



Collaborative Opportunities Working Papers

Collaborative Feasibility Project

Service Cluster: Children's and Adults Services

Date: 17/07/11

Version: 1.1 FINAL

Darlington Borough Council and Hartlepool Borough Council

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1 Document Control

Version	Amendment Detail	Author	Date
V0.1	Initial Draft	Ian Waters	16/05/2011
V0.2	Updated Draft	Ian Waters	18/05/2011
V0.3	Updated Draft	Brandon Bailey	06/06/2011
V0.4	Draft for Internal Review	Michelle Sims / Brandon Bailey	07/06/2011
V0.5	Draft for Discussion	Michelle Sims / Brandon Bailey	08/06/2011
V0.6	Updated Draft for Discussion	Michelle Sims / Brandon Bailey	10/06/2011
V0.7	Updated Draft for Final Discussion	Michelle Sims	13/06/2011
V0.8	Final Draft – Updated per HBC Comments	Brandon Bailey	22/06/2011
V0.9	Final Draft – Updated per HBC Comments	Caroline Hope	28/06/2011
V.10	Final Draft – Updated per HBC Comments	Michelle Sims	29/06/2011
V1 FINAL	Final Draft – updated by M Rose and N Bailey Reported reformatted	Murray Rose/Nicola Bailey Abbas Baig	14/07/2011
V1.1	Final – update of diagram	Richard Haynes	17/07/2011

2 Introduction

2.1 Background

Darlington Borough Council and Hartlepool Borough Council have agreed to explore the feasibility for collaboration that may exist between both organisations. The high-level opportunities that will be generated from this work will be one of many options that will be considered by both authorities in their response to their current and future financial pressures, Government reforms and local needs.

This report documents the potential opportunities that exist for collaboration which will be presented to the Project Board for consideration.

2.2 Key Drivers of the Project

Outlined below are the key drivers, agreed by both Corporate Management Teams, which set out the reasons for pursuing a feasibility study into a strategic collaboration between Darlington and Hartlepool Borough Councils. These are:

- Having a **sustainable financial future**
- Supporting **democratic accountability** and choice
- **Shaping their own destinies** by being ahead of the game
- Stimulating and **informing wider partnership** working across the region: by providing leadership
- **Optimising outcomes** for local people: by retaining a focus on the need of our local communities
- Continuing to **support sustainable and resilient communities**: by remaining committed to our strategic priorities

2.3 Guiding Principles

Outlined below are the guiding principles which have been agreed by both Corporate Management Teams. These guiding principles have been used to ensure that the opportunities developed comply with both Councils' strategic objectives.

Guiding Principle 1: Each Local authority will retain their individual identity and sovereignty

Explanation:

- The ability of citizens to hold their Members to account must remain paramount

- Each authority will define the outcomes for the local population and how these are delivered
- Investment priorities and service levels will continue to be determined locally
- Members have the choice to standardise or customise services, with a clear understanding of the costs and benefits of the decisions they make
- It will be critical to recognise the difference between who is accountable for a service versus who is providing a service
- Statutory responsibilities will not be undermined

Guiding Principle 2: Collaboration is not limited to Darlington and Hartlepool

Explanation:

- While the feasibility of collaboration between the two authorities is being tested, it is not the only option
- Opportunities could include other authorities
- Opportunities could include other public organisations
- The benefits or dis-benefits of collaboration between the Councils will be looked at on a service-by-service and thematic basis rather than “all or nothing”
- At the same time, the collective benefit of strategic collaboration through synergies will be evaluated

Guiding Principle 3: The authorities enter this process with a positive view of collaboration

Explanation:

- Strong leadership and clear direction will be key to ensure this study delivers a robust and balanced set of conclusions for consideration
- The output of this project will be a strategic assessment of opportunities, symbolising the start of a decision making process, not the end. The timeframes and level of information available are proportionate to the status of the project and require a measure of pragmatism
- Individuals who have been involved in transformation should be encouraged to champion the principle of collaboration during this study
- It remains clear that ‘doing nothing’ is not an option for either authority.

Guiding Principle 4: Collaboration must deliver demonstrable additional benefits to working separately

Explanation:

- Collaboration will create a renewed level of resilience within each local authority. A resilient organisation will have the right skills, the right capacity and the critical mass to deal with future pressures
- Collaboration will deliver the expected level of financial benefits required to mitigate the financial risks projected
- Collaboration will create the robustness to mitigate operational risks
- Opportunities will consist of a combination of service-specific opportunities as well as cross-cutting opportunities / synergies

2.4 Strategic Scope

It was agreed by the Corporate Management Teams of both authorities that, for the purpose of this strategic opportunity analysis, no services or functions or roles would be deemed out of scope.

All opportunities would need to comply with the guiding principles in order to be credible.

Furthermore, any collaborative opportunities would need to be evaluated against other options identified separately by the two Councils.

2.5 Progress to Date

The approach of this project will follow four stages, where this report represents the outputs for **stage 3**.



3 The current environment

3.1 Overview

Darlington and Hartlepool have similar sized Adults Social Care and Children's Services budgets. Their main components are detailed below. Due to increasing financial pressure both authorities have recently undertaken restructuring exercises and have set savings targets for 2011/12. Within these areas, Darlington has set a target of £3.97m with £1.55m coming from Adults Social Care and £2.42m from Children's Services. Similarly, Hartlepool has set a savings target of £2.56m with £1.85m and £0.71m coming from Adults and Children's services, respectively.

Social care baseline budgets:

Service Area	Darlington net baseline budget 2011/12 (£000s)	Hartlepool net baseline budget 2011/12 (£000s)	Total Addressable 2011/12 Budget (£000s)
Adults Social Care and Health	27,459	24,082	£51,541
Children's Services	15,660	13,922	29,582
Total	43,119	38,004	£81,123

Total Addressable Expenditure (11/12 Budgets £000s)	Darlington		Hartlepool	
	Adults	Children	Adults	Children
External Commissioning Pay Budget	405	219	169	72
External Commissioning Non-Pay Budget	18,740	8,764	17,540	7,249
Delivery (In-House) Budget	8,314	6,677	6,373	6,601
Total	27,459	15,660	24,082	13,922

3.2 Scope

The scope of Children’s Services covers the following services:

	Darlington Borough Council	Hartlepool Borough Council
In scope services	<ul style="list-style-type: none"> • Education • Youth offending • Social / Educational inclusion • Social Care • Family support • Learning disability • Safeguarding • Policy • Performance • Commissioning • Contracting • Partnerships • Complaints 	<ul style="list-style-type: none"> • Education • Youth offending • Social / Educational inclusion • Social Care • Family support • Learning disability • Safeguarding • Policy • Performance • Commissioning • Contracting • Partnerships • Complaints

The scope of Adults Social Care covers the following services:

	Darlington Borough Council	Hartlepool Borough Council
In scope services	<ul style="list-style-type: none"> • Older People’s services • Occupational Therapy and Reablement services • Working age adults Physical Disability services • Learning disability services • Mental Health services • Safeguarding • Policy • Performance • Commissioning • Contracting • Partnerships • Complaints 	<ul style="list-style-type: none"> • Older People’s services • Occupational Therapy and Reablement services • Working age adults Physical Disability services • Learning disability services • Mental Health services • Safeguarding • Policy • Performance • Commissioning • Contracting • Partnerships • Complaints

Note – Housing Services, Housing Benefits and Council Tax (Darlington) and Culture and Leisure (Hartlepool) are not in scope for this work. Both may contribute efficiencies to the final proposed operating model but are excluded from all staffing and finance tables in the rest of this report.

Both authorities have common operating structures, similarities include:

- one Director covering the statutory roles of Director of Children’s services and Director of Adult social services;
- services being delivered from a variety of locations across the local authority area; and
- both councils operate a mixture of some internally managed services as well as commissioning services from the external market.

Moreover both authorities are strong performers and have a number similar strategies underway, such as:

- Service stability – Both services have recently undertaken reductions in resources and given continuing funding pressures on Children’s services, both councils are in the process of applying tactical improvements to ensure service continuity and stability;
- Children’s trust – Both Hartlepool and Darlington councils operate a Children’s Trust model bringing together the organisations responsible for services for children, young people and families in a shared commitment to improving children’s lives. The development of the Children’s Trust in both Darlington and Hartlepool has extended, enhanced and consolidated the arrangements for joint working across agencies and organisations;
- Self directed support – A number of initiatives are underway within both authorities to increase take up of self directed support for Adults.

3.3 National Adults Social Care Context

Transforming adult social care

Adult social care is undergoing a period of rapid change and its future shape is yet to be fully determined. Since the publication of *Putting People First* in 2007, followed swiftly by the local authority circular *Transforming Social Care* at the beginning of 2008, every council has been undertaking a major transformation of the process by which social care to adults is delivered, guided by ADASS milestones and, in particular, the NI130 target that 30% of service users should be receiving personal budgets by April 2011.

The coalition government has clearly signalled in *Think Local, Act Personal* and its *Vision for Adult Social Care*, that it is similarly committed to the personalisation of social services. The implementation and embedding of self directed support therefore continues to be of paramount importance, along with an equally strong emphasis on localism and the concept of the ‘big society’. Although not originally driven by cost reduction, the transformation agenda is now inextricably linked to the imperative to make savings.

2010 Spending Review

The Public Spending Review in October 2010 announced grant funding of £875 million per year for social care over the next four years (which actually represents a real-terms increase), plus a further £1 billion per year by 2014-15 from the NHS budget for joint working between the NHS and social care. However, as a recent King's Fund paper on social care funding warns, this money is not ring-fenced and it will be up to local authorities to protect it in the context of an overall reduction in the local government grant of 27%. Some authorities, most notably the three London boroughs of Westminster, Hammersmith & Fulham and Kensington & Chelsea are exploring the potential of collaborative working as a means of achieving this, with bold plans to integrate their adult social care functions to deliver efficiency gains, whilst retaining individual borough sovereignty.

Health and social care integration

The other key theme in policy discussions, both about achieving better outcomes and using resources more efficiently, is health and social care integration. Over a number of years, and through the change in government, a series of policy statements and the White Paper *Equity and Excellence: Liberating the NHS* (July 2010) have clearly signalled that health and social care integration is the continued direction of travel. This is founded on a widely held conviction (for which the evidence base is growing) that closer integration can help achieve efficiencies and improve outcomes across the health and social care sectors by reducing unplanned hospital admissions, delayed transfers of care and long term placements in care homes. This could deliver sector-wide savings, some of which could accrue to councils. The London tri-borough plans mentioned above reflect an aspiration not only to integrate the adult social care functions of the three councils, but to integrate this combined service with a healthcare trust in the hope of achieving even greater quality and financial benefits. Again, under this proposal, individual borough sovereignty is maintained.

3.4 Local Adults Social Care Context

Both Darlington and Hartlepool have made good progress in transforming the delivery of adult social care in line with the national policy initiatives described above. They are both strong performers and there is a clear congruence between their strategic directions which could facilitate collaboration. Both have put an emphasis on reablement to promote independence and reduce or delay the need for ongoing care and have established a new customer pathway for self directed support. Both have made steps towards improving information provision through developing websites and are keen to encourage self assessment. Hartlepool's learning disability, mental health and locality teams are integrated with Health. There is, however, some divergence in strategic direction, particularly in respect of joint commissioning with Health. Darlington already

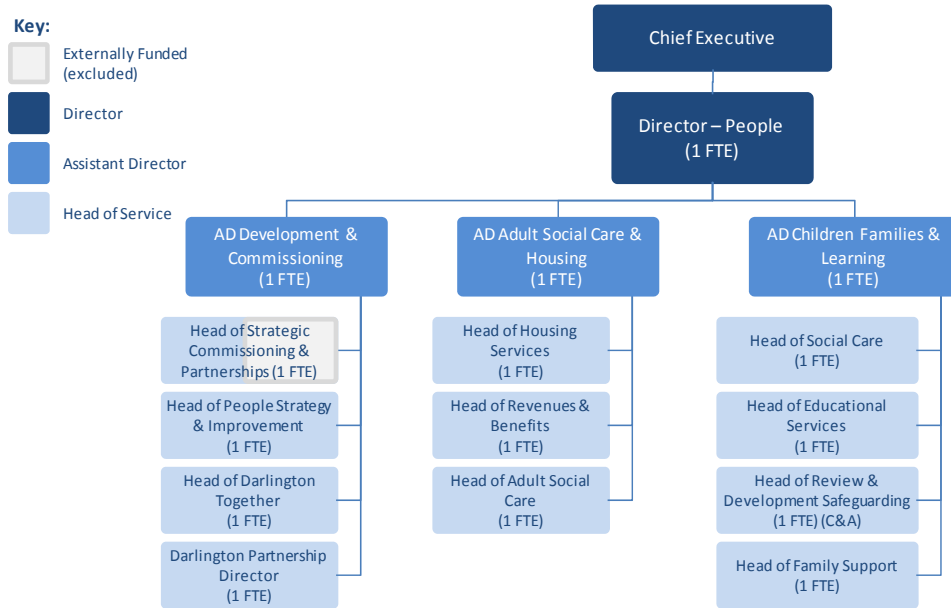
has a joint commissioning arrangement with the PCT. Hartlepool ended their joint commissioning arrangement with the PCT in January as a result of the structural changes in the PCT and the uncertainty at the time in relation to the future of the. This will be reviewed as the development of the health and Well Being Board develops and once the Clinical Commissioning Group and the Local Authority decide how they wish to commissioning services in the future.

Both councils have similar size adult social care budgets and have Adult Social Care savings targets of £1.55m for Darlington and £1.85m for Hartlepool. Both councils have already made significant savings over the past three years. This feasibility study has explored the further potential for sustainable cost reduction and efficiency in adult social care, through collaborative delivery activity with each other, though sharing strategic core services with Children's Services and potential for savings though collaborative commissioning at strategic and delivery levels.

3.5 Current Operating Model

Both Hartlepool and Darlington currently operate similar models for the delivery of Children’s and Adults Social Care services and have been striving to improve the efficiency of their operations within Children’s and Adults Social Care since the 2004 Gershon report, however in the past year the drive for delivering sustainable efficiencies has increased further still. The current operating structures for Hartlepool and Darlington are detailed below.

Darlington As-Is Structure – Adults Social Care and Children’s Services



Darlington Adults Social Care and Children’s Services As-Is FTEs

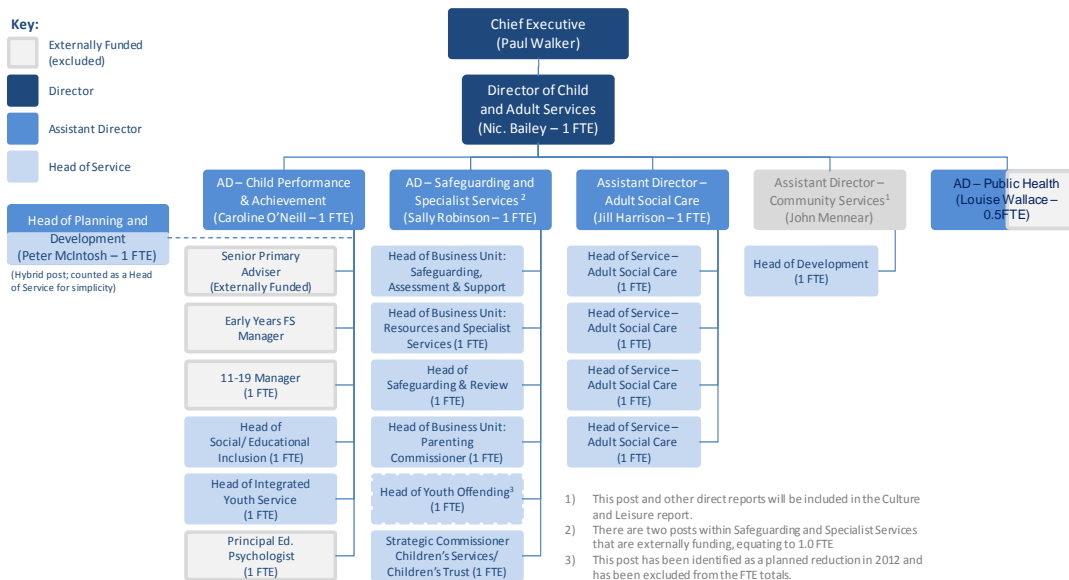
FTEs	Adults Social Care As-Is	Children’s Services As-Is	Corporate Function As-Is	Housing As-Is	Total As-Is
Director	0.4	0.4	0.1	0.1	1.0
Assistant Director	0.25	1.25	0.75	0.75	3.0
Head of Service (Chief Officer grade in DBC)	1.5	4.5	3	2.0	11
Total	2.15	6.15	3.1	2.85	15

There are a number of Service Manager type posts in Darlington that sit between the Head of Service and the Operational Team Managers level posts (grade Q) these are graded at S/T/R – approx 10 posts. These have not been considered in the above costings.

Darlington 11/12 Commissioning Budgets

Total Addressable Expenditure (11/12 Budget £000s)	Adults	Children	Total
External Commissioning Budget	18,740	8,764	27,506

Hartlepool As-Is Structure – Adults Social Care and Children’s Services



Hartlepool Adults Social Care and Children’s Services As-Is FTEs

FTEs	Adults Social Care As-Is	Children’s Services As-Is	Total As-Is
Director	0.5	0.5	1.0
Assistant Director	1.25	2.25	3.5
Head of Service (grade 15 not Chief Officer)	4.5	6.5	11
Total	6.25	9.25	15.5

There are no posts between the Heads of Service in Hartlepool and the operational Team Managers at band 14.

Hartlepool 11/12 Commissioning Budgets

Total Addressable Expenditure (11/12 Budget £000s)	Adults	Children	Total
External Commissioning Budget	17,540	7,249	24,789

4 Potential opportunities and operating model

4.1 Potential Strategic Operating Model

During the feasibility study a number of workshops have been held to assess the potential collaborative models for social care, the favoured option identified from these workshops was the locality model. This model is based on a central strategic core of services supporting a cluster of services delivered in localities.

Overview of locality operating model

The locality approach allows for improved integration of services with the flexibility to respond to local context and need. For example in relation to children social care services it includes integrated Specialist Duty teams comprising Social Workers, Access and Referral Officers, Police Officers and Health staff. These teams will initial assessment work and child protection inquiries. They will provide an early assessment of risk and set out plans for longer term intervention where needed.

The anticipated benefits of locality working for fieldwork delivery:

- ensure resources are focused on the most vulnerable children, families or vulnerable adults;
- enable more integrated frontline working to ensure person receive the right level of support
- ensure effective safeguarding
- improve standards by improving the quality of management, and implementing training which supports career development;
- improve retention and career development of practitioners; and
- by developing these teams in partnership with other agencies, it will allow for the necessary multi agency responses, easier communication and more timely responses.

Overview of the Strategic Core remit

The detailed design of the strategic core has been developed in a phased approach, alongside the development of the locality delivery model. It will deliver a number of centrally based functions that support the service delivery in the localities, including:

- coordination of strategy;
- coordination of partnership and governance arrangements;
- providing data and information to support commissioning; and

- delivery of integrated commissioning with schools, GP consortia and service providers to deliver quality and capacity in support of priority outcomes.

The localities model proposes that the following Strategic Core functions will be established:

- Strategy, Partnerships and Policy: managing the programme of activities necessary to deliver the Directorate's strategy;
- *Safeguarding: contributing to the safety and wellbeing of children and vulnerable adults and is designed to raise standards, monitor and quality assure practice;
- People and Change: providing change management, workforce development and learning and development;
- Commissioning and Brokerage: developing relationships with schools, GP consortia and the independent, voluntary and community sectors to ensure services are commissioned which meet priorities;
- Data Performance and Quality Assurance: development of a directorate wide performance framework of standards, audit tools and schedules; and
- Learning and development.

***It is assumed that there will be a differentiation between safeguarding delivery and safeguarding quality assurance and review. Most safeguarding delivery remain within the locality delivery units, with an element of safeguarding quality assurance and review taking place in the strategic core. Safeguarding delivery must be closely aligned to operational delivery, practitioners and team managers.**

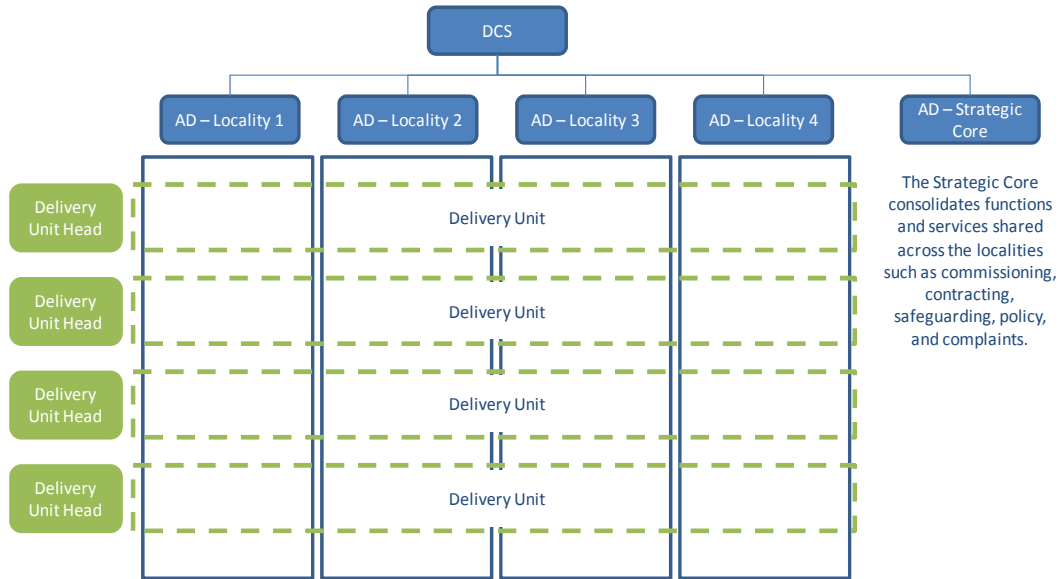
The anticipated benefits of the Strategic Core:

- Improved coordination
- Better planning
- Improved quality of data and information
- More streamlined processes
- Prioritisation of resources

Although this model was developed for delivery of Children's services in Darlington a locality model is already in place for adult services in Hartlepool, demonstrating that with development this structure can be applied to both Adults and Children's services. Therefore it is proposed that this model be considered for introduction as the Darlington and Hartlepool shared service for both Adults and Children's services.

One of the anticipated key benefits of implementing a locality model supported by a strategic core is that delivery units focus on service delivery and are able to share expertise across localities, while an Assistant Director has responsibility for ensuring that services are delivered to a high quality and that they meet local needs. The Assistant Director also remains as a point of contact and accountability for elected members. This model is a scalable model for shared services and would enable Darlington and Hartlepool to explore further collaboration opportunities such as brining other local authorities in the Tees Valley area into the collaborative council model.

Locality Operating Model

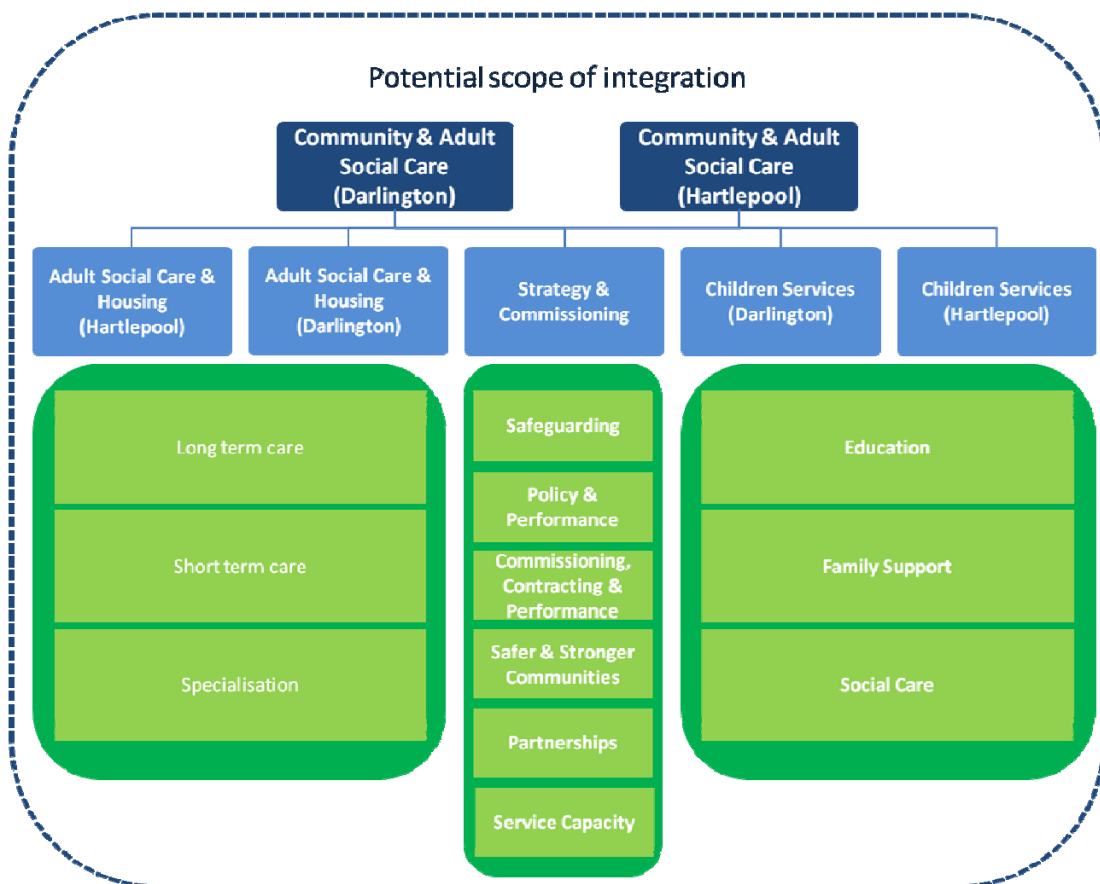


Within the proposed operating model, services are organised into distinct units and delivered across multiple localities. For example, a single Head of Education or adult social care would manage a team across all localities with a mixed team of cross-locality staff and localised, site-specific staff. In this model the Delivery Unit Head manages the delivery team, whilst the local Assistant Director ensures service quality and delivery of services specific to local needs. The local Assistant Director remains accountable for ensuring the quality of all the services provided by the separate delivery units within the locality, and manages a client service relationship with the delivery unit head through Service Level Agreements.

4.2 Overview of proposed operating model for collaboration

Through the workshops, a similar model was developed to create a management organisation delivering Adults Social Care and Children’s Services across both Darlington and Hartlepool. If this opportunity were selected to be assessed in more detail, the model would need to be converted into a management structure, including those roles below Head of Service, through a detailed business case.

Proposed New Operating Model:



Note: "Safer and Stronger Communities" and "Partnership" responsibilities reflect the scope of work currently being undertaken by specific posts within Darlington. However, much like the Safeguarding and other parts of the proposed model, significant further assessment and discussion is required to determine the optimal way of delivering this work within a proposed management structure.

Housing and Revenues & Benefits in Darlington may contribute to the structure, but are not shown here as they are outside the scope of this report.

As mentioned previously, currently within Darlington there is another tier of post between the Heads of Service and operational teams that require mapping to ensure no significant area of work is overlooked, which equates to approximately 10 posts.

In Hartlepool, the current DPH post is shown on their structure but is not yet replicated in Darlington. This role and its position will need to be developed over the next year as part of the transfer of public health to the Local Authority.

Both front line services, Adults Social Care and Children's Services, would operate cross-locality services led by a locality-specific Assistant Directors for each respective area. For example, within Children's Services there would be three heads of service covering

Education, Family Support, and Social Care. Each of these teams would operate across both localities with the operational delivery led by a single head of service. The teams would comprise a mix of shared staff and locality-based, site-specific staff. Each locality would retain an Assistant Director Children’s Services to ensure local needs are met and that the cross-locality service is providing a high level of quality. The Assistant Director would also remain the point of accountability and contact for Council Members. The Heads of Service and Assistant Directors would operate under a matrix management structure; the details of this will be developed during the business case stage.

The redesigned Adults Social Care and Children’s Services functions would be supported by a shared Strategic Core. This function would consolidate direct support services into a single function shared across both authorities and across Adults Social Care and Children’s Services. Some of the services within the Strategic Core would include commissioning, contracting, strategic safeguarding, service-specific policy & performance, and social care-specific workforce development. Other supporting services currently within the Adults Social Care and Children’s Services functions would be centralised, including workforce planning & development, ICT, and finance functions such as assessment and protection. However, a number of social care specific functions are likely to remain within the directorate such as service-specific ICT systems management and social worker/education specialist workforce development, full details of what functions are centralised and what functions remain within the directorates will be established during the business case phase for this opportunity.

Proposed FTE Savings

Combined Adults & Children’s FTEs	Current Total Combined FTE	Proposed	FTE Savings
Director	2.0	2.0	0.0
Assistant Director	6.5	6.0	0.5
Head of Service	18	13.0	5
Total	24.5	21.0	5.5

Risks Associated with Proposal:

Risks	Mitigating Actions
Geographic spread could introduce inefficient travel time and lower response times.	Site-specific roles would not be shared under normal circumstances. Roles with a significant travel requirement would be identified and assessed in the business case.
Locality working may be impacted by the two hospital trusts and two police forces.	This detailed operational activity underpinning this risk would need to be more fully explored in the business case stage.
In order for the proposed matrix management structure to effectively work, roles and responsibilities need to be clear.	Prior to implementation, roles and responsibilities would need to be clearly documented and communicated to staff.

The proposed reduced capacity at Head of Service of 5 FTE may be unworkable.	Sufficient capacity must be left at service manager level and below, the staffing structure of service manager and below will be detailed in the business case for this opportunity.
There is a risk that Safeguarding being located in the strategic core will create a communication gap that may impact service quality..	It is proposed that there will be a differentiation between safeguarding delivery and safeguarding quality assurance and review. Safeguarding delivery (including child protection) will remain within the locality delivery units, with safeguarding quality assurance and review taking place in the strategic core. Therefore ensuring that Safeguarding remains closely aligned to operational delivery, practitioners and Team Managers.

4.3 Analysis of potential structural savings

Breakdown of cost savings calculation

Creating an integrated management and service delivery structure to deliver social care services will result in savings from a leaner combined management structure. For the purpose of this report, the figures below apply only to three levels of the organisation structure: Directors, Assistant Directors, and Heads of Service. If the opportunity were selected to be assessed in more detail, the proposed structure below Head of Service level would need to be developed through a detailed business case. Through improved process design, shared best practice, and elimination of unnecessarily duplicated activities, it is likely that additional structural savings could be identified at the levels below. However, redesigned management roles would require additional capacity to be added below in order to offset the demands of a broader remit. At this stage, the savings calculations do not include opportunities at this level.

Combined As-Is FTEs

Combined Adults & Children's FTEs	Total DBC FTE	Total HBC FTE	Combined FTE
Director	1.0	1.0	2.0
Assistant Director	1.5	3.5	5
Head of Service (CO grade in DBC but not in HBC)	6	11.0	17
Total	8.5	15.5	24.0

Collectively, Darlington and Hartlepool have 24 FTEs between Director and Head of Service in Adults Social Care and Children’s Services. Under the proposed operating model, the end state requirement is 18.0 FTEs, as set out in the table below.

Proposed Operating Model FTEs and Corresponding FTE Savings

Proposed Adults & Children’s FTEs	Cumulative	
	Proposed FTEs	Savings
Director	2.0	0.0
Assistant Director	6.0	0.5
Head of Service	13.0	8.5
Total	21.0	9.0

Based on the FTE savings indicated above which would be realised through the implementation of the proposed collaborative operating model for social care, the following financial benefits could be achieved:

Proposed Structural Savings

FTE Savings		Annualised Savings		
Director & Assistant Director	Head of Service	Director & Assistant Director	Head of Service	Total Annualised Savings
0.5	5	50,000	370,000	420,000

4.4 Potential Delivery Efficiency Savings

Breakdown of cost savings calculation

In addition to the structural savings proposed in section 4.2 it has been assumed that as a result of more closely aligning the two councils’ operational structures, there is scope to sustainably drive out additional efficiencies of around 2%. This is over and above any efficiencies already planned for each council independently this year. It is proposed that a suitable integrated delivery model will drive out at least 2% operational efficiencies through standardisation, simplification and sharing of information, best practise, systems and policy and processes. As the outcomes of Local Government Reorganisation since 2006 has shown local government mergers can deliver material financial benefits. Some of the released capacity due to process improvement may need to be reinvested in capacity to offset the impact of redesigned management roles with broader remits.

It is always possible to reduce costs and to drive efficiency, in an organisation with a culture of continuous improvement and service optimisation, staff will always be striving for improvement. Delivery efficiency savings can be achieved through improved service delivery and increased service quality to the public which will ultimately reduce failure demand which research has show can take up the capacity of up to 50% of any customer focused organisations resources.

Moving to the proposed operating model would require significant service redesign which also provides an opportunity to identify more efficient ways of delivering the services that maintain a focus on quality for vulnerable adults, children, young people and their families. The efficiency savings for a lot of these opportunities are associated through better service performance and sharing best practices. Whilst in some areas, such as outcomes, it is hard to measure the benefits as they are realised ‘down-stream,’ in other areas it would be easier to assume that additional efficiency savings could be achieved. In the workshop a target of 2% efficiency savings against the delivery budget was agreed. It is important to note that this type of saving could only be achieved by adopting a systematic and disciplined review of current process and practices to identify new ways of working. This type of review requires investment to really achieve the benefits.

Delivery Efficiency Savings Calculation

2% Delivery Efficiency Savings	Adults Social Care In-House Delivery Budget	Children’s Services In-House Delivery Budget	Total
Darlington	8,313,584	6,676,738	14,990,322
Hartlepool	6,373,173	6,600,772	12,973,945
Less Proposed Structural Savings			419,625
Total Combined Delivery Budget			27,097,683
2% Efficiency Savings (High)			£540,000
2% Efficiency Savings (Low)			£430,000

Note: the high end of the savings range is based on 2% of the gross combined delivery budgets, less the proposed structural savings associated with Phase 3. The low end of the savings range is based on only achieving 80% of the high end target.

Benefits of the proposed 2% delivery efficiency savings

The benefits of striving to achieve 2% efficiency from collaborative delivery are as follows:

1. The assumed full year cashable benefit of the proposed 2% delivery efficiency post implementation is between £430k and £540k.
2. Greater service resilience especially in most specialised services due to increased capacity
3. Greater planning, development and QA capacity
4. Potential building block for more extensive collaboration across the two councils and for additional councils to join the collaborative model which is already operating a leaner, more efficient delivery operation. This is not to say that the proposed

management structure would be able support an additional council without a supplemented management structure

5. Increased capacity to manage demand and plan preventative interventions may lead to reduction in the volume of referrals to social services
6. Improve outcomes for children and adults across both localities (Darlington and Hartlepool) through flexible and innovative solutions which cross agency and administrative boundaries
7. Services will be delivered to meet the needs of customers, rather than being aligned to organisational boundaries or capacity
8. This is a great opportunity to make specific gains, both in service quality and efficiency due to greater economies of scale and the saving of innovation and best practice

Risks associated with the proposed 2% delivery efficiency savings

1. There is a risk that due to the development of collaborative delivery each authority will be less accountable for the practice in their area
2. Integration of delivery teams would need to consider the impact on the partner agencies involved in each authority. For example YOS within Children's services is a service comprising different partners such as police, health, CAMHS, probation, local authority. This could create a complex set of issues to work through and therefore 2% efficiency within this services and other services with similar multiple stakeholder groups may not be achievable.
3. Both authorities have already planned delivery efficiency savings into the 2011/12 and future year's budgets, additional delivery efficiency may therefore be difficult to achievable. However, a 2% target was agreed in the workshops.
4. There may be other market offerings that could deliver the desired 2% delivery efficiency for each authority more quickly and without the upheaval and change journey associated with integration.

4.5 Potential Commissioning Savings

Breakdown of cost savings calculation

It was agreed within the Adults and Children's opportunity identification workshops that commissioning efficiencies could be achieved through joint commissioning. A joint commissioning function would have increased service volumes, a better negotiating position, and more specialised commissioning expertise.

The power of joint commissioning is a key driver for collaboration within Adults Social Care and Children's Services as some of the savings achievable through joint commissioning across both authorities could be realised relatively quickly.

Although both authorities have already been able to contract services individually at very low unit costs, the potential for increased service demand in the future will bring additional financial pressure. In the workshop a target of 2% efficiency savings against the commissioning budget was agreed. However, a detailed category review of all social care contracts will be required to validate this 2% commissioning saving assumption.

It is anticipated that a joint commissioning function for both authorities for adult and children's services activity would include the following:

- Strategic development and policy formation;
- Development of commissioning plans that meets the needs of each authority;
- Contracts development;
- Contracts management;
- Development of framework contracts;
- Integrating contracts across authorities and benefitting from potential volume discounts and reduced management of contracts;
- Price sensitivity sharing and standardisation;
- Market shaping with larger commissioning service, and this better ability to manage the market; and
- Consultation and Involvement.

Commissioning Efficiency Savings Calculation

2% Commissioning Efficiency Savings	Adults Social Care Commissioning Budget	Children's Services Commissioning Budget	Total
Darlington	18,740,430	8,764,147	27,504,577
Hartlepool	17,540,111	7,248,574	24,788,684
Total Commissioning Budget			52,293,262
2% Commissioning Efficiency Savings (High)			£1,040,000
2% Commissioning Efficiency Savings (Low)			£840,000

Note: the high end of the savings range is based on saving 2% of the gross combined commissioning budgets. The low end of the savings range is based on only achieving 80% of the high end target.

Benefits of the proposed 2% commissioning efficiency savings

1. The assumed full year cashable benefit of the proposed 2% delivery efficiency post implementation is between £0.84m and £1.04m.
2. Proactive response to budget pressures leading to future sustainability of a robust commissioning service;
3. Better analysis and predictive modelling across the region;
4. Increased opportunity for monitoring and economies of scale;
5. Improved market shaping and purchasing power ;
6. Improved resilience (staff cover);
7. Improved performance monitoring – larger teams will allow this function to develop in a more robust way than perhaps possible in a single authority, this benefit will be worked up in more detail within the business case for this opportunity;
8. The workforce will bring together the skills, expertise and insights of the local area into a single service that will be capable of commissioning across both areas;
9. Greater resources for monitoring of contracts to ensure the commissioned services achieve their outcomes;
10. Through combining both services, there should be reductions in management and a reduced yet proportionate workforce with the right skills and expertise to deliver across both areas;
11. Expanding the joint commissioning model to deliver on behalf of other authorities will generate efficiency savings through combining external expenditure and can create opportunities for generating additional income streams for both authorities.

Risks associated with the proposed 2% commissioning efficiency savings

1. Although Darlington has developed a joint Adults and Children's commissioning unit it has not yet been implemented and Hartlepool has a joint Commissioning Unit that works slightly differently to the proposals for DBC , neither authority have yet operated a cross-service commissioning model.
2. Both authorities are currently in some long term commissioning arrangements with providers which will take a number of years or expensive termination agreements to get out of sooner. Therefore, the full potential of collaborative commissioning savings may not be realised for a number of years after post implementation of the new collaborative delivery structure.

4.6 Overall Potential Savings

These savings are in addition to savings targets currently planned. The table below breaks down the potential cost savings.

Proposed Operating Model Potential Savings

Proposed Operating Model Potential Savings	Potential Savings Low Range	Potential Savings High Range
Structural Efficiencies (Heads of Service)	370,000	370,000
2% Delivery Efficiencies	430,000	540,000
2% Commissioning Efficiencies	840,000	1,040,000
Total	1,640,000	1,950,000

Note: Director and Assistant Director savings are being assessed in a separate work stream and have been broken out separately.

4.7 Financial Assumptions and Risks

Assumptions

The following assumptions have been used in calculating the potential cost savings:

3. All structural savings associated with the new model attributed to Director and Assistant Director posts will be included within the Strategic Management Review report. The remaining structural savings attributed to Head of Service posts along with the 2% Delivery Efficiency Savings and 2% Commissioning Savings will be counted from this report into the overall savings. This assumption has been included to mitigate against double counting between the feasibility work streams.
4. Only Net Budgets have been used to calculate savings.
5. The figures have been provided by Council directorates are as accurate as possible, given the time constraints for analysis at this stage. These figures will be validated in the next stage (detailed business case).
6. 25% On costs have been added to all salaries provided.
7. Director FTE savings have been based on the average DCS/DASS salary provided by both councils. This is £120k.
8. Assistant Director FTE savings have been based on the average between the following two numbers: 1) midpoint in the DBC AD Salary Band (£73,000) 2) average of the current HBC Adults and Children's salaries (£76,198). This is £74,600.

9. Head of Service FTE savings have been based on the average between the following two numbers: 1) midpoint of the DBC Salary Bands S/T (£45,105) 2) midpoint of the HBC Salary Band 15 (£45,899). This is £45,502. However the HEAD OF Service included in DBC are paid at a higher Chief Officer equivalent grade and not at S/T but for ease it was felt sensible to try and coordinate using this approach..
10. Potential Delivery Efficiencies were agreed to be 2% of the total delivery budget. This has been calculated by taking the combined delivery budgets provided by Council directorates, subtracting the proposed structural savings, and multiplying by 2%
11. Potential Commissioning Efficiencies were agreed to be 2% of the total commissioning budget. This has been calculated by taking the combined delivery budgets provided by Council directorates and multiplying by 2%. The figures are assumed to be as accurate as possible, given the time constraints available for the directorates to collect data.
12. The savings figures for 2011/12 have been provided by Council directorates and are assumed to be accurate. The savings proposed in this report are in addition to the savings targets already included in the 2011/12 budgets.
13. Cashable Savings are based on the proposed staffing level indexed by the number of months duration proposed in the phase.
14. Annualised Cost Saving is based on the recurring run rate of the reduced staffing levels.
15. The cost of implementation has not been included within the savings calculations at this stage, impletion costs will be detailed during business case development within the next stage of work.

5 Next Steps

5.1 Timeline

Following on from the collaboration feasibility project, if opportunities are selected to progress, the following approach would be adopted:



5.2 Business Case Development

Once conceptual options for collaboration have been approved by the Project Board the next steps will be to develop a concise, business cases underpinned by validated data, to enable the councils to:

- Make the right investment decisions;
- Achieve whole-life value for money from investments;
- Act on the effects of change on an investment decision;
- Realise the benefits of those investments.

The business case will drive programme activity and decision making and will evolve from an outline business case to a full business case. The full business case should:

- Justify and document purpose of programme in terms of all potential outcomes;
- Explore the implementation options and the costs and benefits associated with each;
- Fully cover the business change required to harness the enablers;
- Contain objectives, benefits, maps, analysis, targets and plans;
- Include a full benefit realisation plan;
- Define the expected financial benefits;
- Detail the full costs for enablers and business changes;
- Define the whole life costs.

6 Appendix: Children Services

6.1 Details of Opportunities for Efficiency

The majority of opportunities described below will be operational with the establishment of the proposed operating model. The table below is not exhaustive and additional opportunities for efficiency savings will be developed in the next phase, post-feasibility project.

Opportunity Title	Summary	Benefits	Risks
Joint Unit for IRO and CP Chair	To develop a joint unit for the independent review of children with child protection plans or in care. This unit would work across both authorities, providing IRO's and CP chairs to conferences and reviews.	<ul style="list-style-type: none"> • Greater sense of independence from both authorities, and so the service is better placed to offer robust challenge and insight, thus improving outcomes for children; • Greater understanding of the training needs in the two authorities allowing appropriate training to be delivered at a larger scale, and thus reduce costs. 	<ul style="list-style-type: none"> • This unit would need to ensure they challenge and hold each authority accountable for the practice in their area, and raise issues of concern. Key trends in practice would need to be aligned to a particular authority where relevant and not always aggregated across both authorities.
Integrated Fostering and Adoption Service	The scope of this proposal is to combine both the fostering and adoption services for each authority to have a single joint fostering service which deals with all aspects of the recruitment assessment, support of foster carers, and a single service that recruits, assesses, supports adopters.	<ul style="list-style-type: none"> • The larger adoption service will allow adoption support to be bought back in-house and save on contract cost; • Improve service provision – better able to match children to appropriate placements, and thus children have improved outcomes; • Greater size of service allows specialist provision to be developed and shared across authorities, such as treatment foster care. This represents an invest to save opportunity, and will avoid the cost of external placements by developing an in-hose provision. 	<ul style="list-style-type: none"> • Due to the specialist nature of the service, additional efficiencies may be difficult to achieve.

Opportunity Title	Summary	Benefits	Risks
Integrated YOS Team	A single Youth Offending Service to deliver the service across both authorities. This team would have a joint management structure which is able to set policy, standards, monitor quality and performance. There would be more locally based teams to deliver assessment and interventions to young people.	<ul style="list-style-type: none"> • Increased capacity and skill sets of staff to deliver appropriate services to young people; • Improve service provision – better able to match children to appropriate workers to assess and address their offending, thus improving the outcomes for children; • Greater size of service allows specialist provision to be developed and shared across authorities, such as specific intervention techniques; • Increase staff capacity and resilience to deliver a times of varying demand and staff availability; • Ability of staff to share expertise; • Reduced management and performance monitoring costs. 	<ul style="list-style-type: none"> • Integration of these teams would need to consider the impact on the partner agencies involved in each authority. The YOS is a service comprising different partners such as police, health, CAMHS, probation, local authority. This could create a complex set of issues to work through before true service integration is possible.
Develop a Joint Service for Children on the edge of care	This would be a new service that is designed to pool resources and invest money to save on high care costs. It was felt that by combining resources from both authorities, this team may become viable and be able to demonstrate cashable savings.	<ul style="list-style-type: none"> • Opportunity to develop a service that can work with young people and improve outcomes for those that are on the edge of care; • Maintain children in their families; • Reduction in the case work of social workers for children in care due to reduced numbers with the introduction of this team; • Allows specialism of some staff to deliver improved outcomes; • Improved ability of each council to target appropriate services at children; • Reduce costs – ongoing placement costs, costs of social work provision and services for children in care; • Reduce demand on placement and thus demand on IFA placements. 	<ul style="list-style-type: none"> • There may be other market offerings that can deliver this project at a better cost, more quickly than the council developing its own provision. This could be jointly commissioned by the councils.

Opportunity Title	Summary	Benefits	Risks
<p>Whole service integration of Early Intervention and Prevention Service</p>	<p>To collaborate between authorities to develop a joint early intervention service across authorities that would be responsible for mapping need, modelling service provision and commissioning and delivering early intervention and prevention services.</p>	<ul style="list-style-type: none"> • Reduce bureaucracy, inter service duplication, and costs across services; • Single assessment models which ensure consistency and quality across the two boroughs; • Reducing staff by multi-skilling; • Opportunity to reduce costs by jointly commissioning and sharing expertise such as service design; • Ability to shape market and develop targeted interventions that would be too costly for a single authority. 	<ul style="list-style-type: none"> • A view was given at the workshop that the benefits may take a long time to realise due to the current situation at Hartlepool.

6.2 Market Insights

Children with Disabilities Service Collaboration

The six counties of North Wales have collaborated in their children with disability services. They identified that there would be significant benefits for disabled children and their families if they could work together to agree consistency of systems and access to short break services. They developed:

- Clear, transparent and consistent eligibility criteria for social care services for disabled children and young people (including an agreed definition of disability),
- Consistent access arrangements and fee structures for short breaks;
- Improved understanding of commissioning arrangements for short breaks (including Direct Payments/personal budgets) with the possibility of future collaboration across the six authorities;
- Improved understanding of the variations of approach and decision making for Continuing Health Care (CHC) Funding;
- A consistent approach to assessment and support for parent/carers.

It is now in a second phase to develop a regional commissioning strategy which will include an options appraisal for improving commissioning/purchase and delivery of short term break services on a regional / sub-regional basis and consider options for rationalising and sharing current resources in respect of shared care.

Collaborative Commissioning Service

A Collaborative Commissioning Support Unit (CCSU) for Children's Services in the South West is enabling local authorities to work together to achieve value for money and quality from providers. A pilot project has already led to savings of more than £500,000 for two local authorities. The Collaborative Commissioning Support Unit (CCSU) is backed by Directors of Children's Services in the South West. It provides the necessary administrative, IT and information systems support to enable local authorities to work together co-operatively. The primary focus of the work is approximately 1,000 children requiring out of authority foster care, residential homes, or residential schools. Within these areas there is a 50-50 split between Looked After Children and those with Special Educational Needs. Pilot projects have included seven authorities in the north of the region looking at residential care, while those in the Peninsula have evolved a process to tender every placement against the child's needs and the outcomes required. Other projects are looking at Special Educational Needs.

Integrated Fostering and Adoption Service

Children's Services in North Wales are working collaboratively to develop a regional adoption service in North Wales. The favoured operational model for the regional adoption service is based on a notional 'core and cluster' design. Wrexham, as the 'host authority' will employ the Operational Manager and other centralised staff and will also undertake external commissioning on behalf of the regional service. Through its core and cluster design, the Adoption project is combining economy of scale in a specialist service with local delivery- a balance which collaborative projects are often seeking to find. The consortium has also been able to deliver significantly reduced inter-agency fees.

The majority of social work practitioners will be seconded to the new service and although remaining within their own authority area, will be managed accountable to the new service. The proposed arrangement for staffing will be reviewed and, if necessary, revised as the service develops.

The new service will assume full responsibility for:

- The recruitment, training and support to adoptive parents
- 'Family-finding' and matching from the point where any 'should be adopted' decision is made.
- Adoption support and intermediary services
- Storage of adoption records
- Management of adoption panels

At a later stage, other permanency support arrangements will be considered.

Joint Service for Children on the Edge of Care

There are other opportunities being explored in England and Wales to reduce costs of care placements through improved tendering. Examples are:

- The Collaborative Residential framework developed by Trafford MBC, cuts the cost for councils of buying external places in residential homes for young people. Councils in the North West can save almost £1.4million a year by using a new collaborative residential framework. The framework has also created a standardised level of service so that local authorities having to buy external places for young people know exactly what they will be getting for their money.
- Devon County Council is working with other authorities in the South West and the South West RIEP on the SW Children's Placement Tendering Project to improve procurement of children's placements. To date they have brought placement stability for children and young people in care above the England average. They have

identified savings for authorities in the sub-region of £1.6 million, improving engagement with providers to better meet children's needs. This has given a 450% increase in placement choice and improved stability, whilst making more efficient use of practitioners, commissioners and providers time.

- 10 SE Wales councils have collaborated around tendering and placement choice for LAC. The Unit (CCSR) aims to improve outcomes for Looked After Children and young people, achieve better value for money and increase placement choice. The central aim is to provide local authorities with information about placement provision, services and location, across Wales and neighbouring areas. This will enable authorities to commission targeted services for looked after children.

Some of the benefits of this have included:

- 0% annual uplift on current placements for 2009-10 with all providers on CCSR (over £600k anticipated costs have been avoided cost)
- Standard pricing structures, volume and other discounts from a number of providers
- Practitioner workshops on outcomes to improve quality of assessments and care plans
- Enhancements to CCSR to facilitate the verification and IPT processes and enable the secure electronic exchange of tender and verification documents
- Over 90% of our placement providers are verified and published on CCSR. In addition a system is in place to capture and address concerns that may arise about providers between verification.
- Collection and regular reports on benchmarking data on placements and cost across the 10 authorities which we are using to develop our commissioning strategy and share with providers
- Development and launch of new web based software in partnership with Value Wales to facilitate secure completion of verification documents and automate scoring of non-discretionary elements
- The Collaborative has also achieved efficiencies by rationalising processes through the Regional Commissioning Unit and SEWIC has successfully developed and implemented a verification process to ensure quality, commercial sustainability of providers and delivery of positive outcomes.
- SEWIC authorities now use an Individual Placement Tendering Process (IPT) to procure placements based on outcomes and achieving value for money.
- Single verification process across 10 authorities
- Single IPT process across 10 authorities

Whole service integration of Early Intervention and Prevention Service

A Convergence project in south west Wales to be delivered through a joint sponsorship arrangement of 5 LAs and 6 FE Colleges under the auspices of the Regional Learning Partnership south west Wales.

The project will focus on 14-19yr olds including those at risk of disengagement, under-achieving or failing in schools and colleges and young people who are NEET. It will provide engagement support and access to training and education, alternative curriculum and employment routes.

6.3 Examples of Collaboration

The table below includes examples of collaboration which have been explored by councils across the UK.

Nature of collaboration or integration	Success/failure/challenges
<p>Conwy and Denbighshire Joint Head of Children’s Services</p> <p>This is a new project which will aim to create a joint service serving the two councils.</p>	<p>Expected effectiveness gains:</p> <ul style="list-style-type: none"> • Greater service resilience especially in most specialised services. • Better opportunities for career progress and succession. Same partner agencies shared – potential for greater co-working and influence. • Greater planning, development and QA capacity plus more opportunity to deliver bilingual service. • Potential building block for more extensive collaboration across the two Social Services Departments <p>Expected efficiency gains:</p> <p>Additional costs are anticipated to fall on Children’s Services as the result of high profile cases like that of Baby Peter, increased inspection/regulation and recession impacts. These are already tracking through in increased numbers of care proceedings, for example.</p> <p>A greater critical mass should help protect a highly sensitive front line service during recession and public sector cuts efficiencies from reducing duplication could both contribute to savings requirements and enable reinvestment in pressure areas.</p>
<p>South Wales Police and the Safeguarding and Family Support service (children’s social care) in Bridgend have embarked on a collaboration to improve management</p>	<p>Effectiveness gains:</p> <p>Co-ordinated approach to include service planning for different levels of need</p>

<p>of domestic abuse referrals where children are part of the household.</p> <p>Work will include co-location of social services representative with domestic abuse police officers and link in with the local Domestic Abuse Forum.</p>	<p>and a more responsive service to adult victims and the safeguarding of children.</p> <p>Efficiency gains:</p> <p>Reduction in inappropriate referrals to social services, increasing capacity to meet performance targets and provide quality response to referrals from schools, Health etc.</p>
<p>Central Wales Narrowing the Gap – performance monitoring and reporting</p> <p>Running in Mid and West Wales, the Narrowing the Gap pilot aims to improve performance monitoring and reporting arrangements, analyse variances in performance across the region and establish mechanisms for benchmarking and practice exchange between authorities, the pilot is focused on children’s safeguarding.</p>	<p>Detailed work is being undertaken through the pilot bringing councils together to explore local arrangements and processes relating to core elements of assessment and care management, including staff management and deployment, quality assurance and working across agencies. Significant improvements in terms of service outcomes and increased efficiency are anticipated.</p> <p>Significant service improvements anticipated</p> <p>Increased efficiency anticipated</p>
<p>North Wales managed Agency Staff solution</p> <p>Joint procurement of an agency staff broker</p>	<p>Effectiveness gains:</p> <ul style="list-style-type: none"> • Deployment of cutting edge technology • Control on agency employment • Improved processes • Management Information <p>Efficiency gains:</p> <ul style="list-style-type: none"> • Reduced costs and better

<p>Coventry, Solihull and Warwickshire (CSW) Total Place pilot</p> <p>Provision of appropriate, universal, targeted and specialist services.</p> <p>Partnerships with public, private and voluntary agencies</p> <p>The pilot will cover five areas: shared services; young people not in education, employment or training; child health; bullying; and school improvement.</p>	<ul style="list-style-type: none"> • contract/resource management • Make savings against the overall public purse • Improve outcomes for children across the sub-region through flexible and innovative solutions which cross agency and administrative boundaries. • Services will be delivered to meet the needs of customers, rather than being aligned to organisational boundaries or capacity. • This is a great opportunity to make specific gains, both in service quality and efficiency, and once they emerge we will use the spirit of the pilot scheme to share this knowledge with the wider public sector. <p>In the sub-region, more than £1bn is spent on education, and across Coventry and Warwickshire more than £1.6m is allocated to young people not in education, employment or training.</p> <p>The starting point has been to look at existing services and budgets to see what is being provided by each of the three authorities. Mapping the way money is allocated has revealed that £6.2bn is spent on public services across the sub-region by a range of agencies.</p>
<p>10 Greater Manchester authorities (AGMA)</p> <p>They have identified 10 themes across council services, prioritised into two tiers based upon areas of high spend and also the speed at which collaboration can take place.</p> <p>In children's services, collaboration is focused on school improvement support and challenge, looked-after children, and children with complex and additional needs.</p>	<p>AGMA also has a range of collaborative activity already up and running. One example is an agency staff procurement contract which to date has dealt with orders in excess of £96m, producing savings of £7.2m.</p> <p>Projects for both tiers are either in implementation or design stage and are set to deliver savings in 2011/12.</p> <p>A shared governance structure has also been designed to reflect accountability and engender a proactive approach to collaboration – with one authority leading on an area for all those participating.</p> <p>Key lessons from an improvement and efficiency review that are essential to</p>

<p>It was felt there are too many differences across the councils for them to merge services across the entire region, but smaller groups of three or four authorities are looking at collaborating on certain services, combining their management or merging services altogether.</p>	<p>successful collaborative projects:</p> <ul style="list-style-type: none"> • Collaboration doesn't happen by accident • Maintaining pace is essential • Strong governance • Realism about achievable savings • Benefits realisation critical to evidence success • Shared goals and objectives and a clear vision • Consultation and engagement with key stakeholders to secure buy in
<p>Halton Borough Council and Cheshire West and Cheshire Councils Merging of two council's children's services leadership.</p> <ul style="list-style-type: none"> • Joint strategic director of children's services for both councils , • Joint deputy director of the new service • Joint safeguarding unit manager at both councils. 	<p>The authorities believe the move will allow them to share expertise and skills, while improving value for money.</p> <p>The councils will retain separate political boundaries and accountabilities, as well as separate management teams.</p>
<p>The London boroughs of Richmond and Kingston</p> <p>Both councils are investigating whether a full or partial merger of children's services is feasible and will publish their findings in May.</p>	
<p>Children's services, Hammersmith and Fulham, Kensington and Chelsea and Westminster councils</p> <p>A full merger for children's services is on the cards for</p>	

Hammersmith and Fulham, Kensington and Chelsea and Westminster councils, although this is not yet a foregone conclusion.

Education will be merged and it has been agreed that fostering services, the youth offending service and safeguarding children boards should be combined.

The leaders of the councils are considering creating a single children's service department for the three councils, with one director. This could be in place by 2012/13.

7 Appendix: Adult Services

7.1 Detail of Opportunities for Efficiencies

The majority of opportunities described below will be operational with the establishment of the proposed operating model. The table below is not exhaustive and additional opportunities for efficiency savings will be developed in the next phase, post-feasibility project.

Opportunity Title	Summary	Benefits	Risks
<p>Streamline assessment and care management process</p>	<p>The design of the assessment process can help to manage overall demand on resources and the workload of individual staff. It can also help to manage performance (e.g., in terms of timeliness of assessment and timeliness of service provision). In financial terms, there are quick, but modest, wins to be achieved from streamlining business processes.</p>	<ul style="list-style-type: none"> • Reduced professional time spent on assessment if more people undertake a self-assessment and this can feed into statutory care management assessment • Improved timeliness of assessment and delivery of services • More manageable workload (fewer NFA) because people are more effectively screened out at the start of the process • Increased performance / better use of resources • Enables a proportionate response – those with the most complex needs get most input • The most qualified staff deal with the most complex cases • Better outcomes – more choice and control and promotion of independence • Eliminates duplication of effort • Reduces hand-offs • Eliminates the need for people to supply the same information more than once 	<ul style="list-style-type: none"> • Compatibility with reablement strategy – encouraging people to complete a self-assessment at an early stage could raise expectations • FACS eligibility thresholds – open to challenge on grounds of inequity if different thresholds applied within same service • Impact on performance (positive or negative – could be negative in the short term whilst any changes were embedded) • Whether any changes need to be made to the relevant support services to support an integrated frontline • It would be hard to support one business process on a number of different IT systems • Implementation costs and risks – will require management time and other dedicated resource to drive through • Legal implications of self-assessment

Opportunity Title	Summary	Benefits	Risks
<p>Workforce / management</p>	<p>Joint / integrated management of Adults Social Care operational staff including:</p> <ul style="list-style-type: none"> • Learning Disabilities • Mental Health • Older People etc... 	<ul style="list-style-type: none"> • A single, joint management structure for operational staff across the two boroughs. • Efficiency savings from management rationalisation (i.e., a headcount reduction, potentially of 10-30%) which could be shared between the councils. • Some potential for savings from reduction of frontline staff headcount, though this will depend on whether there is scope for this – the redesign of the assessment and care management process would be important here because streamlining (and particularly an emphasis on self-service) may afford opportunities for reducing staff. This is where there might be scope for using peripatetic social workers who could be flexible and go where demand was greatest at any given time. 	<ul style="list-style-type: none"> • Redundancy costs that could erode financial savings from the rationalisation • Governance structure – how a joint team would be configured to manage (potentially) two different systems • Larger portfolios for fewer staff.
<p>Integrated / joint commissioning</p>	<p>Joint commissioning in operation for:</p> <ul style="list-style-type: none"> • Hartlepool and Darlington Adult Social Care • Hartlepool and Darlington Adult Social Care and relevant health commissioning functions 	<ul style="list-style-type: none"> • Increased flexibility and opportunity for specialism and succession • Proactive response to budget pressures leading to future sustainability of a robust commissioning service • Better analysis and predictive modelling across the region • Improved market shaping and purchasing power • Greater opportunity for innovation and creativity due to scale • Improved resilience (staff cover) • Improved performance monitoring • The workforce will bring together the skills, expertise and insights of the local area into a single service that will be capable of commissioning across both areas • Through combining both services, there should be reductions in management and a reduced yet proportionate workforce with the right skills and expertise to deliver across both areas • Would enable renegotiation of contracts and efficiencies resulting from economies of scale • More choice / wider pool of providers 	<ul style="list-style-type: none"> • The scope needs to be determined, particularly if the strategic directions of the two councils are different (e.g., in respect of health) • Management and staff rationalisation might reduce the capacity to achieve expected benefits.

Opportunity Title	Summary	Benefits	Risks
<p>Streamline/integrate public information and advice systems/staff</p>	<ul style="list-style-type: none"> • Joint on-line assessment tool • Combine across Children’s and Adults’ services • Community-based advice and support rather than internal provision 	<p>These potential benefits all depend on the extent and nature of the agreed opportunity.</p> <ul style="list-style-type: none"> • Enables people to self assess and direct their own support reducing the amount of professional support required • Reduced number of referrals as people access universal and community-based services first • A self-maintaining e-marketplace eliminating need for council resources to update • Information in one place – avoids people being passed from place to place • Reduced internal infrastructure required to deliver information and advice 	<ul style="list-style-type: none"> • On-line self-assessment could raise expectations. • There may also be a legal considerations around self-assessment. • An increasing emphasis on web-based information provision would need to take into account those who do not have internet access. There may be a role for the voluntary sector in demonstrating how to use a citizen portal and encouraging people to do so. • Scope needs to be determined – is this about the front-end of the process (initial signposting) or supporting people to direct their own support? • A more sophisticated solution, such as a citizen portal or e-marketplace would require significant upfront investment, the return on which may not be realised in the short term.
<p>An alternative model for managing the workforce outside the councils</p>	<p>An alternative model for managing the workforce outside the councils. The options might include:</p> <ul style="list-style-type: none"> • Local authority trading company (for internal provider staff) • Social enterprise • Mutual • Cooperative 	<ul style="list-style-type: none"> • The main benefits cited in relation to models such as those described to the left relate to greater freedom for staff to work with people to promote their independence and well-being without being constrained by bureaucracy. • There may be potential efficiencies from reduced back office costs. • A trading company would enable a wider customer base (e.g., those people outside eligible FACS bands and self-funders) and potential for increased revenue. 	<ul style="list-style-type: none"> • There would need to be robust business case. At present, the evidence is lacking on a large scale to demonstrate that alternative models offer real advantages in terms of staff and customer experience and efficiencies. • Consideration would need to be given to the terms and conditions under which staff were transferred. • Legal implications of TUPE etc.
<p>Joint procurement of an integrated telecare monitoring system</p>	<p>This could be operated in the following ways:</p> <ul style="list-style-type: none"> • Hartlepool and Darlington • Combining with health partners to incorporate telehealth? • Consider extending to whole of Tees Valley 	<ul style="list-style-type: none"> • Procurement potential Savings / Economies of Scale • Potential management savings • Darlington current system, allows economies of scale / multi tasking between scheme managers/ response offices. Telecare, Technology installs this could be rolled out to Hartlepool also. 	<ul style="list-style-type: none"> • The detail of the systems currently in operation is required in order to judge whether this is a viable collaboration opportunity. Concerns have been expressed following the Adults opportunity workshop that the current systems used by Hartlepool and Darlington were fundamentally incompatible.

7.2 Market Insights

Collaborative Commissioning Service

A Collaborative Commissioning Support Unit (CCSU) for Children's Services in the South West is enabling local authorities to work together to achieve value for money and quality from providers. A pilot project has already led to savings of more than £500,000 for two local authorities.

The Collaborative Commissioning Support Unit (CCSU) is backed by Directors of Children's Services in the South West. It provides the necessary administrative, IT and information systems support to enable local authorities to work together co-operatively. The primary focus of the work is approximately 1,000 children requiring out of authority foster care, residential homes, or residential schools. Within these areas there is a 50-50 split between Looked After Children and those with Special Educational Needs.

Pilot projects have included seven authorities in the north of the region looking at residential care, while those in the Peninsula have evolved a process to tender every placement against the child's needs and the outcomes required. Other projects are looking at Special Educational Needs.

Social Care Cost Reduction

Deloitte has achieved reductions in referral costs by c£10 per referral by altering the process for data entry in the duty and assessment team in one authority. However, the maximum benefits can only be achieved by corresponding service redesign / refocusing of staff (as already underway to some extent in Darlington) and management rationalisation – which would be possible if processes were integrated either across the boroughs or with health services.

Reviews of research by the King's Fund show there is some evidence that health and social care integration at the clinical and service levels can achieve a number of financial benefits (as well as improvements in service user experience). These include: reduced unplanned hospital admissions, reduced delayed transfers of care and reduced long term care placements. Some of the financial benefits deriving from such outcomes would accrue to local authorities. See, for example:

- Curry, N. & Ham, C. (2010) 'Clinical and service integration: The route to improved outcomes', The King's Fund
- Humphries, R. (March 2011) 'Social care funding and the NHS: An impending crisis?', The King's Fund

Any decision to redesign or combine business processes should be underpinned by a clear strategy, such as refocusing the whole process towards self-service. Extending the vision beyond self-assessment and towards self-planning and self-service more generally would potentially offer increased opportunities for reducing / refocusing staff, the benefits of which could be maximised if, at the same time, the two services were combined into one under a single management structure. This also links with the earlier discussion about information and advice. The more people are enabled

to self-serve, the more potential there is for reducing the input of professional staff. However, this can only be achieved if the mechanisms for self service (probably a robust, web-based information portal, a range of open access community-based support and access to support brokers) are available. This underlines the need for whole system thinking.

Combined care management functions

Combining the care management functions of the two boroughs into a single process under a joint management structure would be at the forefront of local government reconfiguration. A comparable initiative can be found in central London where the three boroughs of Hammersmith and Fulham, Kensington and Chelsea and Westminster are proposing to integrate their adult social care departments into one, including management rationalisation and service transformation / redesign.

In 2010/11, total net expenditure on adult social care was £242 million across the three authorities. The tri-borough proposals budget for a reduction of 50% in overhead and management costs over a four year period realising £9 million by 2014/15. Note that this is a relatively small amount. The £9.9m for adults' services, which will be saved over four years, represents just 4% of the combined annual budget for the service across all three boroughs.

Commissioning – Central London

The tri-borough proposal report for Westminster City Council, Royal Borough of Kensington & Chelsea and London Borough of Hammersmith & Fulham sets out the intention to form:

A joint commissioning team led by a single Director of Adult Social Care responsible for commissioning relationships for health and social care across the three Boroughs and an ambition to create a single commissioning support organisation for both adult social care and NHS GP Commissioning. This will need to lead to boroughs reducing commissioning overhead spend by 50% by 2014/15 while retaining the capacity to better and more rapidly achieve the greater prize of considerable reductions in unit cost, whilst maintaining quality, of service provision to disabled and older people.

Customer information and advice

A strong web-based solution would underpin the councils' information and advice strategies. An I&DEA paper observed that: 'There have been developments in 'market engaged' solutions such as Care Bay, Plan My Care and others. There is a key need for real time availability of information, without which people are experiencing frustration about apparent choices that cannot be realised due to a lack of availability.' Current examples of products available include:

- Quickheart - whilst adopted by a small number of local authorities, information maintenance is entirely manual. Primarily developed by Stockport (as part of a DH-funded project) it took a full time post eight months to populate their site and it is a significant aspect of the Information and Advice Team's role to maintain information.

- Shop 4 Support - being used in Harrow. This is an e-marketplace which provides a live resource directory that is self-maintaining, i.e. providers take responsibility for ensuring their details and process are up-to-date. It also offers potential reductions in back office administration, especially in the purchase order – delivery note – invoice – reconciliation process.

Some authorities have tried to produce resource directories themselves, but this has proved unsatisfactory and problematic. One London borough has developed an interim 'providers catalogue' (with Excel and for internal use only) to aid support planning. It has taken significant resourcing to put together and involved manually harvesting the information from other departments/services/external sources etc., then contacting all the providers to try to get the most up-to date information regarding product description and costs. A lot of information was missing and many providers were reluctant to give price information.

Another London borough has had a similar experience. It published an 'Information and Resource Directory', managed by their business development manager. Despite requiring intensive resourcing to develop, the majority of listings require users to 'contact service direct' for price information.

A large county council, often thought to be at the forefront of thinking in this area, is proposing to develop a citizen portal that allows anonymous completion of a self assessment in order to generate an information action plan (a list of personalised suggestions for how the person might access the support they need in the community). This is an aspiration – there is currently no solution for delivering this. The intention is also to develop an on-line booking system that people could use to purchase their own support. It would have a facility for enabling people to post feedback (rather like Trip Advisor).

Local authority trading company

Essex Cares – local authority trading company (internal provider staff)

1000 staff (850 moved from Essex CC under TUPE). Company turnover = £35m. Backroom cost savings in first year: £1-2m. Reduction in sickness absence in first year from 16% to 4%.

Social enterprise

Birmingham Council has announced proposals to set up an enterprise with responsibility for assessment and care management from 2013-12, employing its existing adult social workers. Entire social work and care management function would be outsourced. Birmingham intends to save £4.8m over two years by setting up the social enterprise.

Social work practice pilots announced, backed by £1m in DH funding

A pilot of social work practices for adults has recently been announced by the government (May 2011).

Under the two-year experiment due to start this summer, social workers employed by local authorities will be transferred to new organisations that they will run themselves, to work with service users under contract with those same councils.

The pilots will be in Birmingham, Lambeth, North East Lincolnshire, Shropshire, Stoke-on-Trent, Suffolk and Surrey. Most are likely to be set up as social enterprises - firms with a social purpose that reinvest profits.

At this stage, cost savings from such models are hard to demonstrate convincingly. A research paper on social enterprises in the NHS is due to be published by The King's Fund in July 2011. Early indications were that providers did have less bureaucracy and were able to make quicker decisions because they did not have to deal with the strategic health authority. Their structure also meant there was less hierarchy to deal with and greater staff engagement in decision-making.

Telecare - Example from the West Midlands

Consideration of the business case for combining of 33 separate contact centres into a virtual contact centre for Telecare. Potential to save £466 per £1 invested. (Source: Improvement and Efficiency West Midlands)

Care Services Efficiency Delivery (CSED) has undertaken considerable work in this area and has produced a range of resources to support councils in developing a coherent telecare strategy. This is founded on evidence from evaluations that telecare can generate significant savings for both councils and the NHS. However, there needs to be a clear joined-up strategy and CSED advocates that telecare needs to be central to the support people receive, not an add-on which can become costly and duplicate other services. Although the work of CSED has not explored the potential benefits of collaboration between councils, it does prompt consideration of creating a wider service with health partners to include telehealth.

Detailed analysis of the systems currently operated by Darlington and Hartlepool would be required before it would be possible to determine potential for efficiency savings from developing a joint strategy, procurement and delivery initiative.

8 Appendix: Evaluation Criteria

These guiding principles will be used to evaluate the extent to which the opportunities deliver against the key drivers of this project. The key questions to be answered for each opportunity are as follows:

Evaluation Criteria	Proposed Operating Model
1) To what extent does the option meet our key drivers?	
1.1) Sustainable financial future	There are financial efficiency savings associated with the proposed new operating model, delivery efficiency savings and commissioning savings. Total (excluding Director and Assistant Director savings) are expected to be a low of £1.65m and a high of £2.07m.
1.2) Supporting democratic accountability and choice	The proposed operating model maintains locality working at the service delivery level, thus supporting democratic accountability for services delivered with the two localities.
1.3) Shaping our own destiny	This proposed operating model has been shaped by workshop discussions attend by staff from both councils and has been proposed as a model which is scalable.
1.4) Stimulating and informing wider partnership	Cross boundary partnership working would be further encouraged with the introduction of the proposed operating model.
1.5) Optimising outcomes for local people	Service delivery will be focused within the localities and supported by a strategic core.

1.6) Sustainable and resilient communities	TBC
2) To what extent does each Council retain its sovereignty?	Sovereignty is retained at member level and with as a minimum a separate AD accountable for each locality.
3) To what extent does the option bring additional benefits?	Additional FTE, commissioning and delivery efficiency savings through collaboration and integration.
4) To what extent does the option support each Authority's strategic design principles?	TBC