



INTERNAL AUDIT FINAL REPORT

PEOPLE DEPARTMENT

REVIEW OF SUPPORTED LIVING PLACEMENTS

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REVIEW OF SUPPORTED LIVING PLACEMENTS 2020-21

INTRODUCTION

1. This report sets out the results of our audit of Supported Living Placements. The audit was carried out as part of the work specified in the 2021-22 Internal Audit Plan agreed by the Section 151 Officer and Audit Sub-Committee. The controls we expect to see in place are designed to minimise the Council's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be addressed by management.
2. Supported living is an arrangement whereby someone who has their own tenancy also has assistance from a Care and Support provider to help them live as independently and safely as possible.
3. Applicable legislation includes the Care Act 2014; Human Rights Act 1998; Mental Capacity Act 2005, Mental Capacity (Amendment) Act 2019.
4. This service is included within the learning disabilities service in respect of budget monitoring. The total net budget for 2020-21 was £35,387,620 and the total actual spend was £35,976,621. There are two types of supported living placement, those on a spot contract and those schemes that have been commissioned, for which the Authority have nomination rights. Costs are monitored by each individual service user for the year rather than each contract. The block contract is with the provider A. The block contract payments are fixed and paid in 12 equal monthly instalments.
5. We would like to thank all staff contacted during this review for their help and co-operation. It is acknowledged that the pandemic was an unprecedented time and services across most areas of the Council were impacted.

AUDIT SCOPE

6. The original scope of the audit was outlined in the Terms of Reference issued on 24/11/20. This audit was postponed during periods of restrictions caused by the Covid 19 pandemic. The scope was to review the contract management and monitoring of the contracts to provide supported living schemes. This audit was due to look at the re-provisioning, but due to the current contracts being extended due to the pandemic, this was not possible.

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7. The key risks to be reviewed as part of the audit were :-

- Contract management is not effective; management information is not timely, accurate, complete or as detailed within the contract. Robust governance arrangements are not in place for contract monitoring.
- Contract performance is not measured against performance indicators. Performance issues are not identified promptly or dealt with appropriately.
- Payments are not supported by relevant documentation. The amount charged for the service by the contractor does not reconcile to the cost in the contract and the amount paid by the Council and/or client contribution.
- Any changes to processes, due to the pandemic have not been consistently applied, which may weaken controls previously in place. Intended outcomes may not be achieved and there is an increased risk of irregularity.

AUDIT OPINION

8. Our overall audit opinion, number and rating of recommendations are as follows.

AUDIT OPINION	
Reasonable	(Definitions of the audit assurance level and recommendation ratings can be found in Appendix B)

Number of recommendations by risk rating		
Priority 1	Priority 2	Priority 3
1	2	0

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SUMMARY OF FINDINGS

9. We would like to bring to management attention the following issues :-

- Monitoring of voids. Enquiries were made with Commissioning to determine whether the monitoring of voids is undertaken by the service. It was confirmed by the Head of Complex & Long Term Commissioning that *'Commissioners would be aware of where voids are through contract management. If a scheme had a particular issue with voids, commissioners would expect to be made aware to understand if there were specific reasons, if corrective action with the provider was needed or to determine longer term viability. Commissioners do not maintain a list of the voids and there is not a specific procedure / process for the treatment of voids within my service area'*. The Council does not automatically pay providers in the event of a void and has not chased providers to submit invoices. There were a number of voids in Q1-4, it should be noted that some of them were in excess of 18 months, due to remedial works having to be undertaken.
- Audit testing identified 3 cases whereby during the pandemic, the service users returned to their family home for various reasons and payments for the 1:1 care continued to be paid. The department are aware of this and are clawing back monies totalling £33,164.50 in respect of these 3 cases. A further case was reviewed separately, resulting from other work undertaken in Internal Audit. The Project Manager, Strategy, Performance, Corporate Transformation Division, is undertaking a piece of work to identify high cost placements and is monitoring overpayments and changes in circumstances. Internal Audit has been advised that there are 14 supported living cases whereby clawbacks have been made totalling £131,392.48 for 2021-22 and only 1:1 costs have been clawed back. Shared care costs were not recovered due to the impact on other service users at the individual units.
- The current contracts for provider A, B or C that were reviewed have no specific requirement for performance monitoring of key performance indicators.

DETAILED FINDINGS / MANAGEMENT ACTION PLAN

10. The findings of this report, together with an assessment of the risk associated with any control weaknesses identified, are detailed in Appendix A. Any recommendations to management are raised and prioritised at Appendix B.

1. Monitoring of Voids

Finding

Enquiries were made regarding the monitoring of voids within the block contract with provider A. It was confirmed by the Head of Complex & Long Term Commissioning that *'Commissioners would be aware of where voids are through contract management. If a scheme had a particular issue with voids, commissioners would expect to be made aware to understand if there were specific reasons, if corrective action with the provider was needed or to determine longer term viability. Commissioners do not maintain a list of the voids and there is not a specific procedure / process for the treatment of voids within my service area.'*

Reviewing the contract monitoring reports for provider A for 2020-21, the report identifies that there were 3 voids in Quarter 1, 4 voids for Quarter 2, 5 voids in Quarter 3 and 5 voids in Quarter 4. It should be noted that two voids remained empty for more than of 18 months due to remedial works having to be undertaken. At the time of audit testing, the Quarter 4 contract monitoring report was not provided to the Authority although this has since been provided along with Quarter 1 2021/22.

The cost of these voids depends upon the costs of the individual service user per week. It was confirmed by the Head of Complex & Long Term Commissioning, that *'the providers are aware that they can recover the core costs relating to voids but they do not always invoice the Council for them. The Council does not automatically pay providers in the event of a void and has not chased providers to submit invoices. When invoices are submitted, they have to be approved for payment'. 'The cost of a void varies for each scheme depending upon the number of core hours and the hourly rate and the invoice amount would be checked against this before authorisation.'*

'Under the contract the Authority 'will continue to fund the vacancy for a period of up to 8 weeks by paying the cost of the shared and core hours to ensure the services continue at that location.'

'Whilst the Council can withdraw payment for voids after 8 weeks, the council recognises that providers will continue to incur full core staff costs whilst a void exists. It is not in the Council's interest to withdraw this funding as it would wish to retain sole nomination rights into the scheme and the Council has a duty under the Care Act to ensure that care providers are funded to remain viable.'

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<p>Enquiries were made by Internal Audit regarding the average void weekly cost to determine the total costs for the voids identified. It was confirmed by the Head of Service, that <i>'in relation to provider A contract, the scheme costs were not individually identified at the commencement of that contract'</i>.</p> <p><u>Risk</u></p> <p>Unnecessary costs incurred by the Authority/poor value for money.</p>	
<p><u>Recommendation</u></p> <p>Management should ensure that a voids monitoring process is implemented by Commissioning, to regularly monitor voids to keep them at a minimum to ensure that unnecessary costs are not incurred by the Authority. Void costs within the supported living service should be easily identifiable. An agreed process should be in place for the monitoring of voids which should be undertaken by an officer identified by management. The average void weekly cost will need to be determined for contracts going forward, in order to determine the total costs for the voids identified at each unit.</p>	<p><u>Rating</u></p> <p>Priority 1</p>
<p><u>Management Response and Accountable Manager</u></p> <p>A voids monitoring process has now been implemented by commissioners. A spreadsheet, detailing voids, will be populated monthly by the Strategic Commissioner post who will contact all supported living providers with whom the Council has block contracts and update the void information on the spreadsheet.</p> <p>The updated spreadsheet will be sent to the Head of Service, Placements & Brokerage, the Team Leader, Central Placements Team, the Head of Service (also Budget Holder), Learning Disability Service and the Head of Service, Long Term & Complex Commissioning.</p> <p>The Central Placements Team will use the spreadsheet as a list of LD supported living provision that Brokers will prioritise for matching referrals they receive. The Learning Disability care managers will know these services (from reviews they have undertaken) and will be asked to propose suitable schemes when making referrals to the Central</p>	<p><u>Agreed timescale</u></p> <p>Implemented.</p>

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Placements Team. The Central Placements Team will be responsible for monitoring progress and will chase Care Managers / supported living block providers to speed placements. In the event CPT are unhappy with responses or response speed, they will notify the Head of Service, Learning Disability Service if there is a concern with a Care Manager or the Strategic Commissioner if there is a concern with the provider.

The Strategic Commissioner, following monthly engagement with the providers, will notify the Heads of Service if the provider identifies issues with communication / speed of process with Council officers. If voids remain unfilled for more than 8 weeks, the Strategic Commissioner will highlight this within the spreadsheet and escalate to Heads of Service to take appropriate action.

A bi-monthly meeting will take place to review progress, highlight issues and seek improvements to process.

In relation to Supported living service user costs. All contracts let since January 2019, have package costs split between core and 1:1, this makes the identification of core costs in the event of a void straightforward. The breakdown between core and 1:1 costs will be established in advance of the new supported living contracts being implemented on 25 January 2022. An example of this is attached as a spreadsheet and relates to the implementation of provider D supported living contract on 1/4/2021.

In addition to the above, a waiting list of potential clients will be developed by the Learning Disability (care management) service and shared with the Central Placements Team.

The following table sets out the accountabilities and responsibilities for each person:

PLEASE SEE APPENDIX C

2. <u>Clawbacks of 1:1 Care</u>	
<p><u>Finding</u></p> <p>Audit testing identified 3 cases whereby during the pandemic, the service users returned to their family home and payments for the 1:1 care continued to be paid totalling £33,164.50. The department are aware of this and are in the process of clawing back monies. A further case was reviewed separately, resulting from work undertaken in Internal Audit.</p> <p>The Project Manager, Strategy, Performance, Corporate Transformation Division, is undertaking a piece of work to identify high cost placements and is monitoring overpayments and change in circumstances. Internal Audit has been advised that there are 14 supporting living cases where clawbacks have been made totalling £131,392.48 (This relates to financial year 2020/21).</p> <p>Only 1:1 costs have been clawed back but shared care costs have continued to be paid to the providers due to the impact on other service users at the individual units.</p> <p><u>Risk</u></p> <p>Unnecessary costs incurred by the Authority. Recovery of monies are not undertaken.</p>	
<p><u>Recommendation</u></p> <p>All monies should be recovered without delay if further cases are identified during the annual review assessments.</p>	<p><u>Rating</u></p> <div style="border: 1px solid black; background-color: yellow; padding: 2px; display: inline-block;">Priority 2</div>

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<u>Management Response and Accountable Manager</u>	<u>Agreed timescale</u>
<p>Response; If cases are discovered, immediate action is taken to recover any outstanding monies. This is linked to the Transformation Plan, Action 4, Ensuring Efficiency and Effectiveness. The responsible Officer is the Head of Service for Learning Disabilities.</p> <p>a) Seniors Practitioners have been made aware of the Audit findings. Care Managers have been informed that support plans must be amended to reflect the change in support and the Finance section must be updated.</p>	Achieved

3. <u>Performance Indicators – KPI’s</u>	
<p><u>Finding</u></p> <p>It was found that there are no specific requirements for key performance indicators contained within the current contracts with provider B and provider C and both do not have a requirement for the provision of KPI data. These services should have been retendered by now but because of the pandemic the Authority have needed to extend them until January 2022.</p> <p><u>Risk</u></p> <p>Lack of regular performance monitoring information in key areas.</p>	
<p><u>Recommendation</u></p> <p>Contracts should include key performance indicators going forward to assist in the monitoring of the contracts.</p>	<div style="border: 1px solid black; background-color: #ffcc00; padding: 5px; display: inline-block;">Priority 2</div>
<p><u>Management Response and Accountable Manager</u></p> <p>Commissioners recognise that it is best practice for contracts to be managed using key performance indicators to monitor performance standards. Key Performance Indicators are now used as part of contract management as a core standard. The contracts reviewed as part of the Audit were long-standing contracts that had needed to be extended beyond their expiry dates due to the pandemic. One of the contracts has already been replaced (provider A contract) with a contract operated by provider D (from 1 April 2021) which has KPI’s used as part of the management arrangements. The other 2 contracts, with provider B and provider C, are being replaced with new contracts commencing 25 January 2022. These new contracts also incorporate KPI’s (please see attached) as part of their contract management arrangements. The accountable officer in relation to this is the Strategic Commissioner post.</p>	<p><u>Agreed timescale</u></p> <p>Already implemented for the replacement of the provider A contract that was audited. The other audited contracts will be replaced on 25/1/22 with contracts monitored using KPI’s.</p>

Assurance Level

Assurance Level	Definition
Substantial Assurance	There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature.
Reasonable Assurance	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.
Limited Assurance	There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention.
No Assurance	There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified.

Recommendation ratings

Risk rating	Definition
Priority 1	A high priority finding which indicates a fundamental weakness or failure in control which could lead to service or system objectives not being achieved. The Council is exposed to significant risk and management should address the recommendation urgently.
Priority 2	A medium priority finding which indicates a weakness in control that could lead to service or system objectives not being achieved. Timely management action is required to address the recommendation and mitigate the risk.
Priority 3	A low priority finding which has identified that the efficiency or effectiveness of the control environment could be improved. Management action is suggested to enhance existing controls.

RECOMMENDATION 1 – MANAGEMENT ACTION PLAN

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Responsibilities / Roles within Voids Management Process	Frequency
<p>Responsible Officer - Strategic Commissioner</p> <p>Roles:</p> <ol style="list-style-type: none"> 1. Maintains Voids Register for LD Services 2. Contacts all supported living providers (with whom LBB has block contracts) monthly and updates the Voids Register 3. Send Updated Voids register to all Heads of Service and the Team Leader CPT 4. If notified by CPT of poor response from supported living provider, take the matter up with them to resolve 5. During monthly contact with supported living providers, if they notify post holder of poor response / communications with Council officers, notify relevant Head(s) of Service 6. If voids remain after 8 weeks, highlight issue to Heads of Service to agree appropriate action 7. Arrange bi-monthly voids meeting with all responsible People (detailed in this table) to review position. 	<p>Ongoing</p> <p>Monthly</p> <p>Monthly</p> <p>As required</p> <p>As required</p> <p>As required</p> <p>Every 2 months</p>
<p>Responsible Officer - Head of Complex & Long-Term Commissioning</p> <p>Responsible for:</p> <ul style="list-style-type: none"> ensuring the Learning Disability Voids Register is maintained taking appropriate action as required ensuring provision of core costs for each client in the event of a void <p>Roles:</p> <ol style="list-style-type: none"> 1. Review monthly voids performance using updated Voids Register sent by Strategic Commissioner 2. Receive and action resolutions to issues arising from the Voids Register as and when notified 3. If notified by Strategic Commissioner of concerns from supported living providers of poor response / communications of Council officers, monitor / take action as required 4. Attend bi-monthly voids management meeting taking actions / monitoring progress as required 5. Making the core cost available for each client 	<p>Ongoing</p> <p>Monthly</p> <p>As required</p> <p>Every 2 months</p> <p>As required</p>

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<p>Responsible Officer - Head of Service, Placements & Brokerage</p> <p>Responsible for:</p> <ul style="list-style-type: none"> ensuring effective progression of service user referrals / matching / placements within the Central Placements Team ensuring a Waiting List of potential LD placements, received from the care management service, is consulted regularly and discussed at the bi-monthly meetings <p>Roles:</p> <ol style="list-style-type: none"> Review monthly voids performance using updated Voids Register sent by Strategic Commissioner Receive and action resolutions to issues arising from the Voids Register as and when notified If notified of issues of poor response / communications by CPT officers via Strategic Commissioner (from supported living provider) take appropriate action. Attend bi-monthly voids management meeting taking actions / monitoring progress as required 	<p>Ongoing</p> <p>Monthly</p> <p>As required</p> <p>Every 2 months</p>
<p>Responsible Officer - Team Leader, Central Placements Team</p> <p>Roles:</p> <ol style="list-style-type: none"> Maintain a Waiting List of clients requiring placements over the coming 12 months with information provided by LD Care Management Service. Central Placements Team will use the Voids Register spreadsheet as a list of LD supported living provision that Brokers will prioritise for matching referrals to The Central Placements Team will monitor progress and will chase Care Managers / supported living block providers to speed placements. Attend bi-monthly voids management meeting taking actions / monitoring progress as required 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Every 2 months</p>
<p>Responsible Officer - Head of Service (Budget Holder), Learning Disability Service</p> <p>Responsible for:</p> <ul style="list-style-type: none"> ensuring effective progression of service user referrals / matching / PRG / placements 	

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<ul style="list-style-type: none"> • establishing a waiting list of potential LD placements in conjunction with the Central Placements Team <p>Roles:</p> <ol style="list-style-type: none"> 1. Ensures care managers compile a Waiting List of service users who will require placements over the coming 12 months (e.g. through transition / leaving adult education) or arising from a life event (e.g. carer illness / health deterioration) and share the Waiting List on a monthly basis with CPT. Information to include a basic needs profile 2. Ensures care managers refer service users to CPT for placement as soon as possible, using local knowledge and client information to recommend suitable placements / facilitate Care Manager / CPT interaction 3. Ensures Care Managers progress placements through PRG and manage placement activities in a way that minimises void time. 4. Attend bi-monthly voids management meeting taking actions / monitoring progress as required 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Every 2 months</p>
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