



**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY**  
**COMMITTEE: 6 NOVEMBER 2018**

**ADULT SOCIAL CARE TARGET OPERATING MODEL**

**JOINT REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES**  
**AND THE DIRECTOR OF CORPORATE RESOURCES AND**  
**TRANSFORMATION**

**Purpose of Report**

- 1 The purpose of this report is to advise the Committee of the output of an assessment informing the development of a future target operating model for adult social care in Leicestershire, and to inform of the next steps in implementing the model.

**Policy Framework and Previous Decisions**

- 2 The Adults and Communities Department is engaged in multiple streams of work to integrate services with health bodies. During 2017, services were restructured in support of the new locality arrangements for integrated health and care services across Leicestershire. The Department has been instrumental in addressing the high impact changes for delayed transfers of care.
- 3 Leicestershire County Council's Strategic Plan 2018-22, 'Working together for the benefit of everyone' has been developed by the Council to focus on the issues that will make life better for people in Leicestershire.
- 4 Five strategic outcomes describe the Council's vision for people in the county:
  - Strong Economy: Leicestershire's economy is growing and resilient so that people and businesses can fulfil their potential;
  - Wellbeing and Opportunity: The people of Leicestershire have the opportunities and support they need to take control of their health and wellbeing;
  - Keeping People Safe: People in Leicestershire are safe and protected from harm;
  - Great Communities: Leicestershire communities are thriving and integrated places where people help and support each other and take pride in their local area;
  - Affordable and Quality Homes: Leicestershire has a choice of quality homes that people can afford.
- 5 A further strategic 'enabling' outcome supports the delivery of these objectives to ensure that the authority remains a sustainable and successful organisation leading modern, highly effective services.
- 6 The Adult Social Care Strategy 2016-2020 underpins delivery of all the Council's strategic outcomes, and provides the strategic context for the transformation and

delivery of adult social care services in Leicestershire. The aim of the Strategy is to increase people's independence, reduce the reliance on formal social care provision, and develop new ways of working to meet the demands going forward. It is focussed on preventing, reducing, delaying and meeting essential social care need.

- 7 Local authorities have a duty arising from the Care Act 2014 to deliver joined up services for local people by integrating their services with health and other partners, both operationally and with respect to strategy and commissioning. The Department of Health and Social Care requires that each area has set a plan for integration between social care and the NHS for implementation by 2020/21.
- 8 Other relevant policy framework includes:
  - Leicestershire Communities Strategy 2014;
  - Leicestershire County Council Medium Term Financial Strategy 2018/19-2021/22;
  - The Leicestershire Health and Care Integration Programme;
  - Better Care Together (the Leicester, Leicestershire and Rutland Sustainability and Transformation Plan).

### **Background**

- 9 In order to support Leicestershire's vision for health and care integration, the Adults and Communities Department was reorganised at an operational level during 2017 to a locality based Care Pathway footprint, aligned with the new locality structures for primary care, in conjunction with Leicestershire Partnership NHS Trust's Community Nursing Services and the County's two Clinical Commissioning Groups.
- 10 Having completed this restructuring, the Department is now reviewing other operating systems, processes and practice. It aims to articulate a new 'target operating model' to assure alignment to its strategic approach, improve service user experience, and operate as effectively and efficiently as possible.

### **Financial Context**

- 11 Within the Medium Term Financial Strategy (MTFS) 2018/19-2021/22 considered by the meeting of the County Council on 21 February 2018, the demands on adult social care services arising from demographic growth and increasing needs were noted. The profile of service users and their care needs are changing, which is likely to impact on the type and scale of services to be commissioned and/or the income received.
- 12 The current MTFS includes a saving requirement of £50m over the four years to 2021/22 of which £13m is still to be identified. An additional year of austerity, growth and inflation causes a financial gap in the region of £10-£15m. This increases the MTFS shortfall to £20-£30m by 2022/23. To help bridge the gap a number of initiatives are under development to generate further savings. The development of a target operating model will ensure that the Council can continue to manage demand within the context of financial constraints to keep services financially sustainable for the future.

## Diagnostic Assessment

- 13 In order to appraise the current position for adult social care prior to developing a target operating model, the County Council commissioned independent specialist consultancy, Newton Europe, to undertake a diagnostic analysis in partnership with the service.
- 14 The assessment comprised activity modelling, case reviews, frontline staff workshops, meeting with third party providers, financial analysis, and benchmarking against other local authorities, across services for both older adults and working age adults.
- 15 The approach used was not about cutting services, but about placing the best and most independent outcome for the service user at the heart of any changes to enable joint improvement of outcomes, staff ways of working and financial performance.
- 16 The outputs produced a set of evidence-based opportunities for the Department to consider, which were evaluated as follows:
  - Gaining a shared overall understanding of the rationale for the opportunities arising from analysis and their suitability and strategic fit;
  - Supporting local evidence;
  - Achievability of financial profiles;
  - An appraisal of how change could be implemented;
  - Validation or re-validation of assumptions and what a realistic target to aim for would be, led by financial and operational leads;
  - Most importantly, an understanding of how the opportunities would best help the authority to promote people's independence and improve outcomes, and deliver the overall vision for adult social care.
- 17 It should be noted that the diagnostic analysis was undertaken in the context that:
  - The County Council is already an efficient organisation with a good track record in delivering transformational change and savings;
  - There is a clear vision for adult social care, with a set of activities already in progress to deliver this vision;
  - Some elements of transformation and restructuring have already been carried out, with a view to moving to the new vision and a new target operating model for adult social care;
  - A range of efficiencies and savings from some of these activities are already profiled and assumed to be delivered within the existing MTFs period (identified in paragraph 27 below);
  - The outputs and findings have been reviewed, validated and iterated, in order to provide the Council with an evidence-based, realistic view of the opportunities that could be pursued, which extend beyond the Department's existing plans.
- 18 The diagnostic identified an initial long list of areas for further exploration. These were subject to further validation and prioritised into a short list for the Department and the Council corporately to consider.

## Proposals/Options

### Validation

- 19 A gateway review workshop was held in September which was attended by representatives from across adult social care and corporate departments.
- 20 This session assessed each opportunity in turn, seeking assurance on the validity of the operational and financial analysis, taking an initial view on the deliverability of each of the priorities, rating their potential impact, complexity and the likely timescale for realising the benefits, and confirming if the opportunity was an extension of existing work or represented a new area of work for the Department.

### Overview of the Proposals

- 21 As a result of the gateway review, seven opportunities are being recommended for further work, with a view to implementation by the Department. The rationale for selecting these is that they will maximise the improvements that can be made to the Department's target operating model, and support the Department to achieve and sustain a high level of performance across all its care pathways.
- 22 Broadly, the seven opportunities can be categorised into three main themes:
  - Improvements to reablement and enablement approaches, for specific cohorts of service users;
  - Reducing variation in practice and improving decision making across practitioners for both older adults and working age adults;
  - Improved ways of working within the adult social care and supporting business function.
- 23 It is important to highlight that the opportunities demonstrate a combination of potential benefits, spanning cost and demand avoidance, enhancing quality and outcomes for service users, improved productivity, and in some cases, releasing cashable savings. The total additional annual ongoing benefits are estimated to be in the region of £8m, in addition to savings already planned within the current MTFS.
- 24 The opportunities have been assessed for the ability to deliver on the following:
  - How, by focusing on further changes to practice, lasting cultural change can be achieved, this being such a critical part of delivering the Department's vision and target operating model;
  - How, and in which services, should the Department support service users to access and achieve increased levels of reablement and independence;
  - How, and where, capacity could be released from within the Department's existing resources, so that more hours can be directed to frontline care and help mitigate growth in demand;
  - How, and where, any potential further cashable savings could be identified, for consideration as needed, in the next phase of the Council's MTFS;
  - How the approach used could be used to identify further opportunities across the broader Council services.

Transformation Opportunities

25 The opportunities within older adults' services are judged to be as follows:

<b>OLDER ADULTS</b>	<b>Description</b>	<b>Estimated Financial Opportunity</b>	<b>New Work or an Extension of Existing Work</b>
<b>OA1 Reablement</b>	<p>Ensure additional people who could benefit from reablement are systematically identified and referred into the care pathway</p> <p>Make further improvements to the reablement care pathway and outcomes to ensure consistency</p>	£3,780,000	<p>New</p> <p>Interdependency with existing work plans for HART and domiciliary care</p>
<b>OA2 Consistent and enhanced decision making</b>	<p>Prevent inappropriate admissions to residential care</p> <p>Improve the consistency of allocating domiciliary care and direct payments</p>	£1,700,000	Extension of existing work (already within the MTFS)
<b>OA3 Quality Improvements</b>	Improvements to the quality and consistency of assessments and reviews (across both the Customer Service Centre and locality based practitioners)	£1,420,000	<p>New</p> <p>Introduction of a focused workstream for the target operating model, which will affect a large number of staff culturally and operationally</p>

26 The opportunities within services for working age adults are considered to be:

<b>WORKING AGE ADULTS</b>	<b>Description</b>	<b>Estimated Financial Opportunity</b>	<b>New Work Extension or change to Existing Work</b>
<b>WAA1 Enablement</b>	Improve the independence of an identified cohort of service users in the community	£430,000	Extension to Existing

<b>WORKING AGE ADULTS</b>	<b>Description</b>	<b>Estimated Financial Opportunity</b>	<b>New Work Extension or change to Existing Work</b>
<b>WAA2 Change to setting of care</b>	Move an identified cohort of people from residential care to supported living	£740,000	Existing  Dependency on capital programme and accommodation strategy
<b>WAA3 Consistent and enhanced decision making</b>	Improve the consistency of allocating support packages to mental health and learning disability service users, and enable more independent living where appropriate	£1,140,000	Change to existing work
<b>WAA4 Quality Improvements</b>	Improvements to the quality and consistency of assessments and reviews (across both the Customer Service Centre and locality based practitioners)	£1,240,000	New  Introduction of a focused workstream for the target operating model, which will affect a large number of staff culturally and operationally

27 The total opportunities can be summarised as:

	<i>Estimated annual value</i>
Estimated cashable/demand offset savings (OA1, OA2, WAA1, WAA2, WAA3 above)	£7,790,000
Less savings already identified within MTFs 2018	£2,300,000
<b><i>Estimated total annual cashable savings</i></b>	<b>£5,490,000</b>
Plus estimated total annual quality improvements (OA3, WAA4 above)	£2,660,000
Overall additional total annual savings and efficiency and quality improvements	<u>£8,150,000</u>

### **Assumptions and Dependencies**

28 The assumptions underpinning the opportunities included benchmarking with other authorities, applying confidence factors to the opportunities, eliminating any double counting across existing programmes and benefits, including those already in the Council's MTFs, applying other local operational factors based on the operational and financial assessments of officers involved in the diagnostic work, and gateway review.

29 The Council's current MTFs includes programmed activity estimated to be in the region of £2.3m which will need to be netted off the estimated annual cashable

savings outlined in paragraphs 25 and 26 above. The authority's existing transformation projects and trajectories will be baselined alongside the potential new opportunities to be taken forward to inform the savings attributable to the new target operating model.

- 30 The estimated quality improvement gain of £2.7m will be used to help improve outcomes for service users and underpins the ability to realise the cashable savings. Areas for improvement will include expanding the number of service users who receive an annual review of their care needs, more timely assessment and support planning, reducing demand through promotion of independence, and support to relieve pressures such as hospital discharges, transitions from children's services and carers.
- 31 At this stage of the analysis, the impact that implementing one opportunity could have on other parts of the care system, or on other parts of the authority's transformation programme, have not been modelled or quantified. However, this was recognised at the gateway review session as something that should be addressed. For example, changes in settings of care may result in alternative support being required, but modelling the impact of this on the capacity of the specific alternative services affected, and the capacity of the market, will need further analysis during the delivery phase of the work.

#### Resulting Change to Transformation Activities, Operations and Culture

- 32 The proposed areas of work set out in these opportunities are, for the most part, in addition to existing and planned activity within adult social care and will entail a fundamental change to the ongoing transformation activity within the Department.
- 33 This new proposed programme of work will be focused more on practice-based cultural change to improve quality and efficiency. The target operating model will therefore have significant implications for staff in terms of operational and cultural change. For example, there will be a much greater emphasis in their practice on maximising reablement and enablement with service users, a more robust and consistent approach to assessment and review, and a systematic adoption, and deeper understanding and appreciation of business intelligence and performance management methods, analysis and tools across all aspects of the Department's business.
- 34 The Department recognises the scale of the change that this will entail, and is presently appraising the internal capacity available, together with external support required to implement and sustain the change.

#### Resource Implications

- 35 The programme of work outlined in the report involves considerable service transformation. To succeed appropriate resources will need to be made available through the MTFs process. It is likely internal resources will be required in addition to the cost of a strategic development partner.
- 36 The Director of Law and Governance has been consulted on the content of this report.

## **Timetable for Decisions**

- 37 A detailed implementation plan is being prepared, which will be subject to the validation and agreement of the Director of Adults and Communities and Director of Corporate Resources, prior to consideration at the Cabinet on 23 November 2018. The report will seek approval to procure a strategic development partner to support the Department in its implementation of the target operating model, and to build transformation capacity and capability in the authority's own workforce.

## **Conclusion**

- 38 The new target operating model is being designed to improve service user experience, and to ensure that the Department operates as effectively and efficiently as possible.
- 39 A diagnostic analysis and gateway review process undertaken between July and September 2018 resulted in seven areas of either new or expanded work for the County Council's Adults and Communities Department to consider, which are given in paragraphs 25 and 26 above.
- 40 The areas outlined are recommended by the Director of Adults and Communities and the Director of Corporate Resources and Transformation for inclusion in the Adults and Communities Department's transformation programme, to support delivery of the vision and optimum target operating model for adult social care.
- 41 The rationale for the recommendation is that these opportunities demonstrate additional benefits beyond the Department's existing transformation activities in the areas of cost or demand avoidance, enhancing quality and outcomes for service users, improved productivity, and releasing cashable savings.
- 42 The total estimated annual benefit from these areas of work is in the region of £10.44m, of which £2.3m has already been identified in the current MTFS and a further £5.49m is expected to be new cashable savings. The work will necessitate a delivery plan of an estimated 16-18 months, with a phased release of the benefits spanning three financial years from 2019/20.
- 43 The delivery of the work will require an additional allocation of resource and the support of an external strategic development partner. On 23 November 2018, the Cabinet will be asked to approve the proposed areas of transformation and resources for mobilising the changes required, including the procurement of external support.
- 44 The Committee is asked to consider the assessment work undertaken and to comment on the areas of opportunity identified.

## **Background Papers**

- Report to Cabinet: 5 February 2016 – Adult Social Care Strategy 2016 – 2020 - <http://politics.leics.gov.uk/documents/g4599/Public%20reports%20pack%20Friday%2005-Feb-2016%2014.00%20Cabinet.pdf?T=10>
- Report to Cabinet: 13 December 2016 – NHS Sustainability and Transformation Plan – <http://politics.leics.gov.uk/documents/s125045/NHS%20Sustainability%20and%20Transformation%20Plan.pdf>



- Report to Cabinet: 8 February 2018 – Medium Term Financial Strategy 2018/19 – 2021/22 - <http://politics.leics.gov.uk/documents/g5177/Public%20reports%20pack%20Friday%2009-Feb-2018%2011.00%20Cabinet.pdf?T=10>

### **Circulation under the Local Issues Alert Procedure**

45 None.

### **Equality and Human Rights Implications**

- 46 Public authorities are required by law to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation;
  - Advance equality of opportunity between people who share protected characteristics and those who do not;
  - Foster good relations between people who share protected characteristics and those who do not.
- 47 Aspects of the County Council's MTFs, and the adult social care target operating model, may affect service users who have a protected characteristic under equalities legislation.
- 48 An assessment of the impact of emerging proposals on the protected groups must be undertaken at a formative stage prior to any final decisions being made on activities within the future transformation programme. Such assessments will be undertaken in light of the potential impact of proposals and the timing of any proposed changes.
- 49 Those assessments will be revised as the proposals are developed to ensure decision makers have information to understand the effect of any service change, policy or practice on people who have a protected characteristic.
- 50 Specific proposals will be therefore be subject to robust engagement with service users and other people affected, and Equality and Human Rights Impact Assessment screening at the appropriate time.

### **Other Relevant Impact Assessments**

#### **Partnership working**

- 51 The delivery of adult social care relies on close partnership working, in particular with the NHS. The transformation programme for the Department includes activities which support the delivery of care and care packages to people who will be in receipt of both social care and NHS support. There are well established partnership arrangements operationally between NHS partners and the local authority including for hospital discharge and community based teams.
- 52 The vision and target operating model for adult social care has been designed to deliver against the strategic outcomes of the Council as well as support the overall health and care integration developments in Leicestershire, and across Leicester, Leicestershire and Rutland as a whole.
- 53 There will be opportunities through the work of the Leicestershire Integration Executive to improve joint commissioning and integrated service models with the

NHS and transfer learning from the adult social care target operating model across agencies.

### Procurement

- 54 Procurement implications are to be determined from an understanding of the internal and external resources required to deliver the target operating model programme. The report to the Cabinet on 23 November 2018 will seek approval to procure a strategic development partner to support the Department in delivering the proposed transformational change, and to embed relevant skills within the authority's own workforce for the future.

### **Officers to Contact**

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