

**TRANSFORMATION FUND INVESTMENT PROPOSALS**

*To:* **Adults Committee**

*Meeting Date:* **9 March 2017**

*From:* **Executive Director: Children, Families and Adults**

*Electoral  
division(s):* **All**

*Forward Plan ref:* **N/A**      *Key*      **No**  
*decision:*

*Purpose:* **To introduce two investment proposals for the Council's Transformation Fund to be put to General Purposes Committee on 21 March, and seek the endorsement of Adults Committee**

*Recommendation* **It is recommended that Adults Committee:**  
**:**

- a) Note the draft paper attached for General Purposes Committee and comment on the two proposals under development for the Transformation Fund; and**
- b) Endorse the two proposals to be taken to General Purposes Committee for approval.**

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## **1. BACKGROUND**

- 1.1 In recognition of the fact that the traditional method of developing budgets and savings targets through departmental based cash limits was unsustainable in the long term, the Council has agreed a new outcome focussed approach to Business Planning. As a consequence it was agreed that the Council would establish a fund that could be used to supplement base budgets, ensuring that finance is not seen as a barrier to the level and pace of transformation that can be achieved. The approval of a change in the basis for defraying the Council's debt enabled the establishment of a Transformation Fund of nearly £20m.
- 1.2 Proposals seeking investments of over £50,000 from the Transformation Fund are presented to the General Purposes Committee for approval. Two investments related to adult social care services will be presented to General Purposes Committee on 21 March.

## **2. INVESTMENT PROPOSALS**

- 2.1 Attached within the appendices to this report are two draft proposals to be considered by General Purposes Committee for investment from the Transformation Fund. Both investments are included in the 2017/18 Business Plan for CFA, subject to agreement of the proposals by General Purposes Committee. These proposals will collectively support the service's ability to manage demand and avoid increases in the base revenue budget. They are presented here for discussion by the Adults Committee before submission to General Purposes Committee.
- 2.2 The titles of the two proposals are:-
  - **C/R.5.319** Adult social care services investment to develop a transformation programme for all adult social care client groups (Appendix A)
  - **C/R.5.320** Adult social care services delivery – sustaining budgetary performance in the older people budget (Appendix B)
- 2.3 Together the proposals represent our response to the severe challenges in the adult social care market where we see a growing mismatch between the demand for and supply of care.
- 2.4 Investments in prevention and early intervention have had some success in holding back demand in the face of a growing and ageing population and rising levels of need. The Council has over-delivered on planned savings from the Older People's budget and is forecasting an underspend in the Older People and Mental Health Directorate (OPMH) for this financial year, mitigating the Council's overall financial position in 2017-18. However analysis suggests these approaches are becoming unsustainable and are not going to be sufficient to meet the challenges ahead for all adult client groups. In particular, it is important to note that the current underspend in OPMH is

explained as much by the challenge of securing the requisite supply of care as it is by a genuine reduction in the level of demand.

- 2.5 The Council is now at a point where the current trajectory of delivery of savings cannot continue without a significant step change. The growing level of demand and the diminishing supply of care combined with challenges in recruitment and retention present a risk to delivering required performance.
- 2.6 The proposal is to plan a whole-system transformation of all adult social care services, including services for people with learning disabilities, physical disabilities, mental health needs, and older people. Proposal C/R.5.319 calls for an initial investment to tender for an external organisation or combination of organisations to work with us, carrying out diagnostic work and developing more detailed business cases that would create this step change. This will provide the rationale for a significant change management programme to facilitate whole system transformation. This diagnostic work will include a comprehensive engagement exercise drawing in teams from across the Council, care providers and service users; as well as partners in the NHS. A competitive tendering process will be conducted to determine the most appropriate provider or providers.
- 2.7 In addition to the commencement of the whole-system review it is another time-limited investment in a number of initiatives (C/R.5.320) is proposed for 2017/18 to manage demand, deliver required savings and sustain performance. These investments focus on prioritising care to the service users most in need of it, ensuring we can safely manage demand despite pressures on the system and providing short term capacity in key areas to keep the system functioning effectively and performing well. These short term investments will help ensure statutory responsibilities, financial and service performance are maintained whilst plans for longer term transformation are developed and implemented.
- 2.8 It should be noted that no figures are provided for proposal C/R.5.319 at this stage. At the time of writing market testing is beginning and it is not possible to provide a specific sum. A verbal update will be provided at the meeting and the Committee is asked to delegate authority to the Chief Finance Officer in conjunction with the Chair of General Purposes Committee to approve an investment for this diagnostic work. Due to the scale of work involved from the consultants, we anticipate a six-figure investment will be necessary. C/R.5.320 is not a request for new transformation money to deliver additional savings but represents one-off support to deliver existing savings whilst also managing risk and working towards the aspiration of delivering additional savings in the Council's' transformation pipeline.

### **3. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING**

#### **3.1 Developing the local economy for the benefit of all**

There are no significant implications within this priority.

### **3.2 Helping people live healthy and independent lives**

This report sets out proposed investments and savings across Transformation workstreams. The impacts associated with the people living healthy and independent lives will be captured within supporting detail and/or Community Impact Assessments within the Business Plan.

### **3.3 Supporting and protecting vulnerable people**

This report sets out proposed investments and savings across Transformation workstreams. The impacts associated with supporting and protecting vulnerable people will be captured within supporting detail and/or Community Impact Assessments within the Business Plan.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

- 4.1.1 The report sets out details of significant implications in paragraphs 2.11 – 2.12.

### **4.2 Statutory, Risk and Legal Implications**

- 4.2.1 Adult social care services remain an area of financial risk for the authority, which if not managed effectively would harm the Council's ability to meet its statutory implications for Adult Social Care.

### **4.3 Equality and Diversity Implications**

- 4.3.1 Draft Community Impact Assessments will be presented to General Purposes Committee capturing the current understanding from the services of the impacts on Equality and Diversity. These CIAs will be updated as the projects progress to develop that understanding.

### **4.4 Engagement and Consultation Implications**

- 4.4.1 There are no significant implications within this category.

### **4.5 Localism and Local Member Involvement**

- 4.5.1 There are no significant implications within this category.

### **4.6 Public Health Implications**

- 4.6.1 There are no significant implications within this category.

Source Documents	Location
None.	

