

Manchester City Council Report for Information

Report to: Audit Committee - 25 January 2018

Subject: North West Foster Care Framework

Report of: Strategic Director of Children's Services

Summary

The audit committee undertook an audit of the North West Foster Care contract in 2017 from which there are four recommendations that have yet to be fully implemented. Two recommendations have been fully implemented and two partially implemented which are:

- *'Management must validate the accuracy of all existing placement charges to identify the extent of discrepancies and potential over/under charging. Identified overpayments should be taken up with the Provider to recover overpaid amounts and ensure the correct chargeable rate is applied.'*
- *Management should review the current risk evaluation process which is used to drive provider monitoring visits*

Following the transfer from adult to children's services in the later part of 2017 the service is now in a stronger position to fully implement the remaining two recommendations. This follows the recruitment of staff and building management and finance officer capacity.

It is expected there will be 3 months evidence of contract monitoring activity to share at the end of March 2018; which will include the cross checking of all fees and direct communication with all independent fostering agency providers to evidence full implementation of the outstanding 2 recommendations.

Recommendations

It is recommended Audit committee members note the update on progress and ongoing work to implement the Audit recommendations.

Wards Affected: All

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Background documents (available for public inspection):

None

1. Purpose of Report

- 1.1 This report provides an update on progress being made against the outstanding recommendations from the Audit Team Review of the North West Foster Care Framework Contract Monitoring arrangements.

2. Introduction

- 2.1 Manchester City Council is one of 23 local authorities in the North West region who are signed up to and using the North West Foster Care Framework.
- 2.2 There are currently 438 Manchester looked after children and young people placed with independent fostering agency foster carers. The vast majority of these are placed with agencies on the North West contract. This number has reduced significantly from over 600 children 3 years ago and has reduced this year from 489 to 438.
- 2.3 The responsibility for identifying and securing foster care placements on the framework lies with the Children's Centralised Placements Team. This team is part of Children's Commissioning, Contracting and Placements Services. Working alongside the Placement Team is the Contract Team, who have responsibility for monitoring accommodation contracts with independent providers of foster care, residential care, and post 16 accommodation.
- 2.4 The Commissioning, Contracting and Placements Service is currently managed under the Head of Service for Looked after Children within Children's Services. However, up to July 2017 the service was operated and managed by Adults Services.

3. The Audit Team Review of Contract Monitoring Arrangements

- 3.1 The Audit Team Review of contract monitoring arrangements of providers on the North West Foster Care Contract was undertaken in January 2017 and made a number of recommendations as per the action plan below.
- 3.2 At the point in July 2017 when Children's Services assumed the management of the Commissioning, Contracting and Placements Service, they inherited the Audit Team recommendations.
- 3.3 The service has since completed full implementation of two of the four recommendations and has partially implemented the remaining two recommendations. It is acknowledged that there has been unacceptable delay in reaching this position and that full implementation of the remaining two recommendations must be prioritised and achieved promptly.
- 3.4 Delay in implementation of the recommendations has in large part been the result of capacity shortfalls in the service in the first 6 months following transfer of the service from Adults to Children Services in July 2017. At that time the Central Placement Team had a number of key staff absent from work and limited management capacity. As a result staff for whom their primary role

was to monitor contracts were undertaking alternative duties to secure the safety and wellbeing of children by procuring suitable placements; this restricted the extent to which the team could meet the audit team's timescales.

- 3.5 The capacity barriers detailed in 3.4 above have now been addressed; placement officers have been appointed and management capacity created. This has allowed contract officer staff to focus attention on their contract monitoring role. In addition, a full review of the team role, function and capacity has been undertaken, which will lead to a revised service structure and sustainable delivery model.
- 3.6 In light of the changes made and those planned it is expected the Central Placement Team is in a much stronger position to progress with completing full implementation of the remaining two recommendations and with supporting evidence by March 2018.

4. Work Ongoing to Complete Remaining Recommendations

- 4.1 The first of the uncompleted recommendations is that:

'Management must validate the accuracy of all existing placement charges to identify the extent of discrepancies and potential over/under charging. Identified overpayments should be taken up with the Provider to recover overpaid amounts and ensure the correct chargeable rate is applied.'

- 4.2 Work has been ongoing to address this recommendation as set out in the action plan below and £90k was recovered earlier in the year from agencies as a result of our findings.
- 4.3 Additional finance/business support capacity has been added to the team in order to work through the fees for all children placed in independent foster care placements. The staff member is checking fees paid against invoices received, the original framework price, any discounts that should have been applied at the start of the placement or at any point since, according to the discount arrangements on the contract, and any uplifts that may need to be accounted for in relation to a child moving into a higher age bracket. The work is very detailed and time consuming, so will take some time to complete fully.
- 4.4 The approach being taken to progress through the work is to look at all the placements with the biggest provider to Manchester first, come to conclusions about whether any monies are owed or not, and if they are, write formally to the provider to proceed to recover these immediately, and then begin cross checking fees for all the placements in the next biggest provider, and so on until we have reached the smallest provider and completed all.
- 4.5 The staff member undertaking the work is being supported by the finance section and Integrated Commission staff, who are currently working with operational managers to negotiate further discounts and rebates for the service from providers on top of those set out in the current contract.

- 4.6 We project that the work cross checking all of the placement fees, reaching our findings and writing to providers to recover any owed monies will be completed by the end of March 2018.
- 4.7 The second of the recommendations that is not yet fully implemented is that:
- Management should review the current risk evaluation process which is used to drive provider monitoring visits.*
- 4.8 As detailed in the action plan below, work has been ongoing to address this recommendation and it is partially implemented.
- 4.9 The service has adopted the quality assurance/activity data collection template, contract monitoring report format and stakeholder feedback template provided by North West Placements. The quality assurance/activity data template has been sent out for completion to all independent fostering agencies, to support our monitoring and review of their services. The completed information will be used alongside completed stakeholder feedback forms and contract monitoring officer visit findings. We will be using the stakeholder feedback forms to gain feedback about the quality of provision and the outcomes achieved for children in individual placements. We will look whether the provider has met the desired outcomes set out in the initial Individual Placement Agreement (the contract for each individual placement). The template forms detailed here have been shared with the Audit Team.
- 4.10. The Contract Team have scheduled visits for the next 3 months to independent fostering agency providers and will use the paperwork and process described above in 4.9 to complete their monitoring review and report. The team will complete at least 12 scheduled monitoring visits per quarter. The visit schedule has been shared with the Audit Team. Additional visits will be made immediately whenever concerns are raised about an agency with any Manchester children placed there. In March, another schedule of visits will be set out for monitoring visits for the following quarter, April, May, and June, and we will continue in this pattern, with immediate visits outside of the planned schedule if any concerns are raised. The team will share completed monitoring work undertaken with the Audit Team over this current quarter.
- 4.11 The team are in a much stronger position to contract monitor now that contract officers are not offering cover for absent placement officers and the team has additional management capacity in place.