



Mayor and Cabinet

Transforming and Modernising Adult Social Care Update on Review: Phase 2 (Design and Implementation)

Date: 14 September 2021

Key decision: Yes

Class: Part 1

Ward(s) affected: All wards

Contributors: Tom Brown, Executive Director Community Services

Outline and recommendations

This report seeks the approval of Mayor and Cabinet to procure external management transformation resource for the ongoing service-wide review of Adult Social Care (ASC) (“phase 2 services”) and approve the award of a contract under a framework agreement to Newton Europe Limited (Newton Europe). In particular, this support is for the further design and implementation of financial opportunities as identified in the Phase 1 Diagnostic report by Newton Europe.

Timeline of engagement and decision-making

The approval to procure report for phase 1 Diagnostics to carry out a mini-competition using the Crown Commercial Services (“CCS”) framework agreement RM3745 Lot 5 was approved on 18th January 2021. This procurement of consultancy services was to provide Adult Social Care with the additional capacity and capability to undertake a service-wide ‘Diagnostic’. This Diagnostic would help to identify agreed budgetary savings of more than £7m in 2021/22 for an ‘Adult Social Care cost reduction and service improvement programme’, whilst maintaining good quality outcomes for residents

The contract for the Phase 1 Diagnostic was awarded on 8th April 2021.

The decision sought by this report is the approval to procure further ‘Phase 2’ services which cover the design and implementation of new ways of working and service configurations based upon quantified opportunities from the Phase 1 Diagnostic through use of a new Crown Commercial Services (“CCS”) framework agreement (CCS RM6187 Management Consultancy Framework Three, Lot 7 which has replaced RM3745). These sustainable financial opportunities within Adult Social Care are to realise a target estimated by Newton Europe of £8.3m, with a stretch target of £11.5m. This report is also seeking approval to make an award of contract under the CCS RM6187 Management Consultancy Framework Three (MCF3), Lot 7.

1. Summary

- 1.1 This report is to seek Mayor and Cabinet's agreement to procure Phase 2 Services and to approve an award of contract under the CCS Management Consultancy Framework Three agreement (RM6187) in order to appoint Newton Europe Limited to deliver the transformational change within Adult Social Care (ASC) as identified in Phase 1 Diagnostic (Section 6 of this report) and Phase 2 proposals (Section 7 of this report).
- 1.2 This award will take place in accordance with the CCS Management Consultancy Framework Three Agreement (RM6187). This framework offers a range of Lots. The recommended Lot for Phase 2 services is Lot 7, Health, Social Care and Community, which covers the subject matter in question and focusses on cost, commercial and efficiency review of public services.
- 1.3 Following the award to Newton Europe Limited, delivery of services will involve: the design and implementation of opportunities evidenced in the earlier diagnostic phase of the review; the acceleration of service modernisation and transformation; as well as the continuous development of our staff through skills and knowledge transfer. This report sets out the proposed strategy to obtain those services inclusive of the contract award recommendations.

2. Recommendations

- 2.1 It is recommended that Mayor and Cabinet:
 - support Phase 2 of the modernisation of Adult Social Care, appointing Newton Europe Limited to help deliver transformational changes.
 - approve the the procurement of Phase 2 services (Design and Implementation) via an award of contract using the CCS Management Consultancy Framework Three agreement (RM3745, Lot 7) at an estimated value of £4.5m.
 - approve the award of contract to Newton Europe Limited.
 - delegate to the Executive Director of Community Services (on advice from the Director of Law, Governance and Elections) the decision about the detailed terms of the award of contract.

3. Policy context

- 3.1 The contents of this report are aligned to the Council's policy framework as well as wider health and care system transformation, as follows:
 - **Corporate Strategy**, specifically Priority 5 'Delivering and defending: health, social care and support - Ensuring everyone receives the health, mental health, social care and support services they need.'
 - **Medium Term Financial Strategy (MTFS)** and the requirement to deliver £40m of budget savings across the council up to 2023/24, with more than £7m in 2021/22 for an 'Adult Social Care cost reduction and service improvement programme'.
 - **Joint Health and Wellbeing Strategy** and the key focus on quality of life, quality of health care and support, and sustainability.
 - **Future Lewisham** and the strategic COVID recovery theme of 'A healthy and well future', including the wider determinants of health and reducing health inequalities.
 - **Future Working** and the active role staff are playing in our borough's COVID recovery, in a workplace where staff are empowered to succeed and the best ideas and innovations thrive.
 - **Lewisham System Recovery Plan** and the 'build back better' priorities identified

by the Lewisham Health and Care Partnership.

- **Our Healthier South East London** (Integrated Care System) priority of ‘Improving health and care together’ across the partnership.

3.2 Following a request from Public Accounts Committee for a review of expenditure in ASC (see para 17.2) and as part of the 2021/22 budget setting process, a piece of work was commissioned through a competitive tender process to support the service in reviewing ways of working and use of resources. Newton Europe were successful in securing the contract for this “diagnostic” and they began this work in April 2021.

4. Service modernisation and transformation

4.1 The aim of Adult Social Care is to help ensure that some of the most vulnerable residents in the borough are empowered and enabled to have as much control as possible over their lives and to live as independently as possible. This needs to happen in the context both of personalisation and choice and also limited resources. Thus we need to ensure that we use our resources effectively to help achieve this aim of promoting independence.

4.2 The current service-wide review of Adult Social Care is focused on modernising the service, identifying and harnessing opportunities for genuine transformation, and sustainably developing the workforce so that they have the confidence, skills and mindset to make a positive change to their ways of working. There is no intention to reduce the council workforce as a result of the implementation of these proposals and part of the plan is to explore investing in a new “Progression Service” to better support people with Learning Disabilities to be more independent. The approach adopted has been discussed with representatives from Unison and Unite, the proposal explained and there will be opportunities for staff in ASC to extend their skills and be more effective in their roles. This in turn will benefit our residents through the delivery of more personalised and responsive services to maintain their independence for as long as possible.

4.3 The ambitions of this review build upon a solid foundation of service improvement activity that is already underway in Adult Social Care to improve these outcomes for residents, as well as reducing cost pressures. The review is working in alignment with this existing work, complementing rather than duplicating, and providing the necessary resource to expedite the essential modernisation process.

4.4 Progress has already been achieved by implementing an approach developed through the Care and Health Improvement Programme (CHIP) from the Local Government Association (LGA) and the Association of Directors of Adult Social Care (ADASS). This approach uses a methodology that evaluates our use of resources by identifying areas for further exploration, where spend and/or performance is significantly different to regional or national benchmarking data.

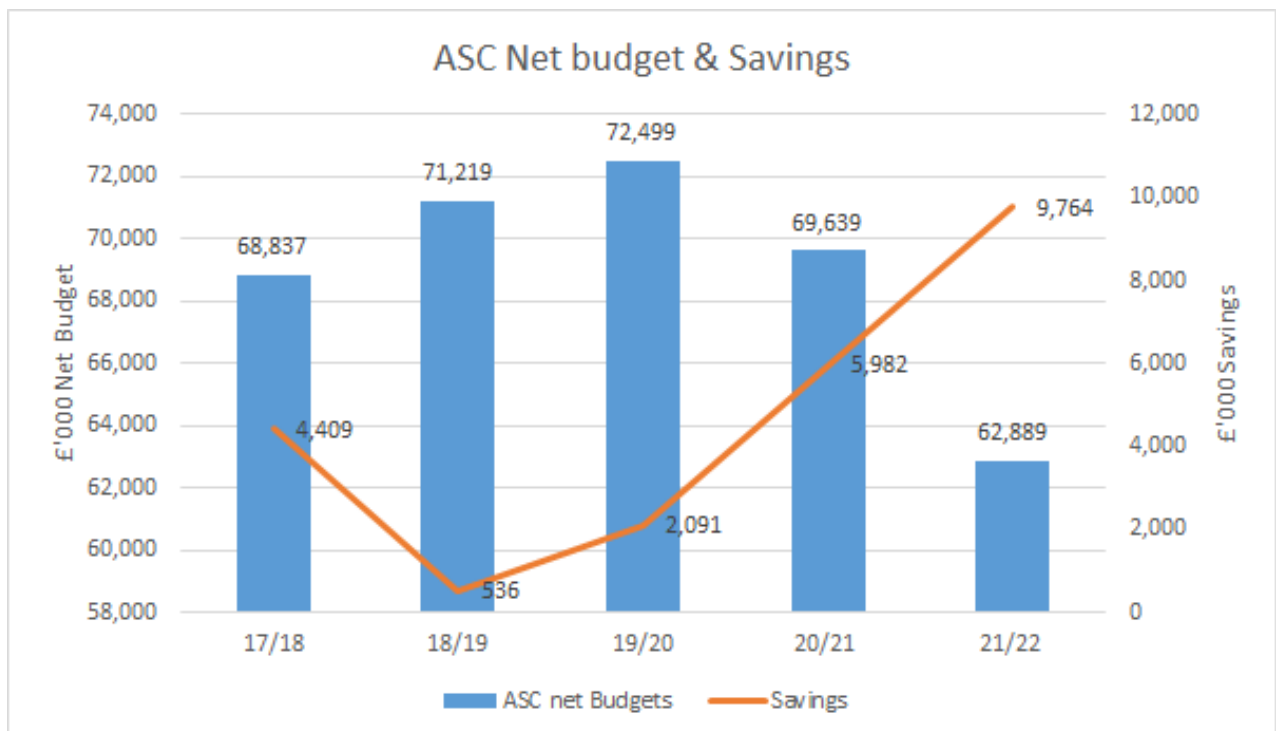
4.5 Areas identified for improvement have focused on better demand management at the community front door, by supporting people to find appropriate and alternative options that will support them to remain independent. This has included the use of social prescribing, the use of technology and equipment, and improved access to information and advice on what is available within the community.

4.6 The impact of the work to date is evidenced in the 30% reduction of contacts per month that require a referral for a Care Act assessment, with average numbers decreasing in Q1 of 2021/22 from 627 to 425. The improved use of technology to support service users, has also helped to increase the number of people that do not receive any ongoing longer term care by 3% on 2019/20 figures, so that it now equates to 27% of our client total.

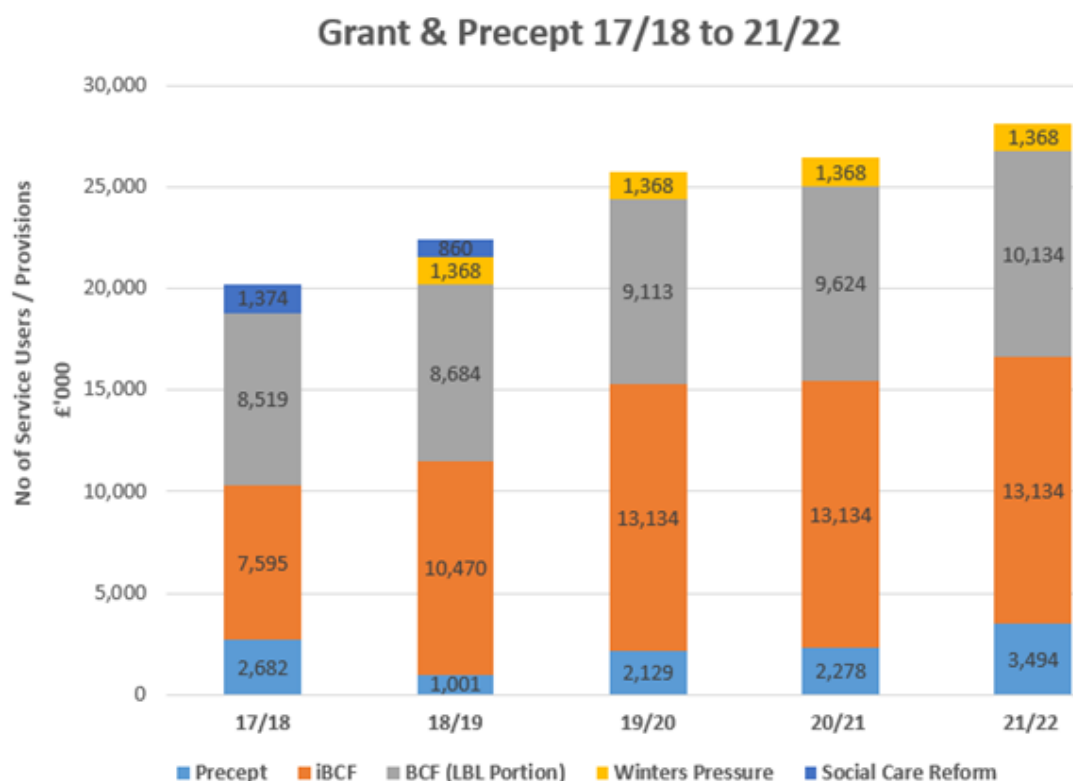
- 4.7 Our In-House Enablement service has also been essential to helping us manage demand and reduce or delay the need for longer term care, by helping people recover from acute episodes and regain their skills and confidence to become more independent. The focus has been on promoting and sustaining independence at all stages of support and recovery. There has been a service review undertaken that identified areas for improvement. This has increased productivity and has strengthened the interface with Occupational Therapists thereby ensuring Enablement programmes are proportionate and improve outcomes and goals to achieve independence. Digital solutions such as telecare as well as the use of equipment and adaptations further complement our approach. As a sign of this success, over three-quarters (76%) of people starting a programme of Enablement in 2020/21 successfully completed it, of which two-thirds (66%) did not need ongoing longer term care.
- 4.8 Improvement work is also underway in services for young people who have a disability and/or a learning disability and are preparing for adulthood. A Transitions team has been established and a strategy is in place to develop local opportunities that promote independence, provide access to employment pathways and supported living arrangements that are more person centred and cost effective.
- 4.9 Underpinning all of this positive change is the ongoing commitment to the development of our workforce and the investment in, and empowerment of our staff. The Principal Social Worker, Advanced Practitioners for social work and Occupational Therapy work closely with Learning and Development (L&D) that is situated within this service to promote best practice in accordance with statutory requirements and compliance with Care Quality Commission for those services registered such as Enablement and Shared lives.
- 4.10 The provision of an L&D function within the service is an acknowledgement of the critical role that our staff have to play in achieving our strategic transformation objectives and ensuring that any culture changes are sustainable. This priority remains at the centre of the review, with sustainable skills and knowledge transfer to staff a key feature throughout.
- 4.11 Corporate systems and processes have also been the focus of current improvement activity, in particular the ability to accurately report and monitor performance and finance in a meaningful and timely way, including the alignment of key data sets. Previous cuts to corporate functions (e.g. dedicated performance team for Community Services) have reduced opportunities for real-time data management by frontline teams. Whilst progress has been made to address this with the roll-out of Controcc, there is an urgency to increase the pace of this. As such, the review will provide additional tools to highlight and prioritise areas of concern, reconciling performance and finance and increasing the accountability of budget holders for their spend. It will also provide the insight into which transformational activities are realising the greatest benefits.
- 4.12 Whilst key drivers for service transformation have focused on outcomes for residents and opportunities for staff, there is also a pressing need to address increasing cost pressures against reduced service budgets.
- 4.13 Lewisham faces increasing spend on adult services, with an outturn in Community Services that has increased by approximately 5.8% (£10m) over the last 3 years. Equally, Adult Social Care continues to respond to budgetary pressures and has made savings of more than £22.5m over the last 5 years.
- 4.14 Adult Social Care projected overspend is currently £5.4m for general fund services. This compares to a £2.5m underspend in 2021/22. The overall overspend is £11.2m, where £5.8m of these costs are attributable to COVID-19 activity. The general fund services overspend takes into account £10m savings that is anticipated on being delivered.
- 4.15 The gross budget for ASC in 2021/22 is £116.3m (the value of the proposed contract equates to 3.87% of the gross budget for ASC in 2021/22). Gross budgeted spend

reflects all planned spend on staffing, providers etc. Gross budgeted income includes grant income (BCF, iBCF, winter pressures, ILF), health income, precept, client contributions. The balance is the net budget which is expenditure that is funded by councils general fund.

- 4.16 As well as immediate COVID related activity, budgetary pressures continue to increase, driven by both population growth and increasing complexity of need that increased the spend per individual receiving support.
- 4.17 Currently, approximately 80% of Adult Social Care spend is within the independent care sector. The Council requirement (since 2018) that all contractors pay the London Living Wage (LLW) along with the adoption of the Unison Ethical Care Charter for Home Care, have both impacted Adult Social Care commissioning and contract spend, resulting in annual cost pressures of £3.5m.
- 4.18 The Council is seeing increases in demand for community based services as they are being discharged from hospital. Furthermore, the number of placements in residential care has increased and this pattern is expected to continue into 2022/23. These costs were supported by the COVID-19 Grant as well as national NHS funding for discharges. Whilst pressures for 2020/21 were managed, there is a risk that the Council will face increased costs and demands in 2021/22 without the funding support it received last year. Higher levels of care from discharged clients, increased use of 24 hour care at home, and increased use of double-handed care are just a few cost drivers that the service have seen an increase in.
- 4.19 It should also be noted that every year Adult Social Care sees a demographic cost pressure of approximately £1m absorbed without additional investment as young people with complex needs transition from Children and Young People into ASC. This is a long term pressure that is reflected nationally and is consistent with the increased cost pressures experienced in SEND over recent years.



Description	16/17 to 17/18	17/18 to 18/19	18/19 to 19/20	19/20 to 20/21	20/21 to 21/22
% Change net Budget	-2%	3%	2%	-4%	-10%
% Change in savings	59%	-88%	290%	186%	71%



4.20 The chart above illustrates the short-term funding of Adult Social Care. Government has promised proposals on reform of the funding for Adult Social Care later in 2021. It is expected that this will also propose further integration with the NHS.

4.21 Since the introduction of the Adult Social Care precept in 2016/17, this element in the Council Tax has been raised each year with an increase of 10% over a 5 year period. It currently stands at 13% for 2021/22, which equates to over £14m in cash terms. These increases are detailed in the following table:

Year	2016/17	2017/18	2018/19	2019/20	2020/21
ASC precept increase	2%	2%	1%	3%	2%

4.22 ASC expenditure for 2019/20 from the *Use of Resources* report by the Local Government Association, allows for benchmarking between Lewisham and some of our neighbours that are also paying the London Living Wage. Data analysis highlights that the expenditure on short term care for adults of both 18-64 and 65+ years, benchmarks lower in Lewisham (though this is distorted in that it does not include Better Care Fund investment). However, expenditure on long term care in Lewisham benchmarks higher overall (18+ years) than some and especially for those aged 18-64 years, as seen in the table below:

Borough	Spend on ASC per person 18+	Spend on long term care per person 18+	Spend on short term care per person 18+ (Note this does not include funding via BCF)	Spend on long term care per person 18-64	Spend on long term care per person 65+	None age specific nor classified as short or long term
Lewisham	451	356	2.82	225.3	1296	92
Borough A	469	385	9.29	242.51	1274	75
Borough B	412	345	6.71	214.11	1478	59
Borough C	376	272	7.06	181.5	1029	97
Borough D	447	328	3.67	134.17	1548	115

- 4.23 It should be noted that there are also some demographic differences that impact on some of the variance in expenditure, for example the higher level of Adults with Learning Disabilities residing in Lewisham.
- 4.24 Most savings delivered over the last 4 years have been made as a result of a focus on demand management and by using a “strengths based approach.” This approach helps build upon individual, network and community assets, thus reducing the need for statutory interventions or resources. As can be seen in the bar-chart above, despite demographic growth, the numbers of people needing services has broadly remained the same at just over 3000 people at any one time.
- 4.25 For example there are approximately 1,800 contacts received at the community referral Gateway. Of these 90% are resolved at the initial point of contact by providing information and advice or by maximising informal care, access to benefits, social prescribing and suitable community activities. Equally though, we are an outlier in terms of the numbers of people contacting the Council for support and this unusually high level of contacts to the Gateway is evidence of a pressing need to better equip our residents to self-serve going forward - for example through improved information and advice available on our website.
- 4.26 The sustained impacts of COVID on our most vulnerable residents have placed new and unprecedented cost pressures on the delivery of Adult Social Care services in Lewisham.
- 4.27 There has been a 10% increase in people needing 1:1 support following hospital discharge on a year by year comparison. Often we can reduce this support in the weeks following admission into a care home, but due to the increased levels of acuity and the pressure that care homes are facing with more people having higher level of need, these 1:1's are remaining in place far longer.
- 4.28 There has been a greater level of demand experienced in helping people to be discharged earlier from acute hospitals in line with the Discharge to Assess (D2A) principles. This earlier transfer has increased the levels of expenditure and heightened the number of individuals requiring longer term care and increases to care package of domiciliary care support. In March 2020, when D2A was fully implemented to support

the COVID epidemic, we were providing 13,196 hours per week in domiciliary care. We are now providing 15,524 hours per week, an increase of 2,328 hours per week.

- 4.29 Such increases to domiciliary care hours following the outbreak of COVID are being reflected similarly across London and elsewhere, with ADASS currently seeking to quantify these sustained pressures across the country.
- 4.30 Increased demand on services is compounded by the challenges faced in Lewisham, London-wide and nationally to recruit appropriately skilled staff for frontline roles. This has been exacerbated by Brexit and Covid-19 pressures. This shortage is driving up costs of service delivery.
- 4.31 The journey to modernise Adult Social Care is well underway with tangible benefits for our residents, staff and the council. This review will help to expedite this essential service transformation, realising further opportunities and savings in the process.
- 4.32 This programme is being delivered in parallel to the organisation's approach to transformation, performance and data being established alongside the development of our organisational development strategy through the new Insight, Transformation & Organisational Development service.
- 4.33 The new Insight, Transformation & OD team will play a key role in ensuring the transformational and OD aims and approach of the wider organisation are delivered in ASC through this work, as well as establishing a two-way relationship where our corporate practices and approach can be informed by the work Newton Europe is delivering, ensuring both alignment as well as a wider learning & development piece that can be applied to services across the organisation through the new team.

5. Approach and scope

- 5.1 Key to the review is to have access to a good analysis of the data behind Adult Social Care activity and cost drivers in order to inform the service planning, modernisation and transformation process. New tools (e.g. Controcc) are in place but ASC staff need to be supported in using these and making the appropriate connections between performance and finance data at a client-level. This will complete the feedback loop, evidencing what is working on the frontline and ensure that we provide more personalised care that is both cost-effective and delivers the best outcomes for residents, within available resources.
- 5.2 Capability to make this step-change is not currently available internally, though the new Strategic Transformation, Organisational Development and Insights team is being resourced to provide this type of support in the near future. The transfer of skills and capability from Newton Europe to this team will help support future developments across the Council.
- 5.3 As such, the service-wide review of Adult Social Care has been set-up and deliberately split into two phases to help expedite the desired direction of travel:
- **Phase 1** – Diagnostic
 - **Phase 2** – Design and Implementation
- 5.4 The rationale for this approach was in order to help us get insight into where the opportunities might be for further service improvements, accelerating the modernisation of the service that is already underway and transform our ways of working to deliver further efficiencies and savings.
- 5.5 This phased approach also allowed for the start of the review to be expedited and provided a pause after Phase 1 to assess how best to deliver the findings and

recommendations of the Diagnostic.

- 5.6 Newton Europe were appointed following a mini-competition under a Framework Agreement (see para 18.1 in 'Glossary') and their Phase 1 Diagnostic was completed in June 2021. Their work in Phase 1 aimed to improve outcomes for staff and residents as well as addressing the budget challenge.
- 5.7 Newton Europe have a history of over fifteen years working in local government including Adult Social Care, and Children's Services (including the transition to Adult), as well as working across health and social care systems. They are operational improvement experts who have worked with 40+ health and care systems, working alongside front line teams to deliver innovation and improvement. Their clients include Department of Health, Local Government Association, NHS England, ADASS, SOLACE, the Royal Borough of Greenwich and Hammersmith & Fulham.
- 5.8 Looking forwards towards Phase 2, although consideration was given to an in-house programme, the complexity and challenge of delivering the required transformational change at the pace and scale required cannot be met by existing in-house capacity and capability alone. Thus the preferred approach is to procure an external delivery partner. Newton Europe have expertise, skills, capacity and significant experience in supporting corporate change and transformation. Whilst Newton's work with some other councils has been about the need to reduce overspends in ASC, the focus in Lewisham is driven by the transformation agenda and the desire to both accelerate and deepen transformation opportunities.
- 5.9 The scope of Phase 2 will require the following activities:
- Supplier and key stakeholders to co-design new service delivery solutions that will accelerate the modernisation of the service and deliver the financial opportunities identified in the Phase 1 Diagnostic.
 - Pilot these solutions, whilst measuring the impact of improvements and continue to refine these alongside key stakeholders.
 - Fast-track implementation of preferred solutions in accordance with agreed timescales.
 - Ensure that all service changes are sustainable and resultant benefits (both financial and outcomes-based) are fully maximised and realised.
 - Identify and support the ongoing organisational culture changes required to underpin the successful delivery of these service changes or new ways of working.
 - Continuously develop and invest in our staff through appropriate skills transfer.
- 5.10 Further details on the the findings and recommendations of the Phase 1 Diagnostic and design and implementation requirements for Phase 2 are set out in the following sections of this report.

6. Phase 1 (Diagnostic)

- 6.1 The methodology that Newton Europe adopted was very much based on working with front line staff and using real cases to help explore opportunities for both service improvements and better use of resources. Alongside these workshops they also used data from our systems and data they have gathered from work they have done in other Local Authorities (including a very recent piece of work undertaken with the Royal Borough of Greenwich).
- 6.2 Despite some initial scepticism, staff have positively engaged in working with Newton Europe. 119 staff members from 12 different teams have participated in workshops that looked at 123 cases to identify opportunities for doing things differently. The workshops

indicated that staff feel that only around 42% of residents were getting their ideal outcome following the interventions from ASC. Newton Europe advised that these figures are very similar to other LA's where they have offered support.

6.3 The reasons for these less than ideal outcomes are mainly based on:

- Pressures with decision making (including individuals feeling personally responsible and thus being overly risk-averse).
- Service constraints which have led to “over provision”.

6.4 The Diagnostic identified that through some different approaches to working by staff, there is a real opportunity to build on the “strengths based approach” activity already underway and create greater levels of independence for residents, while at the same time reducing expenditure on long term care costs. For example:

- i. **Decision-making** – 28% of Lewisham residents could live more independently with:
 - Improved access to Multi-Disciplinary Teams and partnership working
 - More time with residents through reducing paperwork
 - A greater knowledge of and easier access to community based services that are applicable to Care Act needs (e.g. more effective use of universal services and the voluntary sector).
- ii. **Services and providers** – 27% of Lewisham residents could live more independently with improved:
 - Access to reablement
 - Access to progression support for Adults with Learning Disabilities
 - Use of Assistive Technology
 - Provider engagement and support
- iii. **Culture** – sustainable change will require a cultural shift across the organisation:
 - Empowering staff to design and implement changes
 - Ensuring staff feel valued when collaborating
 - Building confidence using data
- iv. **Digital** – digital support will be critical to the improvement process, ensuring:
 - Operation metrics are meaningful to staff, shared on digital dashboards with automated prioritisation of issues.
 - Operational metrics will be bridged to outturn to track the in-week impact of improvements, including which projects are having the greatest impact.
 - Digital tools will support reconciliation and allow for forecasting and monitoring budget impact in a data-driven way.
 - Managers can be held more accountable for their spend against budget by linking this spend directly to operational metrics.

6.5 The savings opportunity identified by the Diagnostic is in the range of £8.3m-£11.5m and these savings will see a realigned base budget going forward (£6.9m savings have already been taken from the 2021/22 budget). They will be realised incrementally as new ways of working are embedded, staff are upskilled, service changes implemented and individual cases are reviewed or reassessed and less restrictive care and support is put in place.

Area	Summary of Opportunity	Lower Bound	Upper Bound
Decision Making OA	<ul style="list-style-type: none"> Better decision making at reviews and assessments to ensure settings and packages of care accurately reflect tierings and level of need <i>Target reduced areas of spend: OA Residential, Nursing, Home care</i> 	£1.6	£1.9m
Decision Making AWLD	<ul style="list-style-type: none"> Supporting more young adults in a more independent setting outside of Residential care and supported living by identifying and supporting people to move settings <i>Target reduced areas of spend: AWLD/Transitions Residential care & Supported Living</i> 	£2.5	£3.7m
Enablement (Volume & Effectiveness)	<ul style="list-style-type: none"> Goals driven independence support for those in the community and being discharged from acutes settings to enable long term independence <i>Target reduced areas of spend: OA Home care</i> 	£3.6	£4.3m
Progression	<ul style="list-style-type: none"> Better matching support to needs using a strength based approach focusing on independence and by reducing the need for formal support over time <i>Target reduced areas of spend: AWLD/Transitions Home Care & Supported Living</i> 	£0.6	£1.4m
		£8.3m	£11.5m

6.6 Newton Europe are adding some short term capacity and skills to help Lewisham to deliver against the ambitious goals that it has set for itself and its residents and to enable sustainable change going forward. They will help us move forward at a faster and more confident pace, extending what is achievable. Skills and knowledge transfer to our staff both within the service and more broadly (e.g. the Strategic Transformation, Organisational Development and Insights team) are key elements of this work. By the end of the 9 month contract period the council can continue the new ways of working and strategic transformation activity can be taken forward by in-house staff across the wider organisation. As such, this is a long-term investment on the part of the council.

7. Phase 2 (Design and Implementation)

- 7.1 Phase 2 will comprise an ambitious change programme spanning 9 months, that is looking to improve the outcomes for our residents whilst delivering a significant financial benefit, year-on-year. Further, the benefits from this transformation will support and enable broader transformation across health and care in the borough.
- 7.2 Based upon the output of the Diagnostic the following **six workstreams** are recommended as the basis for Phase 2:

Decision-making

- Reducing time pressures
- Focus on accountability
- Improving links to the community sector
- Improving support through Assistive Technology
- Working with acute & community NHS partners
- Working with providers
- Interface with SLaM

Learning Disabilities moving on

- Identifying and moving individuals (including transitions) into more ideal settings
- Supporting the recruitment of Shared Lives placements

Enablement

- Build on the achievements of the In-House service in order to further increase the number of people who benefit from enablement

- Increasing the capacity of the service by more effective deployment of this resource
- Increasing the effectiveness of those who benefit from enablement

Progression

- Setting up a progression team
- Supporting individuals (including transitions) to progress to more independent settings

Change and culture

- Engaging and shifting the culture of our teams through well being surveys, comms etc.
- Supporting and training staff to review performance measures
- Skills development and knowledge transfer

Digital and finance

- Creating the visibility of the performance
- Supporting each of the workstreams in their digital requirements
- Determining the financial impact of each workstream and measuring delivery

- 7.3 Phase 2 will include all necessary activity to co-design, test, implement and sustain new ways of working and solutions to deliver the benefits identified during Phase 1. This will require substantial transformation, including extensive change in our culture and practice, new operational processes and ways of working and developing our digital infrastructure and toolkit to support practitioners. To deliver this, we are seeking to enter into another contract with Newton Europe.
- 7.4 This contract will see Newton support us to deliver the benefits identified in Phase 1 on a fixed fee model where this fee is fully contingent against the cash benefit delivered. This cash benefit is only considered 'delivered' when it has been agreed, through an extensive and rigorous benefits tracking approach. This means Newton will be incentivised to work with us and see the benefits come through.
- 7.5 As well as delivering the benefits identified, the contract with Newton will involve in-depth work to measure and ensure benefits are being realised, a comprehensive set of activities to transfer knowledge from Newton and build the skills of our teams, as well as support through governance, structure, advice and guidance for other initiatives outside of the direct scope. The contract will be designed to maximise the value the Borough realises.
- 7.6 The approach seeks to both better skill up and equip our staff to help ensure that people receive the optimal support at the right time. Newton will not be undertaking social work roles, rather supporting staff to improve ways of delivery (for example by analytical support that can help better identify opportunities and alternative support) or helping professional teams undertake their own problem solving.
- 7.7 Phase 2 will comprise the following three stages over a nine month period, aligned to the workstreams identified in paragraph 7.2:

2021			2022						
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Design & Testing			Implementation & Sustainability					Health Checks	

Design and Testing (3mths)

- 7.8 Following on from Phase 1, Newton will work hand-in-hand with our teams and relevant

partners to jointly co-design solutions.

- 7.9 Newton will ensure that our teams are heavily involved in the design process and that staff who are instrumental in building the solutions will become the trainers and champions of the new ways of working.
- 7.10 The programme will also incorporate the 'user voice' into these design activities to ensure that services are accessible, fit for purpose and meet residents' needs.
- 7.11 Proposed service designs will be developed and tested with frontline practitioners in a live, but lower-risk environment, working with a controlled cohort of users.
- 7.12 Solutions will be rapidly iterated to ensure that they work, that they achieve the desired behavioural change, and deliver the target benefits.
- 7.13 Results from the Design stage will be closely monitored, and an improvement cycle will be put in place which will clearly highlight the attributes of the designed model which are working, and those which need refinement.
- 7.14 The output from the Design stage will be a set of solutions (new ways of working, structures, processes, systems changes etc.) which deliver the necessary operational and behavioural change and are ready to be shared across all impacted teams.
- 7.15 By the end of the Design and Testing stage, there will be a cohort of staff who have made meaningful contributions to the design process and are ready to act as advocates in leading the change across the wider Directorate.
- 7.16 There will be a strong evidence base that gives confidence that the solutions, once implemented, will deliver the expected benefits. There will be a clear plan to implement these solutions, including an in-depth communication and engagement plan, which will ensure wider colleagues are successfully managed through a change journey.

Implementation and Sustainability (5mths)

- 7.17 Following on from the Design stage, solutions will be shared with all impacted teams from across the organisation. Whilst it is crucial to sustainability that the change be led by our own staff, Newton will continue to work hand-in-hand with them throughout implementation.
- 7.18 Newton will manage us through this complex behavioural change programme, with staff engagement and feedback measured throughout, allowing us to refine our approach as needed. Adoption of the new ways of working will be actively tracked and changes will be 'hard wired' wherever possible, making them difficult to be lost.
- 7.19 Rigorous and robust improvement cycles will be put in place to ensure confidence that the changes to ways of working are delivering the expected benefits, both financially and in terms of service user outcomes.
- 7.20 Results must be maintained or improved with minimal Newton input for a period of time, to give everyone confidence that performance will be sustainable. This period gives both ourselves and Newton an opportunity to observe how new ways of working will embed as part of 'BAU', and which areas need more work to ensure sustainability. It is only following this period that results are considered 'signed off' and agreed.
- 7.21 The processes and governance needed to continually monitor the progress of Implementation and Sustainability will be established.
- 7.22 The design principles for robust reporting and monitoring will ensure that operational metrics are meaningful to staff, that they are easy to capture and that existing systems will be used wherever possible. These metrics will be shared on dashboards with automated prioritisation of issues to determine which are the biggest problems.
- 7.23 Operational metrics from the case management system will be bridged to outturn to

track the in-week impact of the improvements. Digital tools will support reconciliation and allow for forecasting and monitoring budget impact in a data-driven way. This will support a new culture of responsibility where managers are accountable for their spend against budget by linking spend directly to operational metrics.

- 7.24 The benefit of this approach is that we will know what we have spent and how this compares to last year and to the budget, we will know what operational changes have driven this change in spend and we will also know what specific projects or improvements have delivered against this.

Health Checks (1mth)

- 7.25 Once the programme has been formally completed, with results sustained for an agreed period and the Newton team are no longer supporting the programme, Health Checks will be completed by Newton.
- 7.26 These will take the form of a 1-3 day 'mini diagnostic', where a member of the Newton team will return to Lewisham, spend time with colleagues from all levels of the organisation to observe how new ways of working are being sustained; performance data will also be reviewed and 1:1 conversations will be had with senior leaders.
- 7.27 Remedial action will be recommended and taken where necessary to ensure sustainment of the new solution and its measurement.
- 7.28 Following this process, a short report will be provided by Newton with recommendations on areas of strength and weakness, and how results could be further improved.
- 7.29 Alongside the three stages of Phase 2 Design and Implementation, as detailed above, Newton will support Lewisham to build organisational capability which goes beyond the delivery of the specific opportunities identified. This will occur through:
- **Skills Transfer and Change Capability** - Formal joint teams will be created to deliver Phase 2 of this programme between our staff and Newton. Those who are involved will receive intensive, full-time training in Newton's methodology and will be closely supported and mentored as they apply this to real challenges. They will also be supported through Newton's wider network, for example by making connections to other authorities who have developed similar capability.
 - **Benefits Tracking** - Newton bring a comprehensive approach to tracking the benefits of change programmes through to an impact on our financial ledger, and this is something we would seek to employ across other areas of the council. This has five major parts:
 - i. Developing the right set of operational KPIs, which have a clear link to financial performance.
 - ii. A suite of tools to measure the sustainability of operational process which influences these operational KPIs.
 - iii. Benefits realisation planning, where action is needed to realise a financial saving from an operational change (for example where a contract may need to be re-let).
 - iv. Finance and performance 'bridging' where the operational data is directly connected to financial data, and a process to monitor and improve this alignment is put in place.
 - v. A full suite of reporting and management information covering all of the above.
- 7.30 A dedicated Finance and Performance Group of staff will be developed and supported by Newton, which will likely be continued for future change programmes, which will

manage and oversee this approach. These will be skilled and able to operate at a corporate level supporting wider council opportunities for improvements and savings.

8. Procurement Options

8.1 The Procurement Team have considered both open tender and framework agreement as possible options for the approach to Phase 2.

Open tender

8.2 An open tender process would allow for the entire marketplace to submit a bid, enabling greater competition.

8.3 However, an open tender approach takes longer than a call-off from a Framework contract. This would delay the further realisation of monetary savings within Adult Social Care during 2021/22 and lose the momentum developed within the service during the Diagnostic phase. In consideration of the urgent need to move forward at pace, an open tender is not recommended.

Framework agreements

8.4 Framework agreements provide an expedited approach to procurement. Suppliers have already been evaluated to get onto the framework agreement ensuring that they meet the required quality standards. Furthermore, suppliers' rates on a framework have also been subject to a competitive process, ensuring financial value.

8.5 In the case of this procurement the following frameworks were reviewed and considered:

- Crown Commercial Service (CCS) RM6187 (Lot 7: Health, Social Care and Community)
- YPO Managing Consultancy and Professional Services 940
- Bloom NEPRO 3 (Social Care - Adults and Children)

8.6 CCS' Management Consultancy Framework Three RM6187 provides a simple and compliant route to market for a range of consultancy requirements. This framework provides the means through which the Council can procure consultancy services through the process of engaging in a mini-competition between suppliers listed on the framework or via a direct award. The framework has the benefit of the fee becoming contingent on the delivery of the savings. Further, it also means that we can move seamlessly through the process and take staff with us, thus maintaining the momentum for change.

8.7 YPO's Managing Consultancy and Professional Services 940 framework was also considered. This framework offers to appoint a single provider to deliver a managed service provision for consultancy and professional service requirements and does not allow for a competitive process among key players in this market to be achieved. This framework is therefore not a favourable option for this procurement.

8.8 Bloom's NEPRO3 framework offers a range of specialist professional services from a choice of regional and national suppliers. Although it offers appropriate categories including Social Care (Adults and Children), it is delivered via the use of a procurement consultancy to prepare procurement and tender documents and this would incur a further cost to the Council of between 5% – 25%. This framework was therefore deemed not to offer best financial value for this procurement.

8.9 The previous iteration of this CCS Management Consultancy Framework (RM3745) was used to procure consultancy services for the Phase 1 Diagnostic stage of the overall ASC project and proved to be an efficient and effective route to market.

- 8.10 Following comparative analysis of these framework agreements by the Procurement Team the use of the CCS RM6187 (Lot 7: Health, Social Care and Community) is the preferred option for Phase 2.

Contract award

- 8.11 Newton Europe Ltd has provided excellent service delivery over the contracting period (8 April to 30 June 2021) for the Phase 1 Diagnostic. Through the summer months officers have been reviewing and exploring options for progression to delivery. An award of contract to Newton Europe for the provision of management consultancy services for Phase 2 is permissible within the terms of the CCS RM6187 agreement. It is also the recommended procurement strategy for the following reasons:
- Newton Europe have established credibility with staff and have helped to generate an enthusiasm for taking this work forward. Any delays in progressing this work will result in a loss of momentum and staff may not engage in the same way going forward.
 - The quality of the outputs from Phase 1 provide confidence that Newton Europe would successfully deliver Phase 2.
 - The good working practices embedded during Phase 1 can be harnessed and leveraged to their full potential during Phase 2.
 - There would be a seamless transition into Phase 2 as Newton Europe Ltd have already accumulated a knowledge base of our systems, practices and processes.
 - An award of contract to Newton will enable a quicker mobilisation (i.e. up to 3-5mths quicker than alternative procurement options).
 - They have a proven track record of working with neighbouring boroughs that have a similar demographic profile to Lewisham.
- 8.12 Newton have indicated that in their history of working with the public sector they have never failed to deliver at least the target benefits identified in their diagnostic (i.e. £8.3m for Lewisham).
- 8.13 CCS RM6187 provides for an award of contract to Newton provided that the contract length is no longer than 9 months and officers can demonstrate that the supplier offers the most economically advantageous bid in terms of Council knowledge, a financial proposal, service delivery and sustainable outcomes. Officers are confident that Phase 2 can be delivered within 9 months and the Terms and Conditions are fit for purpose. In addition, the Framework allows for a contingent fee which means the Council will only pay the provider on achievement of certain milestones and savings.
- 8.14 Mayor and Cabinet is therefore recommended to approve the procurement of Phase 2 services via an award of contract using the CCS framework agreement RM6187 (Lot 7) and to approve this award of contract to Newton Europe Ltd for Phase 2 Design and Implementation.

9. Financial implications

- 9.1 Newton Europe have just concluded the diagnostic phase of ASC Review work at a cost of £255,790. This report is proposing a direct award to Newton to undertake Phase 2 of the review, should this happen this fee will become contingent on delivery of savings from phase 2.
- 9.2 The diagnostic has identified the opportunity to deliver recurring financial benefit of £8.3m - £11.5m per annum to Lewisham, along with unquantifiable transformative

benefit to Adult Social Care. There will be some overlap with the current savings programme the service is in the process of delivering. However there is a benefits realisation model in place that will tease out any duplication and subsequently avoid double counting of savings. The c£220k costs associated with setting up a new Progression Service for Adults with Learning Disabilities have been factored into the calculation of these financial benefits.

- 9.3 Savings of £3.89m have been assumed in the budget for 2021/22 based on the delivery of a cost reductions and service improvement programme. The current projected overspend for this year includes this budget reduction and delivery will help reduce cost pressures.
- 9.4 Newton are proposing a plan to jointly deliver these opportunities for a fixed fee, on a fully contingent basis. This means that, if the actual recurring, agreed benefit delivered is not greater than the combined one-off fee (for Phase 1 Diagnostic and Phase 2 Design and Implementation), then Newton will either:
- Continue to work, without any additional cost, until this achieved, or;
 - Reduce the one-off fee, pro-rata, until the actual, recurring agreed benefit is greater than the fee.
- 9.5 This commercial model has the benefits of:
- Guaranteeing that Lewisham will be better off as a result of working with Newton
 - Ensuring that Lewisham and Newton are fully aligned around a common set of objectives
 - Limiting and fixing Lewisham's investment
- 9.6 Based on the work required, the one-off, fixed fee for Newton support will be £4.295m (plus VAT and expenses). However if the agreed recurring financial benefit delivered by the programme does not exceed £4.551m (£255,790k for Phase 1 plus £4.295m for Phase 2) then the guarantee clause (para 9.4) will apply
- 9.7 The profiling of payments to Newton will be based on a monthly schedule and this will be made in advance of the benefits being fully realised. As the benefit realisation is based on projected future benefits there will be a cash flow difference which will need to be managed.
- 9.8 This proposal is self-financing, costs for this consultancy will be met from ASC budgets in year, netted off against savings being delivered as part of Phase 2. While there is a one-off cost, the savings are recurrent. There are no plans to reduce staff in these proposals.
- 9.9 Benefits to the council will continue following the skills and knowledge transfer to council officers.
- 9.10 Finance and Performance officers – utilising existing resource – will reconcile the movements in operational measures to movements in outturn to support reliable monitoring of savings delivery.

10. Staffing Implications

- 10.1 There is no intention to reduce the council workforce as a result of the implementation of these proposals and part of the plan is to explore investing in a new "Progression Service" to better support people with Learning Disabilities to be more independent.
- 10.2 The approach adopted has been discussed with representatives from Unison and Unite, the proposal explained and there will be opportunities for staff in ASC to extend their skills and be more effective in their roles.

11. Legal implications

Procurement Strategy

- 11.1 Under the Council's Contract Procedure Rules the Council may use a framework agreement set up by a public sector body where that framework agreement has been procured in accordance with the Public Contracts Regulations 2015 (as amended by Brexit provisions including the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 SI 2020 No.1319). The recommended framework agreement is compliant and can be used by the Council.

Contract award

- 11.2 The framework agreement sets out procedures that allows for a direct award in the circumstances set out in the report.
- 11.3 The framework agreement has predefined terms and conditions for the call-off contract which the Council must use. The contract (including the specification and pricing document) will include all the terms and conditions that the Council requires and adequately protects the Council.
- 11.4 Officers are recommending that Mayor and Cabinet delegate the approval of the detailed terms of the award of contract to the Executive Director for Community Services.
- 11.5 These decisions are key decisions and must therefore be included in the Key Decision Plan.
- 11.6 The Council has a public sector equality duty (the equality duty or the duty - The Equality Act 2010, or the Act). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 11.7 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the decision maker, bearing in mind the issues of relevance and proportionality. The decision maker must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 11.8 The Equality and Human Rights Commission (EHRC) has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance. The Council must have regard to the statutory code in so far as it relates to the duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found on the EHRC website.

- 11.9 The EHRC has issued five guides for public authorities in England giving advice on the equality duty. The 'Essential' guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.

12. Equalities implications

- 12.1 The appointed supplier will be required to comply with the Council's equality and diversity policies.
- 12.2 Addressing inequalities within the health and care system, especially those impacting upon our Black, Asian and Minority Ethnic (BAME) communities, is a key priority for the Council and its partners. This focus has been sharpened in response to the disproportionate impact that COVID-19 has had on these communities. Any changes to ASC services originating from this review will need to be mindful of this, with a thoroughly consideration of the equality implications for our most vulnerable residents alongside appropriate mitigation to reduce any negative impacts.

13. Climate change and environmental implications

- 13.1 There are no anticipated climate change and environmental implications arising from this review of ASC. However, any proposed service changes or recommendations must be mindful of the Council's intention of becoming a carbon neutral borough by 2030 and observe our commitments in the Climate Emergency Action Plan that was agreed by Mayor and Cabinet in March 2020.

14. Crime and disorder implications

- 14.1 There are no anticipated crime and disorder implications resulting from this service.

15. Health and wellbeing implications

- 15.1 The successful supplier will design and implement the findings and opportunities evidenced in the Phase 1 Diagnostic. These changes are likely to have implications for how current services are delivered with an aim to improve outcomes for our residents.

16. Social Value

- 16.1 The services procured from Newton Europe in Phase 2 (Design and Implementation) are designed to create ownership within the Lewisham team from the leadership to front line staff, essential for delivering sustainable change. Direct partnership between Lewisham and Newton colleagues on each workstream aims to maximise skills and knowledge transfer. This will build the capability of staff and allow future improvements to be taken on without the support of external partners. This is also beneficial for the personal development of the individuals involved.
- 16.2 Phase 2 will also work to improve the opportunities for residents to live more independently, through targeted support (e.g. access to reablement, progression support, use of assistive technology etc) or stronger links with community-based services that provide support aligned to the Care Act domains. For example, progression support will help Adults with Learning Disabilities to access opportunities for work, education or volunteering.

17. Background papers

17.1 ASC Phase 1 Award Report Part 1



Item 6a - Decision by ED of Cty Services - ASC Award Report - Part 1.pdf

17.2 Public Accounts Select Committee, 3 December 2020, Agenda Item 5 'Budget Cuts'

<https://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=123&MID=6317#AI26474>

17.3 Phase 1 Diagnostic Summary Report



Diagnostic
Summary Report.pdf

18. Glossary

18.1 Please find definitions of some key terms in the table below:

Term	Definition
ASC	Adult Social Care
CCS	Crown Commercial Services
ESPO	Eastern Shires Purchasing Organisation
Framework Agreement	A framework comprises a description of common public sector requirements, a list of suppliers who have been evaluated as capable of delivering the requirements, and standardised contract terms, which save time and money. Frameworks are often divided into lots, typically by product or service type. The collective purchasing power of customers, plus the procurement knowledge of the framework provider, means they can get the best commercial deals in the interests of taxpayers.
YPO	Yorkshire Purchasing Organisation

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