Why savings are not delivered

Context to explain why this note was written

This note has been written to set out some of the reasons why adult social care savings are not delivered. It is based on my personal experience and also work that I have undertaken with a number of local authorities.

1. They are **speculative**. They may be a clever idea but there are no plans in place (and maybe no plans could ever be put in place) to ensure that spending falls. An example would be a bald statement to save £0.5m from early intervention. Other examples include assuming saving from integration or from the local Sustainability and Transformation Plan. These should only be included if it is clear how the savings will be delivered and that they will come to the local authority.
2. There is a **barrier** to delivery which will not be overcome. Examples could include externalizing services which will not be supported by the political decision makers.
3. They are **unlawful**. Examples could include deciding to reduce everyone's personal budget (and therefore care package) by 10%.
4. They are dependent on the agreement and action of **partners** which is unlikely to happen. Examples include assumptions that there will be more income from Continuing Health Care when there is no evidence that the process of assessing people for Continuing Health Care is consistently wrong.
5. There are no **management plans** in place to deliver the saving (or the plans are not implemented). Whilst it may be possible to make savings by closing or stopping funding day services or housing related support, they can only be delivered if the various stages necessary to implement this are completed. The stages will include consultation, formal procedures (whether a notification or procurement), implementation/transitional arrangements.
6. Even if management plans are in place, they will not be delivered if there is not clear **management leadership.** Senior managers need to make clear the importance of delivering the savings plans and ensure that there is sustained and focused attention by all those who need to contribute. Complex savings must have a senior manager who is personally responsible for delivering that saving.
7. This means that savings must be **owned**. All managers (and their employees) need to seem delivering them as part of their day to day business.
8. Savings are deliverable but the **timing is optimistic**. Many savings are assumed to be implemented in full from 1st April of the financial year. This is nearly always unrealistic unless the decision was made more than 12 months earlier. From agreement in principle by policy makers to implementation of the full saving will take a minimum of 6 months for internal services and longer for external services. This reflects the stages that must be followed - see point 5 above.
9. **Transformational changes** normally take two or more years to implement because they involve changing behaviour and expectations of all those involved: service users, carers, care assessment workers, providers, partners. It is unrealistic to assume that this will happen in a matter of months. In practice, I would expect to see very well-developed plans in place for year 1 with potentially less well developed and more uncertain savings in year 2 and possibly more so in year 3.

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10. **Circumstances have changed** so that the original savings proposals are no longer achievable. This may reflect changes in the market or the law (especially court judgements).

If Directors of Adult Social Services are uncomfortable with the discussions that are taking place within their authority, there are the following sources of advice that can be used:

- ADASS has issued advice to Directors on the top tips for Managing Financial Pressures
- Directors can speak to the Chair of the ADASS region who can provide advice or seek advice from elsewhere within ADASS
- They can approach the regional Care & Health Improvement Adviser who may seek the involvement of the National Care & Health Improvement Adviser

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