Adult social care efficiency programme
November 2011
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Adult social care is one of the most challenging services provided by local authorities. At a projected net £15bn in 2011-12, it is one of the largest areas of local authority spend. The financial impact of demographic trends, in terms of increased numbers of older people and younger adults with highly complex care needs, is well documented.

Alongside the financial pressures, social care must respond to a number of important policy objectives, including: increased personalisation of care and the implications that this has for the commissioning and provision of care; changing the balance of care provision to support people to live in their communities for longer and reduce demand for more expensive residential care; and joining up care services more effectively with health services. In addition, Government is currently engaging with the social care sector on reports by the Commission on the Funding of Care and Support and Law Commission, which could have significant implications for the way in which local authorities manage care services in their areas.

All of these challenges must be managed in a context of pressures on local government budgets, with overall council funding falling significantly over the next four years. The 2010 Spending Review recognised that there is pressure on social care budgets, and Government allocated an additional £2bn funding for social care by 2014-15 (including via health budgets). However, the Government noted that for this to support current needs, “councils would be required to undertake ambitious programmes of efficiency in adult social care”. The health service, through its QIPP programme, must also find savings of up to £20bn by 2015.

Councils have already made improvements in productivity in adult social care, and the Association of Directors of Adult Social Services (ADASS) 2011 budget survey indicated that social care departments are delivering further significant savings this year. However, ambitious levels of savings will also be required in future years, and there is more that can be done. A recent Audit Commission report, ‘Improving Value for Money in Social Care’, suggested that as funding for social care has increased in recent years, productivity had fallen. More importantly, it stated that there is scope for councils by developing comprehensive approaches that tackle all the opportunities for efficiency in adult social care.

The challenge for councils is to develop service plans that deliver short and medium-term improvements in efficiency while also supporting longer term strategic approaches.

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1 http://tinyurl.com/LocalGovExpenditure2011-2
2 http://tinyurl.com/AuditCommissionSocialCareVfM
3 The report recognised that this measure took no account of the complexity of the cases managed by authorities.
to developing the service in line with policy objectives such as prevention and personalisation. In doing so, councils will minimise the impact of reduced funding on frontline services, improve the care they provide and demonstrate to users, residents and Government that everything possible has been done to underpin future reforms to the social care system. However, this is a hugely challenging task.

**LGA productivity programme**

The Local Government Association’s (LGA) productivity programme was set up in 2010 and is focusing on three main areas, including adult social care. The aim of the programme is to:

- support councils to improve productivity and deliver savings
- bring councils together to share innovation and learn from each other
- engage central government and partner organisations in a debate about longer-term and more radical options to improve productivity.

As part of the productivity programme, the LGA has developed an Adult Social Care Efficiency programme. The programme will work with up to 15 authorities in 2011-12, and a further 15 in 2012-13, to develop and implement the comprehensive and innovative approaches required to help make further savings while protecting services and delivering the vision for social care. Grants will be made available to authorities to fund external support to challenge and refine current savings plans and transformation strategies in line with ADASS’s whole systems approach to managing reduced resources. The intention is that through working with these authorities, the programme will develop a set of evidence about how this can be delivered, for the benefit of all local authorities.

We hope that your authority will be interested in participating in this programme. Details of how to apply are provided at the end of this document.

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4  [http://www.local.gov.uk/local-productivity](http://www.local.gov.uk/local-productivity)
Summary of the programme

The adult social care efficiency programme (‘the programme’) aims to help individual councils develop their approaches to further improving efficiency and productivity in social care in line with the broader policy vision for social care, creating a set of experience and learning that the rest of the sector can draw on.

There is already significant understanding about ways to improve social care services and make savings. ADASS have developed a whole-system approach to making the best use of the reduced resources available in adult social care and supporting web tool\(^5\). The ADASS efficiency framework is based upon six key components which focus on the support to be offered to people and how it should be delivered: crucially, it supports councils’ and the government’s vision for improving social care through focusing on prevention, recovery and partnership. Case studies and examples included in recent publications, such as the Audit Commission report, also identify opportunities for savings that fall within each of the six components:

- prevention
- recovery (eg, reablement)
- continued support (eg, telecare)
- efficient processes (eg, in back offices or the assessment process)
- partnership (eg, joining-up care provision with health; collaborative commissioning)
- contributions (eg, ensuring fair societal/citizen contributions).

The programme aims to support councils in implementing these approaches locally in a way that supports their longer-term strategies for the development of social care services. In doing so, it will provide further evidence and case studies on delivering ADASS’s whole-system approach, supplementing the information already developed and collected.

The programme will provide an external challenge to authorities in shaping their strategies and vision for social care in line with the whole-system approach, and help them consider how to implement them. It will also help authorities to review progress against existing savings plans and identify further ways to make savings and deliver them. Authorities will require internal capacity to participate, but will be provided with financial assistance enabling them to procure external support for the programme.

The benefits of the programme will be:

- for participating authorities:
  - financial assistance to commission support in developing a strategy and implementation plan for delivering savings and developing the service
  - access to the programme network, findings and expertise from other projects and authorities.

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\(^5\) http://tinyurl.com/ADASS-efficiency-framework
for the wider sector:

- an evaluation and case studies that support and supplement the ADASS whole-system approach, identifying
  - the areas where authorities can make savings, and how this can support broader policy objectives
  - how authorities can achieve these savings
  - practical lessons learnt/challenges
- evidence of benchmark savings from different approaches, eg changing the balance of care, reablement, lean processes etc
- guidance and tools on identifying and addressing the efficiency challenge.

The programme will support up to 15 authorities in 2011-12, as well as a further group of authorities in the second wave of the programme in 2012-13.
Each wave of the programme will run in two stages. The first phase will incorporate a diagnostic analysis and planning, with phase 2 moving to implementation of the strategy and objectives agreed in phase 1.

1) Objectives, strategy and planning

It is anticipated that the first phase of the projects will be relatively short (4-6 weeks), with the programme working with individual authorities to:

• confirm their specific objectives for the programme
• understand the council’s vision for the future of adult social care
• review existing savings plans and the scope for other savings.

The programme aims to take a critical friend role in helping councils to review and refine their plans and assess current progress against them, including with reference to ADASS’s six components and the broader policy agenda for social care. It will provide an external challenge that enables councils to understand what further steps they must take to achieve their existing transformation and efficiency plans, and crucially, support them in the delivery of these.

Funding will be available to authorities to engage external expertise to provide this input. Participating authorities will be able to determine the form of support that they feel will be most appropriate locally, subject to the outputs from phase 1 of the programme being required to include:

• a review of current savings/transformation plans and progress against them
• a clearly articulated strategy for making further savings and delivering the authority’s vision for social care
• an identified level of savings to be delivered over a two-year period
• plans for delivering and monitoring savings and changes to relevant key indicators.

To support the overall learning from the programme, at the end of phase 1 an independent evaluation of the work will be undertaken to identify common themes and trends.

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6 The evaluation will respect the intellectual property right of work undertaken by third parties and local authority confidentiality.
2) Implementation

The main focus of the programme is on delivering the approaches outlined in phase 1. The programme will take a long-term approach to working with authorities over a period of 12-24 months as savings are delivered and transformation is embedded. This will include monitoring the savings delivered and changes to the key indicators relevant to the changes authorities choose to implement (eg, numbers admitted to residential care, numbers with ongoing care requirements post reablement etc). Focusing on delivery will ensure that the most valuable case studies/lessons learnt, tools and techniques can be identified and shared more widely across the sector.

It is therefore assumed that participating authorities will proceed to implementation after phase 1 is completed. It is also expected that authorities may wish to utilise external support for phase 2 of the programme, subject to complying with relevant procurement requirements. The specific assistance required will depend upon the diagnostic in phase 1 and the council’s preferences for implementing it. However, this could include direct support in implementing the strategy or establishing a performance monitoring system that will assist in tracking finance and activity changes.

If authorities choose not to proceed to phase 2 after the diagnosis is completed, or do not want external support to do so, the LGA will wish to satisfy itself that their reasons for pursuing an alternative approach, or their internal plans for implementation, are robust; and may ask for a return of up to half of the grant if this cannot be demonstrated. As

the programme does not have the funds to provide further financial assistance at phase 2, participating authorities will be encouraged to put in place contractual arrangements that mitigate the financial outlay required before agreed plans have been delivered, eg risk and reward contracts, so that the reward to the supplier is integrally linked to delivering the outcomes set out in the diagnosis.

The LGA and its partners will maintain ongoing liaison with participating authorities and provide in-kind support during phase 2 to:

- advise on commercial arrangements for external support
- review progress in implementing proposals and delivering savings and the vision for social care
- share information and learning about challenges faced by individual authorities and the solutions identified
- develop case studies and support tools to be made available to other authorities.
Authorities may require different levels of support during the programme. Some may already have clear plans but be seeking support on how to implement them. Others may require more support and challenge to clarify and refine their objectives and plans. The programme will provide support on two levels.

**Grants and procurement process**

Grants will be provided to participating authorities for the purpose of engaging external support for the programme. This will be made available shortly after the programme formally begins, expected to be in early 2012.

It is expected that the grant will be used to support phase 1 of the programme; however for authorities wishing to do so, it may be possible to use this grant at stage 2 of the programme. Any monies not used for the purpose of the programme will be required to be returned to the LGA.

The grant will be made available on the basis that:

- participating authorities are responsible for selecting and commissioning external support and complying with relevant procurement requirements
- participating authorities agree to develop the required phase 1 outputs
- participating authorities commit to share the findings of the exercise with the LGA in order to maximise the learning for the rest of the sector. As part of this process, authority confidentiality and independent IPR will be respected.

The LGA is exploring options for recycling grant funding to enable it to support other authorities in future years of the programme.

**Programme reference group**

All authorities participating in the programme will be expected to participate in a programme reference group that brings together officers and independent experts to share learning and consider how to overcome the challenges that authorities are facing. The LGA will facilitate this network and the exchange of information across authorities. The LGA has also commissioned independent experts to help steer the programme and advise individual local authorities as and when required.
Programme governance

The programme will be overseen by a **steering group** that will:

- help select programme participants
- review the social care challenges that councils are collectively facing
- confirm the programme objectives
- review the strategic findings arising from the programme
- direct future/additional programme activity.

The steering group will comprise:

- ADASS
- a local authority Chief Executive
- an independent professional expert
- LGA officers
- Department of Health
- Department for Communities and Local Government.

At a political level, the steering group will report regularly to the relevant LGA boards.

On an operational level, a programme **reference group** will bring together representatives from each of the project authorities on a regular basis to:

- discuss common challenges and the solutions that authorities are implementing
- identify collective support requirements that the programme can assist with
- develop materials to be made available to support other authorities.
Application process

We are seeking up to 15 authorities to take part in the programme in 2011-12. All upper-tier authorities are invited to apply to take part in the programme and applications from pairs or groups of authorities will be considered.

The deadline for applications is Friday 9 December 2011.

We are seeking a broad range of authorities, at different stages in their savings and transformation plans, to take part in the programme. The only criteria for participation are that:

• councils are willing to dedicate resources to support their participation in the programme
• participants are open to the prospect of external challenge and input
• there is corporate buy-in/support from relevant lead members and chief officers to take part in the programme.

Final decisions on participating authorities will be taken by the programme steering group. The steering group will meet in mid-December to assess the applications received. It is intended that applicants will be advised of the outcome by Friday 23 December 2011.

Application information

Applications to be part of the programme should include the following information, and be signed off by the authority’s lead member for adult social care, chief executive and director of adult social care:

• local authority details
  ◦ name
  ◦ authority type
• factual information
  ◦ total adult social care budget
  ◦ savings target for 2011-12 (%/£)
  ◦ savings target for 2012-13 (%/£)
• supporting information
  ◦ rationale for applying
  ◦ objectives for the programme
  ◦ other supporting information.

Successful applicants will be expected to attend a programme kick-off meeting at the LGA on Thursday 19 January 2012.

Further information

Authorities that are interested in taking part in the programme or would like further information should contact:

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