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To: Adult Social Care and Public Health Policy Overview and Scrutiny Committee – 10 January 2012

Subject: **STRATEGIC COMMISSIONING AND THE TRANSFORMATION OF ADULT SOCIAL CARE**

Classification: Unrestricted

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Summary: KCC is expecting to have to make savings of up to £200m between 2012 and 2015. A significant portion of this will need to be found from within Adult Social Care.

Savings of this magnitude will only be achieved through transformation. This requires a high level review of how social care is currently delivered. Service redesign will be achieved by focussing on many key activities at the same time. It will be fundamental to understand the relationship and interdependencies of these key activities and ensure that they are done well and within required timescales.

The vision for 2015 needs to be coproduced between partners, providers, users and carers. This will ensure we achieve innovative solutions, and importantly ownership of the challenge we face. As a local authority we can unilaterally cut services but we can only transform them with the full engagement of stakeholders.

The Adults' Transformation Programme will be how Families and Social Care (FSC) will contribute to the delivery of 'Bold Steps for Kent'. Preparations for implementing the Transformation Programme need to start now.

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## Introduction

1. (1) KCC is expecting to have to make budget savings of up to £200m between 2012 and 2015. Cabinet and the Corporate Management Team (CMT) have been considering how this can be achieved and details will be published in the draft Budget and Medium Term Financial Plan (MTFP)

(2) A significant proportion of the savings will need to be found from within Adult Social Care. This paper sets out how Strategic Commissioning and the Transformation Programme for Adult Social Care will support the delivery of the required savings.

## **Bold Steps for Kent Delivery Framework**

2. (1) This transformation strategy will support the delivery of the following Bold Steps:
- Priority 1: Improve how we procure and commission services
  - Priority 2: Support the transformation of health and social care in Kent
  - Priority 7: Build a strong relationship with key business sectors across Kent
  - Priority 9: Support new housing growth that is affordable, sustainable and with the appropriate infrastructure
  - Priority 11: Improve access to public services and move towards a single initial assessment process
  - Priority 12: Empower social service users through increase use of personal budgets
  - Priority 13: Establish a Big Society Fund to support new social enterprise in Kent
  - Priority 14: Ensure the most robust and effective public protection arrangements
  - Priority 15: Improve services for the most vulnerable people in Kent
  - Priority 16: Support families with complex needs and increase the use of community budgets

## **Existing Medium Term Financial Plan (MTFP) requirements**

3. (1) There are savings of £21m already identified within the MTFP 2011 - 2013, of which £10m is intended in 12/13. The focus to date has been on achieving short term efficiencies. Savings of £5.5m are intended to be delivered during 2012/13 by reducing prices for Domiciliary Care and Learning Disability placements.

## **Strategic Commissioning Approach**

4. (1) It will not be possible to continue to focus on short term price reductions. If this were to be pursued the required savings will not be achievable, sectors of the social care market would be at risk of failure, and during the term of the MTFP service cuts would be required to balance the budget.

(2) The existing approach to delivering efficiencies has been through the production of Project Initiation Documents (PIDs). This has been largely successful however some PIDs have not been based upon sound business cases and wider connections with other service areas have not been made. Clearly evidenced cause and effect is also a major issue, with achieved savings not easily attributable to specific actions.

(3) Savings of the magnitude that will be needed will only be achieved through transformation. This requires a high level review of how social care is currently delivered. Service redesign will be achieved by focussing on many key activities at the same time. It will be fundamental to understand the relationship and interdependencies of these key activities and ensure that they are done well and within required timescales.

## Transformation Programme

5. (1) Savings will be achieved by either paying less, buying less or buying cheaper alternatives. We need to work hard to ensure that people are in the right place for the right length of time and at the right cost. When considering options we will consider the following themes; demand management, localism, incentivisation and personalisation.

(2) Savings of the order of magnitude needed will only be achieved if we radically change the current investment profile. Transformation will be the result of the combined affect of many activities, which are done well and at the right time.

(3) Currently 53% of net expenditure on services is in relation to care home placements. We need to create a vision for 2015 which is based upon a new investment profile within a significantly reduced budget.

(4) The vision for 2015 will be based upon adding maximum value by working with NHS and other statutory partners; a real focus on prevention and targeted intervention; ensuring services respond rapidly; supporting carers and individuals to do more for themselves; a new deal with both voluntary and independent providers based upon trust and incentivisation; daring to let go of things that we currently do ourselves.

(5) The vision for 2015 needs to be coproduced between partners, providers, users and carers. This will ensure we achieve innovative solutions, and importantly ownership of the challenge we face. As a local authority we can unilaterally cut services but we can only transform them with the full engagement of stakeholders.

## Indicative Workstreams / Projects

6. (1) The transformation programme will have numerous workstreams with many key activities. It is essential that focus is maintained on delivery. These indicative workstreams will be further developed through engagement with stakeholders. The 7 key indicative workstreams are set out below:

(2) **A: Advice and information and preventative services**

- A.1 Provide really good advice and information and signpost people to alternative services
- A.2 Develop a range of targeted preventative services that achieve desired outcomes
- A.3 Encourage the voluntary sector to work more closely together, sign posting to each others' services and considering sharing overheads and management costs
- A.4 Identify things that the voluntary sector can do instead of KCC
- A.5 Assist the voluntary sector in different ways (property and ICT)
- A.6 Identify services that are marketable and develop social enterprises
- A.7 Consider ways of managing demand by forging closer links with organisations providing financial products for self funders

(3) **B: Support for users and carers**

- B.1 Encourage people to do more for themselves
- B.2 Respond rapidly and offer greater support to carers at points of crisis
- B.3 Make better use of community networks and incentivise volunteering

(4) **C: Assessment and enablement**

- C.1 Reconsider eligibility for services and the 'offer' (resource allocation system)
- C.2 Ensure that transition arrangements are as efficient and effective as possible
- C.3 Create 'access to resources' function to ensure that every penny counts
- C.4 Reorganise assessment and care management teams to focus on prevention and enablement
- C.5 Work closely with GP's and primary care to focus more on long term conditions to improve people's ability to self care
- C.6 Ensure sufficient capacity of well trained enablement facilitators working with FSC assessment and care management staff, NHS staff and independent providers
- C.7 Ensure that enablement is fully linked to telecare and the provision of equipment
- C.8 Respond rapidly to prevent hospital admissions, allow GP's to directly contact enablement services, work closely with the ambulance service
- C.9 Discharge majority of people from hospital to be assessed therefore requiring less social workers in hospital and more in the community aligned to primary care

(5) **D: Care homes**

- D.1 Continue to negotiate on price for Learning Disability, Mental Health and Physical Disability placements and ensure that any new placements are Value For Money
- D.2 Understand reasons why people are admitted to care homes, who really needs to be there and what admissions can be avoided i.e. (Incontinence; greater support for carers)
- D.3 Consider helping providers in different ways (utilities, equipment, and capital)
- D.4 Incentivise care homes to get more people home
- D.5 Make best use of care home resources, use beds flexibly, focus on more specialist services, dementia, intermediate care, end of life

(6) **E: Housing**

- E.1 Ensure people with the right level of dependency are offered and access supported housing
- E.2 Produce an accommodation strategy and market position statements to clearly show current availability and what is required in the future
- E.3 Work with housing providers to develop a range of housing solutions as an alternative to residential care

E.4 Ensure people with a disability can access accommodation that is adapted to meet their individual needs and that we make the best use of technology

(7) **F: Domiciliary care and community support**

F.1 Develop key strategic partnerships with providers who have sufficient volume

F.2 Broker relationship between the key strategic partner and the individual

F.3 Allow key strategic partners and individuals to amend services within parameters through introducing trusted assessor status and individual service funds

F.4 Incentivise key strategic partners to work with voluntary sector providers and micro businesses

F.5 Develop specialist services if required

(8) **G: Day opportunities**

G.1 Review day opportunities to maximise efficiencies.

## **Governance and resources**

7. (1) A programme manager will be identified for the duration of the transformation programme reporting to the Director of Strategic Commissioning as Programme Sponsor.

(2) The Strategic Commissioning Division within FSC will be restructured. It will work closely with Strategic Procurement, to introduce category management which will drive the delivery of the transformation programme. Formal consultation with staff on the proposed new structure will commence mid January. Consideration needs to be given to the resources required within the restructured commissioning teams.

(3) The 3 month period January – March 2012 will be used to plan the detail of the transformation programme. This will involve events with staff, members, providers and other stakeholders. Workstreams will be developed and costed and presented to the Budget Programme Board (assurance) and the Procurement & Commissioning Board (delivery). We need to quickly start the transformation process but we must be thorough as we move through the phases of transformation.

## **Transfer of NHS funding**

8. (1) The Operating Framework for the NHS in England 2011/12 outlines the transfer of £648m in 2011/12 and £622m in 2012/13 NHS funding to Local Authorities to support social care. The funding transferred is required to be used to invest in social care activities to benefit health, and to improve overall health gain. The Kent allocation of NHS funding to be transferred is £16.2m in 2011/12 and £15,656,000 in 2012/13.

(2) The £16.2m allocation for 2011/12 is committed against existing services that support health outcomes as well as the development of new services in the following areas:

- Dementia (£1.4m)
- Advanced Assistive Technology (£1.2m)
- Early access, assessment and integrated Working (£3.3m)
- Reducing non-elective activity including acute length of stay (£5m)
- Winter pressures (£4m)
- Locality commissioning (£1.1m)
- Carers (£0.2m)

(3) During the 3 month period January – March 2012 we will work up detailed proposals for investment during the early part of the transformation programme against the £15.7m 2012/13 allocation.

## **Recommendations**

9. (1) Members are asked to NOTE the proposed development of a Transformation Programme for Adult Social Care and the role of Strategic Commissioning in delivering this.

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*Background documents: None*