

12th March 2018**Agenda Item: 9****REPORT OF THE TRANSFORMATION DIRECTOR, ADULT SOCIAL CARE****ASSESSMENT AND ADVICE PROVIDED BY EXTERNAL SAVINGS PARTNER
NEWTON TO SUPPORT SAVINGS PROGRAMME****Purpose of the Report**

1. To update Committee on the work of external savings partner, Newton, to analyse the potential for future savings in Adult Social Care.
2. To recommend to Committee how the existing Adult Social Care savings programme will be aligned with the Newton diagnostic.
3. To seek Committee approval for the resource plan to deliver on the next phase of savings.

Information

4. The current Adult Social Care (ASC) Transformation Programme is led by the Transformation Team and supported by other corporate resources such as Programmes and Projects Team, Performance and Improvement Team and Finance. The Adult Social Care and Health (ASCH) department has already delivered savings of £80m over the period 2011/12 to 2016/17. During the course of 2017/18 a further £13.979m of social care savings were identified up to 2020/21. These additional savings have been brought to the Committee in various reports throughout the 2017/18 financial year. This puts the combined total of existing and new savings to be achieved between 2018/19 and 2020/21 at £17.9m. The financial contents of this report are consistent with the Budget Report considered at the Finance and Major Contract Management Committee meeting on 26th February 2018.
5. The level of savings achieved to date is significant and has been accomplished by undertaking a broad range of approaches, initially in 2011/12 this included:
 - bringing down costs and prices of services
 - reducing the number of managers and frontline staff: middle managers were reduced from 65 FTE (full-time equivalent) managers to 14 FTE, a reduction of 78% and frontline staff were reduced by 51 FTE.
 - day services transformation
 - preventative service reductions
 - alternatives to residential care

- reablement, raising eligibility and review.
6. By 2014, it was recognised that a more strategic approach to delivering savings was required in order to respond to the growing size and scale of the challenge and to make the required high level of sustainable savings over future years. In response to this, in 2014 the Council developed the Adult Social Care Strategy that allowed the Council to deliver good outcomes while managing demand and cost. This was achieved by embedding three key principles:
- promoting independence and wellbeing
 - ensuring value for money
 - promoting choice and control.
7. This has included work to:
- connect people with support and information they can access in their local communities and helping them make best use of their existing networks
 - working with people in a timely way and supporting them to make their own decisions about short term support to promote their independence
 - maximising potential for independence for service users through reviews and the expansion of assistive technology.
8. As Members are aware, the Council continues to have an on-going budget gap in the Medium Term Financial Strategy (MTFS) projection. Therefore, it was decided by Members that Adult Social Care would benefit from the support of an external savings partner, given the continued scale, complexity and critical nature of the required change to identify future savings plans.
9. The external partner selected was Newton. The scope of Newton's diagnostic study included a validation of existing savings to improve confidence and to identify new savings opportunities. The diagnostic was conducted over a six week period in November 2017. Newton took a meticulous approach to gathering and analysing a wide range of data sources to provide a detailed picture of savings opportunities. This included:
- spending several days with employees on the frontline to understand Nottinghamshire's ways of working and the challenges faced
 - case review workshops – real cases were reviewed with a multidisciplinary panel to understand how the Council could better meet service user needs with services that promote independence
 - best practice benchmarking – to understand the potential effectiveness of Nottinghamshire's services compared to other similar local authorities
 - technical data analysis – the key data sources on long term services, short term services, assessments and reviews were combined to create a picture of the service user flow
 - 1:1 interviews with staff – Newton met with a broad range of staff, from many different professions, and from all tiers of the hierarchy to collect views and ideas.

10. Newton used all of the above information to make an assessment of future savings opportunities based on different decision making that would have the same or better outcomes for people, as well as reducing costs.
11. Key messages that Newton fed back to the Council following the assessment included:
 - the Council has a good grip on the service, understand the demands and current practice very well
 - the Council has a passionate and enthusiastic workforce and a leadership team who were keen to engage and open to new opportunities to improve
 - the Council has made significant progress in transformation. As a result Newton had to look deeper and harder to find further saving opportunities.
12. In summary Newton describe Nottinghamshire as a good local authority that is achieving well across a number of areas. This should be the context and backdrop for the remainder of this report.
13. Newton found that two thirds of people could have been on a different pathway that could have resulted in a different outcome and a reduced cost. The diagnostic identified four key shifts to ensure sustainable transformational change. These four key shifts are recognised by the Council and add further impetus to the work already in train. These are:

Enablement:

How can Enablement be embedded in the Council's processes to ensure that every opportunity is taken to teach new skills and develop confidence?

In Nottinghamshire, the Council's approach is to support people to restore, maintain or enhance people's independence. For people with long term support needs, the Council will work with people to be more independent and achieve their personal goals. To achieve this, the Council has invested in a range of services to promote independence. One example of this is the Notts Enabling Service, which offers periods of enablement to younger adults with learning disabilities or physical disabilities to increase their skills and reduce their needs.

Practice and Process:

How can day-to-day work and culture within teams and with partners empower social workers to promote independence?

In Nottinghamshire, the Developing Excellent Practice programme, led by the Principal Social Worker and Principal Occupational Therapist, has been set up to ensure that the workforce has the right support available to encourage best practice in promoting independence.

Market:

How can work with the market meet requirements at a strategic and placement level, including working with providers to promote independence?

In Nottinghamshire, the Strategic Commissioning team works closely with operational teams with a view to ensuring the market can respond to demand and meet the requirements to deliver on better outcomes and reduced costs. An example of this is the

increased investment in START (Short Term Assessment and Reablement Team) to allow more people to be offered a period of reablement, to avoid admission into hospital or institutional care and enable recovery from a crisis or period of ill health.

Voice:

How can the Council build relationships with service users and families to understand what independence means to them?

In Nottinghamshire, at a strategic level, the Council has engaged with families and carers with the development of the Adult Social Care Strategy. The next step is to co-produce a public leaflet with families and carers based on the principles contained within the Adult Social Care Strategy.

At a practice level, it is recognised that families and carers play a big part in the success or failure of maintaining and increasing people's independence. As part of the Developing Excellent Practice Programme the Council is supporting frontline staff to engage with families and carers in programmes of enablement. In particular, it is considering how to best equip frontline staff to have even more sensitive conversations around topics such as balancing risks and building greater levels of independence.

14. Newton recommended that £7.445m of savings out of the planned £17.9m savings should proceed as originally decided by the Council. The remaining £10.536m savings plans have a significant overlap with the new savings proposals produced by Newton as a result of their diagnostic assessment. The Newton savings proposals suggest some of the adults social care savings plans could go further with a different emphasis. The Newton review also identified a further £6.2m in savings. These additional savings are profiled from 2021/2022 onwards and is a longer period than is currently covered by the department's existing and new proposals. The reason for this is that Newton's analysis suggests savings will take longer to be realised than the Council's savings options.
15. The Newton's savings proposals have been scrutinised and validated by the department's Senior Leadership Team (SLT) and finance partners, as well as by the Corporate Leadership Team. As a result the approach and analysis has been agreed as sound in principle. There was one area of savings proposed by Newton where it was agreed further work is required. This relates to a proposal to support more people to live independently.
16. Below is a summary of the savings profiles for the Council's savings between 2018/19 – 2020/21 and Newton's savings proposals over a longer period. Column A are Council proposals that Newton agreed should continue. Column B are Council proposals that overlap with Newton proposals. Column C are new Newton savings from 1 April 2018, some of which continue beyond 2020/21. The majority of Newton savings overlap with savings areas already identified by the Council.

Figure 1: savings profile

	Column A: Council savings proposals Out of Scope of Newton analysis and can continue	Column B: Council savings proposals In Scope of Newton analysis - existing profile	Column C: New Newton savings proposals Starting 1/4/18
p.a	£'000	£'000	£'000
2018/19	6,804	5,379	712
2019/20	588	3,461	5,414
2020/21	53	1,696	7,878
Future years			6,219
Totals	7,445	10,536	20,223

17. The key points concerning the difference in savings profiles between the Council and Newton are:

- the combined total of the Council's savings (both those that overlap with Newton and those that do not overlap) for the next three years is £17,981m. Newton's proposals for the same period is £14,004m.
- Newton have proposed £6,219m of further savings which are outside of the current MTFS.
- Newton's total savings of £20,083m includes £3.3m savings which requires further exploration.
- Newton identified both risks to current Council savings and further opportunities to increase savings targets in some areas.
- a large portion of the difference between the Council's savings and Newton's is the differing amounts for 2018/19. Council savings outline £5.379m for the year with Newton outlining £0.712 for the same year. This is a difference of £4.667m. This savings difference for 2018/19 is the biggest risk to the Council achieving savings that Newton identified.

18. To mitigate this potential risk two main actions are proposed:

- A. that £1.0m in the Council's savings proposed in 2018/19 is slipped to 2020/21. This keeps the overall Council's savings figure the same, but takes Newton's advice on board about how long this will take to achieve. (This proposal is contained within the Budget Report considered at the Finance and Major Contract Management Committee meeting on 26th February 2018)

B. bringing forward some new savings proposals. For example, Newton's advice is that more savings can be achieved in Reablement by increasing the number of people offered reablement. (Reablement is specialist support provided to help people regain independent living skills).

19. Accordingly, whilst Newton have identified significant risk against savings in 2018/19, the Council is continuing with the original programme to deliver savings from 2018/19 to 2020/21, but are proposing a blended approach in implementing Newton's advice and adjusting adult social care savings profiling going forward.
20. Newton's savings profiles refer to what they describe as the 'confident' savings. They do not relate to the savings that Newton refer to as 'stretch' targets. Newton have identified a potential further £3.6m between 2018/19 - 2024/25 as part of their stretch target, but there is less confidence that these are achievable and, again, a proportion of this sits outside of the current MTFS.
21. In order to deliver a programme of transformation that delivers both Newton's proposals and continues to deliver the planned Council options for change, an aligned change programme is being designed. The new aligned change programme would have a combined savings total of £17.981m and would span three main programmes of work. These areas of work blend together current activity with additional areas of opportunity that the Newton diagnostic identified.
22. These three main programmes are summarised below and **Appendix A** provides more detail on how the current and new projects are aligned:
 - A. Early Resolution activity, which will generate savings of £1.317m over 2018/19 to 2020/21.
 - B. Promoting Independence Interventions, which will generate savings of £12.751m over 2018/19 to 2020/21. This programme will focus on:
 - short term interventions, such as reablement and better use of short term care provision.
 - Older Adult interventions, which will include promoting best practice in support planning, and ensuring consistency across Older Adults operational teams.
 - Younger Adult interventions, such as reviewing the cost of Younger Adults residential care packages; ensuring consistency in best practice; moving suitable individuals out of residential care and into supported living; and in turn moving appropriate individuals out of supported living into other suitable alternatives.
 - cross cutting interventions, such as targeted reviews, reducing the cost of direct payments, better use of Assistive Technology.
 - C. Commissioning activity, including better use of Direct Services, which will generate savings of £3.838m over 2018/19 to 2020/21.

23. The proposed structure is informed by the Council's recently published Planning and Performance Management Framework, which seeks to: better integrate the performance and budget planning cycles; encourage service and financial planning over a longer time frame; and strategic planning of commissioning activity. This new approach focusses on transforming services to deliver better outcomes, and supports a cycle of continuous improvement and cost saving. This approach is supported by Newton on the basis of their experience of working with other local authorities. This greater emphasis on performance management and continuous improvement across all levels of the department means managers and frontline workers are held to account for their contribution to the achievement of savings by agreeing a set of measures based on strategic objectives. This means that services are expected at team, Team Manager and Group Manager level to regularly monitor performance and take effective action where targets are not being met. High level reports on performance will be available to Service Directors and mitigating action initiated where required. This is what is meant by an improvement cycle.
24. In order to support this greater emphasis on performance management and continuous improvement at all levels of the department, it is proposed that a new way to monitor savings is agreed. The current approach to monitoring savings is focused at project level with individual savings targets set against each approved option for change. While this has been successful to date, a new approach is proposed in response to the complexity of the challenge ahead. The key reason is that as savings become more challenging to achieve there is an increased number of areas of interdependencies between projects. This increases the risk of double counting savings. The current approach is also quite resource intensive, which for some projects with smaller savings targets it is disproportionate to the effort required. As an example, an increase in the number of people who receive reablement and achieve higher levels of independence may result in a reduction in the savings by reviewing the same cohort of people. Consequently, by undertaking both areas of work the savings achieved will be the same but people will have received a better outcome at an earlier point.
25. Newton advised that to deliver the proposed transformation programme, a dedicated resource is set up. Specifically, they advised that a dedicated resource should implement the programme across all Assessing and Reviewing teams within Adult Social Care to better develop and refocus an improvement cycle around Promoting Independence. To further develop a culture of improvement, resources would be deployed to work alongside operational staff to co-produce outcome measures at a local level, and use a feedback loop to help social workers, team and senior managers to understand where and how future improvement could take place. Within the transformation resource, there would be a need for an increase in project management skills, change management and business intelligence skills (based on data analysis and producing outcomes dashboards for operational staff to understand their performance).
26. The scale of this work is that it spreads across all of the teams who reable, assess and/or review service users in Adult Social Care. This will mean potentially working with 38 teams and over 600 staff.
27. A detailed options appraisal has been completed to deliver the transformation programme. This has been shared with the senior leaders of the Council who have given consideration to who should deliver the programme and it has been decided that the programme should be delivered by a dedicated internal transformation resource. There are a number of

reasons for this. It allows the Council to have a sustainable way to continue to deliver this approach, and it is significantly less expensive than engaging an external partner.

28. Many of the skills required to understand and develop a transformation programme already exist within the Council, although not at the scale needed. The transformation resource will be put together by reconfiguring resources within the Transformation Team, Projects and Programmes Team and the Corporate Data Analytics Team. As some staff required for the project team are not available in the numbers required, additional resources will be required. The additional resources needed has been assessed and outlined below with costings for a two year design and implementation period across Adult Social Care.
29. It is proposed that the following 14.4 FTE temporary posts are established at a cost of £684,402 per year for two years from 1st April 2018 - a total two year cost of £1.37 million to complement existing transformation resources:

Post title	FTE	Grade	Cost p.a.	2 year cost
Reablement Service Manager*	1	E	£63,664	£127,328
Senior Business Change Analyst	1	D	£57,195	£114,390
Business Change Analyst	1	C	£53,318	£106,636
Performance Business Partner	1	A	£40,776	£81,551
Transformation Business Partner*	4.4	C	£234,598	£469,196
Commissioning Assistant*	2	A	£80,835	£161,670
Mosaic Technical Specialist	1	C	£53,318	£106,636
Community Care Officer	3	5	£100,698	£201,396
Totals	14.4		£684,402	£1,368,804

* Grade is pending job evaluation.

Other Options Considered

30. It would be an option to continue with the already agreed savings programme without accepting Newton advice. However, given that Newton's professional advice is that the savings targets may be too ambitious or unlikely to make the required savings in the MTFS, this would present a risk to savings going forward.

Reason/s for Recommendation/s

31. Aligning both the Council's existing savings and Newton's suggested opportunities into one programme gives the Council the best opportunity to maximise the savings that can be achieved over the MTFS.
32. The key area of focus is on best practice and good decision making at an operational level to promote independence. Hence a new way to monitor savings is being proposed as a more suitable way to drive and monitor change going forward and this allows this accountability at all levels.

33. An additional resource request has been made having accepted Newton's advice that a dedicated project team should be established to deliver a change programme across the department that supports better outcomes for service users at lower cost.

Statutory and Policy Implications

34. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

35. Funding for the following posts can be met from departmental reserves:

Post title	FTE	Grade	Cost p.a.	2 year cost
Reablement Service Manager*	1	E	£63,664	£127,328
Senior Business Change Analyst	1	D	£57,195	£114,390
Business Change Analyst	1	C	£53,318	£106,636
Performance Business Partner	1	A	£40,776	£81,551
Transformation Business Partner*	4.4	C	£234,598	£469,196
Commissioning Assistant*	2	A	£81,551	£163,102
Mosaic Technical Specialist	1	C	£53,318	£106,636
Community Care Officer	3	5	£100,698	£201,396
Totals	14.4		£685,120	£1,370,240

* Grade is pending job evaluation.

Human Resources Implications

36. 14.4 FTE new posts are to be established. The table in paragraph 35 shows that 7.4 FTE of these posts are awaiting job evaluation and the grades set against them are pending.

Safeguarding of Children and Adults at Risk Implications

37. The department will continue to deliver services that are compliant with the Care Act and includes robust procedures for safeguarding.

Implications for Service Users

38. The change programme is designed to help operational social care staff make the best decisions on behalf of service users in a way that promotes their independence and ability to have outcomes that support this independence. Whilst this will mean that the overall

spend on care packages should reduce, this is based on sound social work practices of promoting independence and well-being.

RECOMMENDATION/S

That Committee:

- 1) considers whether there are any further actions they require in relation to the findings from the diagnostic of Newton in addition to what has been proposed in this report.
- 2) approves delivery of the new change programme
- 3) approves the principles of the approach to continuous improvement and the new approach to the monitoring of savings from 1st April 2018
- 4) approves the establishment of the additional 14.4 FTE temporary posts to deliver the transformation programme as detailed in paragraph 29.

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Constitutional Comments (LM 15/02/18)

39. The Adult Social Care and Public Health Committee is the appropriate body to consider the contents of the report.

Financial Comments (OC 16/02/18)

40. The financial comments are contained within paragraphs 29 and 35 of the report.

HR Comments (SJJ 23/02/18)

41. The HR comments are contained within paragraph 36 of the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Annual Budget Report 2015/16 – report to Full Council on 26 February 2015
- Annual Budget 2016/17 – report to Full Council on 25 February 2016

- Smarter Working Programme – report to Policy Committee on 18 May 2016
- Better Care Fund – Proposed Allocation of Care Act Funding – report to Adult Social Care & Health Committee on 12 September 2016
- Proposal to Maximise the Income Available to the Council's Directly Provided Adult Social Care Services - report to Adult Social Care & Health Committee on 10 October 2016
- Proposals for the use of the Improved Better Care Fund 2017/18 - report to Adult Social Care & Public Health Committee on 10 July 2017
- Update on Transitions Process for Children and Adults with Disabilities – report to Adult Social Care & Public Health Committee on 11 September 2017
- Supporting the Delivery and Expansion of Assessments and Reviews - report to Adult Social Care & Public Health Committee on 11 September 2017
- Supporting Best Practice in Care and Support Planning for Adult Care Services - report to Adult Social Care & Public Health Committee on 9 October 2017
- Planning for Discharge from Hospital – existing STC project - report to Adult Social Care & Public Health Committee on 9 October 2017
- Progress Report on Savings and Efficiencies - report to Adult Social Care & Public Health Committee on 11 December 2017
- Adult Social Care and Health Consultation - report to Adult Social Care & Public Health Committee on 8 January 2018
- Adult Social Care and Commercial Development - report to Adult Social Care & Public Health Committee on 5 February 2018
- Budget report – report to Finance and Major Contract Management Committee on 26 February 2018.

Electoral Division(s) and Member(s) Affected

All.

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