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# **Adult Social Care: Cost Mitigation Programme**

For consideration by:  
Adult Social Care Scrutiny Commission

Date of meeting: 9 January 2025

Lead director: Kate Galoppi

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## Useful information

- Ward(s) affected: All
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- Report version number: V1

### 1. Summary

1. This report provides an overview of the development and progress of the Adult Social Cost Mitigation Programme.
2. Adult Social Care engaged Ernst & Young, in the Summer of 2023, to support with defining a programme that could deliver on an ambitious target over the period 2023-2027. Ernst & Young helped Adult Social Care to shape a programme focussed on mitigation of costs and provided a project management delivery methodology to focus activity.
3. In November 2023, Adult Social Care embarked on a journey to reduce costs by creating an overarching programme focussed on 4 themes:
  - 3.1. Reducing growth in the costs of care
  - 3.2. Reducing new entrants, and management of demand
  - 3.3. Improving efficiency
  - 3.4. Partnership working
4. The Adult Social Care Cost Mitigation Programme is governed by a Programme Board ensuring Strategic Director oversight and a Programme Delivery Group, chaired by Adult Social Care directors and including cross-departmental staff. This ensures that projects are jointly owned and delivered and reduces duplication of effort within the department.
5. Reports are delivered to the Lead Member for Adult Social Care on a quarterly basis to ensure political oversight of the programme and financial position.
6. The task of seeking and achieving all opportunities to reduce costs has been embraced by the department. This is being done whilst keeping sight of the statutory requirement to meet identified eligible carer and social care needs whilst ensuring provision of a quality service.
7. The projects team have worked on just over 30 projects, focussed on mitigating costs and driving efficiencies, with around 20 live at any point in time. See Appendix 1 for some examples of projects that have been delivered.
8. To note: one of the projects, aimed at reducing spend on taxi services, resulted in the development of a Transport Sequence that is gaining regional interest as most social care departments (adult and children's) are grappling with increasing transport costs. The transport sequence, along with details of achievements and lessons learned connected to it, can be seen in Appendix 2.
9. The Adult Social Care Cost Mitigation Programme was externally reviewed in September 2024. This review suggested that Adult Social Care is working cross-departmentally to deliver services cost-efficiently, specifically also referring to the

important role that commissioning plays in analysing need, designing services, securing provision and contract management or review. There was a short list of recommendations made with most of these already in progress, or planned, when capacity becomes available. The review did not highlight any opportunity for cost avoidance that had not already been delivered or considered, which was encouraging to note.

10. A new Quality Assurance Panel was created in December 2023 to quality assure packages of care and ensure staff have considered alternatives to funding care, such as through continuing health care or shared care arrangements with the NHS. This panel is jointly led by an Adult Social Care Director, a Lead Commissioner and an Operational Service Manager.
11. The Cost Mitigation Programme had noted the importance of quality commissioning and had already ensured alignment between the programme and commissioning. The Programme Delivery Group includes the Head of Strategic Commissioning, and the Quality Assurance Panel includes commissioners to ensure all opportunity for commissioning is recognised and explored.

## **2. Recommended actions/decision**

1. To note the current activity taking place across Adult Social Care to ensure cost mitigation is maximised whilst ensuring the needs of carers and people with social care needs are met

## **3. Scrutiny / stakeholder engagement**

## **4. Background and options with supporting evidence**

1. It is nationally reported by the Local Government Association and the Association for the Directors of Adult Social Services that local authorities, including Leicester City Council, are experiencing financial pressures. There is acknowledgement, nationally, that this is partly due to the growing demand for Adult Social Care services.
2. Adult Social Care in Leicester, similar to national comparators, are experiencing increasing demand for services and also encountering increasing complexity of needs for people requiring care. This can mean care packages are more frequently being requested and [some] can be increasingly expensive to provide.
3. Leicester is not an affluent City so does not have many people able to afford to pay for their care (fully) which places the financial burden (statutory duty) to provide care on Adult Social Care.
4. In November 2023, Adult Social Care embarked on delivery of a range of projects that combined suggestions from Ernst & Young with several that had already either

commenced or had been earmarked for delivery. The big difference was the way in which projects were to be delivered insofar as the methodology recommended by Ernst & Young was trialled and was subsequently successful.

5. Against this background, work commenced in 2023 to look at ways to reduce spend whilst continuing to ensure that carers and people requiring services from Adult Social Care had their needs met. Adult Social Care engaged Ernst & Young consultants to help the department to find areas where cost mitigation was potentially possible and to provide suggestions of how this could be achieved.
6. The new methodology takes projects through 6 checkpoints to check progress and potential for mitigating cost at each stage. Each project is based on evidence and has a clear project lead and sponsor. Projects are swiftly closed if evidence shows it was unlikely to either (a) avoid cost or (b) make a positive efficiency or productivity impact. This ensures staff resource is focussed on things that can make a difference
7. The project team leading on the Cost Mitigation Programme consists of a skill mix of project management and business analysts. The cost of the team equates to approximately 1.37% of the overall cost avoidance target.
8. The project team are working closely with the performance team to ensure that project metrics are monitored to ensure changes to practice or process are embedded, and cost avoidance achieved.
9. The programme recognises that achievement of cost avoidance is only possible when there is buy-in across the department. The fortnightly delivery group discuss project progress and ensures that social work operational and practice leads are aware of (and approve) changes to be made where opportunities for mitigating costs or making efficiencies can be created. This ensures that the outcomes for people, and the ability of staff to meet a person's needs, are never compromised when changes are made.
10. Owing to the statutory duty to provide Adult Social Care to those who meet the eligibility criteria, and the complexity and individuality of people, it is challenging to predict exactly what the demand for services will be. Adult social care has been successful in managing demand due to social workers being creative and using community-based resources and finding innovative ways to ensure needs are met.
11. The picture is fragile and is monitored closely. There are a wide range of factors that are outside the control of Adult Social Care that can impact on costs. The following are examples and not exhaustive:
  - a. National impact – increases to National Living Wage and National Insurance contributions pushes up prices of care in the market
  - b. People with high levels of need moving to Leicester
  - c. Young people transitioning to Adult Social Care with high needs (*it is noted nationally that numbers of young people with disability, educational and health needs are increasing – some of these will need Adult Social Care*)
  - d. People living longer and requiring support for longer (often developing additional needs or more complex needs as time goes on)

- e. Growth and demand generally – the more people receiving social care means more assessments and more annual reviews are required (which impacts on staff capacity / costs)
12. The cost mitigation programme operates alongside wider Adult Social Care departmental control measures that have contributed to overall successful outcomes in controlling costs and delivering within budget. This includes a wide range of operational control measures, alongside strategic commissioning.
13. There is a vast array of cross-departmental activity taking place to mitigate cost in Adult Social Care, whilst ensuring Care Act duties are met and that quality care is provided to the diverse communities in Leicester. Examples of the Adult Social Care activities that contributed towards cost avoidance in 2023/24 and 2024/25 are shown below. These activities will continue into the future, embedding and sustaining ongoing cost mitigation activity:
  - a. The use of the outcome support sequence. This is a tool supporting innovative social work practice whereby social work staff will support people to be as independent as possible, before provision of formal social work
  - b. authorisations (financial approvals) are now embedded within Liquidlogic (which is the digital case management system for social care)
  - c. digital enhancements - such as the development of the shared care record which reduces the time spent waiting for information from health colleagues
  - d. head of service approval needed for specified circumstances
  - e. project delivery (such as development of the Transport Sequence)
  - f. piloting new ways of working such as provider led reviews and the quality in care team
  - g. implementation of the Quality Assurance Panel which provides additional oversight of care provision assuring quality and mitigating cost where possible.
  - h. managing demand – ensuring (where possible that) people’s needs are met with appropriate information and advice and signposting them to universal services where this will meet their needs
  - i. enhancing access to reablement services which offer short term interventions to reduce, delay or prevent a need for long-term provision of adult social care
14. Adult Social Care has a successful history of effective commissioning that ensures we meet our Care Act duty of availability of a quality, sustainable market to meet the needs of our residents.
15. Adult Social Care works in partnership with health and neighbouring authorities to deliver joint commissioning which supports economies of scale and manages costs within the market. Our fees rates are favourable, and we have sufficiency of supply demonstrating our understanding of need.
16. The range of activity noted at No 13 has contributed towards holding back growth in Adult Social Care. Cost avoidance for the period 2024/25 is being delivered by a combination of cost mitigation against the Adult Social Care package cost budget and the ongoing impact of extensive work done by the service to reduce costs. This takes into account a number of efficiencies which include:
  - a. A reduction in the underlying cost of care packages to reflect:

- i. targeted continued improvement in the control of costs associated with growth in need (in terms of costs associated with existing packages of care)
  - ii. a reduction in the number of new people who receive a formal package of care, i.e. using the outcome support sequence and looking at other ways of meeting support needs such as use of technology and/or including sign-posting people to other appropriate community services etc.
- b. an upward revision to expected income from fees, joint-funded care package income, and higher than expected ring-fenced grant income for ASC services from government

The above narrative supports the forecast saving of £22.5m in 2025/26 – this being cumulatively more as the package cost assumptions play out over a longer period.

17. There are 2 key drivers for growth in Adult Social Care: “growth in need” (i.e. The cost of care packages) and “growth in numbers of people” receiving a package of care. There has been good progress in managing growth in need as follows:
- a. 2022/23 – growth was 4.9%
  - b. 2023/24 – growth was 3.23%
  - c. 2024/25 – target is 2%
18. Regarding the numbers of people receiving a package of care, this was initially budgeted at 2% for older people and 7% for working age adults. Based on evidence in year, this target was revised down to 0% growth for older people and 5% for working age adults.
19. Performance monitoring, so far this year, indicates that:
- a. The average package costs for leavers has gone up (so in effect packages that are ending are of a higher price which is helping the overall cost base)
  - b. The average package costs for starters has gone down (so in effect packages that are starting are of a lower price which is helping our overall cost base)
  - c. The combination of the 2 points above (a and b) is reducing the overall average package cost of people in receipt of a formal package of care which in turn is helping the overall cost base
20. The table below shows the year end position or expected position over a 3-year period to 2024/2025:

Year	Budget	Outturn / Forecast Outturn	Underspend / Forecast Underspend	Underspend as % of budget
2022-23	£130,256,700	£128,398,819	-£1,857,881	1.45%
2023-24	£153,466,300	£146,960,412	-£6,505,888	4.43%
2024-25 (as at period 6)	£156,030,000	£153,532,000	-£2,498,000	1.63%

21. The Cost Mitigation Programme team engages with all service areas in Adult Social Care and listens to staff so as to explore any opportunity to identify and deliver on cost avoidance or to improve efficiency. This ensures that there is a constant pipeline of projects awaiting delivery. These projects are regularly reviewed and prioritised for allocation to project managers.

22. Following on from the successful use of the project delivery methodology that Ernst Young recommended, there are plans to consider how this can be rolled out across Social Care and Education departments to ensure consistency, and further grow project management expertise, across the wider division.

## 5. Financial, legal, equalities, climate emergency and other implications

### 5.1 Financial implications

This report is solely concerned with financial issues

Signed: Mohammed Irfan

Dated: 12 December 2024

### 5.2 Legal implications

Any failure to meet eligible needs would place the authority at risk of judicial review of its decision making. The cost mitigation programme is being undertaken with close regard to the authority's statutory duty to meet identified and eligible care and social care needs and notes the challenge in terms of predicating and meeting demand for its services

Signed: Susan Holmes

Dated: 9<sup>th</sup> December 2024

### 5.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The report provides an updated overview on the development and progress of the Adult Social Care Cost Mitigation Programme, whilst ensuring the needs of carers and people with social care needs are being met, who will be from across a range of protected characteristics. Leicester is one of the most diverse cities in England and this should be taken into account when looking at mitigating cost. The cost mitigation programme needs to ensure equality considerations continue to be taken into account as appropriate, for example across the four identified themes, recommendations from the external review, setting up of the new Quality Assurances Panel.

If changes are proposed in the way services are delivered, it is recommended that Equality Impact Assessments are undertaken, to demonstrate, that the consideration of equalities impacts has been taken into account in the development of the proposals and as an integral part of the decision-making process

Signed: Sukhi Biring, Equalities Officer

Dated: 10 December 2024

#### 5.4 Climate Emergency implications

There are no climate emergency implications directly associated with this report. More widely, it should be noted that service delivery generally contributes to the council's carbon footprint through the consumption and use of energy, materials and services. As such, the development of cost mitigation proposals should include consideration of opportunities to achieve carbon reductions, as relevant and appropriate, which could themselves provide further financial benefits through reduced consumption.

Potential measures could include opportunities to encourage the use of sustainable and active travel options, using buildings and materials efficiently and following the council's sustainable procurement guidance, as appropriate and relevant to the service.

Signed: Aidan Davis, Sustainability Officer, Ext 37 2284

Dated: 11 December 2024

#### 5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

### **6. Background information and other papers:**

### **7. Summary of appendices:**

Appendix 1 – Examples of projects

Appendix 2 – Transport Sequence

### **8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

### **9. Is this a “key decision”? If so, why?**



## Appendix 1 - Examples of Projects



Appendix 1 -  
example savings pro

## Appendix 2 – Transport Sequence



Transport  
Sequence lessons le