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**Mary Gregory, Deputy Director for Regulation**

Sandra Tudor  
Head of Profession for Statistics  
Ministry of Housing, Communities and Local Government

16 January 2020

(by email)

Dear Sandra

Today, we have published the findings from our review of Adult Social Care statistics in England. The need for good data to support delivery of adult social care should not be underestimated. While there is rightly a focus on delivery of social care, a scarcity of funding has led to under investment in data and analysis, making it harder for individuals and organisations to make informed decisions. This needs to be addressed if social care is going to evolve to support a changing society and meet the increasing demands expected over coming years. Data matters in solving problems, supporting efficiency and improving outcomes.

Our review identified important improvements needed covering: leadership and collaboration; data gaps; and existing official statistics. We would like to see stronger leadership and collaboration across government to support better data on adult social care and consider the Ministry for Housing, Communities and Local Government (MHCLG) to be an important part of this.

As part of our review of existing official statistics, we considered the quality and value of official statistics about adult social care against the standards set out in the Code of Practice for Statistics. It highlighted improvements around accessibility, coherence, quality, timeliness and granularity of the data. The review included two outputs published by MHCLG ([Local Authority Revenue Expenditure and Financing](#) and [Improved Better Care Fund Quarterly and Year End Reporting](#)). Some immediate actions related to these outputs are outlined in the Annex to this letter.

Improved statistics are essential to support policy makers who are developing proposals to reform the funding and delivery of adult social care as well as individuals who will be able to hold government to account and make better informed decisions about issues which impact the lives of themselves and their families.

We will continue to work with a range of organisations to make the case for improvements to social care statistics. Our health and social care lead will liaise with you regarding progress towards these recommendations.

I am copying this letter to Chris Roebuck, Chief Statistician at NHS Digital.

Yours sincerely



Mary Gregory  
Deputy Director for Regulation

## Annex

Stakeholders we spoke to told us that they have great difficulty understanding the exact reasons for the differences between the net current expenditure figures published by MHCLG and NHS Digital. (See Table 1).

**Table 1: net current expenditure on adult social services from two sources**

Source	Final net current expenditure 2018-19 (£m)
Local Authority Outturn Summary by MHCLG <sup>1</sup>	16,076
Adult Social Care Activity and Finance Report by NHS Digital <sup>22</sup>	15,810

You have told us about your programme of work, in conjunction with NHS Digital and the Department of Health and Social Care (DHSC), to improve understanding of, and consistency between, different sources of adult social care expenditure data.

One area of this work has concerned data on net current expenditure (NCE) on adult social care. The compilation of data for *Local Authority Revenue and Financing* uses data collected across local government service areas in the RO return. Your RO return ought to, but does not, match the adult social care Net Current Expenditure collected via NHS Digital's mandatory adult social care finance return data used to compile *Adult Social Care Activity and Finance Report, England* series and submitted by local authorities independently to NHS Digital.

You have told us that you recognise this is an issue for users and informed us that you are working together with NHS Digital and more closely with Councils with Adult Social Services Responsibilities (CASSRs) to minimise the differences between your two net current expenditure figures. You expect the difference between the two returns to reduce in future. We have been told that the work programme includes:

- sharing data for quality assurance purposes;
- training staff from CASSRs at information events;
- improving written guidance for CASSRs;
- advising CASSRs to cross-reference data returns to verify their accuracy;
- including validations within the returns to alert respondents to mismatch in data.

An additional workstream of your cross-government group has been working to better understand Better Care Fund (BCF) expenditure. BCF is a joint-funded programme to ensure collaboration between health and social care services, but an area of user confusion has been around the treatment of the BCF monies. One of the consequences of local authority accounting conventions is that BCF funding, as a transfer from the NHS, is treated as income that is netted off in the key measure of net current expenditure. This means that it needs to be added to the net current expenditure amount when considering total spend on adult social care by local authorities.

We recognise the improvements that have been made in BCF reporting. In the report *Local Authority Revenue, Expenditure and Financing 2018-19 Final Outturn*, MHCLG has provided more detail about how BCF monies are spent, and your cross-government officials group are currently exploring the feasibility of introducing further improvements. We are also aware of the need to understand the ways in which BCF monies are used (not all BCF is spent on social care, and additional non-BCF sources of funding may be provided) and we understand and welcome the work that is underway between MHCLG, DHSC and NHS Digital to provide clarity on these figures.

These are helpful steps towards the end goal of being able to clearly illustrate the reasons for the differences and **MHCLG should continue to work closely with NHS Digital to minimise the difference in net current expenditure figures, and to explain the causes behind any residual difference.**

<sup>1</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/846283/RO3\\_2018-19\\_data\\_by\\_LA.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/846283/RO3_2018-19_data_by_LA.xlsx)

<sup>2</sup> <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2018-19/appendix-b-final>