

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**Audit Committee**

**4<sup>th</sup> February 2016**

**REPORT AUTHOR: David Powell, Strategic Director – Resources (S151 Officer)**

**SUBJECT: Wales Audit Office Report on the Review of the Letting of a Domiciliary Care Contract**

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**REPORT FOR: Information and Comment**

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**1.0 Introduction**

1.1 The letting of the domiciliary care service in Powys has been subject to three reviews and the third and final review by Wales Audit Office (WAO) means that there is a considerable body of information to analyse the process and also support learning for the organisation going forward.

1.2 The review by WAO falls under the Auditor General's responsibility to satisfy himself under the Public Audit Wales Act 2004 that the Authority made proper arrangements for securing economy, efficiency and its effectiveness in its use of resources. This requirement, under the 2004 Act, was applied to the review into the letting of the contract. The approach adopted by WAO recognises the two previous reviews carried out by the following:

- Oxford Brookes University's Institute of Public Care (IPC) that was jointly commissioned by Powys County Council and the Good Services Improvement Agency for Wales; and
- Care and General Services Inspectorate Wales (CSSIW).

1.3 The work undertaken by WAO did not duplicate the previous reviews but necessarily drew on this body of work and made reference to the reports in the report.

**2.0 Background**

2.1 The WAO report sets out the context within which the Authority operated and let the contract which was awarded to Alpha Care Limited. The contextual detail has been comprehensively covered in the other two reports about the engagement of

Alphacare but it is worth summarising that in March 2014 the Council awarded contracts for the provision of domiciliary care. A total of four providers were appointed, two in the north of the county and two in the south of the county.

### **3.0 Findings**

- 3.1 The report lays out a number of key findings. These findings when taken together with the previous two reports provides a significant body of evidence to help deliver improvements. These lessons will be applicable to any major re-procurement that the Council may need to make in future.
- 3.2 The review's central message is that because of the pace applied the timescales were compressed. Therefore as a result of the requirement to act quickly the integrity of governance arrangements was compromised.
- 3.3 In summary the WAO found that:-
  - The governance, management and scrutiny arrangements for the procurement were inadequate;
  - The Invitation to Tender (ITT) had weaknesses and ambiguities that meant the submission of robust tenders was compromised;
  - Weaknesses were evident in the evaluation processes;
  - The Authority tried to support Alphacare to deliver the contract but these efforts were unsuccessful.
- 3.4 The review notes that the lessons based on issues identified as part of the review are more widely applicable. As a result it suggests the Authority should satisfy itself that the identified concerns are not more widespread.
- 3.5 The review makes three recommendations and these are on page 8 of the attached document. In summary these are as follows:-
  - (a) The Authority should ensure that the identified weaknesses and/or deficiencies are not replicated in any future domiciliary care procurement exercise;
  - (b) The Authority should consider whether the issues raised by the review have wider relevance. As a result of a review of the processes for developing and letting major contracts should be subject to review;

- (c) Document retention was identified as an issue and the review identified at point (b) should include the extent to which adequate documentation is produced and retained around the letting of tenders.

#### **4.0 Next Steps**

- 4.1 As indicated the Authority now has a significant body of evidence as a result of three reviews into the letting of the contract. The latest and final review by the WAO adds to the overall understanding through its narrower focus on the tendering process and subsequent letting of the contract for domiciliary care.
- 4.2 The Cabinet has requested that the common themes evident in the three reviews should be included in an action plan to ensure that wider learning is evident from the process. This will be presented at the next available Cabinet.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<b>The Audit Committee notes the attached WAO review and comments on its findings. In addition, Audit Committee will review the Cabinet report and action plan based on the three reports about the letting of the domiciliary care contract.</b>	<b>In order to ensure the Authority uses the issues raised in the WAO review and the two other reports into the same issue to assess the wider relevance for letting contracts.</b>

<b>Relevant Policy (ies):</b>	N/A		
<b>Within Policy:</b>	Y / N	<b>Within Budget:</b>	Y / N

<b>Relevant Local Member(s):</b>	N/A
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<b>Person(s) To Implement Decision:</b>	N/A
<b>Date By When Decision To Be Implemented:</b>	N/A

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