

Name of meeting: Cabinet

Date: 17th January 2023

Title of report: *Adults & Health's commission for external consultancy to support a comprehensive programme to understand and respond to future demand.*

Purpose of report: To inform Cabinet of Adult and Health's proposed approach to understanding demand and financial pressures arising from a number of sources and the opportunities to mitigate these through transformative activity and to request that subsequent decisions around the procurement, including a demand modelling exercise can be delegated to the Strategic Director of Adults and Health, in consultation with the Strategic Director of Corporate Strategy, Commissioning and Public Health and the Section 151 Officer and the Portfolio Holders for Health and Social Care and Corporate Services with appropriate reporting back to Cabinet.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes – following a market testing/engagement exercise, it is likely that the Phase 1-3 work could exceed £250k. However, the change programme that will be identified as a result of this will set out a number of long-term efficiencies, both with cashable benefits and potential changes to operating models and pathways.
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Yes – key decision notice published 5th December 2022.
The Decision - Is it eligible for call in by Scrutiny?	The decision for Cabinet to delegate decision making to officers does not require Scrutiny call in but the overall programme of work will be eligible for this.
Date signed off by <u>Strategic Director</u> & name	Richard Parry, Strategic Director for Adults and Health
Is it also signed off by the Service Director for Finance?	Yes – 09/01/2023
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Yes – 09/01/2023
Cabinet member portfolio	Cllr Musarrat Khan (Health and Social Care Portfolio Holder) Cllr Paul Davies (Corporate Portfolio Holder)

Electoral wards affected: N/A

Ward councillors consulted: N/A

Public or private: Public

Has GDPR been considered? This report contains no information that falls within the scope of the General Data Protection Regulation

1. Summary

Since the co-produced Council's Vision for Adult Social Care was published in 2019, the Kirklees Adults and Health directorate has been on a significant transformation journey to develop an effective and efficient operating model. This has included redesigning pathways, applying a demand and capacity approach to enable the right sizing of teams and a better understanding of complexity, as well as being in the process of procuring a new integrated case management system.

Despite these changes, Adult Social Care in Kirklees is facing significant increases in demand for services both in terms of the numbers of people needing support and the complexity of need that is being presented. There has been a step change increase in demand following the pandemic but the Council does not fully understand all the factors that are driving this demand and whether this is a temporary or longer term increase in demand nor the extent to which this can be mitigated by the Council.

Alongside this, nationally Adult Social Care is entering into an extensive programme of change with the Health and Care Bill receiving Royal Assent in April 2022 enacting the most significant Health & Care legislation in a decade into law.

In the Autumn Statement, the Government announced that they would be delaying the charging elements of reform until 2025 but work on understanding the implications of this still needs to continue as preparation for reform needs to start by Autumn 2023. Some national modelling work undertaken in 2022 suggests annual costs in excess of annual government funding set aside in the current spending review period to 2025, of at least £10bn nationally once fully implemented.

In light of these developments, Kirklees Council is seeking to better understand the overall financial pressures facing Adult Social Care from future demand over the next 5 years and the national Adult Social Care reform and the opportunities for cashable and non-cashable savings that are consistent with the Council's Vision for Adult Social Care.

This takes place in an uncertain and volatile financial landscape for local authorities where there is value in gaining certainty about financial risks and opportunities wherever possible and so the Council wishes to take an approach that clearly identifies, at an early stage, the anticipated savings opportunities and the associated costs to achieve these.

2. Information required to take a decision

The uncertainties about demand pressures and the impact of Social Care Reform as well as the need to find ways of mitigating these pressures are common to a number of local authorities. An initial piece of work/research has been undertaken to learn from other local authorities who have or are undertaking similar transformation activities in relation to social care. Following on from this research, options were reviewed and the Crown Commercial Services (CCS) Management Framework RM 6187, Lot 7; Health, Social Care and Community which has 41 suppliers on the lot was identified as the preferred route to market. An initial market testing exercise has been undertaken to test out interest in the tender opportunity and explore aspects of the tender including the appetite of a risk/reward type approach. The information from the market testing exercise is currently being analysed. As part of the procurement exercise it is intended that Expressions of Interest will be issued to shortlist providers, then a further competition will be undertaken in order to ensure a robust process has been undertaken and value for money can be demonstrated.

As part of the procurement exercise, potential suppliers will be asked a number of questions, including how they would cost up and resource the Phases 1-3 set out below and, separately, Phase 4 recognising that Phases 1-3 will not automatically lead to Phase 4 being undertaken.

Given the uncertainties around both cost pressures and future funding for local authorities and the scale of the adult social care budget as a proportion of the overall controllable budget for the council, it is important that this modelling phase clearly identifies future pressures, a clearly quantified set of savings opportunities (with a profiling about when these might be realised) and a clear upfront analysis of the cost to secure these savings. This will enable future budgets to be set at an appropriate level and contribute to the savings programmes for the council over future years.

It is anticipated that the process will have 2 separate decision points and operate with 4 phases as follows:

Decision to award a contract for Phases 1-3. It is recommended that this decision is delegated to the Strategic Director of Adults and Health, in consultation with the Strategic Director of Corporate Strategy, Commissioning and Public Health and the Section 151 Officer and the Portfolio Holders for Health and Social Care and Corporate Services in order to be able to implement Phases 1-3 at pace.

Phase 1 – Exploration/modelling – for the successful supplier to undertake an exercise which will lead to level of certainty about future financial pressures and the savings that can potentially be achieved. This should incorporate national and international evidence to create a detailed view of the likely increase in cost and demand brought about by demographic changes in Kirklees and by national charging reform and to identify the best and most innovative operating and funding models that will allow Adults and Health to effectively respond to the impact of this. We will require the supplier to analyse the underlying changes to demand for services for all adult social care services (for example arising from increased acuity, demographic changes, transitions into adult hood, increased demand for mental health services and the impact of the discharge to assess pathways). This modelling should be clearly identifying opportunities for residents to live more independently; to consider how the council can use its workforce in the most effective way and the opportunities to deliver cashable and non-cashable savings. This should be in a way that is consistent with our Vision for Adult Social Care; the requirements of national reform across all adult social care services and in readiness for CQC Assurance.

Phase 2– Presentation of findings – for the successful supplier to report back following the exploration/modelling phase and to demonstrate opportunities to change operational practices across all Adult Social Care services, projected savings and change options. It would be expected that the supplier sets out detailed financial information to achieve the identified

efficiencies and a clear timeframe for this which would be monitored by the contract management group.

Phase 3 – Change Programme Plan – for the successful supplier to produce a programme plan to deliver against the findings which sets out the likely resources to deliver and projected savings milestones.

Decision based on the likely financial benefits from implementing the Change Programme Plan and the associated costs about (a) whether or not to proceed with the Change Programme Plan and (b) whether or not to use the organisation that has undertaken Phases 1 to 3 to support the delivery of the Change Programme Plan.

Phase 4 – Change Programme Delivery – Subject to the outcome of the decision at the end of Phase 3, the Change Programme Delivery phase would deliver the changes necessary to better manage future demand, deliver improvements in outcomes for the public and deliver cashable and non-cashable financial savings.

Contract Management

A group of senior officers will be established which will include representatives from Adults and Health, procurement, finance and legal to work with the supplier to establish the governance arrangements and to set comprehensive reporting and monitoring processes. This would support Phases 1-3 and Phase 4 if there is a decision to proceed to this phase as well as the 2 decision stages. This group will be responsible for tracking the progress and deliverables, both financially and as part of the wider programme of work so that regular reports can be made to provide assurance that the programme is achieving what it set out to do. This also includes identifying any risks, considering mitigating action and being able to work with the supplier to find solutions should any shortfalls be identified.

3. Implications for the Council

- **Working with People**

The Council's co-produced Vision for Adult social Care was published in 2019:

We want every person in Kirklees who needs social care to be able to live the life that matters to them – with the people they value, in the places and communities they call home, and with an equal voice in co-ordinating their care.

The vision is supported by a set of values and principles which define who we are, how we will work and what people should expect from Adult Social Care in Kirklees. They were informed by lots of contributions from many different people, including people who use our services, carers, front-line staff, managers, and directors.

A great deal is changing in health, social care and housing and there are significant challenges ahead. Budget pressures, demographic pressures, technological change, and changing expectations of people who use services have resulted in a need to re-think the way social care operates. In Kirklees we are seeing the same issues as other areas of the country. The advances over recent decades in medical science, diagnosis, and treatment of progressive disabling conditions, has meant that there are increasing numbers of people with complex support requirements who are living much longer in our communities. The financial pressures on the service remain and with the above predicted population change these pressures will only intensify.

As a system we want to reduce, delay and prevent demand for care. People who use services and their carers who do require support should be involved as experts in their own care and wellbeing, and able to choose a mixture of support that will safely deliver their outcomes.

It is hoped that by using the insight gained from the modelling exercise and any identified change programme that the benefits to people will be wide ranging from increasing the digital offer;

supporting even more people to stay independent for longer and streamlining pathways and services to minimise 'hand offs' or delay in the system.

- **Financial Implications for People Living or Working in Kirklees**

There will not be a direct financial implication to people living or working in Kirklees of Phases 1-3. If the Change Programme is implemented and brings opportunities to increase the independence of individuals who use care services and reduce their reliance on care services, then this is likely to bring a direct financial benefit to people who live in Kirklees through a reduction in the amount that they have to financially contribute to the cost of their care.

- **Working with Partners**

Adult Social Care cannot operate in isolation and improving pathways and focussing on keeping people independent, with an accurate trajectory of demand and complexity, will have positive impacts on the wider system. This includes the Integrated Care Partnership (ICP) and the NHS West Yorkshire Integrated Care Board (ICB)arrangements; the acute trusts, the care market (both residential and domiciliary care); Primary Care Networks and across other council services. An example being the introduction of Liberty Protection Standards coming in from 2023 which has the possibility to increase legal challenges and a need for additional staff. However, by planning for this with accurate data/intelligence and demand insight should mitigate some of the risks to other services.

Whilst the modelling work will not be focussed on partners, they will naturally be involved due to the extensive and complex pathways in place (such as hospital discharge or reablement).

- **Place Based Working**

Our operating model has evolved over recent years with a move to locality based teams, investment in developing informal community based capacity and a greater emphasis on a relationship based approach to working with individuals and local communities. This model also promoted a mobile and agile approach to working.

There has been a similar operating model develop across the wider council and the social model of disability is increasingly embedded in the whole council through initiatives such as such as dementia friendly design, Changing Places Toilets and Project Search. This locality approach, whilst it pre-dated Primary Care Networks and the pandemic, has been invaluable in responding to the pandemic and in developing our way of working with the Primary Care Networks/Neighbourhood model. Given that the commission will be exploring opportunities for people to live more independently for as long as possible, it is likely that there will be insights gained from an early intervention and prevention approach which will include the effectiveness of community based models and support.

- **Climate Change and Air Quality**

No impact on climate change and air quality.

- **Improving outcomes for children**

Whilst the scope of this commission is to focus on Adult services, there are pathways in place to deal with transitions and All Age Disability so children who are being supported to prepare for adulthood within these services may be included in the scope of the work. This includes demand modelling as part of the modelling exercise to build in the requirements for future years for children who will go on to receive services from Adults and Health and how best this can be managed within the resources available or where services may need to be redesigned to respond to increased volume and complexity. The commission will enable us to set the scope of the modelling exercise so these pathways will be considered and discussed with the successful supplier.

- **Other (eg Legal/Financial or Human Resources)**

Financial – possible impacts include:

- The intention at this stage is to fund the Phases 1-3 on a fixed fee basis from available earmarked reserves set aside to support priority Council transformation activity, of which this is one key identified priority. Up to £400k has been allocated for this work but it is not anticipated, at this stage, that this will be fully required. Subsequent updates will be given to Cabinet on the outcome of Phases 1-3 in order to inform decision making about proceeding to Phase 4. It is considered desirable that Phase 4, if external support is used, is undertaken on a fixed fee basis as well in order that the Council can better anticipate future costs and manage its resources accordingly at a time of considerable financial uncertainty. If Phase 4 is undertaken with external support, it is critical that there is a full analysis of the Change Programme Plan and explicit detail specifically around the payment scheme and if issues were identified or progress stalled, what mechanisms would be put in place to work with the provider to address these including in relation to fee recovery where appropriate.

Legal - possible impacts include:

- Social Care Reform could likely lead to a greater demand on Legal Officers for advice and representation that could lead to Court applications. This includes queries arising from financial decisions, and the impending changes to Liberty Protection Standards.
- The Care Act 2014 sets out the legal framework for promoting the individual's well being when doing care assessments (section 1), care needs assessments (Section 9)and how services are provided to meet eligible needs (Section 18) together with DHSC statutory care and support guidance (updated 2022).The guidance refers to assessments which must be people-centred throughout and supporting persons to have choice and control.
- The charging regime is contained in sections 14,17,69-70 of the Care Act 2014 and the Care and Support (charging and assessment of Resources Regulations 2014 , Care and Support and Aftercare (Choice of Accommodation) Regulations 2014. Certain services cannot be charged for such as those provided under section 117 of Mental Health Act 1983 or some reablement services. The existing legal basis for fee setting in relation to the cost of care home and domiciliary care is contained in section 5 of the Care Act 2014 and paragraph 4 of the statutory care and support guidance.
- The Council will need to comply with its Contract Procedure Rules and as the value of the consultancy services contract will be above the UK services threshold the full regime under the Public Contracts Regulations 2015 will apply. A mini-competition of a contact under the CCS Framework Agreement will be compliant. Social value considerations under the Public Services (Social Value) Act 2012 will be considered as part of the procurement process and specification where relevant.
- The Council has a duty under section 3 of the Local Government Act 1999 to continuously improve the way its functions are exercised having regard to economy ,efficiency and effectiveness and the statutory Best Value guidance (MHCLG 2015).
- S.149 of the Equality Act 2010 requires the Council to have due regard to the following aims when exercising their functions:
 - 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." Protected characteristics" are age, disability, gender reassignment, marriage and civil partnership, pregnancy, maternity, race, religion or belief, sex, and sexual orientation.

HR – possible impacts include:

- ongoing work with regards to recruitment. The analysis published by the County Council's Network earlier this year suggested that for Kirklees to respond to an increase in Care Act and Financial Assessments because of more self-funders asking the Local Authority to arrange for their care could be as many as 40 more staff. This is concerning given the current national recruitment challenges and so alternative approaches will need to be considered.
- there will be an impact on some staff required to support the modelling exercise as it will be an intense piece of work taking place over an expected 12-14 weeks. This isn't just limited to

staff within Adults and Health but also some corporate enablers such as Finance and Performance who will need to input into the work. A core team will be established to mitigate pressures on staff, a lot of whom are already heavily involved preparing for the new case management system coming in around Sept 2023.

Do you need an Integrated Impact Assessment (IIA)?

IIAs will be carried out as the change programme progresses.

4. Consultees and their opinions

As part of the engagement process, the following groups and individuals have been consulted and agreement was given to progress the procurement process:

- Council's Executive Team
- Portfolio Holder for Health and Social Care
- Portfolio Holder for Corporate
- Strategic and Service Directors (including Finance and Legal)
- Head of Risk
- Procurement
- Heads of Service and Service Development Managers within Adults and Health

5. Next steps and timelines

Once the decision to proceed with Phases 1-3 has been given, the full specification will be published on the CCS Framework and follow the procurement rules timescales. It is anticipated that the contract will be awarded by the end of March 2023. An indicative procurement timetable is demonstrated below although the modelling period will need to be agreed with the supplier:

Activity	Date
<i>Publication of Officer Decision of Intention (RP)</i>	<i>November/December 2022</i>
Publish pre-market engagement	29-Nov-22
Deadline for pre-market engagement	06-Dec-22
Review pre-market responses and review approach - EOI and tender documents	7 to 13 December 2022
<i>Report to Cabinet (KDN for modelling exercise)</i>	<i>17 January 2023</i>
Publish EOI	16 January 2023
Deadline for EOI	30 January 2023
EOI evaluation period	31 Jan – 3 Feb 2023
Further competition published	Anticipated w/c 6 February 2023
Final date for receipt of questions	17 Feb 23
Tender submission return date	3-Mar-23
Evaluation period	6 - 10 March 2023
Issue notification letters (voluntary standstill)	13 March 23
Standstill Period	13 - 24 March 2023
Award	W/c 27 March 2023
Publish notice on Contracts Finder	27 March-23
Contract mobilisation period	2 – 7 April 2023
Contract start date	10 April-23

6. Officer recommendations and reasons

That Cabinet note the activity undertaken to date and the proposed approach with 4 Phases and 2 decision points.

That Cabinet delegate the decision to evaluate and award a call off contract following a mini competition using Lot 7 of the Crown Commercial Service Management Framework Agreement to the Strategic Director of Adults and Health, in consultation with the Strategic Director of Corporate Strategy, Commissioning and Public Health and the Section 151 Officer and the Portfolio Holders for Health and Social Care and Corporate Services in order to be able to implement Phases 1-3 at pace .

This delegation will include decisions relating to Phase1 (modelling exercise); Phase 2 (presentation of findings) and Phase 3 (production of change programme plan).

A further report will be made to Cabinet on the progress made at the end of Phase 3. If the Strategic Director decides to recommend proceeding to Phase 4 with the delivery of the change programme; and whether or not to continue to use the successful provider to support officers in the implementation of the delivery of the proposed change programme (Phase 4).

7. Cabinet Portfolio Holder's recommendations

The Portfolio Holders support the officer recommendations and reasons given at paragraph 6 of this report.

8. Contact officer

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9. Background Papers and History of Decisions

- Decision made to proceed with procuring external support at Executive Team Scoping Session held on 12th June 2022
- Current analysis following the market engagement exercise

10. Strategic Director responsible

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