

AUDIT & GOVERNANCE COMMITTEE

18 January 2023

Report of the Audit Working Group 14 December 2022

Report by Lorna Baxter, Director of Finance

RECOMMENDATION

1. The Committee is RECOMMENDED to note the report.

Executive Summary

2. The Audit Working Group (AWG) met on 14 December 2022. Officers attended to provide a further update on one of the risks from the Leadership Risk Register in relation to Capital Infrastructure Programme Delivery. The group received a briefing in respect of the investigation into financial approvals in relation to the Oxford North capital scheme. The group also considered a paper which updated them on the new payment arrangements for the new Live Well at Home Contract.

Introduction

3. Attendance:
Full Meeting: Chairman Dr Geoff Jones. Councillors: Roz Smith, Brad Baines, Judy Roberts, Yvonne Constance OBE

Officers: Full meeting: Jonathan Deacon, Committee Officer, Sarah Cox, Chief Internal Auditor, Paul Grant, Head of Legal, Georgina Cox, Principal Auditor, Kate Charlton, Interim Head of Improvement Law and Governance.

Officers: Part meeting: Lorna Baxter, Director of Finance, Owen Jenkins, Director of Transport and Infrastructure, Bill Cotton, Corporate Director, John McLauchlan, Head of Infrastructure Delivery.

Matters to Report:

Housing Infrastructure Fund 1

4. Officers previously attended the January 2022 Audit Working Group (AWG) meeting to provide an update on the status of the Housing Infrastructure Funded schemes (HIF) which the Council is in contract with Homes England to deliver. The group requested on-going assurance on the management of the risks in

relation to the funding and deliverability of these major programmes. A further update was made by officers to the November 2022 AWG meeting.

5. At the November 2022 AWG meeting the group were updated on the assurance review of the HIF1 programme that was undertaken in April / May 2022 by the Local Partnerships. The group requested that officers return to the December 2022 AWG meeting to provide an update on the position of the implementation of recommendations, resulting from the review, and the impact of any delays in addressing them
6. The group considered the action plan and progress of implementing actions alongside the key milestone activity report. The group discussed the timeline for design and construction contract stages, noting that at design stage the affordability and viability of the programme will be fully assessed. The relationship between delivery of the infrastructure and delivery of housing via the local plans was discussed. The group also noted that currently this is managed as one whole programme which means that no construction work will commence until all land is assembled, this is currently being reviewed to confirm whether this can be disaggregated and whether some elements of the programme could then be accelerated at construction stage. The group was satisfied with the additional information provided and the governance and risk management procedures in place.
7. Officers updated the group that the intention was to ask the Local Partnerships to undertake a follow up assurance review during the Summer 2023. Following the completion of that review Officers will attend an AWG meeting (September 2023) to report back on the findings and any resulting actions.
8. The group noted that the Monitoring Officer for the Council and the Monitoring Officers of the other councils in Oxfordshire impacted by this project are considering advice to councillors who have considered this project, including members of planning committees. It is anticipated that this advice will be circulated to the Audit Working Group when this becomes available.

Investigation into Oxford North Capital Scheme financial approvals

9. The Director of Finance presented a paper to the group reporting on the outcomes of an investigation into the financial approvals in relation to the Oxford North capital scheme.
10. In February 2021, a full business case (commitment to spend) for the A40 Oxford North capital project was approved by officers in line with the capital approval processes. The scheme was funded in full by the Local Growth Fund to be delivered by the Council on behalf of OxLEP to whom the funding had been allocated. It was confirmed to the group that the business case set out that the project would follow the necessary governance process for funding approvals and technical reviews, where necessary, and the project governance was tailored to meet the corporate governance and decision-making processes

of the Council. In June 2022, it was identified by a new Strategic Lead for the project that an earlier OOT (Out of Tolerance) had not been approved. The Strategic Capital Board asked for a review as to how this situation had occurred and a full investigation was commissioned by the Director of Finance.

11. The group considered the investigation summary and findings and noted that the investigation did not identify any deliberate attempt to bypass the council's capital governance processes. The group also noted that this had occurred prior to the improvement to the capital governance processes implemented in the summer of 2022. The group reviewed the action plan arising from the investigation findings and were satisfied that the actions planned and taken will ensure this situation does not arise again.
12. The group have requested that Bill Cotton, Corporate Director, will be asked to attend a future meeting of the AWG (February 2023) to provide further assurance regarding the implementation of the improvement actions identified. The group will request that the update includes the induction of new programme managers, handover of projects when there is project manager turnover, and more detail on how change of scope, time and cost is identified and approved.

Payments to Home Care Providers

13. At the September Audit and Governance meeting, it was noted through the review of the internal audit report executive summaries of recently finalised audits, that there have been recent changes for the checking and monitoring of payments to home care providers under the new Live Well at Home contractual arrangements. The Audit and Governance Committee asked for an update on those changes to be considered by the Audit Working Group.
14. Due to agenda timings, the AWG requested that a paper to be submitted for review by AWG members, no officers were invited.
15. The group noted that Living Well at Home (LWAH) is a 5-year contract introducing an innovative approach to integrate reablement and domiciliary care (homecare) in Oxfordshire, which went live on 1 October 2021. The contract model is based on developing a partnership approach between the council and the Strategic Partners. The intention is to create a more strategic, outcomes-focussed approach to service delivery, and it is intended to move away from a transactional approach to the assessment and delivery of care. In setting this ambition a contractual and payment approach has been created that encourages a developmental approach to service provision.
16. Under the terms of the LWAH contract, providers are paid based on planned / commissioned care. There is no contractual reconciliation of hours commissioned v hours delivered for payment purposes. In the contract there is a requirement that providers report actual hours so that the Council can assure the delivery of care from a quality point of view.

17. The group noted the new strategic approach for the commissioning of reablement and long-term care and the intended improvements the new model plans to deliver.
18. The group noted that the potential risk of non-delivery and over-payment was currently not fully being mitigated as data on actuals (submitted by providers) was not yet being analysed by the Payments Team and the Quality and Improvement Function. The report from the service explained that there will now be a retrospective review of the first year's data, to assess the level of risk of overpayment and underperformance and develop any mitigating actions. The service also plans to further develop the relationship between Home First operational oversight, strategic management reviews, quality and improvement monitoring and payments processes to support our Providers and obtain best value for the Council.
19. The group have requested an update on the year 1 retrospective audit of "actuals" data and also an update on the implementation of the "next steps" as laid out in their report to be brought back to a future meeting of the AWG (5 April 2023). They have requested that this update also includes – Whether the level of safeguarding complaints has increased (e.g., missed visits) – How significant variations feeds back into the review of individual care packages – Performance levels in respect of annual reviews – Use of the new form which captures "actuals queries", what themed review has been undertaken, has this has identified provider anomalies.

Financial Implications

20. There are no direct financial implications arising from this report.

Comments checked by: Lorna Baxter, Director of Finance
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Legal Implications

21. There are no direct legal implications arising from this report.

Comments checked by: Paul Grant, Head of Legal
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Lorna Baxter
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Annex: None
Background papers: None

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December 2022

Next AWG meeting: 8 February 2023