

## Decision Report - Executive Decision

Forward Plan Reference: FP/23/04/07

Decision Date – 7 Jun 2023

Key Decision – Yes



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### ASC Transformation Proposal: Options for Implementing Opportunities Identified in the Diagnostic of Adults Services

Executive Member(s): Cllr Heather Shearer

Local Member(s) and Division: n/a

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#### Summary / Background

1. Adult Social Care is a key statutory duty for Somerset Council and approximately 38% of Councils net revenue budget for 2023/24. The vast majority of the budget is spent on supporting people in receipt of statutory services, including investment in prevention and short-term support. Somerset's spend per adult is in line with the average for England and lower than the average for the Southwest. Somerset benchmarks particularly low when it comes to spend on older people.
2. The Adults budget is growing, and this growth is driven by demographics, increasing complexity of need, and the rising costs of care. The council has some ability to control this growth by working to improve people's independence and delay or prevent the need for long term services. This is not only better for the budget, but it also improves the lives of the people we work with, delivering better outcomes and increasing wellbeing.
3. The Adult Services net revenue budget set in February 2023 increased by £26m from £160m in 2022/23 to £186m in 2023/24. This increase was reflective of the £11.9m overspend in 2022/23 and significant pressure with higher demand driven by the long tail of the pandemic and higher costs due to inflation rates. It included £5m of savings from changing how the service was delivered.
4. An external partner, Newton Europe, was procured in November 2022 to carry out a diagnostic review across all provision to identify the best opportunities for controlling future spend through optimising productivity, managing demand into the service and ensuring that people who draw on services and their carers are at the heart of designing their own support, and future service models.

5. This paper presents the key findings of this diagnostic and sets out the options for the major transformation of the Adults Services and achieving the cost reductions in a timely way.
6. This highlighted major opportunities to change and improve how we deliver Adults Services. Three primary areas were identified to improve outcomes for residents, supported by five enabling workstreams:

Improving outcomes:

- **Improving the environment within which our practitioners operate** so they have the tools to do the job; the time, support, processes, and access to the right services, to help people maximise their independence.
- **Ensuring we have the right care available in the right place, at the right time;** focussing on supporting working age adults (Learning Disabilities /Mental Health / Physical Disabilities) to gain skills and progress to more independent care settings.
- **Optimising our intermediate care, in particular our discharge to assess and reablement service** to both support people to return to greater independence, and to have the capacity for more people to move through the service each year.

Enabling areas:

- **Develop the workforce,** including focussing on improving productivity in social care teams and reducing backlogs for assessments and reviews.
- **Optimise the process of sourcing care** to maximise availability of the right support and reduce delays.
- **Develop the right performance management dashboards,** framework and culture, to support teams to use data on a daily, weekly and monthly basis to drive performance.
- **Develop a process and approach to financial monitoring,** to rigorously track the performance of improvement projects and ensure the target benefit is being achieved.
- **Where required, develop our digital and technology infrastructure** to enable the above including a new digital assessment tool.

7. These key opportunities, supported by the enablers, when delivered will lead to significantly improved outcomes for the residents of Somerset. These outcomes are based on prevention, better use of communities and reabling people to maintain independence, therefore reducing the need for long term services:
  - **700 more people benefiting from reablement every year.**

- **200,000+ fewer hours of homecare needing to be commissioned every year.**
- **80 fewer residential placements needing to be commissioned every year.**
- **100 adults with a learning disability moving out of a residential home and back into the community.**

8. The diagnostic identified opportunities to deliver recurring savings to the scale of approximately £14.2m per year, stretching to a possible £17.2m. The majority of the savings are in the form of demand management, controlling the growth of the Adults budget by the projected amount. This scale of savings will only be achieved if we are able to deliver the required programme of change at the pace outlined in the diagnostic report, over the next 14-18 months.
9. The council now needs to take a decision on how to proceed and deliver these transformational opportunities to realise the projected cost reductions and the improved outcomes for local people. The 'do nothing' approach is not an option as this would mean continuing to add significant pressure to the Councils budget position.

There are therefore three options to do this;

- 1) To **deliver the required transformation programme using existing internal capacity and skills**, both from within Adults Services and from the corporate business change team. The identified savings would take longer to achieve with the timeframe being potentially 2-3 times as long as that proposed in the diagnostic report. This option puts additional pressure on an already stretched workforce and carries no guarantees that the savings will be realised. This transformation programme is of a similar scale and complexity as the unitary programme. Due to this we do not have the capacity within the new council to deliver both programmes of change.
- 2) To **continue the strategic partnership with Newton Europe** to implement the next phase of transformation under the procurement framework of the initial engagement. The projected savings would be guaranteed using a 100% contingent commercial fee model. The cost of this option would be approximately £7m over the next 18 months, however the contract would guarantee recurring savings of at least £10m-£14.2m per annum. This includes a team of 15 specialist staff from Newton and includes a learning and development programme for Somerset colleagues to improve their knowledge, skills in behaviours in managing change - leaving us in a better place to lead future change programmes.

- 3) To **undertake a further procurement exercise to open up the opportunity for a strategic partner to implement these opportunities alongside the service**. This option risks either low response from the market due to the contract being to deliver the findings from a competitor's diagnostic or the successful organisation taking 3-6 months to perform their own diagnostic before designing their version of a transformation programme for Adults Services. Requiring a similar contingent fee model for this work would reduce the market for responses even further. This would significantly delay the achievement of the savings.
10. The **preferred option is option 2; to further engage Newton Europe in this next phase of transformation**. It will be a significant invest to save programme for the Council and a unique opportunity for major transformational change, within Adult Social Services. It will be delivered collaboratively with a highly experienced strategic partner, with a one-off cost of up to £7m (paid over two years) that is 100% contingent on the delivery of better outcomes for people. Newton would guarantee to deliver at least 1.3 times the one-off combined fee for Phases 1 & 2 (Diagnostic & Implementation Programme) in recurrent, annual financial benefit (£10.0m guaranteed benefit per year at full run rate). If this is not the case, either Newton will continue to work at no extra charge until this is realised, or the fee will be reduced, pro rata. We are confident that a targeted value of £14.2m of recurrent savings through managed demand will be deliverable against this fee.

## **Recommendations**

11. The Executive agrees:
- a) The aims and objectives of the next phase of the Transformation Programme for Adults Services
  - b) To engage Newton Europe as strategic change partner to work alongside the service to deliver these transformational objectives by implementing the opportunities identified in the diagnostic and support the delivery of identified reductions.
  - c) To fund the costs of the transformation programme of £3.5m each year for the next two years initially from Earmarked Reserves and review the

position later in the financial year once the 2022/23 statement of accounts from the predecessor councils has been completed.

### **Reasons for recommendations**

12. A strategic delivery partner with a track record of achieving results brings a rapid and sustained injection of capacity as well as consistent experience and tried and tested models of change delivered at scale. Integrated working with a delivery partner reduces the risks of benefits not lasting and can support the development of in-house capability.
13. Newton Europe as a leading partner in Adult Social Care and Local Government will complement the existing resource, skills and capacity within Somerset to support the implementation and long-term sustainability of this major transformation change within Adult Social Care. The proposal will bring opportunities for extending our own in-house business change capability and identify opportunities to extend benefits more widely across the organisation.
14. Through the diagnostic work completed to date, we have identified that the potential to achieve better, more independent outcomes for people is possible. Arising from improved outcomes is the potential for delivering significant recurrent financial benefits against the Adult Social Services budget. The anticipated volume changes as a result of the transformation proposed would achieve a targeted recurrent annual benefit of £14.2m.
15. The sustainable annualised benefit is broken down in an “Opportunity Matrix” described in Table 1 below. As part of the Diagnostic Phase, a likely “targeted” value was derived. This targeted value considers our relative starting position and itself represents a major step change. However, at the same time we derived a “stretch” figure that would show us the potential if we maximised all aspects of model.
16. Consolidating this level of change whilst sustaining and improving outcomes for people and managing within a tight financial envelope will require a range of skills and capacity. Through a competitive process we sought a partner who had extensive transformation experience in transforming Adult Social Care and one that would use a robust evidence base while working in close collaboration to identify opportunities and work with us to deliver those outcomes. Implementation would follow a tried and tested methodology that focuses on front line led change with solutions and opportunities being rigorously tested, piloted, implemented and embedded over a period of 18 months to ensure that they are sustainable in the longer term.

## 17. What the fee is paying for

### a. The core delivery team

- The team will peak at 15 Newton staff, working full time on the Somerset programme for 12 to 15 months
- This team will have a blend of expertise, across:
  - Operational change specialists with strong public sector experience (around 70% of the team)
  - Digital specialists (around 20% of the team)
  - Behavioural change specialists (around 10% of the team)
- The team will be varied throughout the course of the programme according to what is required to deliver the agreed benefits; additional resource is put in at Newton's cost with the fee remaining fixed

### b. Specialist support

- Newton have a team of specialists, outside of the core team, who will be drawn on as required. These specialists include:
  - Data engineers
  - Software engineers
  - Data scientists
  - User experience designers
  - Leadership development specialists / coaches
  - Learning and development specialists

### c. Skills transfer

- The programme team will be built jointly between Newton and Somerset colleagues
- The Somerset colleagues joining the team will have access to an L&D programme, including days of focussed training (3-4 days as a kick-off / induction) along with support on the job
- The ambition is that the Somerset team will be equipped to continue to improve performance following the core programme, and to lead future change programmes

### d. Advice and guidance from experienced senior advisors

- Newton's team of senior advisors will be on hand to provide support and guidance as required.
- This would be both 'behind the scenes' directly to the Newton team, as well as working directly with Somerset colleagues as required and appropriate.

e. Quality assurance and senior oversight

- Regular quality assurance will be provided by senior members of Newton's leadership team (usually 2-4 days / month)
- Somerset will also have regular access to members of the Newton senior leadership team as required

f. Intellectual property

- Newton have extensive IP, built over partnering with 100+ public sector organisations; all IP relevant to Somerset will be openly shared.
- Any IP developed during the partnership will be freely licensed to Somerset.

Table 1: Indicative resource required from Somerset Council. Requirement for 4 FTE delivery leads (from operational, commissioning or P&C team). Required roles in bold, additional roles that will depend on scope or early design in italics.

<b>Worksteam</b>	<b>Role</b>	<b>Suggested time requirement</b>	<b>Requirements or 'nice to haves' for individual</b>
<b>Programme Leadership</b>	<b>Programme Sponsor</b>	0.25 days/week	
<b>Programme Leadership</b>	<b>Programme Lead</b>	Full time	
<b>Programme Leadership</b>	<b>Programme Governance and Alignment</b>	1-2 days/week	
<b>Whole Life Disability workstreams</b>	<b>Sponsor - Ops</b>	0.25 days/week	
<b>Whole Life Disability workstreams</b>	<b>Sponsor - Commissioning</b>	0.25 days/week	
<b>Transitions / Preparing for Adulthood</b>	<b>Delivery Lead</b>	Full time – activity to begin Sept 23	
<b>Progressions, Enablement and Moves</b>	<b>Delivery Lead</b>	Full time – activity to begin Sept 23	Often helpful to have someone with practice experience in this role but not essential
<b>D2A / Reablement</b>	<b>Sponsor - Ops</b>	0.25 days/week	
<b>D2A / Reablement</b>	<b>Sponsor - Commissioning</b>	0.25 days/week	
<b>D2A / Reablement</b>	<b>Delivery Lead</b>	Full time – activity to begin Jun 23	

<b>Older Adults Outcomes from Decision Making</b>	<b>Sponsor - Ops</b>	0.25 days/week	
<b>Older Adults Outcomes from Decision Making</b>	<b>Sponsor - Commissioning</b>	0.25 days/week	
<b>Older Adults Outcomes from Decision Making</b>	<b>Delivery Lead</b>	Full time – activity to begin Aug 23	
<b>Performance Management</b>	<b>Sponsor</b>	1 days/week	Initially high input required tapering to 0.25 days a week in monitoring
<b>Financial Monitoring</b>	<b>Sponsor</b>	1-2 days/week	Initially high input required tapering to 0.25 days a week in monitoring
<i>Digital Infrastructure</i>	<i>Sponsor</i>	0.25 days/week	Dependant on identified digital requirements (e.g. bringing together health and social care data in D2A work)
<i>Short Term Impact</i>	<i>Sponsor</i>	0.25 days/week	Involved with or has understanding of existing short term impact initiatives

Table 2: Opportunity Matrix

	Opportunity	Outcomes / operational impact	Key metric impacted	Scaled Opportunity	Stretch Opportunity
Older Adults	<b>Outcomes from Decision Making (Older People)</b>	Driving more independent outcomes through strength-based practice, improved care capacity and more creative alternatives to formal support.	Reduced hours of homecare Reduced resi/nursing starts	<b>£1.8M</b>	<b>£2.2M</b>
	<b>Short term services</b> (including reablement) capacity optimisation and increased referrals	More people accessing short term services (who need it)	Increased reablement finishers	<b>£6.7M</b>	<b>£8.1m</b>
	<b>Short term services</b> (including reablement) effectiveness	Greater effectiveness of short-term services	Reduced hours of homecare	<b>£2.8M</b>	<b>£3.3M</b>
	<b>Older Adults Total</b>			<b>£11.3M</b>	<b>£13.6M</b>
Working	<b>Effective transitions to adulthood</b>	Increased independence for young people as they transition to becoming an adult	Reduced average package cost 18-25	<b>£0.4M</b>	<b>£0.6M</b>

	<b>Outcomes from Decision Making</b>	Driving more independent outcomes through strength-based practice, improved care capacity and more creative alternatives to formal support.	Reduced residential/supported-living starts. Reducing Home care Hours	<b>£0.2M</b>	<b>£0.3M</b>
	<b>Progression / enablement</b>	More working age adults living independently in their community	Number of moves completed to more independent settings. Reduced Homecare*	<b>£2.0M</b>	<b>£2.4M</b>
	<b>Working Age Adults Total</b>			<b>£2.6M</b>	<b>£3.3M</b>
<b>All Adults</b>	<b>Outcomes from Decision Making (Mental Health, Physical Disabilities, other)</b>	Driving more independent outcomes through strength-based practice, improved care capacity and more creative alternatives to formal support.	Reduced hours of homecare Reduced resi/nursing starts	<b>£0.3M</b>	<b>£0.3M</b>
	<b>All Adults Total</b>			<b>£0.3M</b>	<b>£0.3M</b>
<b>Opportunity Matrix Total</b>			<b>£14.2M</b>	<b>£17.2M</b>	

18. The tracking of benefits and financial impact will follow a rigorous approach and is outlined in more detail in the financial legal implications sections of this report.
19. Provided the work can mobilise quickly, £10m of this can be delivered by the end of year 2. These targets are based on mobilising the programme in July '23 and taking 18 months to achieve full implementation.

Table 2: Benefits profile

	FY23/24	FY24/25	FY25/26	FY26/27
Reductions target	£0.2m	£10.4m	£13.1m	£14.2m
<i>Stretch targets</i>	<i>£0.7m</i>	<i>£13.1m</i>	<i>£16.1m</i>	<i>£17.0m</i>

Other local authorities and health systems have engaged Newton Europe to deliver similar pieces of work, with evidence of successful realisation of savings target and improved outcomes for local people. The table below has been compiled both with evidence provided by Newton (that has been agreed with the local authorities in question) and through direct conversations with directors in other organisations.

*Please take note of the Derby City testimony where a decision was made not to implement the outputs of the diagnostic.*

Table 3: Other Local Authorities' Experiences

Leicestershire County Council	<ul style="list-style-type: none"> <li>• 150 older adults per year now avoid going into residential care.</li> <li>• The reablement service became 27% more effective.</li> <li>• During the programme, over 50 adults with learning disabilities moved out of residential care into supported living, or other community settings.</li> <li>• The programme was signed off as having delivered £11.8m recurrent financial benefit.</li> </ul> <p><i>Email from Director at Leicestershire</i></p> <p><i>“They do have a tried and tested methodology on both the adults and children’s (less so on SEN). Our decision to appoint was taken on the basis we just did not have the</i></p>
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	<p><i>inhouse change skills to ensure the change was implemented successfully and stuck. We do not have any regrets, though there are a few things we possibly would have done slightly differently on childrens. However, they did deliver the savings and made quality improvements that could well help re future Ofsted. Your decision could be a little like ours - and hinge on whether you have the capability to do it yourself.”</i></p>
Lancashire County Council	<ul style="list-style-type: none"> <li>• 450 fewer people going inappropriately into residential care each year.</li> <li>• 80% more service users receiving reablement within existing commissioned capacity.</li> <li>• 15% more independent outcomes achieved for citizens from the improved reablement service.</li> <li>• £27m annualised savings.</li> </ul>
Derbyshire County Council	<ul style="list-style-type: none"> <li>• 78% more people are accessing short-term enabling services - an increase of 1,800 people each year.</li> <li>• More people are supported to stay home with 1/3 fewer residential placements.</li> <li>• The programme achieved over £21m in annualised financial benefit.</li> </ul>
Essex County Council	<p><i>“We were very impressed with the work of Newton Europe, and they are easily the best consultants we have worked with. They are doers and are very good at connecting with partners.</i></p> <p><i>Our programme has been successful – and also won the national LGC award for integration in 2022. We are pleased that we can see and measure the improved ways of working, with less people going into residential care and lower levels of care packages being required.</i></p> <p><i>In a nutshell, I would recommend them”</i></p>
Derby city	<p><i>From conversation with Director</i></p> <p><i>Derby Urgent Care System previously did a diagnostic with Newton and decided not to proceed to implementation due to lack of buy-in across wider system partners. However, 5</i></p>

	<i>years later and issues in the system have not moved forward at the pace we needed. We have just completed a second diagnostic and are more positive about taking a joint decision across the system to proceed with them to implementation.</i>
Nottinghamshire	<i>From conversation with Director “Took forward opportunities directed at improving reablement and overachieved on the savings. I enjoyed working with them, they bring insight, focus and pace. They work bottom up at practitioner level. They are worth the investment, but it is a leap of faith. The experiences of older adults massively improved as did staff wellbeing.”</i>

### **Other options considered**

20. The Adults Transformation Programme was set up in May 2022 and focussed on delivering the government reform agenda, preparations for assurance, a major restructure of operational teams and a redesign of home care. It also has resources and projects linked into the digital and workforce programmes being delivered at the level of the Integrated Care System. Major elements of the government ASC reform agenda have since been delayed, most prominently Charging Reform and the delivery of Liberty Protection Safeguards. The programme has been successful in the mobilisation, design and early implementation phases of assurance, operations restructure and home care redesign and these workstreams are now being transitioned into business as usual. The programme therefore is in a transitional stage and will become the delivery vehicle for implementing the opportunities outlined in this report.
21. Consideration has been given to delivering this work with our existing change team and operational and commissioning staff. There is, within the Council, considerable knowledge and experience in change. There is also considerable pressure on our change resource across the new council as services transition to operating as part of a unitary authority. Given the scale and pace of change needed within Adults Services in the current challenging environment, as well as the complexity of change required, it was felt that this would be strongly supported by continuing to work with Newton Europe as our Strategic Partner. If we were to deliver this alone it is likely that the delivery timeframes of the scale of change required would be too long to realise the £10m cost control target for the Adults Budget. We would also need to invest and expand the business change team working across adults, building in time for recruitment.

22. Consideration has also been given to returning to the market and conducting another open procurement exercise to invite other change partners to tender for the opportunity. This option risks either low response from the market due to the contract being to deliver the findings from a competitor's diagnostic or the successful organisation taking 3-6 months to perform their own diagnostic before designing their version of a transformation programme for Adults Services. Requiring a similar contingent fee model for this work would reduce the market for responses even further.

### **Links to Council Plan and Medium-Term Financial Plan**

23. This proposal supports the Council Plan priorities 2023-2027 in the following ways.
- A healthy and caring Somerset. The opportunities focus on promoting the independence of the older people and working age adults that we support. The health and wellbeing of individuals is at the heart of improving adults' services.
  - A fairer, ambitious Somerset. The proposal will enable a step-change in the way adult social services are delivered in partnership with the NHS. This has the potential to improve already good services to become excellent and a flagship in the region. By improving access to reablement in particular increased gives people a fairer chance at independence.
  - A flourishing and resilient Somerset. By improving the lives of the people we support we enable them to flourish in their own communities and empower them to make the choices that are right for them and their lives. By providing the right care at the right place at the right time, people are more resilient to changes.
  - A greener, more sustainable Somerset. Working at a more local level in communities has environmental benefits as well as supporting local communities to thrive in the way they are able to support their own populations.
24. There are also strong links to the Adult Social Care Strategy 2023-2026 particularly the priorities 'Prevention and Early Help' and Right Support, Right Place, Right Time.
25. The Medium-Term Financial Plan for the council is dependent on Adults Services delivering a balanced budget. This work will enable the service to make a step change in how the service manages budget growth and help to secure the delivery of the Medium-Term Financial Plan for the Council.

## Financial and Risk Implications

26. Against the 2022/23 net revenue budget of £160m for the Adult Social Care there was an overspend of £11.9m. There was an investment of £0.5m November 2022 to procure Newton Europe, to undertake a diagnostic across all provision to identify the best opportunities for controlling future spend through optimising productivity, managing demand into the service and ensuring that people who draw on services and their carers are at the heart of designing their own support, and future service models.
27. Their early work identified that significant on-going reductions to cost could be achieved and savings of £10m were built into the Medium-Term Financial Plan (MTFP) with a profile of £5m in the 2023/24 budget and a further £5m in 2024/25. After considering these cost reductions, significant pressure with higher demand driven by the long tail of the pandemic and higher costs due to inflation and the 2022/23 overspend, the budget for 2023/24 was increased by 16% to £186m.
28. The diagnostic by Newton Europe has identified that reductions in cost of £14.2m can be achieved over a 4-year period with a stretched target of £17m.

	FY23/24	FY24/25	FY25/26	FY26/27
Reductions target	£0.2m	£10.4m	£13.1m	£14.2m
<i>Stretch targets</i>	<i>£0.7m</i>	<i>£13.1m</i>	<i>£16.1m</i>	<i>£17.0m</i>

29. The profile of the cost reductions is different those built into MTFP in February and will cause a pressure within the service of £4.8m in 2023/24 but will help in future years.
30. In order to deliver these on-going reductions, there is the one-off costs of the contract with Newton Europe of up to £7m. This transformational activity would meet the criteria for the flexible use of capital receipts but at this stage this investment in transformation should be funded from Earmarked Reserves and with the 2023/24 costs from the social care volatility reserve. Once the 2022/23 Statement of Accounts for the 5 processor councils have been completed, we will be reviewing reserve and capital receipts position for the Somerset Council and

will report any changes to funding of the investment to the Executive. We will be seeking to work with our system partners who will also potentially benefit from this work to minimise the cost to the council.

31. Engagement of Newton Europe to support the delivery of the Adult Social Care Transformation Programme would be based on the following core principles:
  - a) 100% of fee is contingent on delivery of outcomes. In the Design and Implementation phase Newton would guarantee to deliver at least 1.3 times the one-off fee in recurrent, annual financial benefit. This means at a minimum the partnership needs to deliver at least £10m for Newton Europe to attract their full fee. However, we are confident that a targeted value of £14.2m of recurrent savings will be deliverable against this fee. Newton Europe conduct business largely through reputation and have a strong track record of meeting or exceeding the targets set.
  - b) The programme would be planned and resourced to deliver the full target benefits value of £14.2m. At the end of the design and implementation phase, if the final benefits are less than the guaranteed savings, then Newton will rebate its fees until the 1.3 times ratio is achieved. For clarity, in the unlikely event that only £3m of recurrent benefit is delivered, the total fee (including Diagnostic fee already paid) would be proportionately reduced to £2.3m. In the extreme worst-case scenario, if nothing is delivered, then Somerset Council would pay nothing, including receiving a rebate for the diagnostic fee.
  - c) With the fixed maximum fee, if circumstances require Newton to put more resource into delivering the target financial benefit than originally planned, they do so at their own risk and at no additional expense to Somerset Council.
  - d) Newton includes a mechanism to allow Somerset to terminate the contract at any time, by giving a few weeks' notice, for any reason, paying only for work done to date.
32. Alongside financial challenges we recognise that aspects of our service delivery are not where we need it to be and that we are now entering the new assurance regime for Adult Social Care. There is a likelihood that this process will identify requirement for improvements. Conducting a large-scale transformation programme at this time to improve outcomes and control the budget will help to mitigate the risk of an adverse report as a result of ASC Assurance.

33. Relevant key risks in the Adult Social Care Risk Register (with JCAD reference) are set out below including a revised risk score as a result of the proposed decision.

<b>Current risk:</b>					
AANDH0030 – Adult Social Care unable to achieve MTFP targets / deliver a balanced budget (costs exceed available resources) (AMBER/MEDIUM RISK)					
<b>Risk Management as a result of proposed decision:</b>					
<p>During the mobilisation of the programme a rigorous approach to benefits tracking will be developed to give confidence in unlocking the benefits realisation. This will include.</p> <ul style="list-style-type: none"> <li>Operational KPI development and tracking against agreed baselines, along with evidence from trials to provide clarity of impact of the change programme.</li> <li>Use of agreed financial equations and benefits model to determine forecast financial benefit based on the observed changes in operational KPI's.</li> <li>Reconciliation of actuals vs forecast</li> </ul> <p>During the timeline of the programme, operational KPI performance must be sustained for an agreed period before signed off as achieved.</p> <p>What is unquantifiable at this stage is the impact of external factors (such as increasing cost of the market, or a pandemic) but would need to be understood if occurred.</p>					
<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>9</b>
				<b>Revised Risk Score</b>	<b>9</b>

<b>Current Risk:</b>					
AANDH0033 – Insufficient staffing resource and capacity to contribute to/deliver against transformation projects alongside core BAU activity (AMBER/MEDIUM RISK)					
<b>Risk Management as a result of proposed decision:</b>					

Working with Newton Europe will bring a team of highly skilled specialists alongside our workforce. Whilst this is an injection of transformation capacity, the activity will drive the requirement for input from our operational and commissioning teams to contribute and implement changes. Therefore, the risk remains at the same level of likelihood and impact.					
<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>9</b>
			<b>Revised Risk Score</b>	<b>9</b>	

### Legal Implications

34. The Commercial & Procurement Team and Legal Services Contract team are fully engaged in the process of awarding this contract and have had early view on a draft contract so that any early implications can be understood for the purposes of this key decision. No negotiations will take place until the key decision has been taken and the call-in period has passed.
35. The Commercial & Procurement Team have confirmed that direct award for the continuation into implementation is possible under the framework through which Newton Europe were originally engaged in Nov 22.
36. In recognising the financial risk of any investment, the contract will be structured to make all attempts to minimise any downside risk, whilst enabling us to maximise upside potential. There are therefore a number of accompanying assurance mechanisms, including rigorous KPI monitoring, robust programme governance, contractual mechanisms to enable early termination and invoicing check points with the ability to pause payments should delivery and benefits fall significantly behind plan. This is also referred to in the Financial Implications section above.
37. A clear statement of aims will be set out in the contract with appropriate break clauses built in to protect funding. The data protection agreement that has been in place throughout the diagnostic will be extended to cover the implementation phase.
38. The programme will be accountable to the Corporate Transition, Transformation and Change Board. This will ensure alignment with other major programmes of change for the council.
39. SWAP Internal Audit will undertake an audit of the programme deliverables against the agreed project initiation document and the contract, 6-9months into the programme.

## **HR Implications**

40. The proposal will provide opportunities for staff development and skills transfer in both Adult Social Care as well as more widely across the Council. This work will provide staff with opportunities to expand their skills and learning. The business change team aligned to Adults Services will play a lead role in supporting Newton Europe with this proposal's implementation alongside Finance and Performance colleagues.
41. The transformation programme will be front line led and will work alongside the operational and commissioning staff in Adult Social Care to design, pilot and implement a new way of working in Somerset. The Newton methodology ensures that staff and teams are inextricably linked to the design of improvements and their implementation. Adult Social Services are committed to ensuring the right resources are available to support its implementation.
42. The operational teams are currently going through a restructure aimed at building smaller local teams and developing some specialised teams. This is an investment in the workforce and will ensure that the structure and numbers of staff are fit for the future of adult social care. Whilst there will be some challenges in delivering this work alongside the restructure, there are opportunities to use the transformation work to establish new ways of working and develop exciting work plans for these new teams.

## **Other Implications:**

### **Equalities Implications**

43. The council's lead equalities officer, consulted as part of this proposal, has confirmed that an Equalities Impact Assessment is not yet required for the purposes of this paper. This is because this paper is proposing an approach to implementing a list of potential opportunities that will not see a reduction or removal of existing service. Detail of how these opportunities will be taken forward into changes that will be implemented on the ground will come out of the design and testing phase of each workstream. Before implementation these will require standalone decisions and considerations of due regard
44. It is therefore proposed that an approach to ensuring due regard for protected groups should be woven into the design and testing stages of each workstream. This standardised approach to equalities will be taken across the implementation of the programme, and will include:
  - Somerset Equalities Awareness training for all members of the programme team including Newton Europe staff.

- An initial consideration of equalities impacts through the design phases of each workstream. The testing phase will then be used to monitor and evaluate these identified impacts and actions to mitigate them.
- Equalities Impact Assessment completed at the end of this phase for each workstream progressing to implementation, which should be signed off by the programme board.
- Recognising that the due regard legislation is non-transferable the role and responsibility for equalities will sit with the Somerset Council staff member (sponsor) who is responsible for each workstream.
- An ongoing consideration review of potential impacts on staff will be maintained through the implementation phase to make sure they can inform any permanent implementation.

### **Community Safety Implications**

45. Positive impact upon quality of life and wellbeing of individuals whose care and support is improved because of this work.
46. No other community safety implications identified.

### **Climate Change and Sustainability Implications**

47. Where possible adults services endeavours to meet local needs locally and the transformation taken forward as a result of these opportunities will maintain this principle. This is supported by a move to more localised operational teams which the opportunities for improvements will be built around.
48. Provision of appropriate and sustainable housing is also at the heart of making sure people get the right care in the right place at the right time. This element will feature particularly in the improvements for working aged adults that come out of this work.

### **Health and Safety Implications**

49. No implications

### **Health and Wellbeing Implications**

50. From the Health and Wellbeing Strategy the proposal has:
  - significant positive impacts on health and wellbeing ·

- significant positive impacts on preventing ill-health (physical and mental health)
  - significant positive impacts on reducing health and social inequalities.
51. Significant improvements will be seen for elderly people who would benefit from being able to access more better quality reablement to maintain their independence at home for longer. Similarly for people with learning disabilities or physical disabilities, the enabling workstream will increase the number of working age adults living independently in their community. For children transitioning into adults services, we also expect to see an improvement in their options for independence.

### **Social Value**

52. We know that Adult Social Care contributes to at least £50.3 billion to the economy in England and provides significant societal benefits.
53. The economic contribution is important because it is conducted across the country and is a higher share of economic activity in poorest areas. Meaning that future investment automatically supports the levelling up agenda.
54. Developing employment, skills, and training opportunities for people physical and learning disabilities is part of the strategy to help them to live independently in their own communities. This will be explored in the enabling workstream.
55. Many of the opportunities identified to take forward are focussed on improving the health and wellbeing of individuals, maintaining independence, and reducing inequalities of local residents and employees.

### **Scrutiny comments / recommendations:**

56. The scrutiny Committee are meeting to discuss this matter on a date following the publication of this paper. Any comments will be as an addendum to the report at the Executive meeting.

### **Background**

57. In November 2022 Adult Social Services sought a strategic partner to work with Adult Social Care to undertake a forensic diagnostic look at our Services with a focus on understanding the opportunities to ensure consistent, person-centred, independence-focused outcomes for all the people we support. Newton Europe, following a procurement tendering process, were successful. The diagnostic provided Adult Social Services with the evidence upon which we could envisage

and build a future programme of transformative change to improve services, improve outcomes and deliver required savings.

58. Newton Europe worked alongside Adult Social Services to use the evidence to produce a sustainable, measurable and outcome focused transformation strategy and implementation plan. A plan that is grounded in data and evidence and one that will set out the opportunities for the medium to long term in Adult Social Care. Developed in close collaboration with front line staff and senior leaders, it maps a clearly articulated plan that is underpinned by robust performance management and financial monitoring principles. This plan focuses on developing a sustainable Adult Social Care service for residents to support people to be more independent for longer.
59. This is an ambitious proposal that embraces the fundamental challenges in Adult Social Care and sets out a clear vision for the future. The programme is grounded in the core principles of the Adult Social Care Strategy and underpinned by the strategic vision of Somerset Council, focusing on preventing, reducing and delaying the need for formal Adult Social Care services, and supporting people to live as independently as possible with the right support at the right time.

### **Summary of Diagnostic Outputs**

60. The Diagnostic took place from November 2022 to March 2023, and set out to undertake an evidence-based review of our services, identifying our areas of strengths and pressures, what we need to change, and how to deliver change successfully. The activity included workshops with colleagues, reviewing over 100 service user journeys through the Somerset system, joining team meetings, and shadowing individuals to better understand their role and challenges. It also included analysis of data from multiple sources – those already collected on finance and business intelligence systems, as well as surveys and studies with frontline staff. This has generated prioritised opportunities for change and a plan linked to our Adult Social Care Strategy to improve outcomes, staff and resident experience, and make sustainable financial savings.
61. We reviewed real service user journeys with a multi-disciplinary group of practitioners and asked if the person had achieved the ideal outcome for them – and if not, why not. We saw that we have brilliant staff in our organisation who regularly support service users to achieve ideal, independence-focused outcomes. We also know that we don't always achieve these outcomes consistently. Through these workshops, we found the potential to improve

outcomes for **54% of the service users reviewed**. The opportunities for improved outcomes lay in three key areas:

- 1) Providing the right environment for our teams to practice
- 2) Being able to provide the right care, in the right place, at the right time.
- 3) Optimising intermediate care

### **The right environment for our teams to practice**

62. In 38% of cases, practitioners felt that decision-making led to a non-ideal outcome for our service users.

- We know that our teams are struggling to keep pace with demand, resulting in increasing backlogs of Care Act Assessments and reviews. This means that our practitioners are feeling the pressure to balance all aspects of their roles and have the appropriate time to work through more creative or strengths-based solutions for our service users.
- Backlogs are growing across teams and, while variable between teams, productivity is lower than we would like. Teams reported feeling that our processes and systems do not always support them in their role efficiently and effectively and there are some unclear roles and responsibilities between teams.
- The pressure of feeling personal accountability if something went wrong and the pressure from expectations of service users and families also impacts our practitioners.

63. We can achieve more ideal outcomes more consistently for the people we support by **creating an environment which supports and enables practitioners to make the best use of their professional skillset**; including their support and leadership, time and tools that support them in their ways of working, and how we manage and monitor performance.

### **The right care, in the right place, at the right time**

64. In 36% of cases, practitioners felt that not having the right commissioned services available led to a non-ideal outcome for our service users.

- Having the right services and settings available for our service users is vital to achieving more ideal outcomes. For our older adult population, we want to see a shift towards more independent settings, such as homecare and extra care housing, and away from residential and nursing placements.

- This pattern of greater independence is also reflected in support for our adults with learning disabilities, where more ideal outcomes could be achieved through Shared Lives and supported living rather than residential care.
- To achieve this for both of these cohorts, we need the right settings commissioned in the right volumes, which are easy to access.
- Workshops with practitioners also found that we could improve future independence for 70% of adults with learning disabilities reviewed, including moving into more independent accommodation settings, with the appropriate goal setting and reviews process and support from enabling services.
- A key enabler to achieving this more ideal balance of provision is being able to source the right care from our providers, in a timely way.
- Having the right pathway through our services is also important, not least for those young people preparing for adulthood, by ensuring planning for transition from an earlier age.

65. With the **right provision of services** that are easy to access and are focused on achieving goals for our service users and **pathways** that work more effectively across teams and organisations, we can support more ideal outcomes for the people we support – ensuring they are in the most independent setting possible for them.

### **Optimising intermediate care**

66. Our reablement service could be supporting more people to live more independently. While we currently support over 150 people every month in this service, the diagnostic found additional demand for this service in both our hospital and community pathways.

- The number of people who successfully finish a reablement period every month has fallen significantly since mid-2021 and is below benchmarks for counties of a comparable size.
- We know there are up to an additional 250 people per month who could benefit from this service, across both hospital and community pathways. This would impact their long-term care needs and support them to a more independent outcome.
- There are opportunities to unlock some of this capacity within the current service model, by reducing delays in the service to impact length of stay and by realising a higher number of commissioned hours from providers. We can also consider options to further increase the capacity of this service through exploring alternative models of reablement provision.

- The effectiveness of the service – the impact on long-term care needs – is also variable between providers, and there are opportunities to improve through greater access to specialist support from therapists and ensuring a strong improvement cycle to review cases within the service.
67. Optimising delivery of our D2A and reablement service would increase capacity, allow for a greater number of referrals into the service and increase the effectiveness for each individual.
68. **The diagnostic also identified key areas of change that would enable the opportunities described above:**
- Develop the workforce alongside the current operational restructure, including **improving productivity** in social care teams and reducing backlogs for assessments and reviews.
  - Optimise the process of **sourcing care** ensuring clarity on roles and responsibilities and appropriate alignment with operational teams, to maximise availability of the right support and reduce delays.
  - Develop the right **performance management dashboards**, governance framework and culture throughout all levels of the organisation, to support teams to use data on a daily, weekly and monthly basis to drive performance.
  - Develop a process and approach to **financial monitoring**, to rigorously track key metrics and understand the performance of improvement projects and ensure the target benefit is being achieved.
  - Where required, develop our **digital and technology infrastructure** to enable delivery of the opportunities above.
69. These key opportunities, supported by the enablers, when delivered will lead to significantly improved outcomes for the residents of Somerset:
- **200,000+ fewer hours of homecare commissioned every year.**
  - **80 fewer residential placements commissioned every year.**
  - **100 adults with a learning disability moving out of a residential home and back into the community.**
  - **700 more people benefiting from reablement every year.**
70. Additionally, this work will deliver in excess of £14m saving per year against the ASC budget. Refer to table 1: Opportunity Matrix in the above report.

## Background Papers

- Exec Summary report from ASC Diagnostic
- [Adult Social Care Strategy 2023-2026](#)

## Appendices

1. Future Focus Implementation Pack: Newton Europe Implementation Proposal

## Report Sign-Off (if appropriate)

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	12 <sup>th</sup> May
Communications	Chris Palmer	17 <sup>th</sup> May
Finance & Procurement	Jason Vaughan	11 <sup>th</sup> May
Workforce	Chris Squire	12 <sup>th</sup> May
Asset Management	N/A	
Strategy & Performance	Alyn Jones	21 <sup>st</sup> May
Executive Lead Member	Cllr Heather Shearer	17 <sup>th</sup> May
<b>Consulted:</b>		
Local Division Members	N/A	
Opposition Spokesperson	Cllr Sue Osborne	18 <sup>th</sup> May
Scrutiny Chair	Cllr Gill Slocombe	18 <sup>th</sup> May