

Combined Assurance

Status Report Adult Social Care



Assurance

Date: October 2012

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Introduction

This is the first combined assurance report for the Council.

Working with management we have been able to show what assurances the Council currently has on the areas of the business that matter most – highlighting where there may be potential assurance ‘unknowns or gaps’.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

Our aim is to give Senior Management and the Audit Committee an insight on assurances across all critical activities and key risks, making recommendations where we believe assurance needs to be stronger.

Scope

We gathered information on our:

- **critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **key risks** – found on our strategic risk register or associated with major new business strategy / change.
- **key projects** – supporting corporate priorities / activities.

Methodology

We have developed a combined assurance model which shows assurances across the entire Council, not just those from Internal Audit. We leverage assurance information from your ‘business as usual’ operations. Using the ‘3 lines of defence’ concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.
- The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.

Key Messages



Spring 2012 represented a watershed moment for Adult Social Care (ASC) as two separate Divisions (Commissioning and Operations) were brought together, a new Directorate management arrangement came into place and the Chief Executive took the role of the Director of Adult Social Care (DAS).

At the same time ASC had a programme of work to reduce base budget pressures; significant savings were being made (£12M in 2011/12) with more to come. These were organised around Performance Improvement Projects (PIPs) with project support from the Programme Office. However, it soon became apparent that a fundamental review of ASC was required if the organisation and delivery of adult social care was to be placed on a sustainable footing. To this end 3 macro projects were initiated:

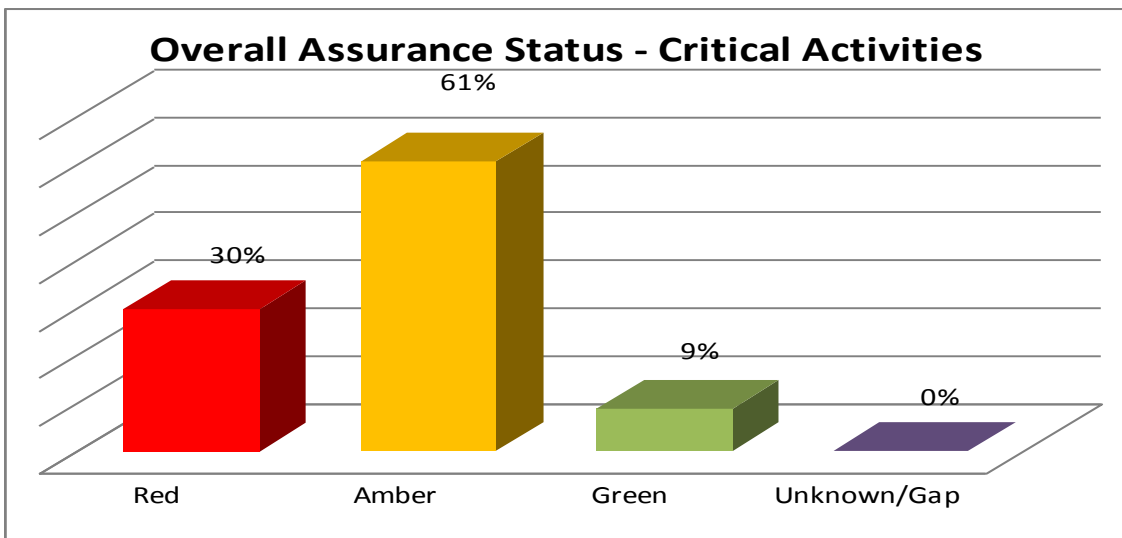
- looking at Learning Disability (the largest area of overspend against budget);
- reablement services, and

- '14 Forward' in which a small team of experts were pulled together to develop a blueprint enabling ASC to re-model itself.

ASC was given four priority areas for 2012/13:

- **Personalisation** – notably to achieve the national target for people eligible for ASC of 100% (now 70%)
- **Alignment with health** – recognising that part of the solution to a sustainability rested in developing strategic links with NHS partners
- **Integrity of Operational Processes** – noting that ASC had many backlogs for reviews, provision of Direct Payments and payments to providers
- **A balanced budget** - a priority for the Council recognising the scale of the ASC budget as a proportion of the total LCC budget and, the increasing numbers of increasingly vulnerable people being served.

The journey that ASC is on is lengthy and that, in part explains why the overall assurance status looks as it does.



Key Messages

What our customers say?

Overall customer feedback is positive with people stating they were confident in the work we do (91%) and that they felt their needs were met (87%).

Complaints are reported to Adult Scrutiny Committee on a regular basis as part of an overall Performance Report. Typically just under 50% are partly or wholly substantiated. In the second quarter of this financial year there were marked reductions in the number of complaints received – from 78 in quarter 1 to 59 in quarter 2, notably reduced to delays in ASC processes from 27 in quarter 1 to 7 in quarter 2.

Moving forward

A number of changes have been introduced to strengthen ASC in a number of areas of activity previously regarded as underperforming:

1. A dedicated Division for Learning Disability headed by a temporary Head of Service was created to provide clearer focus and leadership in this challenging area. The Director of Children's Services also agreed to Chair a group in support of a strategic plan for the future of this service area.
2. In June 2012 the ASC Contracts Unit was transferred to Procurement Lincs on a temporary basis. Staff in both quality assurance and contracting units are now being consulted on whether this should be made permanent.
3. The Direct Payment and Financial Benefit and Advice service was reviewed and a proposal made to merge these two services in order to ensure a better customer experience. Staff are being consulted on whether these should be transferred to Business Support to ensure recent performance gains are built upon.
4. The operational teams responsible for adult safeguarding were transferred to the Head of Service for Safeguarding to ensure a clear line of communication (vertical integration) between policy and practice.
5. Agreement was reached with the Lincolnshire residential sector for a 3 year funding agreement.
6. To ensure an appropriate level of governance a Transformation Board chaired by Tony McArdle as the Chief Executive and DAS was introduced to oversee the macro projects described earlier. This in turn reports to a Steering Group with Councillor Marsh (ASC Portfolio Holder) and Councillor K Smith (Resources Portfolio Holder) in attendance. This provides a high degree of assurance and appropriate governance arrangements at both senior officer and senior Member level.



Critical Systems

The current social care system is not meeting the needs of practitioners or management and is inflexible to the changing needs of social care. At the Informal Executive meeting in September the need for a better IT system was discussed. The Executive have asked that a procurement exercise be undertaken to identify and contract for the most appropriate system. It is anticipated that due to the complexity of such a change it could take up to 2 years to complete.

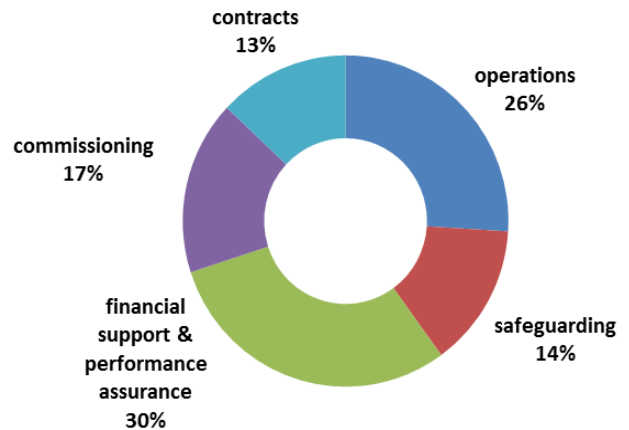
A specialist financial system for Adult Social Care is currently provided by the Abacus application. The system had not been upgraded for a number of years and was unable to manage direct payments effectively. An upgrade to Abacus has been purchased that will allow for faster and more efficient set up of direct payments and provide robust financial information. The upgrade is due to go live in December 2012 and will need to be built upon to ensure further improvements.

Whilst improvements to systems/software helps, ASC recognises that data quality is itself in need of both improvement and regular checks. Some work has begun in the absence of a dedicated resource and will be a focus for a refresh of workforce development later this Winter – for example concerning recording.

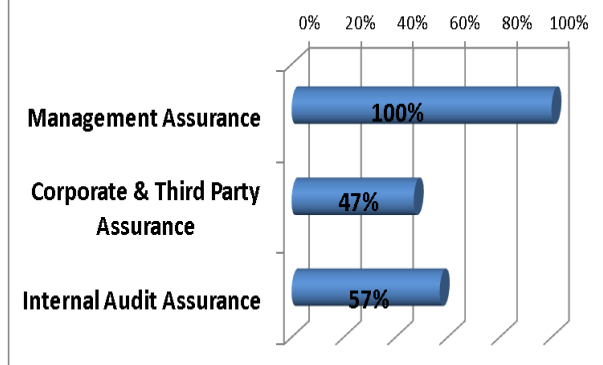
Performance continues to improve in a number of critical areas including:

- Outstanding provider payment queries has reduced from 320 in February 2012 to 75 currently.
- Annual review activity is currently projected to achieve 78% by the end of the financial year against last year's outturn of 48%
- Improvements in brokering of homecare from an average of 20 days to 14 days, although further improvements required to meet target of 7 days.
- Our in-house reablement service continues to improve outcomes for people, increasing the proportion of people successfully reabled from 34.5% in 2011/12 to 40% in September 2012.

Adult Social Care - Distribution of Assurance



Who Provides Your Assurance



Our assurance arrangements are working effectively. Management have provided assurance on all of the critical systems and key risks. They have provided a realistic picture to enable Board oversight and monitoring of improvement action and change.

The Service works well with the Council's Corporate Functions and Internal Audit who provide independent challenge and insight. Recommended improvements resulting from Internal Audit work are monitored and tracked through the Audit Committee.

The pace of implementation of recommendations - which would result in improved assurances - has been affected by transformation programmes.

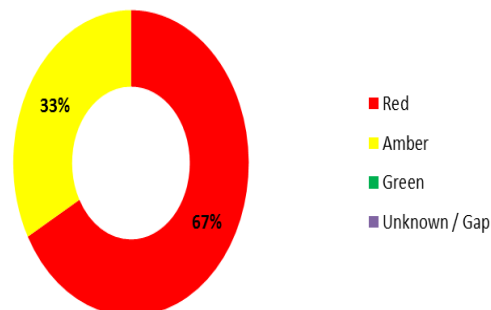
Operations

The service remains under pressure due to increased activity and the implementation of the personalisation agenda, however, the risks and challenges have been identified by management and are being addressed.

Older People / Physical Disability

In the past twelve months, management have focussed on delivering improvements in response times to referrals whilst also improving review rates and reducing admissions to residential care. This has led to a restructure of management responsibilities to reflect the joint health agenda and alignment with the CCGs.

Operations



Work has been undertaken to improve our responsiveness to customers which has led to modifications in team structures and staffing. Financial resources from the reablement grant have been targeted at pressure areas such as hospital discharge and initial assessment functions. We recognise the importance of performance to the Audit Committee and it is pleasing to report improvements in a number of key areas: historic backlogs have been reduced or removed. 79% of people are now assessed within 28 days compared to 72% in 2011/12 and 86% of people begin receiving all their services within 28 days of assessment compared to 82% in 2011/12.

Learning Disability

In July 2012 Learning Disability services were separated from Older Persons and Physical Disability services and allocated a dedicated Head of Service and General Manager.

As a consequence a greater focus on the service exists and performance is improving in key areas including reducing admissions to residential care in September 2012 - 5 people with learning disability were admitted to long-term care compared to 18 as at September 2011, review performance is projected to reach 82% by the end of the financial year compared to 69% in 2011/12; there is also a clearer focus for the teams on what is required from them and there has been a reduction in the overspend position.

A new section 75 agreement will be put into place with the Clinical Commissioning Groups to ensure clarity on governance and funding levels covering pooled budget and integrated service delivery

The on-going delivery of the Process Improvement Projects eg case management, transformation of the service (14 Forward programme) and implementation of new IT systems are the reason why the assurance status remains at 'red' or 'amber'. It is anticipated that the next assurance status report will show a better position.

An Internal Audit of case management is planned for later in the year

Safeguarding

We have appointed a new Independent Chair of the Adult Safeguarding Board.

The Government has indicated in the “caring for our future” white paper, that like Children’s Safeguarding Boards – Adults will be mandatory, which is welcome news.

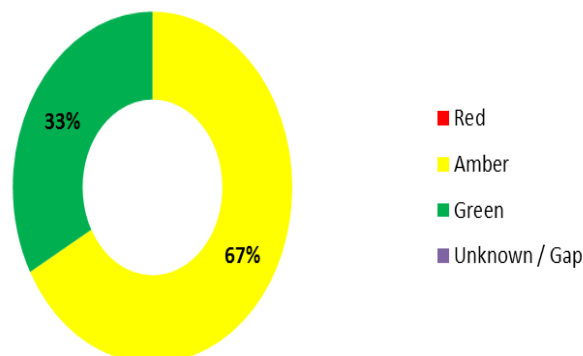
We have also been working on joint policy and procedures with all of our partners to differentiate between Safeguarding and Adult Protection. These are critical and it is expected that they will be concluded this Winter.

Following the revelations at Winterbourne View concerning people in Independent Hospital settings, the Council and its NHS partners have conducted a review of all relevant placements and have a joint action plan overseen by the Joint Commissioning Board for Learning Disability.

A ‘safe practices’ group has also been created in ASC looking at quality, Health & Safety and workforce development.

Safeguarding Adults is one of the Council’s strategic risks – key to managing this risk is improved information through our IT systems

Safeguarding



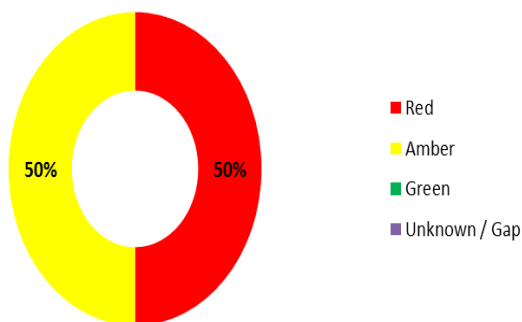
Commissioning

In recognition of the importance and risks associated with this activity the Council has included this area on its Strategic Risk Register.

A significant new approach to the commissioning role within ASC is underway with a more strategic perspective sought.

This position is being reinforced through the introduction of new strategic documentation and processes that will deliver commissioning intentions alongside position statements to inform and advise partners, providers (where a diverse and sustainable market is critical) and the public. These include our first ever Market Position Statement, ASC County Infrastructure Plan, and Capital Plan.

Commissioning



Alongside this, relationships and partnerships are being strengthened and forged to support and deliver joint commissioning arrangements and opportunities. We are delivering this through refreshed commissioning teams with more focussed remits, working alongside the 14 forward transformation team.

An integrated Commissioning Board for learning disability will be established to monitor the effectiveness of integrated commissioning and service delivery.

These initiatives are at the early stages – which explains the current assurance status. It is anticipated that the next assurance status report will show a better position.

Contracts

As a result of an Internal Audit this has been a key area of focus for the Audit Committee and a programme of improvement.

Significant progress has been made in both the management of contracts and the relationship with the independent and third sector. In June 2012 the ASC Contracts Team transferred, for an initial period of six months, into Procurement Lincolnshire (PL). PL has delivered management support to the Contracts Team and provided additional resource to the service to progress performance in a number of key areas including:

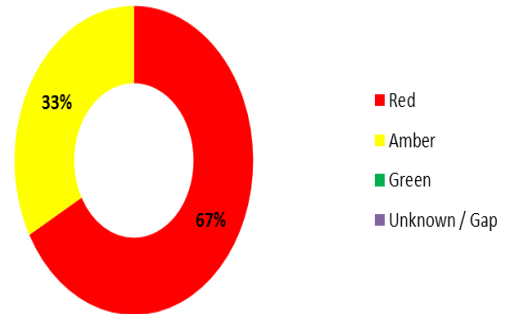
- Ensuring that all providers sign up to the Framework Contract for personal care services
- Reviewing the framework contract in relation to clients with learning disability
- Improving the integrity and completeness of the Contracts Register for ASC – the Contracts Register is now substantially improved- Establishing productive relationships with Lincolnshire Care Association, the body representing the majority of social care providers in Lincolnshire
- Improved the contractual status and added a dedicated resource to support robust management of the ICES contract (Integrated Community Equipment Service)
- Undertook a review of existing practice across a number of areas recognising the need for consistent and robust processes – an example being a review of out county placements to ensure that appropriate contractual arrangements are in place (this is work in progress)
- Supporting the Learning Disability Board to deliver the “Must Do” actions set out in the Options Appraisal. This includes the review of all Learning Disability Contracts/Placements and ensure moving forward there is robust contractual arrangements that secure and deliver VFM and efficiency improvements whilst ensuring continuity and quality of supply.

Procurement Lincolnshire is also working closely with commissioning and operational colleagues to review contract management arrangements and to ensure that effective day to day working relationships are in place. Two examples include:

- Agreeing a series of actions that PL will take forward on behalf of ASC which include identifying resources to support a programme of procurement and seeking extensions to existing contracts where appropriate (in line with the requirements of the Council’s constitution and the blueprint for ASC from April 2014)
- Supporting ASC colleagues in a review of the Community Support Framework.

It is anticipated that the next assurance status report will show a better position as the above changes starts to have an impact . An Internal Audit of contracts is planned for later in the year.

Contracts



Financial Support, IT systems and Performance

The Performance Framework and Performance Improvement Projects are overseen and reported on monthly to a Performance Board which includes Cllr G Marsh. Recently information about human resources and customer insight has been included in the framework, to consider the effects of our workforce and satisfaction rates on the people we support.

We continue to make progress with personalisation, having achieved our national target of 50% for Personal Budgets in 2011/12. The number of people choosing to manage their own care through a direct payments continues to increase.

Earlier in the year a backlog was identified within the direct payment service and a review of process was undertaken, as well as additional staff capacity. This has greatly reduced the backlog and brought the average waiting time from 38 days to 20 days. The target is 14 days.

Pressure remains on the number of admissions to residential care and it is unlikely that the year end target will be met, however, performance remains at a similar position to 2011/12. National policy changes in relation to young people with a learning disability transitioning into adult services is likely to increase budget pressures and require policy change

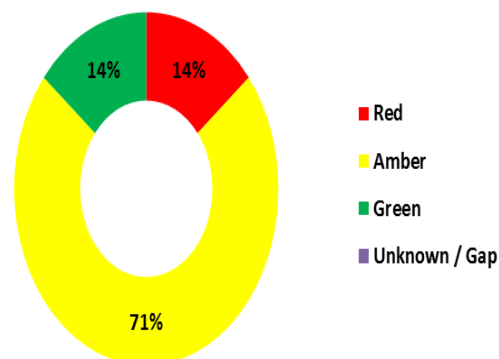
Significant activity has been undertaken over the summer months to ensure that people do not remain in our re-ablement service when it is no longer appropriate (notably as this represents unnecessary costs), a new performance measure has been adopted to monitor this alongside a weekly monitoring meeting.

Financial performance is also shown monthly in a corporate finance report discussed at the Corporate Management Board, at the Executive, Adults Scrutiny Committee and the Value for Money Scrutiny Committee.

The service has an £18.67m savings programme this year, followed by savings targets of £8.04m and £4.1m in the next two years. The savings are reported monthly to the Performance Board. In addition for each saving there is a Performance Improvement Plan (PIP) describing the saving and how it is to be achieved. Each PIP has been financially validated and the saving is revised monthly. However there remains significant budget pressures for learning disability services

Overall the current financial year as the service is projecting a net overspend of £6.5m. Under spends elsewhere in the Council means that in total the Council is still projecting a modest under spend for the year. An independent study (KPMG) is looking at the extent of any under funding of the service that may potentially exist with a view to realigning future year's base budgets - if justified. As already mentioned a transformation programme is underway designed to fundamentally reconfigure the service from 2014/15 on wards. This is a Strategic Risk for the Council and is being managed accordingly.

Financial Support & Performance



Suggested Next Steps:

1. As already mentioned ASC is on a journey of transformation with many influences combining: such as the Councils Strategic Commissioning intentions, the blueprint being devised by the '14Forward' team and, the nature of future arrangements between the NHS in Lincolnshire and ASC. As such it is appropriate that periodic reports to this Audit Committee are provided. This will be in addition to the already close working with colleagues in audit.
2. One of the influences requiring transformation of ASC is finance. Along with all other Councils with Adult Social Care responsibilities a sustainable financial base is critical and has driven a number of changes already introduced. In an attempt to help understand how much funding the Council should make available to ASC a base budget review of the Learning Disability budget and, a wider independent review of the ASC budget has been commissioned from KPMG.
3. Helping to ensure a diverse and sustainable market of suppliers has already been mentioned, in particular the market for community support (home care) represents a number of risks in terms of quality, pricing and structure. Recent analysis indicates a significant pressure on providers developing. A set of actions between ASC and Procurement Lincs are being developed in an attempt to strengthen this critical area of activity
4. Furnished with the aforementioned information, later this month ASC will provide a budget briefing to the leader of the Council which will help inform future plans looking ahead 3 financial years. This will no doubt influence the extent and pace of transformation required. The balance between resources available and the increased levels of need being seen requires not just improvements within ASC but across a range of partners – not least colleagues in Public Health, the NHS 'family' and LCC. ASC is critically dependent upon the activities of others – for example with respect to the preventative work being led by colleagues in public health – for its own health. Where there are jointly funded service areas it will be equally important that partners do not withdraw their contributions as budget pressures manifest themselves elsewhere. As such robust agreements will need to be established to prevent this risk occurring.
5. At the same time our level of co-operation and joint work with NHS partners in Lincolnshire is set to evolve yet further and this also represents both opportunities and challenges – notably with respect to governance, performance oversight and the necessary skill-mix of the staff involved as roles and responsibilities change to reflect our different environment. In essence ASC becomes a relationship manager as it moves further from its traditional role of service manager/provider.
6. The Internal Audit Plan for 2012 / 13 includes the following activity:
 - Contract Management
 - Proactive support and guidance on the Process Improvement Projects
 - Case Management – older people and learning disability
 - Referrals and Contact Management
 - Night Support Service
 - Emergency Duty Team

This work is planned to commence in quarter 3 and 4.

Strategic Risks



The significance of the issues facing Adult Social Care is reflected in the Council’s Strategic Risk Register. The risk rating reflects a natural disposition to caution given the nature of the people being served and the scale of the budget pressures. Outlined below is

Council’s highest rated Strategic Risks for this area of the business

Safeguarding Adults

Safeguarding Adults

LCC needs to update our Information technology to ensure that we systematically capture our approach to quality and safeguarding so that we are assured that information flows in a seamless way. This need should be met as a result of the investment expected for IT in the next 2 years, combined with the enhancement of a current contract management system.

Market supply to meet eligible needs

Market Supply to Meet Eligible Needs

In the last 12 months ASC has sought to examine and better understand the Adult Social Care Market across the County. We are now in the position where we are publishing our Market Position Statement to share our understanding of the market with providers, and to highlight areas of pressure and demand. We have developed substantial mapping systems that allow us to view the market position interactively, and we continue to grow this facility, finding ways to share the resources more widely. We continue to work with providers to fill gaps in provision and guide development and change, doing this through provider forums, and by building and maintain relationships.

Funding and maintaining financial resilience

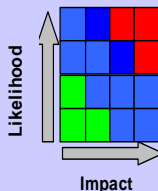
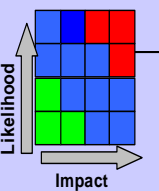
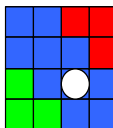
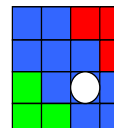

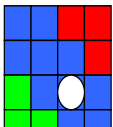
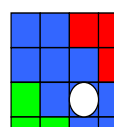

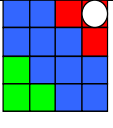
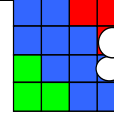

It is important that we engage at a strategic level with the independent and third sector and we have now established a productive relationship with Lincolnshire Care Association, the body representing the majority of care providers in Lincolnshire, we also have a good dialogue with Community Lincs. We have been asked by both organisations to address their annual conferences which is a good opportunity for the Council to strengthen engagement across the whole sector.

Comparatively speaking the residential care sector is more stable – notably as a result of having agreed 3 year funding. Attention has now been concentrated on future funding and quality for the home care sector and is a priority in the coming months.

Funding and Maintaining Financial Resilience

As has already been stated the 3 macro projects coupled with the budget briefing to the Leader on 26 November are expected to help ensure that ASC has a resilient financial base upon which to work.

A number of smaller scale Performance Improvement Projects have helped ASC along this journey but larger scale changes and a new business model for ASC are critical to the future health of ASC.

Strategic Risks - Assurance Map			 Likelihood ↑ Impact → CURRENT RISK SCORE	 Likelihood ↑ Impact → TARGET RISK SCORE	DIRECTION OF TRAVEL	Management Assurance Status (Full, Substantial, Limited, No)	Corporate Functions & Third Party	Internal Audit	OVERALL ASSURANCE STATUS	COMMENTS
OWNER	RISK APPETITE									
RAG Rating for level of assurance Red (R)/Amber (A)/Green (G)										
Promoting Community Wellbeing & Resilience										
Safeguard adults	Tony McArdle	Cautious (Regulatory standing & legal compliance - recognised may need to change the ways things are done but will be tightly controlled)			 Improving	A	A	A	A	Direction of travel improving but still some work to do with developing suitable controls.
Adults adequacy of market supply to meet eligible needs	Tony McArdle	Cautious (Regulatory standing & legal compliance - recognised may need to change the ways things are done but will be tightly controlled)			 Improving	A	G	A	A	
ASC not able to live within budget / Not balancing the service requirements to match available budget	Tony McArdle	Cautious (Regulatory standing & legal compliance - recognised may need to change the ways things are done but will be tightly controlled)			 Static	A	A	A	A	The direction of travel is static for this risk.