

Gwenda Thomas AC / AM
Y Dirprwy Weinidog Plant a Gwasanaethau Cymdeithasol
Deputy Minister for Children and Social Services



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: SF/GT/6989/11

Mark Drakeford AM
Chair
Health and Social Care Committee
National Assembly for Wales
Cardiff Bay
Cardiff

12 December 2011

Dear Mark,

Update on the Monitoring of the Implementation of the First Steps Improvement Package

You will recall that during the Committee's scrutiny on 20 October of the Assembly's draft budget, I promised to write to share the outcome of the first half yearly monitoring exercise that I had put in place on the implementation of the First Steps Improvement Package. That Package was to introduce more consistency where local authorities decided to charge for the non-residential social services they provide, or for which they arranged the provision. This was in light of the wide variations in the level of charges and calculation of charges that operated across local authorities in Wales, often for the same services.

As part of my post implementation monitoring of this Package, during the first year of implementation two half yearly monitoring exercises are being undertaken to assess its impact. The first of these concluded recently and I am now able to share with the Committee the main outcomes from this. In providing these I should stress that given the limited nature of this first return (ie covering just the initial 6 months of implementation) these can only represent a snapshot of what has occurred to date and will need to be verified further by the second exercise to be undertaken at the end of the financial year.

The good news is that due to the legislation we introduced authorities are reporting that no service user in Wales is paying more than £50 per week for the non-residential social services they receive provided under the service provision powers referred to in the Social Care Charges (Wales) Measure 2010. This is a substantial benefit for some service users who, depending upon their financial means, would have been paying several hundred pounds per week for their services. This is especially so where their local authority had no maximum charge previously for these services. In terms of those receiving a service, authorities report that around 30,000 individuals are receiving a service for which a charge could be levied, but that only around 18,000 are charged. Some authorities also report an increase in those seeking a service for the first time, although depending upon their care needs and the authority's eligibility criteria for services, it is not always the case that this results in an increase in the overall number of service users an authority has. This is

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Correspondence.Gwenda.Thomas@wales.gsi.gov.uk

*Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)
paper*

Printed on 100% recycled

something to be expected on the implementation of such an initiative as this. Nevertheless it will be interesting to see from the end year exercise whether this issue is still occurring then or whether requests for services have levelled off.

As a result a minority of authorities are at present reporting an above average increase over their original estimate of the income they will forego as a direct result of implementing the Package. That original estimate they provided last year to inform the £10.117 million p.a. that we included from 2011-12 in the RSG to local government to reimburse authorities for this lost income. Working with those authorities who have reported such increases to establish the nature of these, inconsistencies have been found in some authorities' calculations, leading in those cases to reductions in their estimates of income foregone provided.

Nevertheless it is important that we have a true reflection of the income that authorities are foregoing as a result of the Package's implementation. As a result I am asking authorities who continue to identify an increase in their income foregone in the second monitoring exercise to be undertaken at the end of the financial year to verify this with their section 151 officer. This is to ensure that authorities have calculated these estimates in the correct manner and that we have reliable data upon the full year financial effect on authorities in order to base decisions upon. (Under section 151 of the Local Government Act 1972 every authority is to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated within the authority to take responsibility for this. This officer is usually the authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies). We will then, on the basis of this end year exercise, be able to take stock as to full impact of the Package's implementation and what further action, if any, we may need to take.

I trust the Committee will find this summary of the current monitoring exercise undertaken with local authorities informative.

Yours sincerely

A handwritten signature in cursive script that reads "Gwenda Thomas".

Gwenda Thomas AC / AM

Y Dirprwy Weinidog Plant a Gwasanaethau Cymdeithasol
Deputy Minister for Children and Social Services