

At a glance 35

Personalisation briefing



January 2011

Personalisation, productivity and efficiency

Key messages

- It is too early to make conclusive decisions on whether or how personalisation has delivered efficiency savings but there is emerging evidence of factors which may increase productivity and efficiency.
- In measuring efficiency, it is important to evaluate the impact on outcomes for people who use services and their carers, as well as the cost.
- The personalisation agenda is already stimulating changes in business processes which are resulting in efficiencies – for example, managing access to services, auditing and IT systems.
- Potential efficiencies such as waste and overhead cost reduction, improved value for money and better outcomes require outcome-based, user-directed, flexible approaches to commissioning services.
- It may be more efficient to have specially trained staff managing the administrative aspects of care and support planning to free up frontline practitioners.
- Integrated working, early intervention and prevention services can result in cost savings. Co-productive approaches also have the potential to be cost-effective and release community resources.
- Despite variations in the cost of implementing direct payments, there is evidence that they have the potential to achieve greater efficiency, while giving people who use services greater control over their care and support.

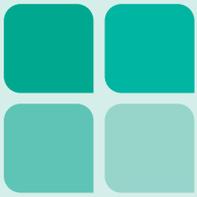
Introduction

This At a glance summary examines the potential for personalisation, particularly self-directed support and personal budgets, to result in cost-efficiencies and improved productivity as well as improved care and support. It provides an overview of some emerging evidence on efficiency from the implementation of personalisation so far, to inform the next stage of delivery which is outlined in *A vision for adult social care: Capable communities and active citizens* (Department of Health, 2010). The messages in this summary are taken from SCIE's Report 37: *Personalisation, productivity and efficiency*, which is available at www.scie.org.uk

It is too early, and there is not enough robust data available, to make conclusive decisions on whether personalisation (specifically self-directed support and personal budgets) have delivered efficiency savings and reduced costs. However, there is some evidence to suggest that self-directed support and personal budgets could lead to improved outcomes in individual cases for the same cost if implemented efficiently and effectively.

Context and definition

In this context, the term 'efficiency' encompasses issues of cost reduction, cost neutrality and waste reduction ('efficiency gains' are achieved where costs are reduced or remain the same and outcomes maintained or improved). A service can be described as offering 'value for money' where there is an optimum balance between three factors – relatively low cost, high productivity and successful outcomes. Cost reduction that is not linked to sustained or improved user (and potentially carer) outcomes cannot be seen as an efficient way to approach personalisation.



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‘It is essential for councils to check that personal budgets are authentic – that they are actually resulting in greater choice and control for individuals’

(ADASS and LGA, 2010)

Business processes

A local authority survey of the cost-efficient implementation of direct payments by the Audit Commission in 2006 concluded that where direct payments are properly introduced, they can produce higher-quality and more efficient services. However, when choice is not implemented efficiently, this adds to costs and reduces value for money.

Evidence from the Care Services Efficiency Delivery (CSED) programme suggests that local authority business processes are becoming more efficient in the following areas:

- Access management: streamlining processes, providing a single point of access, developing a single dedicated access team across adults services.
- Proportionate auditing of direct payments: introducing ‘lighter touch’ processes which allow qualified frontline practitioners to spend more time working with the person using the service and fewer resources to be spent on administration.
- Improved use of IT systems: using integrated IT systems for assessment and personal budget

processes, web-based commissioning and use of e-commerce.

It seems that the personalisation agenda is stimulating review and change in business processes. This appears to have reliable potential to generate efficiency savings and improve productivity.

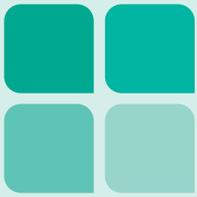
Example: Delivering efficiencies through improvements to information provision

A cost/benefit analysis of Stockport Council’s information provision was carried out in 2007 by CSED. This suggested improvements including the potential for efficiency savings. A project was initiated to provide better information to customers, and a new website (www.mycaremychoice.org.uk) was launched in October 2009. The council has now published an evaluation report suggesting that possible annual efficiency savings of £331,133 have been made – reduced to around £150,000 in the first year owing to the time devoted to setting up the project.

From: Stockport Council (April 2010): *Post implementation analysis of improvements to adult social care information within Stockport Local Authority.*

Impact on costs in the market

Some evidence suggests that if people have choice and control over their care and support, most commonly through the use of personal budgets and direct payments, then this can potentially result in efficiencies such as waste and overhead cost reduction, improved value for money and better outcomes for both people who use services and



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their carers. Outcome-based, user-directed, flexible approaches to commissioning services, rather than rigid 'time and task' delivery models, could result in greater efficiency. Electronic monitoring and scheduling of home care can support this.

External support planning and brokerage

Access to external support planning and brokerage is important for implementing personal budgets and direct payments for people who may not be confident or have support from carers, family and friends. User-led organisations are an important part of the support infrastructure as they can also offer peer support. Some research shows that it may be more efficient to have specially trained staff managing the administrative aspects of care and support planning to free up qualified frontline practitioners to work with the people most in need of support.

Example: Commissioning support planning from a user-led organisation

Essex Coalition of Disabled People (ECDP) is an example of a user-led organisation which is working with the county council to shape and inform the approach to support planning. ECDP won an open tender to complete 300 support plans each year at a cost of around £500 per completed plan. The organisation's approach promotes the active involvement of people themselves in their own support planning, to the extent that over 90 per cent of people need just one visit from a support planner. So far, every person who has used the support planning service has taken up a direct payment for all or part of their support package.

From: www.ecdp.org.uk/support-planning/

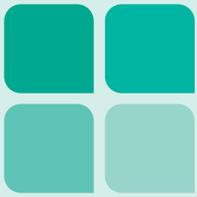
‘Evidence is beginning to show that people who hold personal budgets are using them to increase participation and activity in their communities’

Building community capacity

The self-directed support approach is designed to recognise and promote a person's informal support networks such as family and friends, neighbours and volunteers. Evidence is beginning to show that people who hold personal budgets are using them to increase participation and activity in their communities. Greater involvement with and access to community networks and support is being shown as having a preventative effect, and the idea of pooling personal budgets to fund community-based support is being explored.

The co-production model of care and support recognises people who use services and carers as having assets and expertise that should be valued. There have been tentative suggestions that initiatives (such as KeyRing Living Support Networks and Local Area Coordination) have the potential to be cost-effective and release individual and community resources, if implemented appropriately. Clearer evidence is appearing about the economic benefits of certain approaches to building community capacity, such as time banks, befriending and community navigators for people with debt or benefits difficulties.

CSED indicate several instances in which Support Related Housing for people with different support



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needs can result in efficiencies, if commissioned on an integrated service model between housing, health and social care. The Support Related Housing model is consistent with the aims of personalisation. Changes in traditional day centre approaches for people with learning disabilities towards smaller community hubs providing personalised activities and learning opportunities are reported as delivering efficiency savings. Early evaluation findings indicate that Shared Lives schemes can offer value for money by delivering high quality person-centred support at a relatively low price.

‘The way people use personal budgets can be preventative, particularly in mental health, thereby reducing health crises or hospital admissions which result in savings to health’

Preventing admissions

The use of personalised approaches and the integration of adult social care and health can result in crisis prevention, thus avoiding unplanned admission to hospital or residential care, particularly for older people. The way people use personal budgets can be preventative, particularly in mental health, thereby reducing health crises or hospital admissions which result in savings to health. However, cost savings to health are not necessarily registered by, or shared with, social care.

Other strategic approaches

Recent surveys have shown that local authorities that were further along the process of personal budget implementation recognised the fact that savings could come from wider strategic and efficient integrated working between adult social care, health and housing, focusing on prevention and early intervention. The evidence that investment in prevention can generate savings is probably clearer than that presently associated with personal budgets and self-directed support.

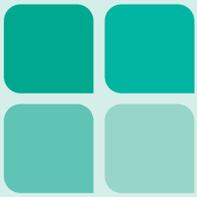
Studies are showing the potential of telecare, reablement, assistive technology and adaptations and equipment to deliver cost-effectiveness, to promote independent living and better outcomes for people who use services and their carers.

Cost and efficiency evidence from direct payments

The initial and ongoing policy assumption was that direct payments should be at least cost-neutral, if not yielding cost savings, when compared with traditional services. Although initial findings on outcomes are positive, there are few studies which have examined the costs associated with implementing and administering the schemes and the financial returns and other benefits that result (Stainton et al, 2009).

To the extent that they have been reported, there appears to be a wide variation in implementation costs. Ongoing costs and variables also include what is covered by direct payments (start-up, contingency or support costs), which will impact on what can be spent directly on care and support.

There is evidence to suggest that, if direct payments are administered effectively and efficiently, they have the potential to achieve greater efficiency, while giving people who use



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services greater control over their care and support. The potential for efficiency gains through increased choice and control can only begin to be realised if the changes are supported by improved information, market development and choice in care and support provision.

CSED's evaluation of direct payments showed that they should be implemented as the core component of support delivery. They should be measured or judged by the outcomes for people who use services, as well as by cost: simplistic comparisons with cost and time are not appropriate.

Example: Cost-effective solutions for people with mental health needs

Since 2009, the East Midlands JIP has supported a project in five localities to improve health and wellbeing outcomes for adults (including older people) with mental health problems and their carers, by increasing the numbers of people benefiting from self-directed support. The project has succeeded in increasing take-up of personal budgets, and improving outcomes, including avoidance of residential care or hospital admissions. The participating authorities are currently developing a way of quantifying the efficiencies that have been achieved; in one individual case, a man with early onset dementia, whose family felt he needed residential care is now being supported at home with a personal budget that costs £12,600 per year less than the alternative of residential care.

From: East Midlands JIP:
www.puttingpeoplefirst.org.uk/Regions/EastMidlands/Personalisation/MentalHealth/

Emerging cost evidence from personal budgets

The most reliable UK study of a personal budget system is the two-year Individual Budgets Evaluation Network (IBSEN) evaluation of the individual budget pilots in 13 local authorities (Glendinning et al 2008). It reported that there appears to be a small cost-effectiveness advantage over standard support arrangements for younger people with a physical disability and people with mental health problems. Otherwise, however, there is virtually no reliable evidence on the long-term social care costs and outcomes of personal budgets in England. This situation is compromised by the fact that many local authorities are not yet routinely monitoring personal budget costs and outcomes.

Research is showing that personal budgets – like direct payments – will have initial set-up costs relating to local conditions, local authority readiness and leadership, local population profile and need. Time is also needed to review and re-engineer processes and the recovery of set-up costs may take several years. Finally, a 2010 Audit Commission survey into the financial management aspects of personal budgets suggested that 'councils should not expect to achieve large cost savings through personal budgets alone' (Audit Commission, 2010).

Further reading

SCIE Report 37: *Personalisation, productivity and efficiency* www.scie.org.uk

Putting People First (2010) *Practical approaches to improving productivity through personalisation in adult social care*
www.puttingpeoplefirst.org.uk

Department of Health (2010) *A vision for adult social care: Capable communities and active citizens* www.dh.gov.uk



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References

ADASS and LGA (2010) *Personal budgets – Checking the results*, London: ADASS and LGA

Audit Commission (2006) *Choosing well: Analysing the costs and benefits of choice in local public services*, London: Audit Commission

Audit Commission (2010) *Financial management aspects of personal budgets*, London: Audit Commission

Care Services Efficiency Delivery
www.csed.dh.gov.uk/

Department of Health (2010) *A vision for adult social care: Capable communities and active citizens* www.dh.gov.uk

Glendinning, C., Challis, D., Fernandez, J., Jacobs, S., Jones, K., Knapp, M., Manthorpe, J., Moran, N., Netten, A., Stevens, M. and Wilberforce, M (2008) *The national evaluation of the Individual Budgets pilot programme*. York: Social Policy Research Unit, University of York

Stainton, T., Boyce, S. and Phillips, C. (2009) 'Independence pays: a cost and resource analysis of direct payments in two local authorities', *Disability and Society*, vol 24, no 2, London: Routledge

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