

## Ideas in Action

# Money talks: the role of finance in social work education and practice

JON GLASBY

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**Abstract** *Finance is crucial to every aspect of social care, yet has traditionally been neglected in social work training and practice. Despite the overwhelming importance of budgetary issues for the provision of social services, few workers understand how the system works or how their work is financed. The result is that they continue in ignorance, operating without an awareness of the financial context in which they work, lacking the financial skills to move successfully into management positions and failing to challenge a chaotic and anachronistic system which undermines local democracy as a deliberate tool of central control. Against this background, this paper highlights the importance of a financial overview for social work educators and practitioners, exploring the factors which contribute to the widespread inability to engage with financial issues and calling for a greater emphasis on this topic in social work training. In the process, it builds on a recently published introduction to local government finance which is designed specifically to counter the anti-financial tendencies inherent in social work, providing a detailed but easily comprehensible handbook for managers, practitioners and members of the general public alike.<sup>1</sup> To place these issues in context, the paper begins with a personal account of working in a department experiencing financial difficulties.*

## Case study

My first experience of financial issues was during my time as a social work student on placement in a large urban social services department. While I was there, the department announced that it was heading for a projected £3 million overspend and introduced a raft of stringent measures to bring its budget back on target. Almost overnight, the department stopped using agency staff, froze all vacant posts, introduced strict limits on overtime, stopped spending on furniture and some support services and began to ration its budgets for independent sector domiciliary and residential/nursing care. A report obtained by the press later suggested that the financial crisis was due in part to the fact that too many older people had survived the mild winter of the previous year. With a joint review fast approaching, the department's director retired on ill-health grounds. Despite this, the authority was still able to pride itself on winning a national award for Council of the year.

During my placement, I constantly found myself having to explain the financial situation to angry and disillusioned service users. When I asked colleagues how the financial crisis had happened, I was told that such problems were a regular and ongoing occurrence. Staff even used to joke that there was normally at least one financial crisis every leap year. Despite this, no one could explain to me how the crisis had occurred, whose fault it was and what could

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Correspondence to: Jon Glasby, Department of Social Policy and Social Work, University of Birmingham, Edgbaston, Birmingham B15 2TT, UK. Email: [jglasby@commcare.freeserve.co.uk](mailto:jglasby@commcare.freeserve.co.uk)

be done differently to prevent a similar situation in the future. Financial difficulties, for most workers, were simply part and parcel of their job—something that had always happened and would always happen without anyone really understanding why. All in all, this was not a situation which my training had prepared me for. At university, I was used to discussing issues of good practice and anti-discriminatory approaches as if they somehow took place in a financial vacuum. I was not prepared for the much harsher realities of budget cuts, crisis management and working in difficult organisational environments.

This experience of working under financial pressure taught me three things:

- Most workers do not understand the financial context in which they work and do not particularly want to understand it.
- Financial issues impact daily on the work of social services departments and need to receive greater attention in social work practice and education.
- The only way forward is for more people, both professionals and members of the public, to engage in debates about local government finance. Key prerequisites for greater involvement include a financial component in social work training and a more accessible literature which explains the main issues and how the system works in language non-experts can understand.

The remainder of this paper addresses each issue in turn, before making practical suggestions as to how social work programmes could provide greater input on financial issues.

### **The anti-financial tendencies of social work**

For most practitioners, finance is an anathema—something they do not understand, something they do not want to understand and something they do not feel they need to understand. All too often, finance is seen as irrelevant to the day-to-day realities of social work and as the domain of managers, accountants and other ‘experts’. Finance is not an issue that ordinary workers or ordinary people should consider or engage with: rather it is the province of bureaucrats and ‘pen pushers’, people who are too detached from the realities of ‘the job’ to understand what impact their petty savings have on the lives of real people. As Guest and Scarff (2000) suggest, the finance manager is frequently viewed as the ‘Abominable No-Man’ who refuses to see the merits of new ideas and thwarts innovation.

On one level, this resistance to financial issues is entirely understandable and derives from very real tensions and dilemmas within social work:

- Social work training and practice focuses primarily on the encounter between the practitioner and the service user, emphasising the need for communication and listening skills, empathy and critical self-reflection. While these are all crucial, social work has traditionally neglected the organisational environment in which social workers operate, failing to place sufficient emphasis on the need for administrative and bureaucratic competence, the ability to communicate in writing and a financial overview. Although these issues are beginning to be addressed by the core competences identified in current training (CCETSW, 1996), the emphasis is still very much on the interpersonal skills required for ‘real’ social work, rather than on the ability to work with eligibility criteria, write reports, compete for funding and manage budgets etc.
- As demands and workloads increase, workers often do not have time to acquire new knowledge and have to prioritise their work. Learning about financial issues can come a long way down the list.

- Finance can be complex and requires numeracy skills which not all workers possess and which many people did not realise they needed when they entered the occupation.
- Insufficient effort has gone into making clear the link between finance and social work practice. This is a topic which is clouded in technical jargon and which has traditionally lacked easily available information. As a result, it has often been too inaccessible for those workers who do want to take an interest and augment their knowledge base.

All these issues have been given further impetus in the wake of the community care reforms by a growing resentment of the 'new managerialism' and a desire to return to the 'people skills' of pre-1990 social work. Most people came to the job through a desire to work with people in difficulty and to help them overcome the obstacles in their way, not to fill in forms, complete performance indicators, monitor outputs or balance budgets. Viewed from this angle, finance is seen as a bureaucratic concern which threatens to overwhelm the 'social' aspect of social work and the 'care' component of community care.

Although each of these concerns is by itself legitimate, they combine to form an almost impenetrable barrier which refuses to consider the financial context in which social work operates and the budgetary issues which practitioners face on a daily basis. Such anti-financial tendencies are not only counterproductive and short-sighted—they are also damaging to the users whom practitioners are employed to serve.

### **Why is finance important?**

The central thesis of this paper and of the handbook on which it is based (Glasby & Glasby, 1999) is that an understanding of local government finance is of central importance to social workers, both in their capacity as professionals and in their private lives as individual citizens. Despite their resistance, social workers need to know about finance in order to do their jobs more effectively and in order to exercise their rights as tax-payers and voters:

- Adequate finance is central to all aspects of social care. Every service that is provided costs money and has to be paid for, whether it is an assessment by a social worker, care in a residential home, meals-on-wheels or whatever. Reductions in funding, put simply, mean a reduction in service.
- Many social workers act as gatekeepers to scarce and seemingly ever-shrinking resources. All social services departments have budgets to spend and eligibility criteria to ensure that this money is rationed appropriately. With changes in funding, these criteria are revised to ensure that the department concerned remains within budget. All too often it is not the people responsible for these decisions who have to communicate them to individual service users, but front-line workers. This often leads to a role conflict, with workers aware that they are representatives of the agency that employs them, but at the same time sympathising with the plight of the service users they have had to disappoint.
- Financial skills are now part and parcel of social care and employers are increasingly looking for budgeting and numeracy skills in prospective employees. A good example is that of social workers, who may be required to provide welfare rights and money advice, undertake a financial assessment as part of an admission to a residential home or cost out a proposed package of care.
- Many of the concepts and principles that social workers espouse as core features of good practice cost money. Often poor practice can be cheaper (in the short-term at least) than good practice. For example, a social worker wishing to work with a professional interpreter while assessing a service user from an ethnic minority has to rely on his or her department being prepared to spend money on such a service. Similarly, a care assistant in a residential

home wanting to work in an empowering way will find that it often takes much longer (and therefore costs more money) to do things *with* residents rather than *for* them.

- Social services departments are increasingly recognising that effective service delivery and effective budget management go together. In many authorities, this has led to a greater devolution of decision making and of budgets, with financial management getting ever closer to the coal-face and hence to the people who work there.
- A financial overview is crucial for any worker considering promotion to the level of management.
- Social workers are also private individuals and, like other members of the public, pay tax and have the right to vote. Local government finance is central to local democracy, determining the extent to which we can decide what services we want locally and how we will pay for them. As tax-payers, we have the right to question whether the money we pay is being used correctly, is being spent in areas we consider appropriate and is set at the right level. If this is not the case, we can choose to use our democratic right to vote for another party or individual whose programme more closely matches our own.
- Local government finance is currently the subject of a number of crucial debates which may have far-reaching implications for local authority services and local democracy. Examples include the increasing centralisation of local government, the issue of devolution, the need to achieve 'Best Value', partnerships between health and social services and the most appropriate method of funding long-term care for older people. Both as professional social workers and as private individuals, practitioners have a vested interest in participating in these debates, ensuring that they can contribute to the eventual outcomes, rather than having whatever is decided foisted upon them from above.

Interestingly, the importance of a financial overview is now being recognised by the government, which is seeking to make children at all key stages more financially aware and is making changes to the National Curriculum as a result (MacErlean, 2000).

### **The way forward**

If a knowledge of local government finance is crucial for social workers, there needs to be a number of changes in social work education and practice. First and foremost, there needs to be greater recognition of financial matters on social work courses. All too often, social work is taught as if it took place in isolation from its financial context, and educators need to acknowledge the organisational and financial frameworks that shape practitioners' work. If newly qualified workers do not enter the profession with at least a basic knowledge of financial issues, there seems little chance that they will acquire this information during their subsequent careers. Secondly, trainers, managers and finance workers have a responsibility to make the issues at stake as accessible as possible to non-experts. An essential starting point for this would be the greater availability of non-technical literature and a commitment from organisations to be more explicit about the way their work is funded. Finally, workers and members of the general public have a responsibility as employees of the local authority, service users, tax-payers and voters to engage in debates about local government finance and to exercise their political rights if they are not happy with what they see. Ultimately, many of the funding tensions within local authority social services departments are capable of resolution only in a political forum, and this can only happen when a sufficient number of people agree to make it happen.

The supreme irony of this situation is that most people, although they do not believe that they have the expertise to engage with financial issues, actually consider finance to be a

crucial issue when it comes to their own personal lives and possess extremely sophisticated skills. Consider the social work student who has had to give up work for 2 years to do a postgraduate social work qualification, continuing to support a family on a bursary a fraction of his or her previous salary. This person knows that money is vital to every aspect of their life and demonstrates their financial acumen on a daily basis, balancing a tight budget, using and repaying credit, making mortgage payments, saving for special occasions or difficult times of year, and making a raft of insurance, life assurance and pension arrangements. All this requires considerable financial skill, and there is no reason why such a person cannot use the same skills to engage in debates about the funding of the social services in which he or she will soon work after qualification. Somehow, the message is not getting through, and all that is required is to supplement people's existing skills with some basic knowledge of how the system works. If this were to happen, more practitioners would be able to engage in the critical debates which are taking place in the arena of local government finance, empowering their service users by sharing this knowledge with them and exercising their political rights as private citizens to resolve some of the deep-seated tensions which exist in this area.

### **Social work programmes**

In order to promote a greater awareness of the financial context in which social work operates, programmes need to incorporate specialist teaching and adapt existing modules to take account of the financial realities of practice. This would need to take a number of forms:

- Students should have access to up-to-date and accurate information about how their work is financed, where the money comes from and how the departments that will eventually employ them operate. This needs to be delivered in a detailed yet easily comprehensible manner, explaining jargon in everyday language. Providing students with a glossary of the key terms may also be a useful way of equipping them to deal with the financial terminology they are likely to hear after they qualify.
- It must be emphasised that finance matters and that ordinary workers can engage with such issues. Above all, social work training should seek to demystify finance, demonstrating that practitioners already possess the skills to contribute to financial debates and that this may have a direct impact on the service users with whom they work.
- In addition to providing input on how social work is funded, courses also need to highlight the importance of finance at a micro-level. Social work students need increasingly sophisticated financial and administrative skills in order to cost care plans, carry out financial assessments of users about to enter residential care, calculate users' benefit entitlements and so on. Familiarity with such tasks would not only enable students to develop knowledge and skills which will aid them in the job market, but also help to counter the common perception that social work training does little to prepare students for the realities of the job. For maximum impact, input would be required from social services staff to explain the financial procedures and paperwork of the local social services department where some of the students will go on placement and may eventually work.
- For those students with poor numeracy skills, additional tuition may be required to enable them to understand and complete the financial forms that they will face in employment.
- In all other areas of the training programme, there needs to be greater awareness of the difficulties which financial restrictions can cause. As a student, I discussed case studies and proposed courses of action for hypothetical service users with no consideration of the resources that may or may not be available to my department. Once on placement, I quickly learnt that the good practice I had been taught in the lecture room is difficult to

maintain in the workplace without considerable flexibility and an ability to think laterally. If the desired course of action is not possible due to budgetary limitations, how can a newly qualified worker achieve the same ends by different means? By anchoring social work training more firmly in organisational reality, students would be able to begin to engage with such issues and develop the ability to work with finite resources without becoming disillusioned or cynical.

## Conclusion

Local government finance is a crucial component of social work, yet is rarely included in social work training or valued by social work practitioners. All too often, social work is taught and practised as if it took place in a financial vacuum, with too many workers content to leave financial issues to the 'experts'. By doing this, they ignore the financial context in which their work is located and lack the overall awareness to explain the situation to users, progress into management and engage in far-reaching debates about the funding of local services which seem set to change the face of social work and local government as we currently know it. If this does not change, the result will be a situation in which such debates are resolved at a political level and imposed from above without any constructive input from workers on the ground. To resolve these issues, there needs to be a greater recognition of financial issues in social work education and practice, a more accessible literature and greater involvement from workers and members of the public. Until this happens, local government finance will remain the province of 'experts' and managers with little chance of resolving the numerous tensions and debates which currently exist about the funding and the nature of local democracy. They say that 'money makes the world go around'. Perhaps it is time that social work educators, students and practitioners realised this basic maxim and starting acting upon it.

## Note

<sup>1</sup> For more information, see J. Glasby and J. Glasby (1999) *Paying for Social Services* (Birmingham, PEPAR Publications). Priced at £4.95, it is available from PEPAR Publications, The Gatehouse, 112 Park Hill Road, Harborne, Birmingham, B17 9HD, 0121 428 4474 or at [www.pepar.co.uk](http://www.pepar.co.uk)

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