

## The Elms – Contract Audit

### 1. Introduction

- 1.1. The purpose of this report is to outline the findings from The Elms contract audit. The audit took place in August 2018 and was conducted by three members of the Strategy, Improvement and Engagement Team.
- 1.2. Key Performance Indicators (KPI's) within the contract were used to form the scope of the audit. The audit also included a scoping exercise across policies underpinning the service and a review of the support planning process used to assist clients.
- 1.3. Section 12 of the contract states if an audit identifies that:

*“ 12.7.1 the Supplier has failed to perform its obligations under this Agreement, the provisions of this clause 12 and clause **Error! Reference source not found.** shall apply, provided that, if the audit demonstrates that the Supplier is failing to comply with any of its obligations under this Agreement then, without prejudice to the other rights and remedies of the Authority, the Supplier shall take the necessary steps to comply with its obligations at no additional cost to the Authority;*

*12.7.2 the Authority has overpaid any Charges, the Supplier shall pay to the Authority the amount overpaid within 28 days from the date of receipt of an invoice or notice to do so; and*

*12.7.3 the Authority has underpaid any Charges; the Authority shall pay to the Supplier the amount of the under-payment within 28 days from the date of receipt of an invoice for such amount.*

*Without prejudice to the Authority's other rights or remedies, if at any time the Supplier has:*

*12.8.1 committed a Default (including a Serious Service Failure or Critical Service Failure); or*

*12.8.2 failed to fulfil one or more of its other obligations under this Agreement; or*

*12.8.3 failed to achieve a Key Milestone by its Key Milestone Date; or*

*12.8.4 failed to provide any of the Operational Services.*

*then the Authority may serve a Warning Notice on the Supplier, within 10 Working Days of the relevant event, setting out the matters giving rise to such notice and containing a reminder to the Supplier of the implications of such notice. Any such notice shall state on its face that it is a Warning Notice.”*

- 1.4. It is important to note that this audit did not find any evidence to suggest the supplier (DENS) was failing to meet any requirements that would result in Section 12 being applied. There are however a number of recommendations for consideration by both DENS and Dacorum Borough Council (DBC).

## 2. Key performance indicators

2.1. Statistics were provided by the hostel manager against each of the KPI's. These are captured in the table below.

KPI's	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18
Occupancy rate (%)	98	99	100	100	100	100
Rooms ready to re-let within 24 hours (%)	100	100	100	100	100	100
Clients successfully moving on (%)	44	28	50	54	21	67
Clients receiving an initial assessment within 24hr (%)	100	100	100	100	100	100
Clients receiving initial support plan within 5 days (%)	100	100	100	100	100	100
Number of clients involved in service scrutiny	14	14	12	14	16	12
Number of clients spending more than 1 night in crashpad	0	0	0	0	0	0
Support plans up to date (%)	100	100	100	100	100	100
Number of referrals that took up residence at Elms	21	6	9	13	14	15
Number of evictions	10	5	5	5	9	3
Number of health and safety incidents	0	0	0	0	0	0

2.2. All KPI's listed, excluding the % of clients successfully moving on were meeting the 'Aspirational' target set within the contract where there was a target set.

2.3. The performance of this KPI would suggest the original target included in the contract is not achievable.

**Recommendation:** Both parties to revisit the agreed target and amend this to something more achievable so performance can be appropriately monitored.

## 3. Policies

3.1. DENS provided a policy register and a copy of a number of policies prior to the audit. These were reviewed collectively. There were several points raised from this review:

- The policy register did not include all policies that existed;
- Policies referred to others that did not exist;
- The majority of policies were still in draft form, with comments and sections missing, and therefore not effectively adopted;
- The majority of policies referred to DENS as an organisation as opposed to The Elms specifically;
- Policies cannot, at present, be accessed by DBC staff unless requested.

**Recommendation:** All policies for The Elms to be reviewed, ensuring a consistent template is used and appropriate version control is in place.

**Recommendation:** The Policy Register to be re-established, detailing a robust programme of review (Suggested - Full review every 3 years unless legislation or service changes require earlier review).

**Recommendation:** Policies related to The Elms should be accessible to DBC staff. Final versions of updated policies should be uploaded to the housing service's intranet, 'Team Site'.

## 4. Contract Monitoring

### 4.1. Section 2.2 of the service requirements states:

*“Regular monitoring will include:*

- *Key Performance Indicators (KPIs);*
- *Formal monthly meetings to review performance information and assess compliance with the Service Requirements;*
- *Quarterly Audits;*
- *Assessment of income and expenditure against the Supplier’s business plan;*
- *User satisfaction; and*
- *Risk management.*

*To assess compliance with the Service Requirements the Authority will also carry out quarterly audits of:*

- *Initial assessments and eligibility checks (including local connection);*
- *Support plans;*
- *Client feedback mechanisms;*
- *Site and premises.*

*The Authority will periodically engage clients in feedback sessions to assess whether the Supplier is meeting their needs. The Authority will also ask clients to say whether they feel they have had sufficient opportunity to be involved in providing feedback and scrutiny through the Supplier’s processes.*

*The Supplier will also need to carry out:*

- *a six monthly continual improvement review,*
- *an Annual Performance Report, and*
- *an Annual Equality Impact Assessment*

*and provide these to the Contract Manager when they are due.”*

4.2. It was identified that contract monitoring currently takes place via Quarterly meetings of the Strategic Core Group at which KPI performance, income, expenditure and compliance with service requirements are assessed.

4.3. The proposed quarterly audits by DBC have not been formally carried out, however there is evidence of regular operational management meetings that take place on a fortnightly basis in addition to the Strategic Core Group meeting. The Strategic Core Group meeting covers high level performance monitoring e.g. KPI’s and financial information. Operational meetings cover client concerns, updates on support plans, new referrals and any building related and/or maintenance concerns.

4.4. Monthly site inspections are now being carried out by Property and Place in addition to other requirements around managing the asset in terms of fire safety.

4.5. KPI’s provided by DENS state that between 12 – 14 clients are involved in scrutinizing the service on a monthly basis, however evidence was not seen regarding how this information is used to inform changes or improvements. There was also no evidence of DBC having engaged clients independently from DENS to gain feedback on the services being provided.

4.6. Annual performance reports have been received. Annual equality impact assessments are not currently being provided to DBC.

4.7. A Continual Improvement Plan Policy (dated 2016) was available for review which stated:

*“A Continual Improvement Plan will be drafted every six months’ subject to approval by the Trustee with responsibility for The Elms. It will subsequently be presented to Dacorum Borough Council by the Elms Manager who will also be responsible for discussing and negotiating agreement to any necessary changes to the underlying contract to enable the identified improvements to be delivered.”*

4.8. No evidence of 6-monthly continual improvement plan reports was provided as part of this audit.

**Recommendation:** The service to consider the current approach to contract management and whether this could be challenged should new controls be introduced at the point of re-tendering.

**Recommendation:** The Strategy, Improvement and Engagement Team to run an independent consultation with residents at The Elms.

**Recommendation:** Ownership of the contract and its monitoring should move under the Homelessness Prevention and Assessment Team.

**Recommendation:** DBC to support DENS in developing an updated template for annual performance reports moving forward.

## 5. Support Planning

- 5.1. Client information is recorded using 'InForm', however staff at The Elms report difficulties in utilising it effectively for a hostel, as it is generally an appointment-based system. It relies heavily on staff expertise in terms of what should and should not be recorded regarding client interactions.
- 5.2. Support planning centres around a 10-point 'star graph' used to map where the resident and allocated support worker feel the resident sits with various issues and needs e.g. substance misuse, mental health, self-care etc. Although in some cases subjective, evidence seen suggests that this provides a good overall guide to the client's progress and helps to facilitate support-related discussions.
- 5.3. Evaluation of outcomes from support plans was not evident as part of this audit (other than the successful move-on KPI), however reports are provided to Hertfordshire County Council (HCC) on this.
- 5.4. Residents are supported with job searches and applications and are encouraged to move on into permanent accommodation, usually a DENS 'Move-On' HMO.
- 5.5. At present there is no one in post to specifically run the 'Equipped to Change' programme. The previous post holder was lottery funded and other options for funding are being looked into. Some staff are running activity-based sessions under 'Equipped to Change' e.g. '99p Cookery' where residents are taught to create affordable, nutritious meals.

**Recommendation:** Service to consider extending initiatives such as First Impressions and Tenant Academy courses to Elms residents.

**Recommendation:** Approach to evaluating support plans to be developed, identifying outcomes other than successful move-on e.g. resident attended a job interview, resident has reduced use of drugs or alcohol etc.

**Recommendation:** The Independent Reviewing Officer role to periodically assess support plans for Elms residents.

**Recommendation:** Copies of the HCC evaluation report to be provided for discussion at the Strategic Core Group meeting.

## 6. Conclusion

- 6.1. Recommendations from this report should be considered during the options appraisal of the Elms contract, due to start in January 2019.