

# Top Tips for Directors of Adult Social Services: Managing Financial Pressures

Updated version May 2018

1. Understand your local position well – strengths; weaknesses; opportunities; threats and the experiences of your population.
2. Don't assume any understanding of social care outside your own department and find ways to explain it as simply as possible.
3. Make sure that you have a simple narrative about your financial position. Use that internally with employees, corporate officers and members. Success can be measured if it used by others within the local authority outside adult social care. Use it externally with health, Healthwatch, services users, carers and groups who speak on their behalf.
4. You must work out what you are going to do not only this year but in the future. It is important that you have a realistic understanding of future demand (demography), of future provider costs, and how both relate to the savings being required or growth being sought. Do you know what works in terms of managing demand (across different service users groups)? Do you know how long it will take to realise the benefits of some of your initiatives?
5. Understand the different services that you commission or provide including information and advice, prevention, assessment, care planning and review. How much do they cost? How many people are using them? How are numbers changing over time? Do you know why they are changing?
6. Do you have a process for reviewing care packages so that you can identify inconsistencies across services, teams and individuals? Are you spending more to address safeguarding, "over-prescription" and poor quality than getting it sufficiently right in the first place?
7. Ensure that your operational controls on activity, expenditure and income are robust and that these are fully understood by your staff, partners, other council officers and members.
8. Understand your relative position compared to other local authorities. This is not just about finance and relative costs but also performance, systems and procedures. Can you demonstrate that all of them reflect good practice?
9. Understand the local labour and the local care market and how they may change over time. This means that you must know whether providers are sustainable, whether they provide good quality services now and whether they can continue to provide quality and safe services in the future. Do you know the likely costs to providers of your services compared with the prices that you are paying them?
10. Understand who the main providers in the different care sectors are. Have regular discussions with providers which are a frank exchange of views. Work with providers to agree a workforce strategy that recognises the medium-term demand projections and other external factors such as the impact of workforce controls. Understand whether your local market is likely to provide the capacity you need for the services you plan to commission, and whether some intervention is needed to improve or enhance capacity.
11. Understand your internal workforce position. How are you going to ensure that you have sufficient skilled workers to deliver your plans? This is not just about qualified social workers

and occupational therapists but also key support workers, commissioners and those responsible for delivering savings/change.

12. Make sure that you work really closely with your Chief Executive, Chief Finance Officer and Monitoring Officer. Invest in those relationships. Make sure that your voice is heard in corporate discussions. No decisions about your services should be taken without your advice being considered.
13. Understand what corporate support you need and work with corporate colleagues so that they understand why the support is important for the delivery of services and savings. Discuss with them the best ways of providing that support in an effective and efficient way. This must include ensuring that you have high quality advice and challenge from the Finance Business Partner for adult social care. If this is not the case, then talk to the Chief Finance Officer.
14. If you agree to a saving, then you are expected to deliver it. If the saving cannot be delivered then you must say so to key stakeholders (Chief Executive, Chief Finance Officer, relevant members) before it becomes a public commitment. If there is an insistence on your meeting a savings target at all costs regardless of the deliverability risks, then ensure that you have explained in writing to your Chief Executive and Chief Finance Officer that certain savings in your view cannot be fully delivered and are essentially balancing numbers.
15. Understand the local situation within the NHS (finance, performance, culture and organisational) and make sure that they understand the position of the local authority. Do not accept unilateral decisions by the NHS that will have an adverse impact on adult social care.
16. All Directors are worried about the financial situation. Be open with other Directors, ask for their advice and be free with your advice to them. Think about how you work with other parts of the local authority or the local authorities in the area. Use other resources that are available such as the Care and Health Improvement programme, peer reviews or any other regional arrangements.

## Practical Advice to Directors<sup>1</sup>

### Operational Actions: the following should be in place

1. A process for agreeing and challenging care package proposals. A panel chaired by a senior manager and including occupational therapists and experts on telecare and brokerage should be the default. It is important that decisions are minuted in case they are challenged.
2. You should ensure that decisions do not bypass the panel. Emergency decisions should be reviewed by the panel. Decisions should not be taken in hospital which conflict with the principles that would be applied by the Panel.
3. All care packages must be reviewed on a regular basis.
4. In the case of older people, the most likely time to reduce input and promote independence is around 3 months after the care package has been set up.
5. Don't rely on social workers reviewing their own cases.
6. Focus on double handed care packages and ensure that the use of equipment has been properly considered by an occupational therapist.
7. Alders have produced some useful advice on purposeful reviews for people with learning disabilities.
8. Income: the authority can lose a lot of money if financial assessments are not done quickly, invoices issued straightaway and debts properly pursued. You must ensure that there is integrated working between operational staff in adult social care, the financial assessments team and the debt collection team.
9. You must have appropriate arrangements in place to validate claims from providers. Time monitoring system like CM2000 for home care can help do this as well as checking that care workers have attended clients' homes.
10. Make sure your business intelligence team picks up on risks to service users in a timely way such as waiting times for assessments, waiting times for the commencement of support packages and care quality. Some authorities, in the past, have deliberately slowed down the commencement of services by placing a "one in one out" approach to care home placements or by cash limiting the home care budget causing waiting lists to build up. This is unlawful.
11. You should have some understanding of how much you think you should be spending on care packages. How many service users do you think you should be supporting? What is a reasonable cost of the average care package? Use benchmarking data and model assumptions about demand and prices.

### Actions to ensure good financial management

12. Make sure that you are aware of the monthly state of adult social care finances and that these are reported appropriately to the Corporate Leadership Team. Sometimes the financial narrative in corporate reports is provided by finance officers rather than the DASS but the bottom line is that the final wording should always be signed off by the DASS. You might want to highlight, for example, the degree to which the adult social care budget is supported by non-recurrent revenue and the risk that poses for sustainable services.

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<sup>1</sup> This advice reflects the experiences of some current and former Directors who have had to manage difficult financial situations.

13. It is crucial that the financial position of the council is reported regularly to public meetings of committees of the council with appropriate explanation of what is happening to adult social care.
14. Be aware of the risks in your system and make sure these are captured on the directorate risk register and, where appropriate, the corporate risk register. Make use of the Risk Awareness Tool for adult social care and the ADASS CIPFA adult social care financial risk tool.

### **Accountability and governance**

15. Make sure that the corporate leadership team understands the issues facing adult social care. They need to be presented objectively. Remember that most members of the team will not have a detailed knowledge of adult social care so present the information simply and clearly.
16. Make sure that a record is kept of your one-to-ones and the advice and information you give to the Chief Executive and Chief Finance Officer regarding the state of adult social care. This should also apply with your line manager if you do not report directly to the Chief Executive.
17. You should have monthly meetings (or more often) with your Cabinet member. It may be appropriate to also include the Cabinet member for Finance. Again, make sure that records are kept. If there are not formal minutes of those meetings, then do a summary email from yourself to the member(s) with a record of what you said.
18. If you particularly want to raise a concern around resources or risk to individuals it might be better to produce a formal briefing note so there is a shared record.
19. Encourage the Scrutiny Board to cover relevant issues for adult social care, particularly areas of challenge such as the quality of services, the sustainability of the market, the impact of savings plans and the progress delivering those plans. Make sure you take your Annual Safeguarding Board report and annual Complaints report to Scrutiny.
20. Each DASS works in a unique political environment where support for adult social care can differ as a political priority. This can be reflected in the resources available for adult social care. You might find it helpful to commission an external Use of Resources review. This can be helpful in a number of ways: it might identify areas of service where you can still make efficiencies and not impact on service users, alternatively it can provide evidence to the rest of the council that there is good financial stewardship of adult social care resources, that it is achieving value for money and a further squeeze on resources may jeopardise quality and safety.

### **Working with the NHS**

21. It is reasonable for NHS colleagues to ask to see the Medium Term Financial Plan for adult social care and how extra money for adult social care is being used. Find regular time to discuss with senior Clinical Commissioning Group officers (and possibly the chair) difficult issues facing adult social care, children's services and public health.
22. Review the shared decision making arrangements for Continuing Health Care and Section 117. There is information on NHS Digital which ranks CCGs on the base of their spend on Continuing Health Care per weighted population.
23. Make sure that corporate finance colleagues understand and support the way that the Better Care Fund is being used.
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### **Working with users, carers, the voluntary sector**

25. They will read and hear about the savings proposals and general financial position and draw their own conclusions about implications. This must be managed as openly as possible. The council needs to know that it has satisfied the requirements of reasonable consultation including community and equality impact assessments.
26. Have a simple explanation (say one slide) which explains what you mean by “promoting independence”. Share this repeatedly with this sector as well as with the NHS and members.

### **Working with Providers**

27. Ensure that assumptions on prices and fees (which may be fed into savings proposals) can be justified and explained to providers, so everyone is getting the same information.
28. Ensure that you work closely with corporate procurement so that there is a good mutual understanding of issues and perspectives about the contracts that you have in place and any proposed changes.

## Further advice that is available to Directors

1. Get support from your ADASS Branch Chair. You can safely speak in confidence and it is sometimes helpful to use a colleague both as a sounding board and for specific advice.
2. Also, within ADASS you can contact the Resources Policy Leads or speak to the ADASS office.
3. Each region has a Care & Health Improvement Adviser who works for the Care & Health Improvement Programme. Their role is to support individual Directors and their senior managers who face particular challenges within Adult Social Care.
4. The Care & Health Improvement Programme also employs a National Care & Health Improvement Adviser Finance and Risks.
5. His role is to provide support to individual authorities who face particular financial challenges within adult social care. This is described in the separate note "[Work with individual authorities](#)".
6. He also works with regions to support discussion about financial pressures and use of resources. Resources are available to support at least one discussion a year in each region. Regions will decide how they want to approach those discussions. Directors should set out their requirements to reflect their individual circumstances at regional meetings.
7. The National Care & Health Improvement Adviser Finance and Risks has produced advice notes on two specific issues:
  - [Advice on adult social care corporate finance issues](#)
  - [Why savings are not delivered](#)
8. The Institute of Public Care published "Six Steps to Managing Demand in Adult Social Care - A Performance Management Approach" in March 2017. This contains performance measures which will support the practical advice set out in the second section of this note.
9. [Adult Social Care risk tool](#)
10. [ADASS CIPFA adult social care financial risk tool](#)



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