of the financial year</p> <p>4.3 Notice has been served on all existing home support contracts and tender process for a framework for all community support has been completed.</p>

- 4.4 All purchase orders have been amended to reflect a 28 day payment term and providers have been notified of the changes.
- 4.5 A policy decision in relation to the cost and volume contracts whereby providers are currently being paid for up to 21 days while a service user is hospitalised has been amended to state that no payment will be made while the service user is hospitalised. A contract variation has been issued in relation to the policy change.
- 4.6 Work in relation to the section 256 agreements is ongoing to ensure that contracts are in place and are reflected upon the contracts register.
- 4.7 All day care contracts have been audited. The commission team has been asked to work on a new Day Care strategy following which a standardised framework contract agreement will be tendered, thus enabling notice to be served on all current contracts. It may be necessary to seek exception reports for existing day care contracts to allow time for a robust Day Care strategy to be developed.
- 4.8 Notice has been served on the community supported living contracts as they formed part of the community support framework. However work continues to ensure that all service users are linked to a specific contract and that the payments are reviewed / a re assessment is undertaken.
- 4.9 Work in relation to a revised service specification for the ICES contract is being progressed to provide a more efficient and cost effective model and a timeline has been agreed for the re-provision by the 31 December 2012 at the latest.
- 4.10 All other ASC contracts are undergoing a full quality audit and action is being undertaken to vary contracts to ensure that they are compliant and contain updated clauses.
- 4.11 Progress has been made against the development of process guidance notes and strategies within Strategic Commissioning. Monitoring has improved and action taken to address variation from procedures, clarifying expectations and providing training for staff where required.
- 4.12 All sub contracting arrangements in relation to Learning disabilities services with the Public Health Directorate have now been finalised and issues resolved.
- 4.13 The team is currently undertaking a review of all Adults Commissioning spend on Council's financial system (SAP) to ensure that there is a contract in place and to take remedial action where appropriate should a placement be made outside of existing contractual arrangements.

5	A new control process in line with the scheme of delegation has been implemented.
6	A contracts register has been established listing all known existing contracts. A full quality audit is now under way for each item listed.
7	A revised contract management process has been implemented.
8	Revised accountability arrangements are in place in line with the Adult Social Care Performance framework.
9	The review of the electronic and manual file system continues to be reviewed. A new manual filing has been established for residential care contracts and is to be implemented for all contracts within the department. The implementation of a revised electronic system is in progress.
10	A revised scheme of authorisation has been implemented.
11	A revised validation process has also been implemented to ensure that providers only receive funding for care actually delivered. The Community Support framework commenced from 1 st October 2011 covering all home care provision. Notice has been served on all existing home care contracts.
12	All provider payment arrangements have been set to 28 days and providers have been informed
13	A revised contract management process has been put into place with the frequency standard for all contract types. An audit checklist has also been implemented in relation to the issuing of new contract, variations and terminations.
14	Actions within this area are combined within the contracting action plan
15	Three staff events have now taken place with a further event scheduled for the 14 th December 2011. The events will continue on a 3 to 6 monthly basis.
16	The review of compliance with the supervision policy has been completed and is being monitored by the Interim Assistant Director.
17	The service provided by ASA was included within the Community Support procurement process and therefore was re-specified. A process to review all service users is underway, on completion of the re-assessment an alternative provider will be sought from the framework agreement or a Direct Payment will be issued.

Conclusion

Significant progress has been made against the recommendations for improvement and further work is in progress to ensure all policies, processes and procedures are robustly adhered to and are best in class going forward.