

Edwina Hart – Report to S J & R Committee – 8 December 2004

SJR-17-04 (p.1)

Audit Commission Review of NHS Substance Misuse Treatment Services.

Members will be aware that for a number of years the Welsh Assembly has had a general requirement that 0.4% of Health Authorities (HAs) general HCHS discretionary allocation would be spent on substance misuse treatment services. However, it was clear from the limited statistical information available on treatment services that spend by the NHS on these services varied greatly across Wales. This was an issue that I felt needed to be addressed urgently on taking over the substance misuse portfolio.

You will remember that from the 1 April 2003, I introduced a ringfence within the new Local Health Board (LHB) allocations as a first step towards ensuring that the 0.4% target was adhered to. At this time my stated longer-term intention was to remove these resources from the NHS settlement and pass them over to Community Safety Partnerships (CSPs). The introduction of the ringfence was, therefore, seen as an interim measure for 2003-04 to ensure that existing treatment services were not destabilised as a result of removing these resources from the NHS settlement at short notice.

When officials began work in determining the actual amounts spent by the NHS on substance misuse services in Wales, in order to prepare for the transfer of resources out of the NHS settlement, it was clear that there was wide variations in amounts reported as spent by HAs and a variety of definitions of substance misuse services were being used in the preparation of their returns. We did not, therefore, have reliable enough information to make decisions about the level of the transfer without independent verification of the information being provided to us.

As a result, I asked the Audit Commission to undertake work to identify the current levels of allocation and spending on services providing a response to drug and alcohol misuse. This work was to be undertaken across Wales in order to provide a firm assessment of the resources used in this area for 2002-03.

Officials agreed the remit of the project with the Audit Commission at the beginning of the summer of 2003.

However, it soon became apparent for a number of reasons that the task was not going to be as simple as first thought. The Audit Commission experienced a number of difficulties in establishing this information. These difficulties are twofold. Firstly interpretation of substance misuse costs are not

consistent across areas and secondly a number of key staff who were responsible for providing this information had moved on with the abolition of Health Authorities.

With the review on-going and despite officials working with the audit commission to expedite the identification of substance misuse monies within the NHS, progress was slow and I was advised that the review was unlikely to be completed before the end of March 2004. For these reasons I agreed with the Minister for Health and Social Services that NHS substance misuse treatment monies should remain ringfenced in the NHS settlement for 2004-05 and would continue to be performance managed by Community Safety Partnerships. I also added the a further proviso that the allocation of these resources should be agreed with Community Safety Partnerships to ensure synergy between the local health board expenditure and the local substance misuse action plans.

The review has continued to progress slowly since then and after my officials met with the Audit Commission on the 16th November 2004, I agreed that the review had gone as far as it possibly could and that it should be concluded. I have since received the final report and recommendations and I attach it as promised **Annex A**.

The report highlights that 21 out of the 22 Local Health Boards contacted responded, although the information received varies greatly across Wales. The same is true for NHS Trusts. Whilst the information about allocations from LHBs to the Voluntary Sector was fairly transparent, the allocations from LHBs to NHS Trusts was far more complicated.

In summary, given the wide variations identified by the review, the Audit commission have concluded that it is not possible at this stage to provide a view as to the level of resources, currently within the NHS, that should be transferred to Community Safety Partnerships.

The report suggests that the way forward is to introduce a formal framework for LHBs and Trusts, which will drive the identification of substance misuse expenditure for the future. Both bodies would then be required to account for such expenditure as part of the annual account's process with separate disclosures within notes to the existing reporting requirement. By requiring clarity of substance misuse expenditure through separate reporting auditors could then, as part of the audit, examine and comment on the reported position.

The report further suggests that Long-Term Agreements discussions could be used as vehicles for NHS bodies to formally agree service provision and associated funding.

In responding to this report, I will shortly be writing to the Minister for Health and Social Services to agree how best to implement the Audit Commission recommendations in terms of the accounts.

However, It is clear that transferring 0.4% of the LHB's budget to CSPs may well result in a destabilisation of services because the contracts with the Trusts for substance misuse services are closely entwined with other services in many areas. The LHBs are now established members of the CSPs and

my aim is to strengthen partnership on substance misuse. I will therefore be maintaining the ringfence but ensuring that working more closely with CSPs in the development and delivery of the substance misuse action plans by seeking to withhold the 0.4% until substance misuse expenditure plans have been formally approved by CSPs.

The Housing Revenue Account Subsidy (Wales) Determination 2005-6, and The Item 8 Credit and Item 8 Debit (Wales) General Determination 2005-6

I wish to advise the Committee that I am consulting local government and appropriate professional bodies before making *The Housing Revenue Account Subsidy (Wales) Determination 2005-6*, and *The Item 8 Credit and Item 8 Debit (Wales) General Determination 2005-6*, and to seek the Committee's comments on my proposals. The consultation period ends on 22 December. Copies of the consultation documents are annexed to this report (**Annexes B – H**).

Purposes of the Determinations and proposed changes.

Section 80 of the Local Government and Housing Act 1989 provides that the calculation the amount of Housing Revenue Account (HRAS) payable to local authorities shall be calculated in such manner as the National Assembly for Wales may from time to time determine. A determination may provide for all or part of the amount to be calculated in accordance with a formula or formulae.

Schedule 4 of the Act sets out rules for the keeping of the Housing Revenue Account. In particular, it provides that a local housing authority required to keep a Housing Revenue Account shall carry to the credit or debit of the account sums calculated for the year in accordance with such formulae as the National Assembly for Wales may from time to time determine.

Both Determinations are made annually. The key proposed changes are to the HRAS Determination and are in respect the notional allowance for management and maintenance and guideline average rent. For 2005-6 I am proposing to: -

- increase the current notional allowance for management and maintenance by 8.5% to £1,475 per dwelling and
- increase the all-Wales Guideline Rent by 4.5%.

The increase to the notional management and maintenance allowance is in line with HM Treasury guidance. I have separately agreed an increase to RSL benchmark rents of 3.5%. The equivalent increases for the current year were 4.0% for local authorities and 3.6% for RSLs. My proposed to the guideline average rent for 2005-6 has the effect of increasing the differential and is consistent with our policy on rent convergence in the social sector.

Both determinations have been drafted to accommodate the necessary technical changes arising from the

full implementation of the prudential regime in 2004-5. I am not proposing any other changes to current arrangements for calculating or defining the components of the formulae.

Counselling Services

The issue of counselling has arisen at a number of committee meetings, and before the Summer recess I agreed to provide further information to the December meeting about counselling services for children.

Firstly, I think it is important for us to be clear about what we mean by counselling. I am told that even professionals in the field have a difficulty agreeing terminology and meaning and that it is not just a question of professional pedantry. Getting the definition right whether for treatment purposes or to scope out a piece of research can mean the difference between success and failure; and failure in treatment terms can create further damage to what are already extremely vulnerable individuals. Professionals prefer to use the term "interventions" with very specific descriptions attached, such as play therapy.

The majority of children who need help are identified through education services. Referral is then usually routed through to Social Services for assessment and a decision on the appropriate "interventions package". That package can be delivered by social services, NHS, educational specialists and private companies/individuals in combination or separately. Adults generally will self-refer or may seek help as an outcome of treatment for something entirely different. The main providers of that care are the NHS and the voluntary sector.

This Committee is primarily concerned with the treatment of substance misuse and the provision of "counselling", in that context. Members may recall that in my September report to Committee, I advised that we have established a working group to develop a module for Psychosocial Interventions (Counselling) as part of the Treatment Framework. The group is currently reviewing the research evidence available on the effectiveness of counselling in substance misuse treatment services as a first step. The next stage will involve scoping out definitions and standards and linking in to the standards for counselling and supervision of counselling defined in the Drug and Alcohol National Occupational Standards (DANOS). We anticipate going out to consultation in the spring on the draft module with completion and launch in the autumn of 2005.

In addition a specialist working group will be taking forward work on the production of a Children and Young Peoples Framework. The module will include guidance on the provision of prevention, education and treatment services for young people, of which counselling interventions are an important element. We anticipate that the group will meet in January 2005 and a draft document be presented to the Framework Project Board by September 2005

Many of the issues I have outlined above relating to counselling services for abused children/adults fall within the remit of the Minister for Health & Social Services and my officials are of course linking in with Health policy officials as appropriate. The Committee may wish to consider asking for Health officials to attend a meeting of this Committee to discuss the matter further.

Drug Related Deaths

The Committee will be aware that earlier this year we consulted on draft guidance to Community Safety Partnerships on conducting confidential reviews into drug related deaths. I have now approved the final version of the guidance, and my officials are making the necessary arrangements for publication. Once guidance has been published, our Substance Misuse Advisory Regional Teams (SMARTs) will be working closely with partnerships on implementation of the guidance. I have also agreed that resources be made available to partnerships to assist them in taking forward this important work.

Alcohol Update

In my September report to committee I promised a fuller update on alcohol issues to be presented to our December meeting. Though there are a number of initiatives ongoing at the moment, most of which you are aware of, much more will be happening in the next few months. I want to be able to report on progress on specific actions ongoing in Wales and I want it to be a focused report. In view of this and with your agreement, I am postponing my update until Spring when I aim to have a full session on this issue.

Homelessness

I have included at **annex I** to my report a table setting out progress on delivery of the Action Plan that accompanies our National Homelessness Strategy. As previously indicated I have commissioned a review of the Strategy, which began in September 2004. Letters have been issued to a wide range of statutory and voluntary agencies inviting them to comment on how it should be strengthened. Five focus groups are being held to provide more detailed responses on key issues. There will be a conference on 26th January 2005 to bring the consultation to a conclusion. I will report again to the Committee in March 2005 on the outcome of this review.

As you know I am very concerned with the growth in the use of bed and breakfast accommodation for homeless people. In particular I wish to address standards relating to shared facilities and the creation of risk to vulnerable people, access to the premises and basic amenities, and proximity to networks and services. Current Bed and Breakfast standards are designed for short, non-residential use. In some circumstances occupation of B&B may be the best available option for homeless people for short periods, such as where alternative accommodation would be long distances from their home networks, provided this is within a strong framework of standards. I wish to protect the best interests of service users through the flexibility we allow local authorities in using this type of provision. At **annex J** I have set out a preliminary approach to our proposals for legislation, and I look forward to hearing your views. I intend to bring forward my final proposals for legislation to Committee in March 2005, following consideration of the review of the National Homelessness Strategy.

Housing Act 2004

On 29 September, I informed members that the Housing Bill had completed its passage through House of Lords of Committee stage. I am pleased to report that the Bill received Royal Assent on 18 November.

The Housing Act 2004 is a wide ranging reform package and makes provision about

- housing conditions
- licensing of housing in multiple occupation
- selective licensing of other residential accommodation
- antisocial behaviour in relation to tenancies
- home information packs for the sale of residential properties
- secure tenants and the right to buy
- tenancy deposits
- mobile homes
- accommodation needs of gypsies and travellers
- a Social Housing Ombudsman for Wales (SHOW)

With the exception of the establishment of the Social Housing Ombudsman for Wales, the Act will apply to England and Wales. Powers to make secondary legislation on devolved matters will be vested in the National Assembly for Wales.

To enable the Assembly to make regulations in respect of the SHOW, a Commencement Order is required. The Assembly may also by regulations make provision about the investigation by SHOW of complaints made against social landlords in Wales. Preparatory work will now begin on the drafting of a commencement order and regulations in relation to the SHOW.

All-Wales CDFI ‘Approval in principle’

In July this year Assembly Officials met with Finance Wales to discuss the proposals for establishing an All-Wales Community Development Finance Institution (CDFI); in particular the current state aid issue and future options. Finance Wales asked for confirmation from the Assembly Government, in principle, of its intention to proceed with establishing an All-Wales CDFI, before further work and resources were committed to taking this forward.

Therefore to enable progress, on 27 September I approved, 'in principle', establishing an All-Wales CDFI. Finance Wales have been informed of this decision and are currently taking forward their proposals.

Communities First Trust Fund

The budget for the Communities First Trust Fund from 2004-2007 is £9m (£3m per financial year). Under the Fund, each of the 100 most deprived electoral divisions, as identified by the Welsh Index of

Multiple Deprivation, and the 10 Communities of Interest/Imaginative Proposals are allocated £20,000 per financial year. Each of the 32 sub ward pockets of deprivation is allocated £10,000 per financial year. To date, of the £3m budget for 2004-2005, only £968,303.30 (see table below) has been spent. The WCVA has written to all Communities First Co-ordinators highlighting the slow spend and asking for applications - which need to be submitted by 31 January 2005 to ensure that they will be assessed and awarded money this financial year.

In view of the slow spend (**see Annex K**) I am minded to ask the WCVA to allocate monies unspent by 31 January to those areas that have already run out of funds but still have good projects in the pipeline. If needed, I propose to follow this course of action at the end of each year. I am also of the view that the WCVA could also reactivate applications from "overspend areas" which have been refused during the year because those areas have already exceeded their funding allocation. If I were to decide on any re-allocation, it would only take place after 31 January each financial year.

If I decide to re-allocate monies it will enable us to fund then a number of good projects in the "overspend areas". My only other alternative is for the Assembly to clawback the money from "underspend areas" and explain why we have not been able to fund projects in other "overspend areas". I do not want to do this as I want the maximum amount of funding to go to the ground and support local projects.

Funding for Youth Workers

At Committee on the 29 September I agreed to provide an update on the funding of Youth Projects under the Communities First programme.

Under the programme, from 2001-2007, funding of £6,424,077.01 has been provided to employ Youth Workers and Youth Worker support. The youth workers have a key role in developing a supporting the wide range of youth projects that are operating in Communities First areas.

A breakdown of funding for Youth Workers and Youth Worker support by local authority area is in the table below.

Local Authority area	Amount Allocated for period 2001 - 07
Blaenau Gwent	£784,166.00
Bridgend	
Caerphilly	£612,629.49
Cardiff	

Carmarthenshire	£21,451.84
Ceredigion	
Conwy	£159,858.00
Denbighshire	
Flintshire	£60,860.00
Gwynedd	£221,025.00
Isle of Anglesey	£333,601.08
Merthyr Tydfil	£347,774.50
Monmouthshire	
Neath Port Talbot	£332,886.84
Newport	£1,698,581.98
Pembrokeshire	
Powys	
Rhondda Cynon Taf	£1,017,072.00
Swansea	
Torfaen	£239,514.00
Vale of Glamorgan	
Wrexham	£594,656.28
Total	£6,424,077.01

Direct payments of pensions and benefits

I have received a number of concerns from Assembly Members and constituents about the way in which the Department for Work and Pensions has managed the introduction of the direct payments system for pensions and benefits. Particular comment was made about the information customers are receiving in order for them to make an informed choice. I subsequently made representations to Central Government and have now received a response from Chris Pond, the Parliamentary Under Secretary of State for the Department for Work and Pensions. I thought Committee members would like to be aware of his comments, which contain advice which you might wish to refer to in the event of your receiving complaints from constituents.

Mr Pond was sorry to read that constituents feel intimidated by the information they are receiving about Direct Payment. He said that the Department carries out regular evaluation of calls made by or received in the Customer Conversion Centre (CCC) and assured me that there was no element of coercion in the way customers are spoken to.

However, he recognised that lessons learned over the period of conversion to direct payments have shown that it is important to take customers through Informed Choice discussion to ensure that they have all the information they need to make a decision about which account best meets their needs. For instance, he said, if a customer calls the CCC requesting a Post Office card account, they are asked what it is about getting their money at the Post Office that is important to them. Customers are then asked if they are aware of the other methods of getting their money at the Post Office, such as certain current accounts and many basic bank accounts. He said, a surprising number of customers requesting the card account are not aware of these options and some already have an account that they could be using at the Post Office. They are pleased to have this pointed out to them as it saves them the effort of having to open another account with another card to keep and PIN to remember. He also commented that the transactions generated by use of these other accounts being accessed at the Post Office also help to support the Post Office network.

Mr Pond assures me that his Department is committed to providing a prompt and efficient service. He said that if any constituents feel that they have not received the standard of service they are entitled to expect, they may wish to write to the customer service officer at the appropriate Pension Service office. Mr Pond apologised for any inconvenience they may have experienced to date.

Mr Pond explained that a cheque method of payment has been introduced for those vulnerable customers who are genuinely unable to manage an account. He said that this is not an alternative option for those who can operate an account. The cheque payment is only intended for those customers who genuinely cannot use Direct Payment. He said this includes, for example, those who have a severe illness, infirmity or disability and who will never be able to manage an account, and those who are in this position for a short while due to the absence of a regular carer or a short period of illness. Mr Pond informed me that they have now started to issue these cheque payments, which are cashable at a Post Office branch. Customers who cannot use Direct Payment will be able to retain their order book until they move to cheque payment. This change will occur between now and March 2005.

Cheques will be issued via first class mail, to reach the customer by the day the payment is due. He explained that special arrangements exist to make payments early where the normal due day falls on a bank holiday and that the benefit systems are organised to ensure that cheque production starts in sufficient time for cheques to enter the Royal Mail delivery chain so that the majority will arrive at least one day before the relevant pay day. This will ensure that all first class cheques will be with the customer in time to be cashed on the appropriate payment day.

Lastly Mr Pond said that if, for reasons outside their control, the cheque does not reach the customer on time they will have arrangements in place to make sure that customers in need will get their money.

Each case will be treated on its merits, depending on the level of urgency and need. The different measures available to the Department include posting a replacement cheque to the customer; arranging for a visiting officer from The Pension Service to visit the customer at home with a replacement cheque; or arranging for the customer to collect a replacement cheque payment from one of the Department's secure sites, such as a Jobcentre Plus office.

Anti Scald Valve/Carbon Monoxide Detectors BEL - Transfer of Resources

The Committee will wish to note the approval of the transfer of resources (£94,000) for current financial year 2004-05 from the 'Anti scald valves/Carbon Monoxide Detectors' Budget Expenditure Line to the Research/ Surveys/ Evaluation/ Publicity/ Fees and Charges' Budget Expenditure Line in the 'Other Housing Revenue' SEG of the Social Justice and Regeneration MEG.

The transfer of resources is made to increase the Grant for 2004-05 to the Rethinking Construction Centre for Wales (operating as the Centre for Constructing Excellence in Wales) allowing it to establish a Constructing Excellence Benchmarking Club for Wales.

The Benchmarking Club will benefit the whole construction industry in Wales and will support the Welsh Procurement Initiative's objective to improve the value for money obtained by the Welsh public sector in its construction procurement. It will also assist Registered Social Landlords to meet the recommendation of the Assembly Government's Construction Procurement Guidance that RSLs join a Benchmarking Club. Although financial support is required to establish the Club, it will be fully self-financing in future years through membership subscriptions.

Substance Misuse Treatment Framework

Stage 2 of the Substance Misuse Treatment Framework has commenced with work on the following modules:

Commissioning

Assessment and Care Management

Counselling

It is anticipated that the Commissioning, Counselling and the specialist Assessment and Care Management modules will be submitted for ministerial approval to publish for consultation in March 2005.

Children and Young People

A specialist sub group of the Substance Misuse Treatment Framework Board will be convened to develop a module for Prevention, Education and Treatment Services for Children and Young People. A Project Plan will be presented to the Board at their next meeting on 22nd December. The Children and Young People's module will be published for consultation by the end of the 2005/06 financial year.

Charities Bill

A Charities Bill, based on the Draft Charities Bill issued in May, was one of the 37 Bills announced in the Queen's Speech on 23 November. The Bill will modernise the definitions of charity, and confirm 'public benefit' as the foundation of charity. All charities will have to show public benefit, which will be based on existing case law.

The Bill will also modernise the Charity Commission. It will become easier for charities to challenge the Commission's decisions. There will be a package of legal measures to modernise charities, including a new legal form for charities to avoid the burden of dual regulation under both charity and company law. The Bill will modernise the system for regulating collections in the street and other public places.

Since the last meeting, I have written to the Home Secretary regarding the proposed requirement in the Bill for charities to demonstrate 'significant' public benefit. I have urged him to ensure that a more explicit definition of public benefit is written in to the legislation. This reflects the Assembly Government's view that for an organisation to benefit from charitable status, it should have to ensure that the public benefit it provides outweighs any other factor.

National Framework for Fire & Rescue Service in Wales

The latest draft of the framework will be available to members before the Committee meeting as previously advised to the Chair.

It should be noted that this is the near final draft and I would welcome any comments from the Committee. The Framework is scheduled to go before plenary in the New Year.