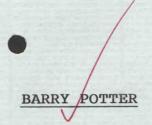
CONFIDENTIAL



6 April 1990

COMMUNITY CARE

Further to what was discussed yesterday, the attached from last week's Public Finance & Accountancy is good evidence why the Prime Minister is right to be concerned. I know local authorities <u>always</u> say they have insufficient resources but the <u>mood</u> which this kind of comment displays will not go away and is bound to feed through into counties' budget plans.

Ian Whitehead tells me that the message is beginning to be heard more loudly from some Regional Health Authorities that in their view local authorities are simply not ready to take over community care next year. These views have a certain vested interest, but they are being put forward with some forcefulness and could actually be a helpful smokescreen if a decision to delay is taken.

JOHN MILLS

Social service departments lack cash to take on new community care duties

Some 75% of local authorities believe they will not have sufficient resources to operate the new community care system when it comes into effect next year.

This is revealed in a survey carried out by the Association of Directors of Social Services in conjunction with BBC Radio, which also shows that more than a third of social services departments have implemented service reductions or abandonded new developments as a result of the community charge. A total of 71 authorities took part in the survey and the association reports that they gave an emphatic 'No' when questioned about whether they would have enough resources to undertake the new community care responsibilities.

Only two social services departments felt that they would have sufficient resources and the remaining 20% wanted to wait until the Autumn statement before

commenting.

ADSS president John Rea-Price described the results as 'a worrying picture', adding that many authorities said they were reducing their existing budget in order to scrape together sufficient cash to fund community care.

One of the main concerns expressed by those taking part in the survey was whether cash transferred from the national social security budget would ever reach local social services departments. They cited the failure to 'ringfence' grant from central government as the chief reason why they expected community care to be seriously underfunded.

The survey also revealed that 21 per cent of the 71 authorities taking part have succeeded in setting a budget below the Government-set standard spending assessment (SSA). The rest have set budgets which exceed their SSA and just over half have set a budget which is more than 10 per cent above the SSA prescribed by government.

Although 85 per cent of social service budgets for 1990/91 have increased in real terms on the previous year, the ADSS says the picture is deceptive. Authorities pointed out that growth had been restricted almost exclusively to areas where the local authority has no alternative but to increase the budget. For example, as joint funding between district health authorities and local authorities tapered off, social service departments had to pick up the cost.

Difficulties were also being experienced with start-up costs for community care legislation — information technology, training, planning, etc.

Some councils pointed to the absence of financial assistance from central government with the task of planning and developing these new responsibilities, even though around £1m has been made available to the NHS for similar structural changes to the health service.

A number of authorities — mostly the shire counties — also expressed concern about the possibility of charge capping saying that, until the government's intentions were known, uncertainty prevented them from proceeding with their expenditure plans.

John Rea-Price commented that local authorities up and down the country seemed to be predicting a spiral of rising expectations which could not be met without adequate financial back up. 'These anxieties need to be seen against a background of longstay hospital closures and cuts in NHS community health budgets, both of which throw additional responsibility onto local authorities'.

Over £2m to help Scotland's hospice movement provide care for the terminally ill is to be made available to health boards in the next financial year.

Announcing details of the funding arrangements, Scottish Health Minister Michael Forsyth said the government had long valued the contribution which the hospice movement made to patient care. From 1 April this year, Scotland's hospices would have 50% of their running costs met by public funds.

'This recognises the partnership which exists between hospices and the NHS and puts them on a secure footing to further develop services', Mr Forsyth said.

NHS initiative on communications

An initiative to improve communications between NHS managers and their staff is to be launched next month, the Department of Health has announced.

NHS Chief Executive Duncan Nichol will visit the 14 English regional health authorities during the next three months to discuss ways in which communications can be improved. These discussions will be based on information from a nation-wide survey of communications currently being carried out at district, FPC and unit level.

Public Finance and Accountancy, 30 March, 1990