

Forward Plan reference Number: **FP/776/07/20**

Report title: Transforming Community Care	
Report to: Cabinet	
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Date: 15 September 2020	For: Decision
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County Divisions affected: All Essex	

1 Purpose of Report

- 1.1 This decision is about improving the effectiveness of community care services and improving outcomes for frail elderly Essex residents to help them to live as independently as possible and to help them recover from illness or setbacks.
- 1.2 This report asks the Cabinet to agree to award a contract to Newton Europe Limited, to provide consultancy services to support ECC in the design and implementation of the Transforming Community Care Programme.

2 Recommendations

- 2.1 Agree to award a contract to Newton Europe, via the Bloom Consultancy Solutions framework, for up to 2 years at a value of up to £9m to support ECC in its Design and Implementation Phase of the Transforming Community Care Programme and to support health partners in the wider programme scope, subject to agreement of terms and conditions by the Monitoring Officer, in consultation with the s151 officer.
- 2.2 Agree that the contract awarded to Newton Europe shall permit work to be undertaken for Essex CCGs and NHS Trusts operating in Essex.
- 2.3 Agree that the Cabinet Member for Health and Adult Social Care may agree the terms on which any work for NHS bodies is undertaken.
- 2.4 Agree that £2.3m is drawn down from the Transformation Reserve in 2021/22 in order to fund the element of the programme implementation cost to ECC falling in that financial year.

3 Summary of issue

- 3.1 The population in Essex is ageing, and with more people living for longer with multiple, and in some cases, complex needs, the demand for adult social care

is increasing. 21% of the Essex population is already aged over 65 and this will grow to 25% by 2032.

- 3.2 The Council's vision is 'for every adult to be able to live as independently as possible and to enjoy a good and meaningful life'. The Adult Social Care (ASC) Business Plan sets out five priority programmes to enable the Council to achieve this vision, including a programme to "transform community care."
- 3.3 In July 2019 the Council commissioned Newton Europe to undertake a system diagnostic review to look at how well the health and social care system is performing in terms of Intermediate care pathways and outcomes for individuals. Newton Europe have worked in numerous health and social care systems across the country to support system transformation and have worked closely with both the Department for Health and Social Care and NHS England on system reviews into delayed transfers of care.
- 3.4 The 2019 Essex diagnostic review suggested that there are opportunities to improve outcomes at the point of hospital discharge for 44% of elderly frail people. Achieving this would be good for Essex citizens and would also support a more viable and sustainable health and social care system. These results are consistent with similar reviews of other health and social care systems undertaken elsewhere in England.
- 3.5 The diagnostic review found:
 - i. There is opportunity to improve outcomes for 44% of older people with ongoing care needs at the point of hospital discharge, supporting them to live more independent lives and avoid the need for residential care.
 - ii. That people are far more likely to return to their own home after a hospital admission if they are discharged to a community care setting (up to 78% return home) than if they are placed in a temporary residential care setting (a 27% likelihood of returning home). It was estimated (at the time of the diagnostic) that 360 residential placements could be avoided every year (this has subsequently been updated to reflect the impact of Covid on residential numbers).
 - iii. There are opportunities to increase the efficiency and effectiveness of reablement services, enabling an additional 940 people a year to benefit from the service and more people to leave the service with lower ongoing levels of care. This could reduce demand on long term home care services by 16,000 hours per week.
 - iv. There are opportunities to improve decision-making by embedding multi-disciplinary approaches. The review found that decisions taken by a group of professionals, rather than by a single professional, are more likely to promote more independent outcomes and lower cost solutions. Implementing this change will require changes to the way the Council and its Health Partners work together.

- v. The recurrent annual benefits to social care, of implementing the changes recommended by the diagnostic review are worth £16.4m by 2024/25.
- 3.6 Since March, the Council has continued to work with Health Partners and Newton Europe during the Covid-19 pandemic period to improve system-wide data and analytics, work together on planning capacity to meet demand, and assess the performance of the health and social care system and identify priorities for improvement.
- 3.7 The latest evidence collected during this time shows:
- 28% of admissions to acute hospital settings for older people could have been avoided.
 - There remains an over-usage of residential care as a discharge pathway in some hospitals. In some hospitals, the proportion of people being discharged to residential care is higher than pre-Covid and is much higher than national guidance (5%) and benchmarks would suggest.
 - 33% of Reablement capacity could be freed-up, helping an additional 940 adults annually.
- 3.8 It is clear from the diagnostic review and subsequent work that improving outcomes and the effectiveness of the system requires focus on the following opportunity areas:
- a) **Hospital Discharge Decisions:** working with managers and practitioners to support them with the time, processes, data, systems and culture to deliver more independent outcomes for each and every person at the point of discharge.
 - b) **Intermediate Care at Home:** identify the opportunities to improve intermediate care at home by coordinating the scheduling, rostering, queuing theory, route mapping, data capture and recording of all practitioners. This will result in releasing capacity for additional starts into reablement to meet the increase in demand.
 - c) **Social Work Capacity & Decisions:** Use of system-wide data and insight to identify bottlenecks, fixes and implement a model of case progression across 300+ practitioners. This will facilitate up to a 30% increase in the number of assessments and reviews completed without the need for additional staffing capacity.
- 3.9 The Council have been informed by Newton Europe that the following benefits can be achieved:
- a) Increased capacity of the reablement team, allowing 900 to 1,200 additional referrals per year, and shifting existing referrals to the most effective services;
 - b) Enable 4,100 additional assessments and reviews per year;
 - c) Increase the effectiveness of the reablement team by 23%, thereby reducing the level of long-term care needs over time

- d) Improve long-term care decisions, with consistent, supportive processes embedded in teams, reducing 30% of homecare packages.
- 3.10 Additional opportunities for service improvements and savings were identified by Newton Europe across Health Partners, especially around admissions avoidance and improving/reducing unnecessary length of stays in hospital. Discussions are underway with Health Partners about those elements which are NHS-focused and would need to be NHS funded.
- 3.11 Once the design and implementation phase of the Transforming Community Care Programme have been finalised, the operational improvements are worth £22m-£34m per annum across the Health and Social Care system by year 4, including the benefits for social care already identified in paragraph 3.5v.
- 3.12 With the information that has been gathered from the review and work with Health Partners and Newton Europe, the Transforming Community Care programme are now able to move forward to a design and implementation phase to create a new system for Essex.
- 3.13 It is proposed that the Council appoint Newton Europe to assist with facilitating the design and implementation of the new system. Newton Europe will provide consultancy services to the Council (and Health Partners if required)
- 3.14 It is proposed that the contract would be awarded using the Bloom Framework for consultancy services to support the Council's Design and Implementation Phase, with the option to vary the scope of the works (up to and within a maximum value of £9M) to include that required by Health Partners should they wish to implement their design and implementation phases.
- 3.15 Newton Europe have worked in a number of different health and social care systems across the country and can bring lessons learned and expertise from this work to support the improvements in Essex.
- Since 2017, Newton have been working with the Birmingham health and social care system on the 'Early Intervention' programme. The overall objective was to design and deliver an integrated model of urgent and intermediate care that is person and carer centred and encompasses physical, mental health and social care needs that support older people before, during and following a crisis.
 - In Lancashire, after the transformation programme 80% more service users are receiving reablement within existing commissioned capacity & 15% more independent outcomes achieved for citizens from the improved reablement service.
- 3.16 ECC have been working with Newton on this programme of work for 12 months. The system knowledge, relationships and expertise that they have built up would be difficult for a new partner organisation to replicate without requiring the need to re-do a lot of the diagnostic and planning work, setting back system progress and creating substantial delays to the improvement of outcomes and significant cost implications to the programme of work that is required. Introducing a new supplier would also not have any of the established

relationships across the system, the success of which have been key to this work being delivered in a successful and timely way. For all these reasons, direct award is recommended.

- 3.17 Should NHS partner organisations wish to use Newton Europe's services, there will be a contractual mechanism for them to do so. The Council will need to enter into a contract with each organisation to detail the arrangements and payment for the required services. The terms of any such contract will be developed and a decision taken by the Cabinet Member for Adult Social Care and Health in relation to the content of the contract.

4 Options

- 4.1 **Do Nothing** The project is not progressed to the Design and Implementation Phase. There are no additional costs. However, the Council does not have capacity or the expertise to progress from the recommendations resulting from the Diagnostic Review undertaken by Newton Europe to realise the financial opportunities, improve outcomes for all residents or meet the increase in demand for Reablement services.
- 4.2 **Award a contract with Newton Europe, via Bloom to complete the Design and Implementation Phase. (Recommended)** Appointing Newton Europe to undertake the Design and Implementation phase will enable the project to progress the recommendations resulting from the Diagnostic Review which will enable the Council to work towards realising the financial identified opportunities identified by the Diagnostic Review. The Council and its Health Partners have been working with the core Newton Europe team for over 12 months and we have established relationships and local knowledge that would not be replicated by any other provider in the market. As we move into winter and possible further waves of COVID-19, starting again with an alternative provider would mean the loss of crucial time and resource as well as significant delay in the improvements and opportunities for improved outcomes and financial benefits. There is a cost and resource requirement in doing this which is outlined in the financial implications section of the document.
- 4.3 **Develop a wider specification and publish an open tender for the Design and Implementation phase.** This would give the opportunity to continue the design and implementation work but would have a cost implication, the procurement process would be resource intensive and the timelines lengthy. This option may also lead to a lack of consistency and the background learning and relationship building from the diagnostic review and planning phase will be lost.
- 4.4 **Recruit a specific workforce to design and implement without the support of an external programme partner.** This would give the opportunity to recruit a specific change programme workforce within our existing structure to design and implement the opportunities for savings and service improvement. This gives an opportunity for a sustainable solution, but the recruitment would be very labour intensive, we currently lack the range of the specific skill set

required to deliver this piece of work in the timescales. This would be a financially costly option and would not guarantee the delivery of the savings in any timescale.

5. Issues for Considerations

5.1 Financial Implications

5.1.1 ECC spends a significant share of its adult social care budget on providing care and support to older people. The 2020/21 budget is £251m gross (£88m net of income including grants). The Medium-Term Resource Strategy (MTRS) assumes inflationary and demographic pressures, while also relying on the delivery of savings to ensure that services are financially sustainable and providing best value for money. However, the impact of the COVID-19 pandemic has created significant uncertainty on the budgetary requirements in future years.

5.1.2 The gross cost of implementing the recommended option is £6m. This includes a fee of up to £4.8m (inclusive of expenses) payable to Newton Europe over 11 months for this transformation work programme, the estimated cost of the dedicated ECC resource necessary to deliver the expected benefits (£580,000), and the committed cost of a two-month contract extension (£570,000) agreed to ensure continuity of support for process design and system relationships in preparation for the transformation work.

5.1.3 The profile of expenditure is set out below and assumes an October 2020 start date for the transformation programme.

Description	2020/21	2021/22	Total
Transformation Programme Fee	£ 2.8m	£ 2.1m	£ 4.8m
Dedicated ECC Roles	£ 0.3m	£ 0.3m	£ 0.6m
Extend Current Support (committed)	£ 0.6m	-	£ 0.6m
Total Expenditure	£ 3.6m	£ 2.3m	£ 6.0m

Due to rounding, numbers presented do not add up precisely to the totals indicated.

5.1.4 The transformation programme will be delivered through a hybrid team made up of new or backfilled ECC staff (7 FTE), external partner resource from Newton, and supported by current system resource through existing roles. Newton do not charge per day of resource but through a fixed fee, as their delivery model is such that they will flex resource and prioritise different workstreams as required in order to deliver the result. However, the likely staffing model includes c. 25 Newton staff involved in the initial design phase (first 4-6 months) gradually reducing in the latter implementation phase as responsibility and skills transfer to ECC staff.

5.1.5 The scale of the financial opportunity identified in this programme of work is £16.4m annually (on a recurrent basis) to be fully realised over a 4-year period (spanning 5 financial years) through the reduction in long-term care packages. The profile of delivery is reflected below, as well as the profiling of the net benefit (recurrent savings less non-recurrent costs over the period).

Profile of Expected Benefits

Description	2020/21	2021/22	2022/23	2023/24	2024/25
Financial Benefit	(£0.3m)	(£5.8m)	(£14.0m)	(£16.2m)	(£16.4m)

Profile of Benefits, Net of Costs (in-year)

Description	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Financial Benefit (incremental)	(£0.3m)	(£5.5m)	(£8.2m)	(£2.2m)	(£0.2m)	(£16.4m)
Less Delivery Costs	£ 3.6m	£ 2.3m	-	-	-	£ 6.0m
Net Benefit	£ 3.3m	(£3.2m)	(£8.2m)	(£2.2m)	(£0.2m)	(£10.4m)

5.1.6 The net cost of £3.3m in 2020/21 will be funded by Adult Social Care through the proposed budget carry forward of £568,000 (allocated for on-going transformation) and with the balance through the overall Better Care Fund. The £2.3m cost falling in 2021/22 will be fully funded by a draw down from the transformation reserve, allowing the full programme benefits to contribute to the ASC savings programme in that year. The realised benefits from 2021/22 onwards will enable delivery of the £4.1m programme savings already committed in the MTRS (the profile of which is set out below) as well as mitigate future budgetary pressures.

Description	2020/21	2021/22	2022/23	2023/24	Total
Programme savings included in MTRS	-	(£0.9m)	(£1.7m)	(£1.5m)	(£4.1m)

5.1.7 Growth in reablement spend is assumed in the budget and MTRS in order to fulfil currently unmet and increasing demand for the service. Delivery of the programme benefits however is based on improved productivity and therefore no marginal cost in purchasing reablement services has been assumed to be required.

5.1.8 While the modelling of the financial opportunity does take account of expected post-COVID changes to the baseline level of demand for care, there is a level of uncertainty in these estimates which is a risk to the achievability of the stated financial benefits. Actual outputs and the measurement of benefits will be closely monitored to understand the implication of any discrepancies compared with original baseline assumptions. The benefit realisation methodology must be defined before the outset of the programme and agreed with the Section 151 Officer.

5.1.9 There is a financial risk that the benefits are not realised due to factors outside of the control of Newton Europe and therefore may not be protected by the Fee Guarantee. This could be internally, for example if insufficient workforce resource were provided by the Council to support the programme but could also be through factors outside of the direct control. This is particularly relevant now more than ever given the potential consequences of a second wave of the COVID-19 virus. Close monitoring of the outputs against the implementation and benefits profile (operational and financial) and clear, tight controls agreed at the outset of the contract will help ensure potential issues are recognised and acted upon as they arise.

5.2 Legal Implications

- 5.2.1 The contract for the provision of the Design and Implementation Phase relates to the provision of Consultancy services with a value in excess of £181,302, it must be procured in accordance with the provisions of the Public Contracts Regulations 2015.
- 5.2.2 Rather than using the Council's internal procurement function, the Council will instead instruct "Bloom" a procurement consultant to undertake the procurement on its behalf.
- 5.2.3 Bloom will conduct a procurement process compliant with the provisions of the Public Contracts Regulations 2015.
- 5.2.4 The contract awarded to Newton Europe shall be for the core Design and Implementation phase of the Council's Transforming Community Care Programme, but shall include the options to "add" additional workstreams required for Health Partners on a Partner by Partner basis. The contract will therefore have a maximum contract value which may not be exceeded without compliance with the Public Contracts Regulations 2015.
- 5.2.5 The Council will need to enter into contract with Health Partners to detail how Health Partners access the Newton Europe services for their requirements and how these shall be funded and paid.
- 5.2.6 Cabinet Members will need to be satisfied that the appointment of Newton Europe without a competitive process represents good value for money

6. Equality and Diversity Implications

- 6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

- 6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

7 List of appendices

Equality impact assessment

8 List of Background papers

Diagnostic Phase Findings Publication