



National Assembly Finance Committee

Financial estimates accompanying legislation

Introduction

1. The Association of Directors of Social Services Cymru (ADSS Cymru) is the professional and strategic leadership organisation for social services in Wales and is composed of statutory Directors of Social Services, and the Heads of Service who support them in delivering social services responsibilities and accountabilities; a group of 80 or so social services leaders across the 22 local authorities in Wales.
2. The challenges faced by the health and social care economy are often of such scale that no one single agency, can manage them alone.
3. A wide range of agencies, and organisations statutory, non-statutory, local, regional and national have capacities to respond to various aspects of these complex challenges. However, lack of coherence among diverse national, regional and local Stakeholders has resulted in, the potential for working at cross-purposes, competition for funding, duplication of effort and sub-optimal economies of scale.
4. Experience suggests that promising national initiatives have had limited success because of failure to achieve/deliver through investment, strong national vision and ownership at local and regional levels.
5. Regions have endeavoured to develop explicit approaches aimed at fostering greater coherence, the extent to which this has been accomplished, to date, is unclear. However, if there is to be the sustainable improvement, envisaged by the Social Services & Wellbeing (Wales) Act our model of planning and coordination must be better integrated into a single country-wide approach
6. Underpinning the provisions of the Act is an implicit understanding that local authorities alone cannot fulfil the Act's strategic intent or indeed many of the duties

that fall on them without working jointly with statutory, independent or voluntary sector partner.

7. The main issue for social care is that change is happening at a time of financial constraint, combined with unprecedented demographic change. Austerity is affecting the population at large, but most importantly, in respect of social care, it is particularly damaging to the most vulnerable people, families and individuals in our communities across Wales , leading to increased demand on health and social care.
8. Local Authorities are expected to deliver Personal Social Services within an increasingly tight budget. Local government funding is facing a shortfall as government continues to restrict budgets because of the national deficit.
9. Whilst funding is being cut there are growing pressures on Social Services to change. These include increasing demand for complex services, demographic and social change, plus workforce fragility in the provider sector (recruitment, retention, reward, recognition)

Social Services & Wellbeing (SSWB) Act

10. The Social Services and Wellbeing (Wales) Act 2014 (SSWB) and the Well-being of Future Generations (Wales) Act 2015 provide a direction of travel for all public services in Wales and a framework for delivering the aspirations in the legislation. Both are as relevant to the Social Services and local government as they are to other public bodies, providing an opportunity for local government and the NHS to be equal partners in making a difference to the people and communities they serve.
11. SSWB came in to force in April 2016. The Act changed the way people's needs are assessed and the way services are delivered with people and their carers at the centre of care plans and more of a say in the care and support they receive. The Act therefore expects Social Services to be delivered differently. This is a new way of working, and authorities, with partners are intimately involved in delivering a critical shift in culture and service configuration. We are at the beginning of a long journey and the change envisaged will take time and effort to deliver.
12. ADSS Cymru and the Welsh Local Government Association (WLGA) are very supportive of the principles and ambitions of the Act, but believed the costs were understated. In evidence to the Health and Social Care Committee, during scrutiny of the SSWB Bill, serious concerns were expressed about resource impacts of the Bill. The enabling

nature of the legislation meant that it was difficult to analyse, with any degree of accuracy, true costs involved.

13. We highlighted concerns over the limited scope of the RIA in that it underestimated the financial impact of the proposed changes. The costs identified in the Bill's RIA were limited to analysis around additional training costs and cost benefits in relation to reduced administration, complaints and litigation. This led to the RIA to conclude that, "the additional benefits of implementing the Act will outweigh the additional costs of implementation over the long term." Though it was recognised that this was "a simple comparison based upon the intent of the primary legislation".
14. We have seen recent examples of policy changes being implemented which have required amendments to Regulations under the SSWB Act. These include changes to the increase in the maximum weekly charge and increases in the capital limit for residential care. Welsh Government have commissioned independent research to try to identify the cost implications for these changes and continue to work and engage with local government to monitor the impact of these changes against anticipated costs.
15. For change to be effective, it needs to be implemented at all levels; embedded in the culture of each organisation. Colleagues at all levels need to be motivated, and need to understand what motivates them.
16. Staff will usually respond well to challenges (that they feel they can meet!). Getting staff motivated to support the changes that are to be implemented is therefore crucial for success. At a time of austerity there needs to be significant investment in modern processes and practises if culture and behaviour is to change

Changing the Culture

17. Changing culture in social and health care means moving from reacting to prevention which means:
 - Greater alignment of vision, actions and behaviours (national, regional, local and agency)
 - Anticipating the medium-term future
 - Acting quickly
 - Ensuring sufficient well trained, compassionate and motivated staff doing the right job

- Ensuring robust accountability

Bringing about the change in practice envisaged in the Act does require significant additional short-term investment. There has been some investment, which has helped to keep pace with demand through the front door. However additional support is required to equip the workforce with the knowledge and skills necessary to meet the need associated with the increased levels of complexity and demand from an aging and discerning population.

Designing, developing and introducing modern systems and processes requires creativity, capacity and leadership. Economies associated with deficit reduction has had an impact on capacity in this respect.

Financial Challenges

18. Each year ADSS Cymru conducts a budget survey to provide information to support and inform national discussions on Local Authority Personal Social Services finances.
19. Survey data is collected, from Local Authorities, on the understanding that information provided is used publically to provide an all-Wales picture. Individual Local Authority information is not presented unless available from publically available information.
20. From 2015-16 to 2016-17 All Wales Council budgets (gross) decreased by 2% from £7,153m to £7,013m. Social Services budgets remained unchanged over the same period (gross) at £1,667m. This suggests that whilst Council budgets are decreasing Social Services budgets are being protected to some degree.
21. It is roughly estimated that £45m of savings were made in Social Services in 2016-17. Most of these were in Adult Services, contributing significantly to overall Council savings. As this estimate is extrapolated from information provided by 19 of the 22 Local Authorities it should be treated with a degree of caution.
22. From the information provided in the budget survey it appears that Authorities are putting the needs of the service user first as they try to make savings in areas that impact less directly on the service user. It seems likely that the impact of savings to date and future anticipated savings are judged to fall more on the Local Authority and care providers than individual service user.

23. Whilst Authorities were reasonably confident in making savings during 2016/17 that confidence reduces as each look to the future. There is a limit to the extent of which savings can be made before essential core services are affected. There is a sense that this limit is very close to being reached. If deficit reduction continues achieving savings cannot be accomplished without directly on the quality and reliability of support for the most vulnerable service users.
24. Spend on prevention services in 2016/17, across social services, were very cautiously estimated at £100m, or less than 10% of the social service budget. It is in this area of expenditure that future savings are likely to be sought to ensure core statutory duties are met. This can only be at a cost to prevention and promotion of wellbeing in our communities.
25. At 31 March 2016, there were 19000 children in need in Wales being supported by Social Services and 72000 adults aged 18 and over receiving services. Whilst numbers appear relatively stable over the past few years there is a wealth of evidence suggesting the burden on Social Services will increase as the population is predicted to age.
26. At 31 March 2016, there were on average 29 adults per Social Worker and 6 children per Social Worker in Wales.
27. In 2016/17 Welsh Government grants provided significant contribution to the money coming to a Local Authority at around 40%. That grant level has remained stable since Welsh Government data was reported in 2015-16. However, past unpredictability of grant value, year on year has made it difficult for Authorities to plan, with certainty into the future.
28. Despite the challenges, risk and issues identified Local Authorities feel that they were in 2016/17 providing social care at the same or an improved level. This is a huge credit to the thousands of people across Wales who work in social care. However, in the longer term, we are reaching the limit of savings that can be made in the face of issues, challenges and risks that continue long into the future.

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