

CBG



DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522
From the Secretary of State for Social Services

Private Secretaries to
Members of E(LA) and
Sir Robert Armstrong

NBM . 22 SEP 1987

Dear Private Secretaries

Your Ministers will have recently received a copy of John Moore's letter of 17 September to John Major concerning PSS Specific Grants. This refers to a previous letter to John Major, dated 17 July, which was not circulated at the time.

A copy is now attached.

Apologies for any inconvenience.

Yours sincerely

Alexandra Young

ALEXANDRA YOUNG
Cabinet Documents Clerk



DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

The Rt Hon John Major MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON SW1P 3AG

July 17 '87.

In my letter of 29 June to Willie Whitelaw I said that I would be writing to you giving my views on Specific Grants and PSS.

Having now acquainted myself with the background I am convinced that a programme of Specific Grants is needed. This letter sets out my initial proposals but I have asked my officials to develop more detailed proposals - including objectives and timescales and to consider how these grants would fit into a wider strategy for these services.

My proposals are based on a recognised need for a greater degree of central control over key areas of social services development - to ensure that they happen; that the expenditure is deployed as effectively as possible and that the best value for money is obtained from the £3bn or so of expenditure involved and the 233,000 (whole time equivalent) staff. PSS are the only major services in which central government remains dependent upon its powers of persuasion to ensure that policies are properly resourced and implemented efficiently. That must change..

The proposals are as follows:-

1. A Community Care Development Grant. This has been the subject of previous correspondence and Tony Newton is to discuss with the Local Authority Associations. As you may know the ACC is already actively seeking targeted provision of this kind as has the All Party Parliamentary Panel to the Social Services Committee. And the Audit Commission Report "Making a Reality of Community Care" strongly points in this direction.

Pending the outcome of these discussions I do not propose to suggest any change to the level of provision or grant previously proposed. (The Annex to this letter sets out the relevant figures).

We would need legislation before we could introduce a grant of this kind but I am hopeful that with colleagues' agreement the Parliamentary time could be found to enable a start to be made on this in the latter part of 1988-98. The figure for that year is thus a part year cost.

2. A Social Services Training Grant I am convinced that there is a need for greater central direction of expenditure on training, both to ensure that the most effective use is made of the available human and financial resources available to Personal Social Services and to equip the front line staff and their supervisors for the difficult tasks which they face. There needs to be a major effort to ensure that the staff who deploy these resources have the management training they need, and which they so signally lack at present. And you will not be surprised to hear that I see the need for a major initiative to improve post qualifying training in such specialist areas as child sexual abuse. I have asked my Social Services Inspectorate to work up proposals for a rolling programme of training in the priority areas and to obtain advice on which of these would be covered by the existing legislation. (Section 63 of the Public Health Act 1968). In the light of that work I will put forward to colleagues my detailed proposals for a Social Services Training programme and my view on the urgency of obtaining more appropriate legislative cover. I would expect provision and grant of the order already sought to be sufficient for such a programme and agree that it should be closely modelled on the national priorities part of Kenneth's In Service Teacher Training Grant.

3. Hospital Social Work. There has already been some correspondence about the need for a distributional mechanism to direct funds for hospital social work to those authorities providing a service for a large proportion of patients from outside their area. This is needed to accompany the proposed removal of powers to charge health authorities for this. Tony Newton has been giving this some further thought and will be writing shortly. No extra provision is needed for hospital social work as it is already in local authority expenditure, but it would need to be earmarked for this purpose.

4. AIDS. It is too early yet to be sure of the course that either the disease or the service provision will take, but it is clear that local authority services will need to be heavily involved and the resourcing arrangements in the longer term will need to be considered. But a few local authorities

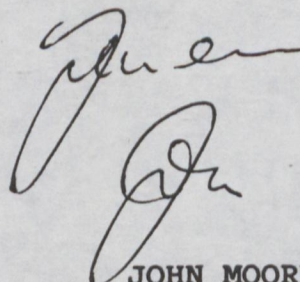
currently have responsibility for the bulk of AIDS sufferers. These authorities have an urgent need to develop services for sufferers on a scale which other authorities will not need to meet for some years. I sought £5m extra provision for 1988-89 in my letter of 29 June to Willie Whitelaw.

5. The local Government (Social Need) Act 1969 could be used to provide at least temporary cover for both of these grants. I consider the usual Urban Programme rate of grant (75%) appropriate since the aim is to provide a high degree of cushioning where the burdens fall particularly unevenly.

6. A Social Services Inner City Initiative. As I indicated in my letter of 29 June I have been giving some initial thought to the contribution Personal Social Services might make to our inner city initiatives. I see this as particularly important in London given the Audit Commission Report on the financial vulnerability of some London Boroughs. I would wish to obtain some control over the PSS Expenditure in those areas to ensure that this is put to the most effective use and that economies are sought wherever possible. My aim would be to use a specific grant - again under the urban aid powers - to act as an incentive to inner city authorities to tackle their worst social problems in a way which ensures value for money. It would be too much to hope that this sort of action would be sufficient to prevent financial collapse occurring but it might ensure that progress is made on making at least some of the services more cost-effective before that point is reached. I would like to tackle the problem which seems worst in the particular authority. For example this might be residential care for the elderly in Camden - where recent reports have shown standards of care to be unacceptably low whilst expenditure - because of costly staff practices - is high. A grant to Camden in support of improvements in this service would be dependant upon progress being made, over a defined timescale in tackling and eliminating these staff practices thus providing an improved service at less cost. In Greenwich the aim might be to improve the oversight of cases on the child abuse register (the Kimberley Carlisle case etc). The grants in each case would be cash limited, subject to clear objectives and targets to be achieved over a defined period of time. The usual Urban Programme 75% rate of grant would seem necessary to encourage cooperation from these Boroughs.

I hope you will see these suggestions as a constructive attempt to secure value for money from expenditure in inner city areas whilst tackling the very real social problems that these authorities face. I am sure that no programme of inner city action can be complete without some attempts to tackle the multiple social problems they contain and I hope to make a constructive contribution to our corporate efforts. I will come back to colleagues with detailed proposals as soon as possible. This will be on the basis of a cash-limited rolling programme based on priorities involving both service need and maximum possible cost-effectiveness.

The Annex to this letter summarises the provision and grant requirements for a programme of this kind though clearly some figures are more tentative than others at this stage. In particular I will need to look at detailed proposals for an inner city initiative before I can judge what order of central control of expenditure may be needed to have the desired effect. As I indicated in my letter to Willie Whitelaw, the only extra provision that I am seeking is the additional £5m for AIDS. Otherwise I would simply wish to gain greater control over existing PSS provision.

A handwritten signature in black ink, appearing to read 'John Moore', written in a cursive style.

JOHN MOORE

SUMMARY OF PSS SPECIFIC GRANT PROPOSALS

Subject	1988/89		1989/90		1990/91		Legislation
	provision	grant	provision	grant	provision	grant	
Community Care	10	7.5	25	18.75	50	37.5	New
Training	10	7	20	14	33	23	S63 Public Health Act (but new legislation in due course)
Hospital Social Work	15	11.25	15	11.25	15	11.25	Local Govt (Social Needs) Act 1969
AIDS	5	3.75	7	5.25	10	7.5	
Inner City* Initiative	30	22.5	50	37.5	70	52.5	
Total	70	52	127	86.75	198	131.75	

*Figures just markers pending working up of detailed proposals.