



**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE**  
**10 JUNE 2019**

**ADULT SOCIAL CARE TARGET OPERATING MODEL**

**REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES**

**Purpose of report**

1. The purpose of this report is to update the Committee on the progress of developing the Adult Social Care Target Operating Model (TOM). The programme is currently, and is forecast to remain, on track with the programme plan and original objectives.

**Policy Framework and Previous Decisions**

2. 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.
3. The Vision and Strategy for Adult Social Care provides a context for the transformation and delivery of adult social care services in Leicestershire for 2016-2020. 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.
4. The ASC Strategy is focussed on:
  - Preventing social care need, developing robust and flexible solutions;
  - Reducing and delaying the need for social care by promoting self-care, reablement, enablement and improved independence skills, ensuring that the "reablement and progression" models developed are flexible, accessible and produce effective outcomes;
  - Meeting essential need in order to keep people safe and maintain wellbeing;
  - Streamlined and efficient assessments, support planning and reviews;
  - Processes that work and workers empowered with the right tools to undertake tasks, having the right skills in the right part of the pathway;
  - Targeting staffing resources to meet needs for assessment and care management, social care provision and review.
5. Having restructured the adult social care services, the Department intends to review operating systems, processes and practice over the course of the next 12 months. A new target operating model will be articulated to assure alignment to the Department's strategic approach and ensure it is operating effectively and efficiently. In order to help understand the improvement opportunities available through the design and implementation of a new TOM, the County Council commissioned independent specialist consultancy, Newton Europe, to undertake a diagnostic

analysis in partnership with the service. Newton has extensive experience supporting clients to deliver improved services across Adults and Children's Social Care, and Acute and Community Health.

6. On 23 November 2018, the Cabinet considered an exempt report and resolved that:
  - a) The development of a new target operating model for adult social care services as outlined in the report be approved;
  - b) That funding be allocated as identified in paragraph 17 of the report to support the development and implementation of the target operating model, from a combination of 2018/19 in-year underspends, the future developments fund, and savings arising from the operation of the new model;
  - c) That the Director of Adults and Communities and the Director of Corporate Resources be authorised, following consultation with the Cabinet Lead Members for Adults and Communities and Resources, to appoint a suitably qualified strategic partner and to enter into such contractual arrangements with third parties and deploy such internal resources as are necessary to deliver the revised target operating model.

## **Background**

7. The current Medium Term Financial Strategy (MTFS) 2019/20-2022/23 notes, as considered during the meeting of the County Council on 20 February 2019, the demands on adult social care services arising from demographic growth and increasing needs. 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.
8. Delivery of the MTFS requires savings of £75m to be made from 2019/20 to 2022/23. This MTFS sets out in detail £35m of savings and proposed reviews that will identify further savings to offset the £20m funding gap in 2022/23. A further £20m of savings will be required to ensure that High Needs funding can be contained within the Government grant.

## **The TOM Programme**

### **Diagnostic Assessment – August to September 2018**

9. 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. This assessment identified opportunities to improve outcomes for service users by helping them live more independent and fulfilling lives. Achieving these changes will be facilitated by improved ways of working of staff and will additionally lead to recurrent financial benefit – the cashable elements of this being achieved through reduced commissioning of long-term care packages.
10. This assessment identified a number of workstreams for the TOM programme to implement across adult social care. These workstreams, and their associated benefits are briefly outlined. Note that the opportunities are presented as a range with the most likely expected outcome being in the middle of the range:

	Workstream	Description	Estimated Annualised financial opportunity (lower bound)	Estimated Annualised financial opportunity (upper bound)
Older Adults	OA1 Reablement	Ensure additional people who could benefit from reablement are systematically identified and referred into the care pathway  Make further improvements to the reablement care pathway and outcomes to ensure consistency	£3,780,000	£4,920,000
	OA2 Consistent and enhanced decision making	Prevent inappropriate admissions to residential care  Improve the consistency of allocating domiciliary care and direct payment	£1,700,000	£2,200,000
	OA3 Quality Improvements	Improvements to the quality and consistency of assessments and reviews (across both the Customer Service Centre and locality-based practitioners)	£1,420,000	£1,780,000
Working Age Adults	WAA1 Enablement	Improve the independence of an identified cohort of service users in the community	£430,000	£770,000
	WAA2 Change to setting of care	Move an identified cohort of people from residential care to supported living	£740,000	£1,150,000
	WAA3 Consistent and enhanced decision making	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	£1,390,000
	WAA4 Quality Improvements	Improvements to the quality and consistency of assessments and reviews (across both the Customer Service Centre and locality-based practitioners)	£1,240,000	£1,640,000
			<b>£10,450,000</b>	<b>£13,850,000</b>

11. The total opportunities can be summarised as:

	Estimated Annualised financial opportunity (lower bound)	Estimated Annualised financial opportunity (upper bound)
Estimated cashable/demand offset savings (OA1, OA2, WAA1, WAA2, WAA3 above)	£7,790,000	£10,430,000
Less savings already identified within MTFS 2019	£1,250,000	£1,250,000
<b>Estimated total annual cashable savings</b>	<b>£6,540,000</b>	<b>£9,180,000</b>
Plus estimated total annual quality improvements (OA3, WAA4 above)	£2,660,000	£3,420,000
Overall additional (to 2018 MTFS) total annual savings and efficiency and quality improvements	<u>£9,200,000</u>	<u>£12,600,000</u>

12. There is currently no anticipated change to the range of opportunities identified above. During the remainder of the design phase, up until July 2019, further analysis and live testing (see section below) of the new TOM will give an updated set of opportunities at a higher degree of confidence.

#### Design phase – March to July 2019 – Current phase of work

13. The purpose of the design phase is to develop and test a new TOM in a safe environment, with real demand and extensive managerial and quality oversight. At the end of the design phase, the “new TOM” will be clearly documented and a comprehensive plan to implement it across the remainder of the Council will be developed and put into place during the “implementation phase”.
14. It is important that this new TOM is both aspirational and locally owned by Leicestershire’s front line staff. To achieve this the Council’s front line staff and managers are working in partnership with the strategic development partner to design the TOM.
15. **Key activities** which have taken place during the design phase have included:
- a) A joint team has been created involving:
    - “Design Leads” – Eight departmental Service Managers and one Head of Service seconded to the programme and backfilled. Their role is to provide Council and departmental knowledge and practice expertise at the core of creating the new TOM;
    - “Design teams” – Three teams currently working to design and test the new ways of working;
    - Team of 13 consultants who work hand in hand with Council counterparts to bring analytical approach, rigour and change management expertise.
  - b) Skills identification and training for the programme team is part of a long-term plan to deliver the programme successfully and leave a legacy of skills transfer to enable continuous improvement.

- c) A communications and engagement plan has been developed and put into place. This has included activities such as:
- Stakeholder mapping and bespoke communication activity;
  - Monthly newsletters;
  - Kick off workshops;
  - A suggestion scheme is up and running;
  - Countywide roadshows which are two-way communication events across the authority;
  - Council partner and provider briefings.
- d) Governance has been established at a daily, weekly and monthly cadence to provide appropriate oversight, assurance and support to enable programme delivery.
- e) Baselineing and key performance indicator (KPI) dashboard development has been extensively undertaken. Firstly, historical levels of the department's performance have been understood and tracked. Not only does this provide insight as to how to improve the service, but it also creates a basis upon which all future service improvements associated with the TOM can be clearly measured. This results measurement is supported by KPI dashboards that double up as a valuable tool for practitioners and their managers to improve the service. These KPIs are focussed on a holistic view of the TOM ambitions including service user and staff satisfaction alongside service user performance.
- f) Design workshops have taken place which, supported by service observation, case reviews and extensive data analysis, have enabled a number of potential "solutions to try" to be developed. After extensive improvement and testing these solutions will form the basis of the new TOM. The new TOM will be defined by the end of the "design phase".
- g) Testing of initial ideas has begun within the Design teams and some preliminary results since the start of the design phase on 4 March 2019 have included:
- A reduction in residential placements being made – these are instead replaced by an appropriate package of care at home. This enhances the service user's independence and saves money;
  - An increase in capacity in the internal reablement service (HART). This has enabled the demand for the externally commissioned service (Help to Live at Home) for those localities to be undertaken by HART at no extra cost. However, the most significant implication of this shift in volume is that HART provides better outcomes, and lower ongoing costs, for service users;
  - An increase in the throughput of locality team case management by being able to progress, support and close cases more quickly;
  - Service users, with a learning disability, moving from residential care to supported living which is a more appropriate, and lower cost setting;
  - A higher proportion of Customer Service Centre interactions being dealt with immediately by the first call handler, reducing service user waiting times and the ongoing demand of work for locality teams.
16. The approach being adopted is 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.

### Current status of the Design phase

17. The design phase is on track with the overall programme plan.

### Implementation Phase – July 2019 until early 2020 – yet to start

18. At the successful conclusion of the design phase the implementation phase will begin. This phase takes the developed TOM through a comprehensive engagement, training and change management programme enabling it to become the new way of working countywide. The majority of the programme benefits (financial and non-financial) are realised during this phase of work.

### Resource Implications

19. The forecast benefits for this programme are between £10.45m and £13.85m, recurrent on an annual basis, of which at least £9.2m is additional to existing Medium Term Financial Strategy plans. It is anticipated that some of the potential cashable savings will contribute to the corporate efficiency and productivity saving of £8m. Other savings may be used to re-invest in key service areas.
20. To enable the successful delivery of this programme the Council is investing in a strategic development partner whose one-off fees (including estimated expenses and excluding VAT) are expected to be in the region of £4.5m. The contract is structured such that should the programme not deliver a recurrent annualised benefit greater than 1.5 times the one-off fee, their fee will be reduced until this ratio is satisfied. In addition, the Council is providing staffing and other minor expenses to support the delivery of the programme.
21. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

### Conclusions

22. The TOM programme is on track to deliver the anticipated service user, staff and financial benefits forecast at the outset of the programme and will create an exciting foundation for future improvement in the Council as a whole.

### Background Papers

- Leicestershire County Council's Strategic Plan 2018-22 – <https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan>
- Leicestershire County Council Vision and Strategy for Adult Social Care 2016-20  
- [http://corpedrmsapp:8087/Intranet%20File%20Plan/Departmental%20Intranets/Adults%20and%20Communities/2012%20-%2013/Departmental%20Administration/ASC%20Policies%20and%20Procedures/ASC\\_Strategy\\_2016-2020\\_P0358\\_12.pdf](http://corpedrmsapp:8087/Intranet%20File%20Plan/Departmental%20Intranets/Adults%20and%20Communities/2012%20-%2013/Departmental%20Administration/ASC%20Policies%20and%20Procedures/ASC_Strategy_2016-2020_P0358_12.pdf)
- Adult Social Care Target Operating Model – Report to Adults and Communities Overview and Scrutiny Committee: 6 November 2018 – <http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=5358&Ver=4>
- Medium Term Financial Strategy 2019/20 – 2022/23 – Report to County Council: 20 February 2019 - <http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=5125&Ver=4>

### Circulation under the Local Issues Alert Procedure

23. None.

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

24. 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.

25. The TOM programme aims to assure alignment to the Department's strategic approach, to ensure that it is operating as effectively and efficiently as possible, and in turn to continue to improve service user outcomes. The impacts of the programme and individual proposals on people with protected characteristics are very likely to be positive or neutral; negative impacts are not expected. However, Equality and Human Rights Impact Assessment (EHRIA) screenings will be undertaken on recommended changes at an early stage prior to any final decisions being made on activities within the future transformation programme. If a screening indicates that there may be a negative impact, a full EHRIA assessment will be carried out to identify the detail of such impact and what mitigating action is possible. This will ensure that decision makers have information to understand the effect of any service change, policy or practice on people who have a protected characteristic.

### **Other Relevant Impact Assessments (if applicable)**

#### Partnership Working and Associated Issues

26. Partners are being informed and included through working groups and partnership boards as appropriate.

#### Risk Assessment

27. Risk assessment logs are included in the oversight and governance of the programme.

### **Officers to Contact**

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