



An approach to measuring value for money in Adult Social Care

Purpose of report

For decision.

Summary

The report sets out a draft approach to measuring value for money in Adult Social Care. The approach has been developed collaboratively by the LGA and ADASS working with DHSC, MHCLG, and consultancies/contractors with expertise in this area.

The aim of the work is to support local authorities in having a transparent and shared approach to assessing their use of resources in adult social care, including both pressures and any potential for improvement. The approach may be used within specific local authorities, or on a collective basis in regions in line with other work of a sector led improvement nature. The approach uses information already in the public domain.

During January and February this year the approach was tested with regions on a restricted basis (each DASS received their own Council's data and were shown the regional data in presentation form). Feedback was generally positive and comments are being taken on board in the further development and launch of the approach.

ADASS sign off of the approach will be sought at their Executive in April. Subject to this and to the views of the Community and Wellbeing Board, reports using 17/18 data will be available in LG Inform from May 2019. The proposal is that the reports using this approach will initially be available to DASSs only to allow them time to assimilate the findings and discuss them locally with Members and other senior officers, and then the reports will be available to anyone working in a local authority.

Recommendation

That Community Wellbeing Board Members endorse the approach set out in the report.

Action

Officers to action in accordance with Members direction.

Contact officer: Simon Williams

Position: Director, Sector Led Improvement, CHIP

Phone no: 0207 664 3122

Email: Simon.Williams@local.gov.uk



An approach to measuring value for money in Adult Social Care

Background

- The 2018 ADASS Budget Survey clearly evidences the financial pressures facing Adult Social Care. While hopes lie with Central Government delivering a sustainable financial settlement, local government must continue to do all it can to improve value for money in the use of scarce resources.
- 2. It is vital that local authorities have robust information to assess value for money to allow them to manage the financial pressures facing them. Also that those advising and supporting them and those to whom they are accountable can draw on the same information with confidence and use it to support sector led improvement.
- 3. Over the recent past there have been several attempts made to develop tools that would assess value for money in adult social care, drawing on national performance measures. Issues in the quality and validity of the national data sets have meant that the findings from these tools are often unexpected and perverse. Nor do they take in to account local context, priorities or practices of councils in the analysis.
- 4. The LGA and ADASS have been working collaboratively with DHSC, MHCLG, and consultancies/contractors with expertise in this area to develop a robust and transparent approach to measuring value for money in Adult Social Care that builds on learning from previous tools. Moving away from tools which are purely data based, the approach that has been developed uses a set of questions to promote informed self-assessment and improvement, taking in to account local conditions and bringing in challenge at each step. It helps councils to identify areas for further exploration, where spend and/or performance is significantly different to regional or national averages.
- 5. The approach is hosted on LG Inform, which allows quick and easy analysis of data for those steps which draw from national data sets. It also allows flexibility in terms of the access to the approach and findings from it.
- 6. This paper sets out the approach and proposals for its launch for Members to consider.

Issues

7. The intention of this project group had originally been to develop a data driven tool which local authorities could use to determine how far they were providing value for money. However, despite previous attempts, through the development process it was determined that it is not fully possible to evaluate how much is spent compared to need on a quantitative basis alone using the national data currently available. Consideration

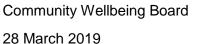


needs to be given to local context, priorities and practice. This paper proposes a 13 step methodology that ensures all these aspects of value for money are considered.

- 8. The approach does not lead to a definitive statement that one authority is overall more efficient than another, but it allows an authority to look carefully at how resources are used and to seek to improve value for money wherever possible. It can also be used between authorities, for example in regions, in line with the sector led work that already takes place. The aim of the approach is to support sector led improvement.
- 9. There are some technical issues related to the use of the national indicators which will impact on any approach, but should still be considered. A commentary setting out the technical considerations and other information relating to the reading of the data will be developed to sit alongside the approach in LG Inform. This commentary will also address why a particular indicator is useful and also why if used unthinkingly in isolation it can lead to perverse conclusions.

The approach

- 10. This paper sets out 13 steps to looking at value for money in Adult Social Care:
 - 10.1. Step 1: Compare spending on adult social care with relevant populations to see if this is significantly higher than other authorities:
 - 10.2. Step 2: Is there a genuine local reason why spending would be higher reflecting local needs which are clearly higher than other authorities? Consider both deprivation and the number of people aged 75 or over.
 - 10.3. Step 3: Is spending higher because you are supporting more people than other authorities?
 - 10.4. Step 4: Do you know why you are supporting more people than other authorities? What does the information about what happens to people who ask for support tell you about your processes and practices?
 - 10.5. Step 5: How does your performance compare with the performance measures suggested by IPC in their "Six Steps to Managing Demand in Adult Social Care A Performance Management Approach"
 - 10.6. Step 6: Is spending higher because the average cost of supporting an older person or a younger adult is higher than other local authorities?
 - 10.7. Step 7: Is spending higher because you are making much greater use of more expensive care settings (such as care homes)?
 - 10.8. Step 8: What are you are planning to do to use less expensive methods of care (where this still meets care needs)?
 - 10.9. Step 9: Is spending higher because the costs locally for any particular setting are more expensive?
 - 10.10. Step 10: If care costs are generally higher than elsewhere for specific local reasons (such as the local labour market) what are you going to do about looking at alternative ways of meeting care needs?



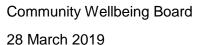


Association

- 10.11. Step 11: Is your work with the NHS (including the use of the Better Care Fund) achieving value for money for the local authority?
- 10.12. Step 12: Is your spending other than on care packages, effective? Could its efficiency be improved?
- 10.13. Step 13: What impact might the technical issues have on your conclusions about value for money within adult social care in your authority? (technical issues will be set out in the commentary on LG Inform)

Sector engagement

- 11. Early findings from the proposed approach were discussed with a sub group of those collaborating on the project, including representatives from the LGA, ADASS, DHSC, MHCLG, contractors and consultants.
- 12. During January and February the approach was tested with all nine regions to allow Directors of Adult Social Services and Finance Leads to sense check and challenge both the data and approach. Each region had a presentation of regional data from 2017/18 national returns, identifying councils within the region and including a national comparator. Each DASS also received a version of findings relating to their own council.
- 13. Feedback from regions was generally positive and there was support for the implementation of the approach. However there was some concern that there was potential for misuse of the approach to produce misleading and unhelpful rankings or league tables of performance. DASS's were keen that the approach be used to encourage a transparent and constructive debate that supports sector led improvement. There was also concern that variation might be used to undermine the case for extra investment in social care overall: the approach has been clear that, whatever variation exists and whatever scope there may be to improve, there is still an overwhelming need for overall extra investment in social care.
- 14. It was acknowledged that a low result for an indicator does not necessarily indicate poor performance but may reflect local priorities, practices or local context. A strong narrative around the indicators was felt to be crucial to mitigate against misuse i.e. high spend per client is not necessarily a negative as a council may only be supporting people with high care needs. It was felt that spending is often dependent on the local relationship with Health which in turn dictates funding and practice. Also that some contextual factors influence the variation in spend, deprivation being a key factor.
- 15. It was also acknowledged that the current national indicators measuring quality or outcomes are limited, therefore the current VFM approach has greater emphasis on spend than 'value'. ASCOF indicators give DASS's limited information to provide a narrative on quality and now some elements of service provision, such as waiting times for assessment or timeliness of provision of care, which may give a view of quality are absent from the ASCOF set. In the future it is hoped that the VFM approach could be





developed to include more consistent quality and outcome measures that would give a more rounded view of adult social care.

Next steps

- 16. During March and April amendments to the approach are being made on LG Inform, including the addition of a commentary relating to both individual measures and also the findings in report format, in order to help mitigate against the risk of misuse of the findings.
- 17. Endorsement of the VFM approach is being sought from ADASS Executive in April. Subject to the views of Board Members and the ADASS Executive the approach will be launched on LG Inform in May 2019.
- 18. In the first instance the approach and reports will be launched on a restricted basis to allow DASS's time to discuss findings with their lead members and other senior officers. Access will be extended after about four weeks to other local government officers and members.