## Local Government Finance (Wales)

## Special Grant Report for Social Services Performance Management Development Fund No. 3 (Wales) 2004

## Introduction

- 1. This report is made by the National Assembly for Wales ("the Assembly") under section 88B of the Local Government Finance Act 1988<sup>1</sup> "the 1988 Act". It specifies a determination of special grants that the Assembly proposes to pay to county and county borough councils ("local authorities") in Wales.
- 2. The Report specifies the Assembly's determination of the purpose for which the grants are to be paid, the authorities to which the grants are to be paid and the manner in which the amounts of the grants are to be calculated. It also sets out such explanation as the Assembly considers desirable of the main features of this determination and specifies the conditions which the Assembly intends to impose on the payment of the grants to which the Report relates. Any expressions used in the report shall bear the meaning given to that expression in Annex A.

## The Purpose

3. Pursuant to section 88(3)(b) of the 1988 Act, the Assembly hereby determines the purpose for which special grants are to be paid:

to provide support to local authorities in Wales towards expenditure incurred in the financial years 2004/5 and 2005/6 in connection with achieving the aims set out in the National Assembly's Performance Management Strategy for Social Services<sup>2</sup>. These are detailed and specified at Annex B.

## Amounts Payable to Authorities

4. Pursuant to section 88B(3)(a) and (c)(i) of the 1988 Act, the Assembly hereby determines, as the authorities to which special grants are to be paid and the manner in which the amounts of the grants are to be calculated, the authorities and the manner of calculation described in Annex A.

## **Main Features**

5. Annex B contains such explanation as the Assembly considers desirable of the main features of the determination specified in this Report.

<sup>&</sup>lt;sup>1</sup> "1988 c.41. Section 88B was inserted in the 1988 Act by paragraph 18 of Schedule 10 to the Local Government Finance Act 1992 (c.14). The functions of the Secretary of State under section 88B are exercisable in relation to Wales by the Assembly by virtue of and in accordance with the National Assembly for Wales (Transfer of Functions) Order 1999 (SI. 1999/672)"

<sup>&</sup>lt;sup>2</sup> Final version prepared May 2001.

## **Conditions for the Payment of the Grants**

6. Pursuant to section 88B(7) of the 1988 Act the Assembly hereby specifies as the conditions which it intends to impose on the payment of the special grants for the purpose described in paragraph 3 above the conditions set out in Annex C.

# Annex A

# Calculation of the Amounts of Grant Payable to Authorities

The grant fund for 2004/5 will be £2.35m.

Authorities will be invited to make bids for grant from the fund in accordance with the criteria and allocation will depend on the merits of the bid in relation to the criteria and with regard to the strategies and project plans provided by the authority. Authorities are also asked to maximise the cost effectiveness of their proposals through combining their efforts with other local authorities where feasible and sensible. Bids which include joint proposals and which appear to make effective use of shared resources are actively encouraged as they represent best value for money for the Assembly. Funds for jointly agreed bids can be paid to an authorities provided there are clear agreements between the participating authorities about the aims, management arrangements and costs of the projects.

Allocations from the Fund over the remaining period of the fund will be broadly in proportion to an indicative allocation formula agreed during the consultation period, set down at Table A below (see overleaf).

# Table A: <u>Indicative</u> proportion of grant by authority,<sup>3</sup> excluding any sums reserved for collaborative projects of wider benefit.

	Percentage Share
Isle of Anglesey	2.99%
Gwynedd	4.35%
Conwy	4.32%
Denbighshire	3.78%
Flintshire	4.32%
Wrexham	4.48%
Powys	4.02%
Ceredigion	2.86%
Pembrokeshire	4.01%
Carmarthenshire	5.58%
Swansea	7.18%
Neath Port Talbot	4.95%
Bridgend	4.34%
Cardiff	8.99%
The Vale of Glamorgan	3.95%
Rhondda Cynon Taff	7.26%
Merthyr Tydfil	2.94%
Caerphilly	5.46%
Blaenau Gwent	3.16%
Torfaen	3.53%
Monmouthshire	2.92%
Newport	4.61%
Welee	400 000/

Wales

100.00%

<sup>&</sup>lt;sup>3</sup> The distribution is based on the total of each authority's share of Standard Spending Assessments (SSAs) distributed by indicators in the children's, elderly and adult personal social services (PSS). This accounts for 70% of the allocation. The remaining 30% is based on a flat-rate distribution between all 22 local authorities.

The indicators used to distribute the SSA for PSS include population measures (except for elderly PSS) e.g. population aged 18 to 64, together with several appropriate deprivation measures e.g. dependent children in lone adult households, each with a separate weighting. These indicators were reviewed in partnership with local authorities and agreed with the Consultative Forum of Finance. Objective statistical methods were used to identify the indicators and the weights attached to them.

# Annex B

# Explanation of Grant

# Background

'Building for the Future', the Social Services White Paper published in 1999, set out the need to develop performance management processes for Social Services in Wales. These would support the mechanisms for modernising the management of local authorities and overall evaluation of the effectiveness of local social services provision. The Nuffield Institute for Health was commissioned in 1999 to produce an initial review and recommendations and this strategy document provides a response to their report 'Performance Management Information: The Challenge for Social Services in Wales', as well as the National Assembly's consultation on Performance Indicators for Social Services issued in June 2000.

The Nuffield Institute's report concluded that:

'The culture of performance management has an increasingly powerful part to play in how we give an account of the quality, effectiveness and efficiency of public services. This is driven by many factors including the desire for greater public accountability, the existence of the new policy making bodies, higher levels of expectation, increased competition for resources and the need to address shortcomings highlighted by major reviews and reports in the past.

Management information has a key role in this new area, and the brief for this [research] project aspired to the early creation of an "executive management information system". But at the present time, the information systems in place do not have a consistent capacity to deliver quality information, the information collected is often unconnected with the strategic questions which are important to those responsible for those services, and all the organisations involved need to build their capability to manage information effectively so that management information can be delivered.<sup>4</sup>

# The Performance Management Strategy for Social Services

The Social Services Inspectorate (Wales), in close collaboration with local authorities, has developed a strategy to address the challenges outlined in the report. The aims of this strategy are to:

1) Develop effective performance information which will provide the basis for internal performance management programmes in authorities and support the Inspectorate's inspection and evaluation processes together with the supporting managerial and electronic linkages to the 22 local authorities across Wales. This

<sup>&</sup>lt;sup>4</sup> Performance Management Information: the Challenge for Social Services in Wales. October 2000.

will include the specification, development and use of a set of National Performance Indicators.

- 2) In collaboration with Directors of Social Services, develop modern performance management processes in the management of local authority social services which will also inform the Inspectorate's evaluation role.
- 3) Implement in the most effective manner the most appropriate use of modern information and communications technology which will generate good management information and support social work practice.

These aims will be developed in collaboration with similar processes now being established in the NHS as the result of the 'Review of Health and Social Care in Wales' by Derek Wanless and the Strategy Documents 'Informing Health Care' and 'Informing Social Care',

The following sets out the programme of work to be undertaken by SSIW and local authority social services functions to achieve these aims:

1. Performance Management Skills

Performance management depends upon a complex matrix of activity undertaken within an organisation. Steps in this process can include:

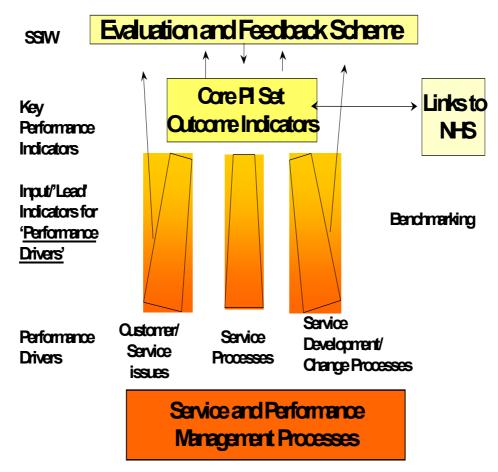
- Assessment of current performance;
- Identifying change and development programmes, including critical indicators;
- Managing internal development programme, including establishing team based PM initiatives;
- Measuring performance changes and assessing implications for development programme and future strategy.

The Assembly will work with local authorities in developing and implementing appropriate procedures for each authority with regard to its Social Services provision. The benefits of this collaborative approach will be that authorities will be able to compare and learn from the efforts of all authorities in Wales.

Directors of Social Services identified training needs amongst managers in social services and SSIW will continue to sponsor a training and development programme to address these.

#### 2. Performance Management information

The following model for performance information has been developed through consultation with Social Services Departments and is based on sound performance management theory and practice. It shows how management information systems should support evaluation and performance management:



The NHS Wales, Social Services Inspectorate, the Local Government Modernisation Division and the Statistics Directorate of the Assembly Government will work with local authorities to develop data and performance management information so that key national performance indicators can be produced at the same time as data to support local performance management processes. There will be three key components to this:

- Local information needs should focus on service inputs, customer evaluations and records of service development mechanisms highlighted in the model above.
- Benchmarking and internal service management mechanisms should be organised to manage change based on this information with the ultimate goal of achieving service and outcome targets.
- The Assembly will require authorities to report on a range of data which will be used to construct performance indicators to inform the overall evaluation of the performance of individual authorities in the management of their social services functions.

As electronically based recording and data storage systems and improved inter agency electronic communication channels are implemented across Wales, SSIW will work with authorities and service partners (especially the NHS) in developing integrated approaches to using these facilities which support national policy objectives.' 3. Information Systems to support performance management

The introduction of enhanced operational and management support systems for the provision of services to children (Integrated Children's System) and to vulnerable adults (Unified Assessment Process) requires authorities to re-assess their ICT arrangements to ensure that they have the functionality and capacity to respond to these challenges. Support will be provided to authorities to assist them with these challenges

4. Support with Information Governance Arrangements The capacity for all those individuals with responsibilities for the care of vulnerable people of whatever age and from whatever agency, organisation or profession to share information is essential if their needs are to be met effectively and safely. This requires the development of protocols for information sharing to be agreed and acted upon on an all-Wales basis.

# **Criteria for the Special Grant Fund**

The fund is provided to enable local authorities to improve and extend performance management capacity and capability to meet modern management standards in social services delivery. Priority will be given to proposals which focus on the Integrated Children's System, (ICS), Unified Assessment Process, (UAP), and the arrangements, protocols and agreements that effective implementation requires, (including the provision of management information). Support will be provided for:

- 1) Performance management staff support including:
  - Data input/ data quality development
  - Analysis and feedback of local data
  - Use of local Performance Indicators in management
  - Management Information system support
  - Information governance;
  - Related staff training and development,
  - Benchmarking activity
  - 2) Management Information systems and in particular ICS and UAP including software, hardware, communications.

3) Costs relating to implementation of the strategy including consultancy, data migration, training, and information governance issues.

# Annex C

Conditions for the Payment of the Special Grant

# Use of grant monies

1. (1) Each authority shall use the grant monies for expenditure in the financial year 2004/5 only for the purpose of implementing schemes to improve performance management in Social Services set out at Annex B

(2) An authority shall not use the grant monies for expenditure outside the financial year 2004/5 without the written approval of the National Assembly.

## Proposal

2. Each authority shall by the 31 May 2004 provide to the National Assembly, for approval, a written proposal in a form specified by the National Assembly, which shall specify the proposals the authority intends to undertake.

# Report

3. Each local authority shall on or before 31 May 2005 provide to the National Assembly a written report which shall set out a detailed account of the use of the funds and in particular how the funds have been used to address the key aims of the National Assembly for Wales Strategy for Performance Management in Social Services.

# **Audited Statement**

4. Each local authority which receives grant monies shall ensure that information provided to the National Assembly is certified, on an audit form provided by the National Assembly, by the authority's Chief Finance Officer, by 30 September 2005 and by an auditor appointed by the Audit Commission, and that the form is received by the National Assembly, duly certified not later than 31 December 2005.

## Further information

5. Each local authority shall provide such further information as may be required by the National Assembly for the purposes of determining whether they have complied with the conditions set out in this Annex.

## Other conditions

6. (1) Subject to sub-paragraph (2) and to the provision to the National Assembly of a proposal in accordance with paragraph 3, the grant monies shall be payable in quarterly installments commencing April 2004. Any quarterly installments due at the date of approval by the National Assembly of the proposal required under paragraph 2, shall become payable at the date of such approval. Payments of remaining installments will be made to an authority at the beginning of the relevant quarter, subject to the receipt by the National Assembly of a properly completed claim in a form specified by the National Assembly. (3) If -

- (a) a local authority fails to comply with the conditions set out in paragraphs 1 or 2 ; or
- (b) the National Assembly having regard to any report or information received from a local authority and any other information available to it is satisfied that the authority have without reasonable excuse failed to comply with any other condition set out in this Annex,

the National Assembly may require the repayment of the whole or any part of the grant monies paid to that authority as may be determined by the National Assembly and notified in writing to the authority. Such sum as has been notified shall immediately become repayable to the National Assembly.