

PRIME MINISTER

(2)

PM  
DMS  
24/7

Social Services Inspectorate

You may like to be aware of the attached draft policy statement, on which Norman Fowler is proposing (with Treasury agreement) to consult the Local Authority Associations.

The draft statement proposes turning the existing DHSS Social Work Services into an Inspectorate for the Local Authority Personal Social Services.

The Inspectorate's main function will be to help local authorities give value for money through more efficient and economical use of available resources. The inspections will be of three types:

- (i) Initiated by Ministers under their formal powers.
- (ii) Initiated by individual local authorities.
- (iii) Enquiries into general issues of concern to more than one authority, in accordance with a programme to be agreed with the Local Authority Associations.

The Inspectorate will report formally to the Secretary of State, but its day to day work will be the responsibility of a Steering Group of both central and local government.

Consultation with the local authorities will proceed over the summer, with a view to the Secretary of State making a statement after the recess.

DMS

23 July 1984



CC 10  
 Await Chief Secretary

DEPARTMENT OF HEALTH & SOCIAL SECURITY

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From the Secretary of State for Social Services

The Rt Hon Peter Rees QC MP  
 Chief Secretary to The Treasury  
 Treasury Chambers  
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July 5<sup>th</sup> 1984.

*Peter Rees*

SOCIAL SERVICES INSPECTORATE

I am grateful for your letter of 26 April and for Patrick Jenkin's letter of 4 April, both in response to mine of 10 March. I have also seen Robin Ibbs's letter to you of 18 May in which he responded to your invitation to his to comment on the Inspectorate proposals.

I have, as Patrick and you suggested, sounded out the Associations again on the revised version of the joint announcement about the Inspectorate. They were not unreceptive and made a few constructive suggestions which are incorporated in the version (6th Draft) which I now enclose. This has not been put to the Associations formally and will not be until I have yours and Patrick's reactions to it; but I think we should take advantage of the further preparatory work that has been done.

I am sorry if I gave the impression in earlier correspondence that the Inspectorate's main thrust would be as - to quote Patrick - "a specialist arm of the Audit Commission". That is certainly not so: the Inspectorate will be an integral part of the chain of command in My Department and available as an instrument of Government policy to a much greater extent than an independent statutory body like the Commission could ever be. The point is that on "specialist" aspects of the personal social services the Inspectorate will be in a position to make a contribution of greater authority on economy, efficiency and effectiveness in the use of resources; and they are better placed to disseminate knowledge of relevant good practices within social services departments. They will be particularly helpful to us in getting over the general message - which I know you regard as important - that we see social services authorities as, in the first place, enablers rather than direct providers of services.

I intend that the Inspectorate will assist local authorities to obtain value for money and contain their expenditure within planned objectives. However, while the Inspectorate can help to establish trends to value for money, it would be quite unrealistic to expect it to secure quantified target savings across all local authorities, since each authority varies in the needs it has to meet; the balance between personal social services and associated services such as housing, health and education; its present efficiency; and the reasonable scope for economy. What matters is that we secure sensible savings where they are to be found, and encourage better and more effective social service.

E. R.

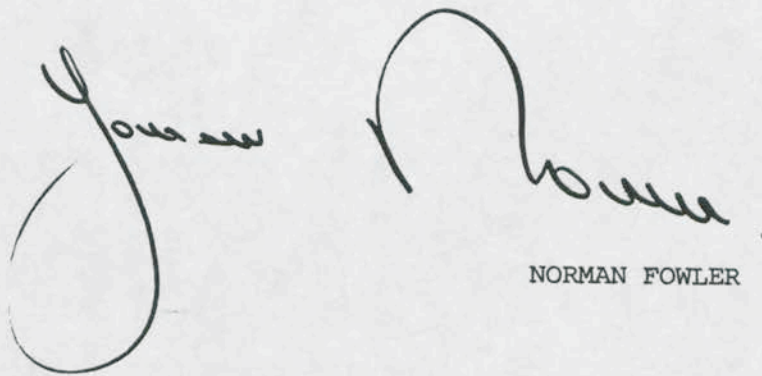
Robin Ibbs wondered whether we could pilot the Inspectorate in some way. That stage is in fact behind us. Social Work Service (SWS) already has extensive experience of inspections and - as you were kind enough to say in your letter of 31 January - these have not led to the kind of pressures for higher expenditure which you and Patrick have feared. My proposals do not seek to break new ground but to extend and improve the present capacity of SWS for analysis, assessment and the management of change.

In my earlier letter I said that I would be content to confine myself at that stage to merely announcing that the Inspectorate would be set up at some future date. I then suggested 1 October. I remain embarrassed by the prolonged delay over a decision, which has led to questions in the House. I was also pressed on the matter by my departmental Select Committee when I gave evidence to them on 20 June: the Select Committee recommended the development of the SWS into an Inspectorate two sessions ago and welcomed my consultative document.

If the delay continues we shall not only be losing opportunities to get on with a job that needs doing but we shall be sacrificing goodwill which the Inspectorate would have enjoyed if set up as originally proposed.

In all the circumstances, I feel I must press you for agreement to my putting the enclosed revised statement formally to the Associations and, if I clear it with them in time, for an announcement before the Summer Recess that the Inspectorate will be established later this year. I would not want to argue with colleagues over the matter of a few weeks, but 1 January 1985 seems to me the latest date we could propose for inauguration of the Inspectorate without complete loss of momentum.

I am copying this to Patrick Jenkin, Robin Ibbs and the other recipients of our earlier correspondence.

A handwritten signature in cursive script, appearing to read 'Norman Fowler', written in dark ink. The signature is fluid and somewhat stylized, with a large initial 'N' and a long, sweeping underline.

NORMAN FOWLER

SOCIAL SERVICES INSPECTORATE : DRAFT JOINT STATEMENT WITH THE  
LOCAL AUTHORITY ASSOCIATIONS

1. In April 1983, the Secretary of State sent to the chairmen of all social services committees a consultative document proposing development of the Department's Social Work Service - which already exercises inspectorial functions - explicitly into an inspectorate for the local authority personal social services. In the light of a wide range of helpful comments on the consultative document, the Government has now reached agreement in principle with the local authority associations on the way forward.
  
2. The Inspectorate, like the Audit Commission for Local Authorities in England and Wales, will assist local authorities to obtain value for money through the efficient and economic use of available resources; and the work of the two organisations will be complementary, not competitive. The aim of the Inspectorate will be to help authorities to secure the most effective use of existing professional and other resources, normally by identifying good practice and spreading knowledge about it.
  
3. Inspections will be of 3 main types:-
  - a. initiated by Ministers and the Department in exercise of the Secretary of State's formal powers of inspection;
  
  - b. undertaken outside formal powers, related to issues of general concern and covering a number of local authorities, by agreement with the authorities concerned and in accordance with a programme agreed by the local authority associations; and
  
  - c. undertaken outside formal powers, but at the request of, or in agreement with, an individual local authority and in relation to specific services or activities of that authority.

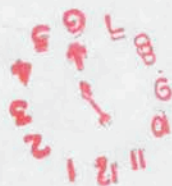
Reports written as a result of formal inspections will be made in the first instance to the Secretary of State, but all other reports will be made concurrently to the authorities concerned for their social services committees to see. Reports will normally be documents of public access.

4. Formally, the existing statutory powers of inspection (which are considered sufficient for the purposes of the new Inspectorate) are vested in the Secretary of State, and he will be the Minister responsible for the Inspectorate's management and actions. In practice, however, the programme of work of the Inspectorate outside formal powers will be a joint concern of central and local government. This will be reflected in a Steering Group of representatives of the Department and the local authority associations, with the following terms of reference:

"To consider the proposals of the Social Services Inspectorate for inspections of local authority personal social services (other than those to be made under statutory powers, or in relation to specific services or activities of an individual authority at the request of or in agreement with that authority); to agree annually a programme of such inspections; and to review from time to time the scope for future work of the Inspectorate."

5. The staff of the Social Services Inspectorate will consist of members of the existing Social Work Service, supplemented by staff from relevant disciplines on attachment from local authorities and when appropriate from other organisations, including experts in appropriate branches of management and in performance measurement. The Inspectorate will work closely alongside the Audit Commission and will continue existing collaboration with HM Inspectorate of Schools, the Probation Inspectorate and the Health Advisory Service.

Exp & Exp: NHS A3.



9 - JUL 1984