

Savings Under Development Update

Children and Family Services

MTFS Ref	Emerging Project Name	Priority	Forecasted Savings (£'000s)				Outline Business Case	Full Business Case	RAG Status
			18/19	19/20	20/21	21/22	TDB	TDB	
SUD1	Fostering Service	N/A					N/A	N/A	R
New	Innovation Partner	H					2019	TBC	A

Fostering Service

A number of actions have been implemented in 2018/19:

- A fostering recruitment plan has been implemented and is being monitored and reported against the 2018/19 MTFS savings.
- Cabinet agreed a revised structure for fostering fees in July 2018.
- The contract for the Therapeutic Wrap Around Service (MISTLE) has been awarded and is operating ahead of schedule, the MTFS scheduled savings in 2020/21.

Recruitment of foster carers has significantly increased running at 200% of 2017/18 figures and is on track to achieve the original 2018/19 target. This has supported the current containment of cost pressures within the placement budgets, with high cost residential placements down by 17%. However, additional costs are arising from the review of foster fees, an increase in the internal unit cost from increased staffing and the introduction of the therapeutic wrap around service. This has required an increase in the MTFS target to offsetting additional costs and the service will need to increase its performance to achieve this. This is currently under review and investigation to understand the impact on the savings requirement in the current MTFS. Development of the fostering service is expected to be supportive of the existing MTFS savings rather than generating additional ones.

As a result the Cabinet agreed in July 2018 to the procurement of an innovation partner. The Children’s Innovation Partnership will develop a more efficient, and cost-effective approach to the provision of care placements for children and young people and would greatly benefit from the expertise of an external organisation to deal with the challenges. The Invitation to Tender will shortly be issued and the expectation is that a partner will be appointed and commence work on developing the approach to meeting the needs of children in care early in 2019.

Adults and Communities

MTFS Ref	Emerging Project Name	Priority	Forecasted Savings (£'000s)				Outline Business Case	Full Business Case	RAG Status
			18/19	19/20	20/21	21/22	TDB	TDB	
SUD2/SUD3	Place To Live*	H	-	100+	200+	200+	2019	TBC	A
SUD4	Home First	M	-	-	-	-	OCT 18 – TBC	TBC	A
SUD5	Improvements to ASC Operating Model	H	-	-	-	-	OCT 18	TBC	A

*Note that from the original list of Savings Under Development Place to Live and Lower Cost Adult Social Care savings have been combined

Place to Live

The most significant cost in Adult Social Care is for residential placements. A Place to Live Board has been established with support from the Transformation Unit to co-ordinate the Council's Accommodation Strategies, the plans for capital investment in accommodation and the MTFS saving related to developing accommodation options. To date the board has focussed on overseeing the delivery of the current MTFS savings requirements and on managing the dependencies and risks of the multiple deliverables dependent on increasing the availability of suitable accommodation based support. Work has been undertaken to map the future requirements for accommodation based support in each locality for 2019 to 2037.

Supply options being investigated include:

- Capital investment by the Council to develop more capacity in the sector, e.g. develop appropriate accommodation support for service users.
- A partnership with a care and/or accommodation provider could both increase capacity to deliver a more sustainable market whilst at the same time reduce average care costs.
- Supporting the building of extra care and supported living accommodation. For example in 2019/20 developing Brookfield in Great Glen into 20 units for working age adults with learning disabilities. This will cost approximately £2.5m and will deliver annual social care savings of £50k pa plus net rental income of £150k pa . Other schemes are still be to be identified for the future MTFS 2020.

A strategic business case is being prepared for Cabinet in October with the intention to issue a Prior Information Notice (PIN) to undertake market testing on the options.

Home First

The proposed development of Home First services across the county aims to care for people at home wherever possible to prevent hospital admissions and ensure timely discharge should people require hospital admissions. If people can be cared for at home rather than being admitted to a hospital bed, and if people can be supported at home through reablement, or provided with a reablement bed on discharge, the number of long term care admissions and long term community packages should be reduced.

Further development work is to be undertaken to determine the potential opportunities for delivery of home first services in the county in collaboration with NHS partners, based on the specifications and design principles developed this year. The first step toward this is the recruitment of a 24/7 crisis support team. Implementation of Home First services is dependent on developing a more integrated health and social care response to people experiencing a crisis in the community, and to patients on discharge from hospital. In Leicestershire the County Council has set up a working group to look at an integrated health and social care offer for Crisis and Reablement support, including the potential requirement for a dedicated reablement and assessment unit. The Council is aiming to have an agreed model ready to pilot for October 2018 and mapping of current activity and spend has been completed.

Current delivery will be refocussed to provide the new model of service and a key dependency is the review of Community Health Services provision being undertaken by the CCG. Savings are still to be identified but will be through managing demand, hence reducing growth requirements in future MTFS's.

Improvements to the Operating Model for the Department

The department is seeking to develop its Target Operating Model (TOM) to articulate how the flow of activity and demand will be managed going forward. The TOM will seek to reduce variation, improve systems and processes, ensure proportionate responses, explore simplification and thereby deliver a more efficient and effective service both for service users and staff.

Following a successful tender, Newton Europe have been commissioned and have undertaken a detailed diagnosis of care pathway activities during August 2018. Their findings and recommendations are to be considered in October by Cabinet with the aim of having identified savings for the MTFS 2019.

Public Health

	Emerging Project Name	Priority	Forecasted Savings (£'000s)				Outline Business Case	Full Business Case	RAG Status
			18/19	19/20	20/21	21/22	TDB	TDB	
SUD18	0-19 Health Visiting and School Nursing	H	-	-	TBC	TBC	Dec 18	July 19	A
SUD19	Integrated Lifestyles	H	-	20	65	65	Done	Sept 18	A
SUD20	Schools Offer	M	-	-	TBC	TBC	TBC	TBC	A

0-19 Health Visiting and School Nursing

This £8.6m contract was commissioned for 3 years with the opportunity to extend for a further 2 years. This provides an opportunity to renegotiate the contract in April 2020 and look at potential redesign around new ways of delivery. The savings are expected to be in the range between 5-10% of the contract value, based upon prior experience.

Work will start shortly to look at the future needs of the population as well as an appraisal of the infrastructure needed to deliver the service effectively. This is expected to be completed by April 2019. It is likely that any proposed changes will require public consultation which is expected to take place in summer 2019. Should the contract be renegotiated this would take place by October 2019.

Integrated Lifestyles

The department is looking to combine aspects of the delivery of lifestyle services into a single lifestyle hub which would support a more integrated systems approach to tier 1 and potentially some aspects of tier 2 delivery. A saving of £65k is proposed to be found from Adult Weight Management Services. The current contract value is £260k.

It was agreed at Cabinet on 9th March 2018 that a public consultation would take place between May and July 2018. The public consultation has been completed and work is currently being undertaken to finalise the new delivery model for the provision of Adult Weight Management services. This will be included in a Full Business Case to be considered by Cabinet in October. If approved, the new service will come into operation in October 2019.

Schools Offer

There are a number of services currently delivered to schools including young person's physical activity as well as various specialist training elements. The department are exploring the option of moving these to a traded service model. Work is underway to identify which strands of the delivery could be included in such an offer as well as identifying an aligned date for possible transition.

Environment and Transport

MTFS Ref	Emerging Project Name	Priority	Forecasted Savings (£'000s)				Outline Business Case	Full Business Case	RAG Status
			18/19	19/20	20/21	21/22	TDB	TDB	
SUD7	Highways Delivery Model	L	-	-	-	-	Aug-18	n/a	R
SUD8	Income generation/S278 and related service reviews:	M	-	100+	100+	100+	Nov-17	tbc	G
SUD9/10	Future RHWS (inc. Reuse)	M	-	-	TBC	TBC	May-18	Feb-19	G
SUD6	Future Residual Waste Strategy	M				300		Aug-18	G

Highways Delivery Model

Work on this is on hold as it is not currently expected that it would be fruitful to pursue, and there is limited appetite for progressing. It is considered that the current mixed economy between combining internal delivery with some services contracted out and delivered by external providers offers an approach which allows flexibility and responsiveness whilst still providing value for money.

Income Generation / Section 278 and Related Service Reviews

Savings of £100k have already been identified through a review of the management structure within Highways Delivery combined with the implementation of an alternative risk based approach to Gulley emptying, the latter to be considered by E&T Overview and Scrutiny Committee in September 2018. Additional income from S278 works and other chargeable services cannot currently be identified as more work is needed to ensure costs (primarily time spent) are captured accurately against each specific scheme. Further business as usual work streams are being set up to ensure data is collated in such a way, and external charging processes developed to progress this. Also, through the commercial strategy work stream, work is being undertaken to progress a one-stop shop for securing work from developers. Depending on the outcome of these work streams, additional income may be able to be generated which would allow additional savings to be built into the MTFS.

Future RHWS Service Offer & Re-use

A single Business Case is being developed which is considering a range of options for the future RHWS service to consider what opportunities exist for reducing costs and/or increasing income. There are three distinct elements to the business case:

- Looking to the various options available for the delivery of the RHWS and transfer station at Whetstone;
- How the Council may be able to increase levels of re-use and in so doing generate additional income;
- What other changes can be made around service configuration at all the current sites, especially post insourcing

At this stage it is very difficult to estimate what the potential savings might be from pursuing these initiatives, and what potential level of investment may be required. Work in the next few months will consider this with the full business case providing more detail in January.

Future Residual Waste Strategy

The County Council's overall approach to the management / disposal of residual waste post 2020 was as agreed by the Cabinet in December 2016. This was for the Council to enter into medium term (up to 2028 – 2031) merchant arrangements to utilise available waste treatment and disposal capacity within the marketplace. In line with this approach, LCC have entered into an agreement to enable up to 80,000 tonnes of waste to be delivered to the Energy for Waste (EfW) facility at Coventry – twice the volume of the existing arrangement.

Nonetheless a further 50,000 tonnes of waste, currently going to Cotesbach Landfill at the rates secured under the Mechanical and Biological Treatment contract will end in 2020. This, together with the expiry of a number of other smaller contracts, will require a further procurement process to be undertaken. The aim is to at least negate the increased costs that would be faced if this waste continued to go to Cotesbach Landfill from April 2020 (which has been allowed for in the MTFs). This will be subject to the outcome of the procurement exercise.

Alongside this, the initial market engagement has suggested the best options available to LCC will require additional local waste transfer capacity to bulk up waste for onward delivery outside the County. This is due to worsen due to planned closures of further landfill sites utilised by the Service over the period of the MTFs. For these reasons, funding has been earmarked in the capital programme future developments to fund the construction of a new waste transfer station in the County. Prior to the procurement exercise it is difficult to predict savings, but the target is to at least save the £300k growth currently provided for in the MTFs and aim for further savings on top of this.

Corporate

MTFS Ref	Emerging Project Name	Priority	Forecasted Savings (£'000s)				Outline Business Case	Full Business Case	RAG Status
			19/20	20/21	21/22	22/23	TDB	TDB	
SUD11/CR10	Corporate Asset Investment Fund	M	-	-	-	-	n/a	n/a	G
SUD12	IT and Digital Strategy Implementation	M	50	100	150	200	Nov-18	Feb-19	G
SUD13	Commercialism	L	-	-	-	-	tbc	tbc	A
SUD14	Property Initiatives	M	-	50	100	300	Sep-18	Jan-19	G
SUD15	People and Performance Management	L					TBC		A
SUD16	Fit for the Future	H	-	400	900	900	Done	Done	G
SUD17/C11	Financial Arrangements	L	400	400	400	400	n/a	n/a	G

Corporate Asset Investment Fund (CAIF)

In May 2014, the Cabinet approved the establishment of the CAIF to be used to purchase commercial properties and land assets. The Council already held an existing stock of Industrial Properties and County Farms, and in 2017/18 have invested in Office Developments at Embankment House, Nottingham and Lichfield South, Lichfield. New savings will be dependent upon completion of developments within the fund and will relate to the revenue income received (not any capital appreciation which would be realised if an asset was sold). On the basis of a total fund of £200m by 2022/23 there is the potential to increase the current £3m p.a. revenue contribution in the MTFS by £5m p.a. When opportunities are identified the income will be included in the MTFS.

I&T Digital Strategy Implementation

The I&T Digital & Strategy 2017-20 outlines the direction of travel for the service, which is seeking to provide more efficient and effective Council services, empower people and introduce digital ways of working through easier to use, customer focused and joined up services across the Council and with partners. Additionally, the "Investing In Innovation" workstream (known as 3i) will develop ideas on an over-arching risk management portfolio basis to deliver an overall net benefit – the first of these ideas to be progressed is the Robotic Process Automation (RPA) scheme in the CSC and within ICT, with further schemes in the pipeline where ICT can act as an enabler to change and drive savings within departments.

ICT will work with departments across the Council to identify areas in which digital innovation and technology can be used as an enabler to generate efficiencies and promote change. The 'Incubation Team' will look to promote many of the measures identified in the Digital Strategy, including delivering easy-to-use digital services which help people do things for themselves and enabling better ways of working. Staff resources to drive this function have been identified from within existing resources and will aim to be in place to start work on this initiative by June 2019. The enterprise will operate in a trial format for year one, after which officers will review the effectiveness and successes of the scheme and consider whether there is scope to deliver further savings.

Commercialism

Leicestershire Traded Services (LTS) was created by bringing services in Corporate Resources together creating a new brand and introducing a commercial approach involving sales, marketing and regular financial reporting. LTS has a target to increase the contribution to the revenue budget by £2m p.a. Activity is now rolling out across the whole Authority in order to identify and enhance current trading activity and identify potential new areas. Support is being given in two pilot areas; Services to Schools and Highways Development as well as identifying any potential commercial opportunities within the Children's Innovation Partnership. The intention is to increase the contribution from trading activity further.

Property Initiatives

A new Workplace Strategy is being finalised which will set out how the County Council can maximise the use of its property portfolio and reduce operational property costs. This has entailed a review of all lettings, property occupancy and analysis of the total financial implications of running each property within the estate including the cost of maintaining the buildings. Other revenue generating initiatives are also being considered. Savings are anticipated through a rationalisation of our use of satellite offices and increased usage of County Hall, as well as the potential to rent out further areas of the building.

People and Performance Management

The initiative includes a variety of work to improve the performance across the organisation. The majority of these are enabling other MTFS savings, for example the sickness absence target, rather than being a direct saving.

Work continues to reduce the use of agency staff and this work fits well with the New Initiatives outlined below.

The introduction of the Apprenticeship Levy has required £1m of growth but has provided a source of funding towards additional Apprenticeships and training. Whilst the use of the apprenticeship levy has resulted in a considerable increase in the number of apprentices, there is a risk (which reflects the national position) that we do not spend all of the levy. However, as different types of apprenticeships are accredited, we will seek to take advantage of relevant ones. Where these result in a saving to our core L&D budget, a reduction will be made.

Fit For the Future

This project will replace the existing Oracle ERP system and the improvement of the related processes. Savings have been secured through a new contract that combines the software licencing and hardware hosting. Further savings are being targeted from improvements to the working practices of the ICT, Finance, HR and Procurement functions, as well as EMSS.

Financial Arrangements

The County Council makes provisions from the revenue budget for a range of future liabilities and these provisions can be changed in line with expected liabilities and regulations. A review of these financial arrangements is expected to yield savings. For example, the County Council's insurance claims experience has improved to the extent that the earmarked funds held are deemed to be in excess of what is required.

New Initiatives

Based on research from other organisations an opportunity exists to create a programme that provides a systematic framework for reviewing services and teams across the council, including those with smaller budgets that may have not been part of a formal review before. Through an assessment of the services based on looking at strategy, staff, finance and performance data, the intention will be to introduce a coordinated programme drawing on the wider support services offer to utilise continuous improvement tools and techniques with the aim of exploiting a number of lower level opportunities simultaneously right across the council that can be enacted within the teams (i.e. process improvements) to find cashable savings.