

# social care risk tool

(2018 Edition)

CIPFA and ADASS have developed an advisory risk assessment tool for discretionary use by councils with adult social care responsibility.

The survey aims to check whether unsustainable financial pressures might be faced by the adult social services department. By assessing the extent to which various risk factors apply, the tool gives a broad impression of how challenging it is likely to be to generate future savings.

Whilst the ideal is that the tool is applied in a universal manner across councils to provide transparency and consistency, the tool is designed to allow for local interpretation and application. Some of the metrics are more illustrative than prescriptive, particularly those relating to unit costs, and councils may wish to adjust these to reflect local circumstances.

This is the third version of the risk tool. This latest version has been expanded to include new risks that have emerged since the previous version. In addition, a number of risks have been revised to make them clearer.

This is work in development and we will welcome feedback as to its usefulness and whether any changes would be helpful: please route via: [eleonor.roy@cipfa.org](mailto:eleonor.roy@cipfa.org) or: [iain.macbeath@hertfordshire.gov.uk](mailto:iain.macbeath@hertfordshire.gov.uk)

## A. Savings

Indicator		Rationale	Assessment (circle)				
			To what extent does the factor apply?				
1.	Are there high percentage savings since 2010/11 – local authority as a whole?	Higher savings may mean less scope to make further savings	1 (not at all)	2	3 (to some extent)	4	5 (strongly)
2.	Are there high percentage savings since 2010/11 – adult social care?	Higher savings may mean less scope to make further savings	1	2	3	4	5
3.	Is there low relative spend per head of population – council as a whole?	Low spend per head may mean limited scope for savings given that local authority must meet legal requirements	1	2	3	4	5
4.	Is there low relative spend per head of population – adult social care?	Low spend per head may mean limited scope for savings given that local authority must meet legal requirements. Local authorities should use the gross current expenditure recorded by NHS Digital and look at spending for both younger adults and older people against the relevant population.	1	2	3	4	5
5.	Are the relative cost of individual services low?	High costs may suggest that there is more scope to make savings. Low costs would imply that there is less scope to make further savings and may also imply that there is a risk that costs may need to increase. [See local pressures below].	1	2	3	4	5

Indicator		Rationale	Assessment (circle)				
6.	Is there a history of adult social care not achieving most of its savings targets?	A history of not achieving agreed savings may suggest that either the savings were unrealistic or that implementation was poor. Both issues need to be addressed if savings are to be delivered in the future. See also risk 9.	1	2	3	4	5
7.	Is there a lack of a detailed adult social care savings plan beyond 2019/20?	Most savings take time to implement. Absence of detailed savings plans makes it more likely that an authority will be unable to manage within the resources available	1	2	3	4	5
8.	Is there a lack of a detailed adult social care savings plan beyond 2020/21?	Most savings take time to implement. Absence of detailed savings plans makes it more likely that an authority will be unable to manage within the resources available. This risk is less significant than the risk above.	1	2	3	4	5
9.	If there is a detailed adult social care savings plan, is a high proportion of the savings at risk of not being delivered when compared with the advice that has been issued on "Why savings are not delivered"?	Plans need to be delivered. If there is a risk that a high proportion of savings cannot be delivered, then there will be future financial pressures which will be difficult to manage.	1	2	3	4	5
10.	Is there a lack of agreement between adult social care and corporate colleagues about what should be in the adult social care medium term financial plan (including the use of the adult <u>social care precept, savings, demographic pressures</u> and the impact of inflation)?	Failure to include a legitimate pressure will lead to financial problems in the future which will be difficult to manage. This may also link to risk 35. Failure to spend the adult social care precept on adult social care could lead to external challenge.	1	2	3	4	5

## B. Local Pressures

Indicator		Rationale	Assessment (circle)				
11.	Is there a relatively low cost of home care taking account of whether the area is rural or urban?	Providers may not be meeting their obligations to pay the minimum wage or National Living Wage including travelling time. Eventually local authority will have to pay more to avoid market failure. Cost of home care will be higher in rural areas compared with urban areas due to longer travelling time between appointments and the cost of paying for travelling time.	1	2	3	4	5
12.	Is there a relatively low cost of residential/nursing care?	Providers may not be meeting their obligations to pay the minimum wage and the National Living Wage. Local authority may not be paying the "usual cost" of care. Eventually local authority will have to pay more.	1	2	3	4	5
13.	Is the incidence of provider failure and/or contract handbacks significant or increasing?	May have to pay more for acceptable care as well as the costs incurred in managing failure and/or re-commissioning services.	1	2	3	4	5
14.	Are you reliant on a few larger providers in particular sectors of the social care market? Do you have credible contingency plans for provider/market failure in place?	If a supplier is responsible for the care of a significant numbers of service users, their failure (either financially or in terms of the quality of their care) will make it very difficult to find alternative care providers to ensure that service users essential care needs are met. We suggest that more than 5% of particular care market (eg home care; supported living for adults with learning disabilities; care homes for older people) is significant.	1	2	3	4	5
15.	Are local providers relatively poor in terms of quality compared with national performance (based on Care Quality Commission (CQC) inspections and/or safeguarding referrals)?	May have to pay more for acceptable care; additional resources required to manage failure; capacity may be reduced due to safeguarding concerns	1	2	3	4	5
16.	Are local NHS providers relatively poor in terms of quality compared with national performance (based on CQC inspections and/or Safeguarding referrals), or in escalation with NHSE/I?	This may affect the capacity of the NHS to support patients and increase the pressures on adult social care (and other parts of the NHS such as primary care). Escalation will draw the DASS into NHS preoccupations.	1	2	3	4	5

Indicator		Rationale	Assessment (circle)				
17.	Is the NHS purchasing care at higher prices than the council?	Increased cost and/or capacity challenges	1	2	3	4	5
18.	Is the local authority council tax level relatively low?	Council tax income is increasingly the most significant method of funding local authorities and its largest area of spending, adult social care. If the council tax is relatively low, the authority has fewer resources than other councils and may find it more difficult to manage its financial pressures.	1	2	3	4	5
19.	Has the local authority not made full use of the adult social care precept and its council tax raising powers?	Not using the precept means that the resources available are less than they would be otherwise.	1	2	3	4	5
20.	Is there a financially challenged health economy?	NHS may be less prepared to embrace constructive integration; NHS may be more focused on internal NHS problems and draw DASS into them.	1	2	3	4	5
21.	Are you relying on the local Sustainability and Transformation Plan to find significant savings to benefit adult social care?	This funding source is likely to be insecure because it depends on the financial position of the NHS locally and their attitudes to providing this support in both the short term and permanently.	1	2	3	4	5
22.	Will the Sustainability and Transformation Plan lead to increased costs for adult social care which are not going to be funded by the NHS?	Resources not available to meet these increased costs thus increasing the financial pressures on adult social care.	1	2	3	4	5
23.	Will the Sustainability and Transformation Plan create workforce requirements which cannot be met?	If the workforce is unavailable this will increase the costs of providing care services or lead to increased waiting lists (see risk 29 below).	1	2	3	4	5
24.	Agreement with the NHS about the use of the Better Care Fund could be difficult, fines are imposed or money clawed back	Resources may be used in a way which does not address the financial challenges facing adult social care.	1	2	3	4	5
25.	Are older people demographic pressures above average?	More demand for services which will not be funded except by the council.	1	2	3	4	5
26.	Are younger adults' demographic pressures above average?	More demand for services which will not be funded except by the council	1	2	3	4	5
27.	Is there a lack of joined up working between adult social care and children's services to manage transitions in the best way?	A lack of planning can lead to poor outcomes and more expensive ways of meeting an individual's care needs.	1	2	3	4	5
28.	Are carer services comparatively poor?	Leads to more demand for services which will not be funded except by the council.	1	2	3	4	5
29.	Are there high or increasing waiting lists?	Suggests that adult social care is not meeting eligible needs possibly due to shortage of either social worker/occupational therapist resources or lack of social care resources.	1	2	3	4	5
30.	Are there problems in recruiting the social care workforce?	If providers are unable to recruit, then the cost of providing adult social care is likely to increase. If there are social worker/occupational therapist vacancies, then waiting lists will increase (see risk 29 above). If there are shortages of nurses in nursing homes, then quality is compromised and safeguarding activity may be necessary.	1	2	3	4	5

## C. Culture and relationships

Indicator		Rationale	Assessment (circle)				
31.	Have there been more than two directors of adult social services in the last five years?	Lack of stability at senior leadership.	1	2	3	4	5
32.	Is the director of adult social services new?	Directors will take some time (at least a year) to grow into the role.	1	2	3	4	5
33.	Is a high proportion of the corporate leadership team new to their role?	Combination of new and inexperienced chief executive/chief finance officer/corporate policy Lead may lead to unrealistic corporate planning decisions.	1	2	3	4	5
34.	Are there significant challenges to the Council as a whole – critical inspections; leadership change in challenging circumstances?	Uncertainty and change may make rational decision making more difficult (although in a dysfunctional organisation those changes may be essential).	1	2	3	4	5
35.	Is there a difficult relationship between director of adult social services and chief executive and/or chief finance officer?	Good quality decision making is less likely.	1	2	3	4	5
36.	Are there difficult relationships between councillors or between councillors and officers?	Good quality decision making is less likely.	1	2	3	4	5
37.	Are there difficult relationships with the local clinical commissioning group(s) or NHS trusts?	Integration much more difficult. System wide decision making more difficult. Potentially, more pressures (activity and resources) on adult social care.	1	2	3	4	5
38.	Are there complex relationships with the local clinical commissioning group(s)?	Lack of co-terminosity with the clinical commissioning groups will make relationships more complex. Integration may be more difficult and system wide decisions more difficult to make.	1	2	3	4	5
39.	Are there difficult or complex relationships with district councils (if applicable)?	System wide provision of strategic housing and/or community safety services may be compromised.	1	2	3	4	5
			39 x 5 = 195 max				

Total score then populates temperature gauge: maximum score 39 x 5 = 195

Association of Directors of Adult Social Services/Chartered Institute of Public Finance and Accountancy (2018 Edition)