

## **Description of the work of the National Care & Health Improvement Adviser Finance and Risks with individual authorities**

### **Objective**

To provide analysis and advice on the way forward to Directors of Adult Social Services (DASS) who face particularly difficult financial challenges.

### **How are local authorities selected for this work?**

1. This is part of sector led improvement, so the work will only happen where an authority decides that it wants to invite the National Care & Health Improvement Adviser to work with the authority.
2. Normally, this decision is taken by the DASS but occasionally other senior council officers (such as the Chief Finance Officer, Chief Executive or Director of People) may issue an invitation in consultation with the DASS.
3. Authorities should approach the regional Care & Health Improvement Adviser if they would like support.
4. The work of the National Care & Health Improvement Adviser is focused on the authorities at greatest risk given that the Adviser can only work with about 10 – 15 authorities a year. This means that the Adviser, after discussing the position with the authority, the regional Care & Health Improvement Adviser and the regional Principal Adviser<sup>1</sup>, may decide that an authority is not a priority – at least for the time being. However, the LGA will discuss alternative forms of support with councils where necessary.
5. It is possible for individual authorities to undertake much of the analysis themselves. Appendix 1 sets out the key elements of the work that the Adviser would do which authorities could do themselves.

### **How does the National Adviser approach his work?**

1. There is an initial telephone conversation with the DASS and whoever she/he wants to involve. This can include the Chief Finance Officer.
2. In that discussion which normally takes about half an hour, the adviser explains his approach, set out the documents that he needs and is briefed on any key issues from the authority's point of view. The current list of key documents is set out in Appendix 2.
3. The National Adviser will then produce a note setting out his analysis of the local authority's position.
4. He works through the documents that he has received (or has accessed directly from the authority's website) and pulls out the key points about the financial position of adult social care. This is reflected in the first part of the note. As he identifies the key points, this prompts questions and comments which are set out in the second section. Ordinarily this second section is the focus of the discussion at the subsequent meeting.

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<sup>1</sup> Within the Care & Health Improvement Programme, there are regional Care & Health Improvement Advisers for the 9 regions of England. In addition, the LGA employs regional Principal Advisers for each region. Their role is to support the Leader and Chief Executive of each authority if they request assistance. Their focus is on the overall position of each authority. However, there is inevitably an interaction between adult social care (which is normally the authority's largest budget) and the overall financial position of the council. The LGA also employs a Principal Adviser Finance whose role is to have an overview of the financial position of all authorities.

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5. Prior to the meeting, the National Adviser always make the point that these notes are just his views based on what he has read so far. It is quite possible that he has misunderstood things or that when he discusses the note with the authority, his views will change.
6. The note is for the DASS and the Chief Finance Officer and anyone else that they want to share it with internally. It is a private note written on the basis that it not going to be published. The National Advisor discusses the note at a meeting with the DASS, the Chief Finance Officer and other officers as decided by the DASS and the Chief Finance Officer. Ideally, the regional Care & Health Improvement Adviser will also be present.
7. At the meeting we discuss future work that might be undertaken. For authorities who face the greatest challenges, the relationship will continue for as long as the authority requests it.
8. Outputs from the work to date have included the following:
  - a. Advice on the relative level of spending on adult social care.
  - b. Advice on the quality of the Medium Term Financial Plan for adult social care. This will include advice on the level of provision for demography, adult social care inflation and the plans for the use of extra resources for adult social care.
  - c. Advice on the realism of the proposed savings for adult social care.
  - d. Suggestions on where adult social care should look for further savings. This may require a more forensic examination of the way that services are delivered which would require the authority to commission someone to spend more time looking in greater detail than the National Adviser is able to do.
  - e. Those suggestions will reflect feedback about the apparent pattern of service delivery and how this compares with best practice.
  - f. Advice on the quality of the Market Position Statement with some suggestions on how the Statement could be improved.
9. Learning from the work with individual councils will be shared on a strictly anonymous basis to help make the case nationally about the financial risks facing adult social care.

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### **Protocols**

1. The National Adviser will work with the DASS as the lead customer on behalf of the authority.
2. We expect that the Chief Finance Officer of the authority will be party to all the discussions because some of the issues will relate to the relationship between the adult social care budget and the authority's overall financial position.
3. The National Adviser will give his frank views in the note that is produced based on the evidence he has seen. That is why the note is not intended for publication given that would impact on how his views are expressed. Whilst some of the comments may come across as critical, they are intended to be supportive.
4. The National Adviser will not disclose that he is working with an authority (other than to a limited number of key colleagues within the LGA<sup>2</sup> who will keep this information private). If the authority wants to disclose that he has worked with them, that is their choice. However, this may prompt requests for information about what has come out of the review.

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National Care & Health Improvement Adviser Finance and Risks

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<sup>2</sup> Ordinarily, this would be the regional Care & Health Improvement Adviser, the regional Principal Adviser and the Principal Adviser Finance. If there are particular difficulties, this might be extended to include the most senior officers within the LGA.

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### **Appendix 1**

#### **Description of the approach used by the Adviser which could be used internally by any authority**

1. Compare the net budget of the council with the net budget of adult social care. This can then be shared with national information to identify whether spending appears relatively high or low.
  - a) This analysis must distinguish between County Councils (in two tier areas) and unitary authorities. Counties are likely to be spending more on adult social care (and children's) because they are responsible for fewer services.
  - b) The other issue which impacts on counties is whether fire is part of the County Council or separate. In the first instance I would expect spending on adult social care to be slightly lower. This might reduce the percentage spending on adult social care by about 3%. As at the beginning of May 2018, the Adviser has information about 8 County Councils. Spending ranges between 37% and 47%.
  - c) In the case of unitary councils, the Adviser has information on 11 councils as at the beginning of May 2018. Spending varies between 27% and 45%.
2. Compare the planned savings for adult social care against the planned savings for the council. A starting hypothesis is to expect them to be similar to the percentage spend on adult social care (and for adult social care to be appropriately funded for demography and inflation). Further information is set out in a separate note on adult social care corporate financial issues.
3. Compare the total value of savings planned for adult social care with the net adult social care budget. The 2017 ADASS Budget Survey showed that planned savings for 2017/18 for all authorities was 5.8%. If an authority is planning savings which are less than that or similar to that figure, it is probable that the savings overall are reasonable. If they are significantly higher, the authority should consider whether this is realistic. More than one authority has set budgets which assumed that 10% savings or more would be delivered in a year. This is not credible.
4. Budget monitoring information is crucial in terms of getting a feel of whether savings are being delivered or not.
5. Individual savings should be assessed against the note describing "Why Savings are not delivered". This note, written by the Adviser in October 2017, reflected his work with individual authorities up to that point in time. More recent work has confirmed its relevance.
6. Compare the authority's provision for demography with that made nationally and reported in the latest ADASS Budget Survey response. The approach is explained in the adult social care corporate financial issues note. There will be some variations depending on the age profile in the authority (especially the numbers in the oldest age groups – over 75 and over 85 in particular).

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7. There are five Adult Social Care Outcomes Framework (ASCOF) measures which provide some information about value for money in adult social care. They are:

1C(2A)	The proportion of people who use services who receive direct payments
1G	The proportion of adults with a learning disability who live in their own home or with their family
2A(1)	Long-term support needs of younger adults (aged 18-64) met by admission to residential and nursing care homes, per 100,000 population
2A(2)	Long-term support needs of older adults (aged 65 and over) met by admission to residential and nursing care homes, per 100,000 population
3A	Overall satisfaction of people who use services with their care and support

8. Comparative analysis of spending on adult social care is important. The following should be borne in mind:
- a) Some of the current spending classifications used by NHS Digital are not necessarily useful. Do authorities code spending on “support for memory and cognition” consistently? However, the national data enables authorities to compare overall spending on adult social care and a more detailed analysis of spending on those aged over 65 and on younger adults. Spending should be compared against the adult population or relevant age groups (over 65) or 18 – 65. Comparison against the population runs the risk of the comparison being distorted by an unusually youthful population or vice versa.
  - b) Some authorities focus on comparisons within their region or against their nearest neighbours. There is a risk that this could mean the “mediocre comparing with the mediocre” if the comparative group are generally relatively high spenders. It is worth comparing with the best or lowest spender even if they are very different. Talk to them about what they are doing.
9. Local authorities can use both the ADASS CIPFA Adult Social Care Financial risk tool and the Adult Social Care risk tool to identify risks which should be managed. In addition, adult social care peer challenges can focus on the Use of Resources. London region have developed a model based on the ADASS CIPFA financial risk tool which is worth using.

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**Appendix 2**

**List of key documents used in the reviews**

<b>Document</b>	<b>Why it is useful?</b>
Details of proposed adult social care savings (ideally over the medium plan period)	Opportunity to review whether the savings appear to make sense and are deliverable
Overall budget report	Provides context for adult social care savings and provides information about the overall financial position of the Council including the impact of the extra resources for adult social care.
Latest budget monitoring report	To understand the in-year position for adult social care and for the council as a whole. This helps understand whether planned savings are being delivered.
ADASS budget survey return	Provides specific information on a range of matters – size of savings required; DASS confidence and views; income; funding of demography; impact of the Better Care Fund; fee increases to providers; average hourly rate for home care.
Internal analysis of comparative costs and performance	Opportunity to link this to the headline spending comparison available from NHS digital
Strategy/business plan for Adult Social Care	To understand the approach of the authority towards adult social care and to understand to what extent adult social care has embraced the personalisation agenda
Outcomes if they have used either of the two risk tools	Will help identify the risks and prompt questions about what they are doing in response.
Market position statement(s)	Helps understand the local care provider situation and the specific commissioning issues in the area including the approach of the authority to managing the market.

**National documents that will also be used**

- a) Information on the NHS Digital Website
- b) Information on the extra resources for adult social care published by the Ministry of Housing, Communities and Local Government
- c) The latest ADASS annual budget survey report
- d) Population data from the Office of National Statistics.