

Adults Transformation

Options for Implementing Opportunities Identified
in the Diagnostic of Adults Services



Somerset
Council

Adults Services: current pressures

- Adults Services budget is £186m and growing each year and accounts for 38% of council budget
- Drivers of growth are demographics, complexity of need and cost of care
- We can control some of this growth by improving people's independence and delay need for long term services.
- This is better for people and also better for the budget
- Adults has growth control target of £10m next year (also referred to as 'savings target')
- But....

Service continues to experience **high demand** due to tail of pandemic

Inflation continues to drive up the **cost of care**

Already there is **pressure on 23/24** due to high cost of care

Hospital discharge too dependent on expensive beds

MTFP savings initiatives alone will not manage the budget growth

Economic value of Social Care

- 1.5m people are offered care and support in the UK
 - Around 361,000 people reside in homes
 - 818,000 receive publicly funded care and support in care homes or in the community in 2021/22
 - 289,000 were 18/64
 - Care and support creates 1.5million jobs
 - 4.7m people provide some unpaid care to family and friends
 - Estimated 15m people 1-3 of the population take part in informal volunteering
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- Adult social care contributes to at **least £50.3 billion** to the economy in England and provides significant societal benefits
 - **The Gross Value Add (GVA)** of the sector has **increased each year** since 2016/17, especially during the pandemic.
 - The economic contribution is important because it is carried out across the country and is a **higher share of economic activity in poorest areas**. Meaning that future investment automatically **supports the levelling up agenda**.

Diagnostic: summary of outputs

An external partner, Newton Europe, was procured in Nov 22 to undertake a detailed diagnostic across Adults Services. This highlighted major opportunities to change and improve how we deliver Adults Services. Three main areas were identified, supported by 5 enabling workstreams:

Improving Outcomes:

1. **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.
2. **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.
3. **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
- Optimise the process of sourcing
- Develop the right performance management dashboards
- Develop a process and approach to financial monitoring
- Where required, develop our digital and technology infrastructure

These key opportunities, 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**

As well as improved outcomes, the opportunities are projected 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.

By improving outcomes, this work will deliver in excess of £14m per annum

Modelled as reductions against budget, assume forecast growth is accurate

	Opportunity	Outcomes / operational impact	Key metric impacted	Scaled Opportunity	Stretch Opportunity
Older Adults	Outcomes from Decision Making	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	£1.8M	£2.2M
	Short term services (including reablement) capacity optimisation and increased referrals	More people accessing short term services (who need it)	Increased reablement finishers	£6.7M	£8.1m
	Short term services (including reablement) effectiveness	Greater effectiveness of short term services	Reduced hours of homecare	£2.8M	£3.3M
	Older Adults Total			£11.3M	£13.6M
Working Age	Effective transitions to adulthood	Increased independence for young people as they transition to becoming an adult	Reduced average package cost 18-25	£0.4M	£0.6M
	Outcomes from Decision Making	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	£0.2M	£0.3M
	Progression / enablement	More working age adults living independently in their community	Number of moves completed to more independent settings Reduced Homecare*	£2.0M	£2.4M
	Working Age Adults Total			£2.6M	£3.3M
All Adults	Outcomes from Decision Making (MH, PD, other)	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	£0.3M	£0.3M
	All Adults Total			£0.3M	£0.3M
Opportunity Matrix Total (Exc. Intermediate Care Beds)			£14.2M	£17.2M	

Options to take this forward:

The council needs to take a decision on how to proceed and deliver these opportunities to realise the projected cost controls 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. Therefore, we propose the 3 options:

1. Deliver the required transformation programme using existing internal capacity and skills

- Use existing business change and Adults Services staff
- Would need to recruit to expand internal team
- Savings would take approx. 2-3 times longer to achieve than option 2.
- No guarantee of savings
- Additional pressure on already stretched resources in Adults and corporately

2. Continue the strategic partnership with Newton Europe

- Team of 15 staff from Newton work alongside business change and Adults staff
- Deliver intense focussed programme of activity over 14-18 months
- Tried and tested methodology and approach delivered in over 100 public sector organisations with strong results
- One-off fee of c. £3.5m per year (over two years)
- Guaranteed £10m of recurring financial benefit under the contract with shared risk of realisation
- Projected annualised savings between £14m and £17m
- Direct procurement award under existing framework
- Skills transfer incl access to L&D programme

3. Undertake a further procurement exercise to open up the opportunity to the market

- Delays start due to procurement exercise
- This option risks low response from the market due to the contract being to deliver the findings from a competitor's diagnostic
- or the successful organisation may take 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

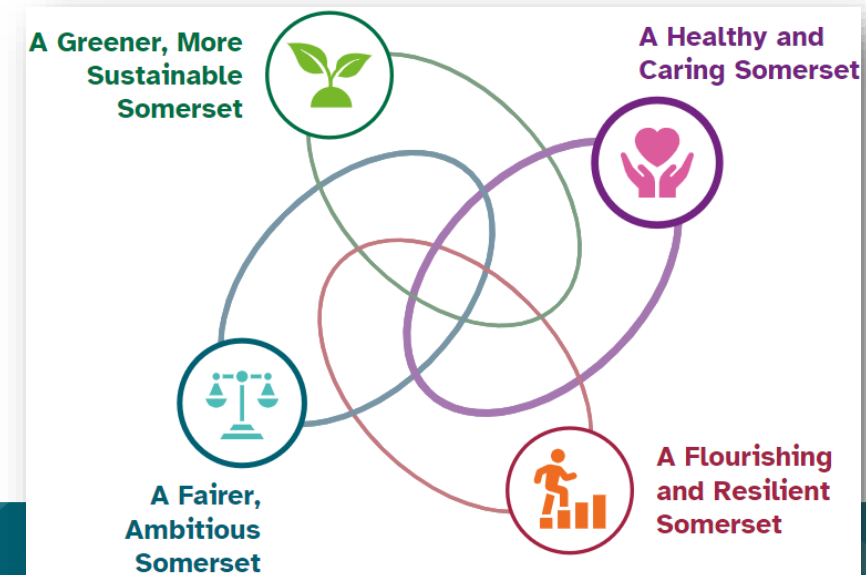
Recommended option

Rationale for recommended option

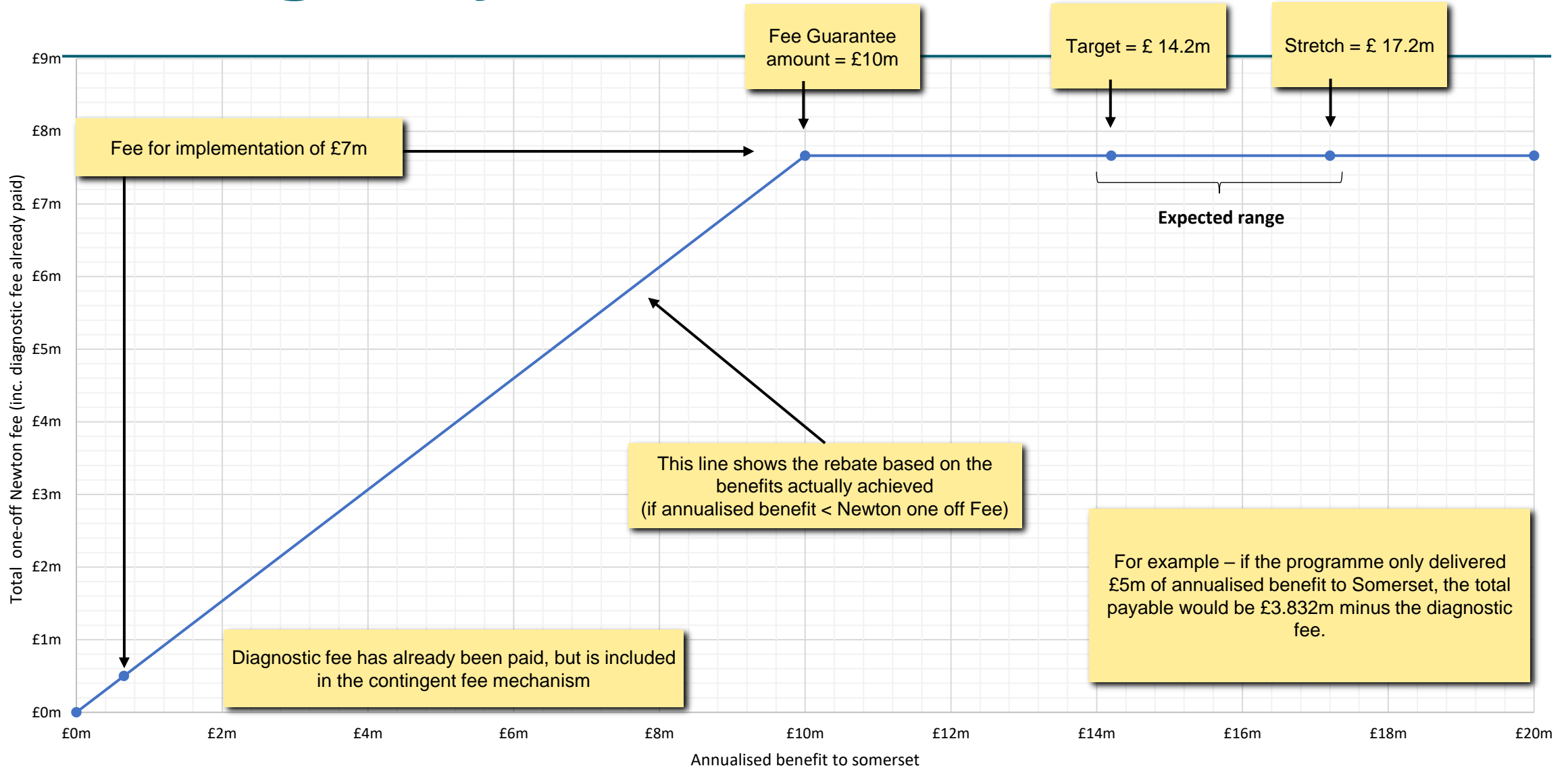
- A strategic delivery partner with a track record of achieving results at pace, enabling additional capacity as Somerset Council goes undertakes its own Transformation
- Newton Europe is a leading partner in Adult Social Care and Local Government
- Contingency fee model guarantees delivery of at least £10m recurring financial benefit with a target of £14m, stretching to £17m
- Tracking of benefits and financial impact follows a rigorous approach used successfully by many other councils
- If mobilised quickly, £10m of this can be delivered by the end of yr 2.

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

This will contribute to Somerset Council's four priorities:



Contingency Fee model



Governance

- The Transformation Programme will mobilise a governance structure for the programme with representatives from ASC and corporate business partners
- Reporting and assurance through the Transition, Transformation and Change Board
- Consideration will be given to independent programme management
- MTFP Board
- Aspects of the programme will report to delivery Boards within the ICB structure.

Time for Questions

