



Healthier Communities Select Committee

“Empowering Lewisham” - Transforming and Modernising Adult Social Care: Updates on the Review (Phase 2) and Savings Delivery

Date: 1st March 2022

Key decision: No.

Class: Part 1

Ward(s) affected: All

Outline and recommendations

The purpose of the attached paper is to provide the Healthier Communities Select Committee with an update on the council’s Adult Social Care Review and the ongoing work to transform and modernise the service. This follows the completion of the service-wide Diagnostic by Newton Europe in June 2021 and the start of the Design and Implementation phase in November 2021 (now called Empowering Lewisham).

This report also provides committee members with an update on the delivery of agreed savings within Adult Social Care more widely.

Members of the Healthier Communities Select Committee are recommended to note the report.

Timeline of engagement and decision-making

26 February 2020	Budget report to Council
11 November 2020	Round 1 Cuts proposals report to HCSC
3 December 2020	Round 1 Cuts proposals report to PAC and request from PAC for a review of expenditure in ASC as part of the 2021/22 budget setting process.
9 December 2020	Round 1 Cuts proposals report to M&C
13 January 2021	Round 2 Cuts proposals report to HCSC
18 January 2021	Approval to procure for Diagnostic phase of ASC Review through a mini-competition using the Crown Commercial Services (CCS) framework agreement MCF2 RM3745 Lot 5.
2 February 2021	Round 2 Cuts proposals report to PAC
3 February 2021	Round 2 Cuts proposals report to M&C
25 February 2021	Report to HCSC on proposed approach to ASC Review.
8 April 2021	Contract awarded to Newton Europe to provide additional transformation resource capacity and capability for Diagnostic phase of ASC Review.
April-June 2021	Diagnostic phase of ASC Review.
3 September 2021	CCS framework agreement MCF2 RM3745 Lot 5 expires and is replaced by MCF3 RM6187 Lot 7.
6 September 2021	All Member Briefing on the ASC Review.
8 September 2021	Pre-decision scrutiny report to HCSC on ASC Review and referral from HCSC to M&C.
14 September 2021	Report to M&C with recommendation that the Design and Implementation (Phase 2) of the ASC Review be supported through the award of contract to Newton Europe Limited.
23 September 2021	Report to PAC on the ASC Review.
28 September 2021	Report to OSBP on the ASC Review.
2 November 2021	Response from M&C to HCSC on their referral (8 September 2021) on the ASC Review.
4 November 2021	Design and Implementation (Phase 2) of ASC Review commences.
1 March 2022	Updates to HCSC on the ASC Review (Phase 2) and delivery of budget savings.

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1. Summary

- 1.1. This report follows on from previous papers to Healthier Communities Select Committee on 25 February 2021 and 8 September 2021, regarding the programme to transform and modernise Adult Social Care, with the support of Newton Europe. This review was initially requested by the Public Accounts Committee on 3 December 2020 in response to the budget cuts proposals.
- 1.2. Phase 2 of the ASC Review, known as the 'Design and Implementation' phase, commenced on 4 November 2021 and will continue until Summer 2022. Phase 2 comprises a series of workstreams identified during the Diagnostic (April-June 2021) that will transform services, empower our residents and develop the capabilities of our staff. This ambitious programme, Empowering Lewisham, will deliver between £8.6m to £11.5m of recurrent savings over a 5-6 year period.
- 1.3. This report also provides members of the committee with an update on the delivery of wider Adult Social Care savings agreed as part of the 2021/22 budget setting process. A total of £14.8m savings were agreed for ASC for the 3-year period 2020/21 to 2022/23. As of 31st December 2021, £9.3m of these savings have been delivered or are forecast to be delivered. There remains a savings shortfall of £5.5m for year-end 2022/23.

2. Recommendations

- 2.1. Members of the Healthier Communities Select Committee are recommended to note the report.

3. Policy Context

- 3.1. The financial position of Adult Social Care demonstrates the impact of the very severe financial constraints which have been imposed on Council services with the cuts made year on year, despite the increasing demand to deliver services to residents.
- 3.2. The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. 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.

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4. Delivery of agreed savings

- 4.1. A budget savings process is well underway Council-wide and there is an urgent need to deliver the Medium Term Financial Strategy.
- 4.2. 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. Most savings delivered over this period 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.
- 4.3. As part of the budget-setting process, Adult Social Care put forward savings proposals that were considered by Mayor and Cabinet on 9th December 2020 and 3rd February 2021 (Round 1 and Round 2). This was in addition to previously identified savings for 2020/21.
- 4.4. Adult Social Care has £14.8m of savings agreed for the 3-year period 2020/21 to 2022/23. As of 31st December 2021, £9.8m of these savings are either delivered or are forecast to be delivered. This leaves a cumulative savings shortfall of £5.5m at the end of 2022/23. These figures are outlined in the table below:

Year	Agreed	Delivered / to be delivered	Gap
2020/21	£3.5m	£2.3m	£1.2m
2021/22	£10.3m	£6.5m	£3.8m
2022/23	£1.0m	£0.5m	£0.5m
Total:	£14.8m	£9.3m	£5.5m

- 4.5. For the financial year **2020/21**, £3.5m of savings were agreed, with £650k achieved to date and a further £1.6m expected to be delivered in 2022/23. As of 31st December 2021, the expected shortfall for 2020/21 savings is £1.2m. A more detailed breakdown of these savings is set out in the table below:

Ref	Proposal	Agreed Savings	Achieved	Gap	Expected Delivery of Unachieved Savings in 2022/23	Expected Savings Shortfall in 2022/23	Comments
		£'000	£'000	£'000	£'000	£'000	
Financial Year 2020/21							
COM04	Reduce costs for Learning Disability and Transitions	1,000	200	800	-	800	
COM05	Increased focus of personalisation	482	350	132	132	-	
COM1A	Managing demand at the point of access to adult social care services	1,000	100	900	900	-	
COM2A	Ensuring support plans optimise value for money	500	-	500	100	400	
COM3A	Increase revenue from charging Adult Social Care clients	500	-	500	500	-	
Total		3,482	650	2,832	1,632	1,200	

- 4.6. Unachieved savings for 2020/21 are largely as a result of COVID pressures and the impacts this has had on better demand management. For example, delays in undertaking face-to-face reviews has meant that we have not been able to get a full-year effect of expenditure reductions on placements in some cases.

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- 4.7. For the financial year **2021/22**, £10.3m of savings were agreed, with £3m achieved to date and a further £3.5m expected to be delivered in 2022/23. As of 31st December 2021, the expected shortfall for 2021/22 savings is £3.8m. A more detailed breakdown of these savings is set out in the table below:

Ref	Proposal	Agreed Savings	Achieved	Gap	Expected Delivery of Unachieved Savings in 2022/23	Expected Savings Shortfall in 2022/23	Comments
		£'000	£'000	£'000	£'000	£'000	
Financial Year 2021/22							
B-05	Recharge OT and housing officer costs to the Disabled Facilities Grant	250	250	0	0	0	
C-02	Adult Learning and Day Opportunities	50	50	0	0	0	
E-04	Introduce charging for certain elements of self-funded care packages	82	0	82	82	0	
F-01	Adult Social Care Demand management	3,000	1,000	2,000	2000	0	
F-06	Adults with learning difficulties and 14 - 25yrs transitions costs	760	0	760	0	760	
F-09	In house services reductions - adults passenger transport	600	0	600	0	600	ASC activity reduced, however increase in Childrens. Issues around fixed costs in passenger services which create risks around achievement of saving
B-11	Improved usage of BCF Funding across partners	1,000	1,000	0	0	0	
F-24	Adult Social Care cost reduction and service improvement programme	3,849	0	3,849	1,415	2,434	To be delivered by Newton in 2023/24
ALL	Staffing Productivity	708	708	0	0	0	
Total		10,299	3,008	7,291	3,497	3,794	

- 4.8 Unachieved savings for 2021/22 continue to be as a result of COVID pressures, the impacts this has had on better demand management, and the complexity of new cases presenting themselves at the front door (e.g. major strokes in working age adults).
- 4.9 Additionally, there are longer lead times for revised care packages relating to Adults with Learning Disabilities, and interdependencies with the Children and Young People directorate for the delivery of savings relating to passenger transport services and Transition costs. For example, there are currently 28 service users (17 years old) receiving social care in Children with Complex Needs at an annual cost of £1.96m. Assuming a conversion rate from CWCN to AWLD of 45% (modelling data from 2020-21), this will translate to additional cost pressures in ASC of circa £1m per annum.
- 4.10 Finally, the cash profile of savings delivered as part of the Newton Europe programme has been revised due to the later than anticipated start date of Phase 2.

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- 4.11 For the financial year **2022/23**, £1m of savings were agreed, with £0.5m expected to be delivered and a forecasted shortfall of £0.5m. A more detailed breakdown of these savings is set out in the table below:

Ref	Proposal	Agreed Savings	Achieved	Gap	Expected Delivery of Unachieved Savings in 2022/23	Expected Savings Shortfall in 2022/23	Comments
		£'000	£'000	£'000	£'000	£'000	
Financial Year 2022/23							
C-02	Adult Learning and Day Opportunities	100	0	100	0	100	
F-24	Adult Social Care cost reduction and service improvement programme	430	0	430	0	430	To be delivered by Newton in 2023/24
ALL	Staffing Productivity	446	0	446	446	0	
Total		976	0	976	446	530	

- 4.12 Savings relating to Adult Learning and Day Opportunities will continue to prove challenging. The preferred approach is to support people into new opportunities under a Progression model. Take-up to date has been lower than anticipated, as this remains a service-user choice.
- 4.13 This overall financial position illustrates the impact of the severe financial constraints which have been imposed on Council services due to a decade of funding cuts. This situation has been compounded by the Covid-19 pandemic and the need to protect Lewisham's most vulnerable residents.
- 4.14 Despite this, the service continues to work hard to manage-down demand through more robust triage, tightened panel processes, increased critical challenge and management oversight. New ways of working for frontline staff continues to be embedded in an effort to promote greater independence for our residents. This includes shifting the culture of practice from a deficit to strength-based model of assessment and support planning and strengthening our approach to more integrated working across the wider health and care system.
- 4.15 Since the completion of the Diagnostic phase, the Enablement Care team have been working on increasing both productivity and the amount of contact time Enablement Officers spend with service users. Overall, there has been a positive direction of travel during the course of the last 6 months.
- 4.16 A concerted effort to prioritise 1,296 high-cost care packages for review by year-end is beginning to yield results. As of 31st December 2021, 809 of these cases have been reviewed, with a corresponding £1.2m reduction in care package costs. Unfortunately these savings have been offset by increased care costs of £0.7m due to the complexity of new clients' needs.
- 4.17 The Council is seeing an increase in demand for community based services as service users are being discharged from hospital earlier and with increasingly complex care needs, which is a trend across London and nationally. This manifest itself in higher levels of care, increased use of 24-hour care at home and increased use of double-handed care. The most recent [ADASS Homecare and Workforce Snap Survey \(Sep-21\)](#) reported a 4% increase in the number of home care hours delivered in local authority areas between the two consecutive periods of Feb-Apr and May-Jul 2021.
- 4.18 The number of placements in residential care has also increased and this pattern is expected to continue into 2022/23. The current forecast overspend for Residential care is £2.5m of which £0.9m is being funded by NHSE&I discharge funding. Discharge funding from NHSE&I as well as Covid support is expected to cease at the end of 2021/22, with costs expected to still be in the system in 2022/23.

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- 4.19 Oversight of budgetary controls and savings delivery has been strengthened through the establishment of a new ASC Budget Recovery Board which convenes monthly and is chaired by the Chief Executive with attendance by Executive Directors for both Community Services and Corporate Resources.
- 4.20 In addition, two separate programmes encompass the delivery of the following savings proposals with corresponding boards/working groups overseeing activity and monitoring progress:

Ref	ASC saving proposal	Delivery assurance by
F-06	Reduce Care Costs: Adults with Learning Disabilities and Transitions	Transition Demand Management Working Group
F-09	Reduction of in-house adults passenger transport	Passenger Transport Board

5. Empowering Lewisham – Design and Implementation

- 5.1. The aim of Adult Social Care is to help ensure that some of the most vulnerable residents in the borough are empowered 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.
- 5.2. The current service-wide review of Adult Social Care, supported by Newton Europe, 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.
- 5.3. Staff engagement has been key to the programme branding. To ensure the long-term sustainability of the programme and to inspire a greater sense of ownership within ASC teams, there needs to be a move away from articulating this activity as the ‘Newton Review’. Throughout the Diagnostic, senior leaders, managers and frontline staff were all engaged in discussing what a renewed vision for ASC in Lewisham should encompass.
- 5.4. This conversation have been further developed in Phase 2. A series of focus groups and drop-in sessions started to understand the core themes and outcomes staff felt should be achieved through this piece of work. These themes have been refined into a new over-arching programme identity, ‘**Empowering Lewisham**’, that is now being used.
- 5.5. 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. It comprises two phases: (1) Diagnostic and (2) Design and Implementation.
- 5.6. The Diagnostic phase of the review was completed between April and June 2021. The savings opportunity identified by the Diagnostic is in the range of £8.6m-£11.5m and these savings will see a realigned base budget going forward. Findings from the Diagnostic were reported to Healthier Communities Select Committee in September 2021 - [see report](#).

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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 Target reduced areas of spend: OA Residential, Nursing, Home Care 	£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 Target reduced areas of spend: AWLD/Transitions Residential Care & Supported Living 	£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 Target reduced areas of spend: OA Home Care 	£3.9	£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 Target reduced areas of spend: AWLD/Transitions Home Care & Supported Living 	£0.6	£1.5m
		£8.6m	£11.5m

5.7. These savings 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. The cash profile of the programme has been adjusted due to the flexibility around the delivery dates of different workstreams within Phase 2 of the programme. The revised forecasts are detailed below:

Financial Year	Diagnostic Forecast	Target – Lower Bound <i>This is our most conservative forecast based on achieving our target saving at a lower-bound rate of delivery</i>	Target – Upper Bound <i>This forecast is based on achieving our target saving at an accelerated rate of delivery</i>	Stretch <i>This forecast is based on achieving our stretch saving at an accelerated rate of delivery</i>
21/22	£ 96,000.0	£ 13,000.0	£ 66,000.0	£ 92,000.0
22/23	£ 2,032,000.0	£ 1,415,000.0	£ 3,783,000.0	£ 4,364,000.0
23/24	£ 5,617,000.0	£ 5,011,000.0	£ 7,316,000.0	£ 8,831,000.0
24/25	£ 7,319,000.0	£ 7,128,000.0	£ 8,397,000.0	£ 10,645,000.0
25/26	£ 8,092,000.0	£ 7,968,000.0	£ 8,636,000.0	£ 11,452,000.0
26/27	£ 8,548,000.0	£ 8,494,000.0	£ 8,642,000.0	£ 11,503,000.0
27/28	£ 8,635,000.0	£ 8,627,000.0	£ 8,642,000.0	£ 11,503,000.0

5.8 Work on Phase 2 commenced on 4 November 2021 and will continue through to Summer 2022.

5.9 Phase 2 includes all necessary activity to co-design, test, implement and sustain new ways of working and solutions to deliver the benefits identified during the Diagnostic (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.

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5.10 The delivery of Phase 2 of the programme comprises the following three stages:

1	2	3
Setup and Mobilisation	Design and Iterate	Adoption and Sustainability
<p><i>Ensuring our people, data, systems and internal structures are best set up for Design – so we can hit the ground running.</i></p>	<p><i>Designing, trialling and iterating our product to ensure our designs work – before we adopt them across the organisation.</i></p>	<p><i>Adopting new ways of working across our organisation delivering measurably improved results for residents</i></p>
<p>By the end of Set Up, we'll have:</p> <ul style="list-style-type: none"> ✓ Completed a stock take of current activity ✓ Established KPIs and baselines ✓ Allocated and recruited Design Leads ✓ Confirmed programme plans ✓ Initiated programme communication 	<p>By the end of Design, we'll have:</p> <ul style="list-style-type: none"> ✓ Trialled and iterated a new way of working with our trial team ✓ Documented our final product ✓ Designed digital products and dashboards to support our new ways of working ✓ Have seen evidence in our operational KPIs that the new way of working is improving outcomes for our residents ✓ Delivered regular comms and engagement capturing staff and resident feedback 	<p>By the end of Adoption, we'll have:</p> <ul style="list-style-type: none"> ✓ Delivered training to teams and managers ✓ Adopted our new ways of working across the relevant teams ✓ Delivered measurably improved outcomes for our residents – achieving the targeted improvements we identified during the diagnostic ✓ Engaged staff throughout the journey, ensuring managers have the information they need to address staff concerns as and when they arise ✓ Engaged residents throughout the journey, ensuring their feedback is captured going forward to enable us to continue to improve our offer

- 5.11 The 'Setup and Mobilisation' stage, was completed in January 2022 and we are currently in the 'Design and Iterate' stage of Phase 2. This comprises design, trial and iteration activities structured around the opportunities that were identified during the Diagnostic phase. This stage will continue through to April/May 2022 and involves the following 5 workstreams:

#	Workstream type	Workstream name
1	Core	Decision Making
2	Core	Enablement
3	Core	Moving On and Progression
4	Enabling	Change and Culture
5	Enabling	Digital Delivery

- 5.12 Each workstream is supported by a Senior Sponsor, Delivery Lead, Working Group and Trial Teams:

Senior Sponsor	This person is a member of the senior leadership team accountable for the successful delivery of the workstream.
Delivery Lead	This person is a member of the operational/ frontline teams responsible for leading on the practical design and implementation of the changes.
Working Group	This is a group of Subject Matter Experts whose role is to support the Delivery lead in an advisory capacity representing a range of skills and experience.
Trial Team	This is a group of frontline staff and service users (as appropriate), collaborating in the design process and feeding back, supporting the iteration of design.

- 5.13 Workstream activities provide opportunities for our staff to develop their skills and knowledge in a supportive environment. They will work alongside and in collaboration with Newton professionals, receiving training and hands-on experience. The intention is that over time, Newton resource will taper off, leaving our staff to assume greater leadership responsibilities.
- 5.14 A 3-day training course, facilitated by the Newton team took place with all the workstream Delivery Leads in January 2022. This focused on the development of skills to improve processes, undertake people-centred change, and deliver projects. A condensed version of this training was also offered to all Senior Sponsors.
- 5.15 The resident and/or service-user voice will also be critical to the success of the programme and its sustainability over time. Opportunities are being identified within workstreams to engage residents at appropriate times as part of the design trials and a focused workshop to explore these in more detail is scheduled for 25th February 2022.

Workstream updates

Decision-Making

- 5.16 The scope of this workstream is to improve the quality of our practice, promote independence, make better use of community and informal networks and as a result rely less on formal ongoing care and support.

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- 5.17 There is a targeted opportunity of £1.6m-£1.9m in this workstream and progress will be measured against the number of residential/nursing starts per week and the number of homecare hours commissioned per week.
- 5.18 Highlights so far include the start of Community Trials and the introduction of Ideal Outcomes Meetings, and a completed Acute Workshop on Discharge Multi-Disciplinary Teams.
- 5.19 Next up are further Acute Trials that will focus on working with the Continuing Health Care social workers at the hospital to better challenge the strength-based approach for all Pathway 3 patients.

Enablement

- 5.20 The scope of this workstream is to support residents to live as independently as possible by improving the throughput and effectiveness of the Enablement service.
- 5.21 There is a targeted opportunity of £3.9m-£4.2m in this workstream and progress will be measured against the number of successful finishers per week and the reduction in the number of hours per week in Packages of Care for clients post-enablement.
- 5.22 Highlights so far include the completion of design workshops on capacity and effectiveness and the start of trials to test new ways of scheduling staff resource, with a particular focus on reducing demand at the weekends.
- 5.23 Next up is the launch of Key Performance Indicator (KPI) tracking to start the monitoring of both volume and effectiveness. A new communication plans will also be finalised and implemented with an emphasis on the service user voice.

Moving On and Progression

- 5.24 The scope of this workstream is to develop a better service for Adults With Learning Disabilities by improving support for them to access more independent settings and community environments, and to build independent living skills through dedicated progression support.
- 5.25 There is a targeted opportunity of £3.1m-£4.2m in this workstream and progress will be measured by the number of adults moving from Residential into Supported Living each month and the number of adults completing Progression Plans each month.
- 5.26 Highlights so far include the completion of a process mapping exercise regarding the current system and further data analysis to re-confirm opportunities available through the existing cohort of clients.
- 5.27 Next up is the completion of scoping for service trials and further data analysis to build a more robust picture of our current commissioning arrangements.

Change and Culture

- 5.28 The scope of this workstream is to ensure that the Empowering Lewisham programme identity and changes to ways of working are effectively communicated to and engaged with by all stakeholder groups. The adoption of change will be supported and tracked, alongside ensuring organisational culture is best prepared for change.
- 5.29 As an enabler workstream, there is not a targeted opportunity attached to it, and KPIs to measure progress against workstream objectives are currently being finalised.
- 5.30 Highlights so far include the introduction of programme-wide communications, the setting up of a dedicated SharePoint site for staff and the scheduling of a drop-in

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session to directly address staff questions or concerns about Empowering Lewisham. There have also been 3 design workshops which focused respectively on communications, culture and staff adoption of change.

- 5.31 Next up is the completion of a more detailed communications plan, further drop-ins and attendance at team meetings, and focus groups to identify ways to tackle the top-3 cultural themes of collaboration, feedback and the use of data.

Digital Delivery

- 5.32 The scope of this workstream is to ensure that the Empowering Lewisham programme has a strong digital thread – to drive and embed changes to ways of working in frontline teams, through the design, build and rollout of effective and sustainable digital tools.
- 5.33 As an enabler workstream, there is not a targeted opportunity attached to it, and KPIs to measure progress against workstream objectives are currently being finalised.
- 5.34 Highlights so far include the agreement of the first tranche of Power BI licenses, which are critical to the design and implementation of dashboards underpinning the programme.
- 5.35 Next up is the refining of digital requirements within each workstreams as the trials progress, and an agreement on whether an interim data warehouse is required to support the programme.

Finance Working Group

- 5.36 A separate Finance Working Group has also been meeting regularly to ensure each delivery workstream has:
- Any data accuracy issues mitigated for trials;
 - KPI equations and how to track them agreed;
 - Owners for each KPI, and;
 - Tracking and governance agreed for sustainable measurement
- 5.37 A Project Initiation Document (“PID”) has now been produced and signed-off that defines these KPIs, conversion equations, assumptions and baselines necessary to measure the financial benefits of the “Empowering Lewisham” programme.

Governance

- 5.38 In terms of governance, the workstreams report into the ASC Review Steering Group which convenes weekly and includes the Executive Director for Community Services, as well as relevant Service Directors. The Steering Group reports up into the Strategic Change Board (Executive Management Team) on a 6-weekly basis and there are scheduled Contract Monitoring meetings between the Chief Executive, Executive Director of Corporate Resources and the Newton Programme Director.

6. Financial implications

- 6.1. Newton Europe concluded the diagnostic phase of ASC Review work at a cost of £255,790. This fee is contingent on delivery of savings from Phase 2.
- 6.2. The diagnostic has identified the opportunity to deliver recurring financial benefit of £8.6m - £11.5m per annum to Lewisham, along with unquantifiable transformative

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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.

- 6.3. 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.
- 6.4. 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.
- 6.5. Newton will 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.
- 6.6. 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

- 6.7. 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 6.5) will apply.
- 6.8. 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.
- 6.9. Costs for Newton Europe 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 as part of the ASC Review.
- 6.10. Benefits to the council will continue following the skills and knowledge transfer to council officers.
- 6.11. 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.
- 6.12. There are £2.8m of unachieved savings from 2020/21 which have been carried forward into 2021/22, of which £1.6m are achieved or on track to be achieved by 31st March 2022. This leaves £1.2m of undelivered savings, largely due to Covid-19 (as was the case in 2020/21) with £2.8m being covered by Covid-19 government grant funding (no funding will be available to mitigate these savings in 2022/23).
- 6.13. In 2021/22 there are £7.3m of unachieved savings of which £3.5m is expected to be delivered by financial year-end 2022/23 leaving a shortfall of £3.8m. The service is forecasting an overspend of £3.5m (period 9) as the savings gap is being mitigated by one-off Direct Payment refunds.

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7. Staffing Implications

- 7.1. There is no intention to reduce the council workforce as a result of the implementation of the Diagnostic recommendations 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.
- 7.2. 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.
- 7.3. It should be noted that some cross council productivity savings have been identified and will be delivered through “business as usual” processes.

8. Legal implications

- 8.1. There are no legal implications arising from the consideration of this report by Healthier Communities Select Committee.

9. Equalities implications

- 9.1. Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.2. 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.
- 9.3. The appointed supplier will be required to comply with the Council’s equality and diversity policies.
- 9.4. 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.

10. Climate change and environmental implications

- 10.1. 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.

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11. Crime and disorder implications

- 11.1. There are no direct crime and disorder implications arising from the implementation of the recommendations in this report.

12. Health and wellbeing implications

- 12.1. 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.

13. Social Value

- 13.1. 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.
- 13.2. 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.

14. Background papers

- 14.1. ASC Phase 1 Award Report Part 1



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

- 14.2. Public Accounts Select Committee, 3 December 2020, Agenda Item 5 'Budget Cuts'

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

- 14.3. Phase 1 Diagnostic Summary Report



Diagnostic
Summary Report.pdf

15. Report author(s) and contact

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16. Comments for and on behalf of the Executive Director for Corporate Resources

- 16.1. Abdul Kayoum, Group Finance Manager (Community Services),
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17. Comments for and on behalf of the Director of Law and Governance

- 17.1. Mia Agnew, Senior Lawyer, Mia.agnew@lewisham.gov.uk

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