

Social Services Departments: 'Designers, Organisers and Purchasers'

David Peryer

Director of Social Services, Humberside County Council

The policy context

I was on a platform with Sir Roy Griffiths recently, listening to a debate on his proposals¹ while waiting for news of the Butler-Sloss Report on Cleveland which was due to be published that day². I was thinking about Arthur Miller's play *The Crucible* and the essentially *political* nature of the most fundamental case decisions for which we have responsibility:

- about equity
- about privacy and exposure and other human rights
- about freedom
- about tolerance of difference.

The fact that these are political decisions does not, of course, mean that they need to be taken within an organised political system. For some people the nature of these decisions may suggest just the opposite.

I begin here because the title of today's seminar is *Social Services Departments as Managing Agencies*. I suspect that social services departments will continue to be needed as something more than

managing agencies. Directly elected local government is designed to take political decisions.

The report of the Audit Commission on Community Care³ spawned Sir Roy Griffiths' report on Community Care¹. The Audit Commission report was all about ways and means and perverse incentives. The Griffiths report eschews politics and issues of social policy and restricts discussion to issues of management and organisation. However, within that report there are a series of social policy statements, explicit and implicit:

- There is an *explicit* statement about the need to maintain and strengthen networks of informal care. *Implicit* here is the need for policies that will provide the necessary support - fiscal policies and policies on housing, public transport and so on.
- There is an *explicit* statement about the need to make best use of scarce resources by combining the responsibilities for needs assessment and the packaging of care with responsibility for the management of the welfare budget. *Implicit* here is the need to steer away from the principle of cash entitlement in relation to assessed needs (away for example from Attendance Allowances or the development of any kind of voucher system) to provision of service only when three tests have been satisfied:
 1. That there is an assessed individual need.
 2. That there is a need for public support because informal care is unavailable or insufficient.
 3. That there is inability to pay for the service.

A single system of subsidy?

Thus, Sir Roy Griffiths' report appears to move us in the direction of a single system of subsidy for a complex set of arrangements: subsidy because those arrangements will be defined as supplementary (to family and informal care) and because their precise nature is for local determination. The question, 'Who is to provide the services?' will no longer be the central question. The question will be, 'What will qualify for subsidy and on what terms?'

Specific support grants from government to local authorities, at whatever level, can certainly ensure 100 per cent expenditure on the

earmarked services. The problems will arise from gaps in knowledge and understanding between government trying to determine the size and conditions of subsidy and the local authorities organising the business. It seems to me there is a whole rule book yet to be written if we are to go down this road. This has a number of implications.

First, it means that social services will have to get into the business of describing and making more explicit what it is we do at present: making this a part of day to day management activity. Quite simply, for each unit of service we need some description, some process of evaluation (at least in a simple sense), and some means to quantify and cost the service. We need to do this in ways that are accessible to the world outside local government. I am not talking here about *research* but about statements of objectives for each piece of service that describe the service, and, in the absence of sophisticated performance indicators, include simple statements of outcome that at least express some consumer opinions. I am also talking about statements of cost for each unit of activity that put a real price on the cost of providing and maintaining buildings and the rest of the infrastructure.

This is bed-rock activity. We need help to do it from the academic institutions. It is difficult to do well and it is a salutary thought that voluntary organisations on the whole do it very much better than local authorities. They have to - for survival. Housing associations are organised to do so. Local authorities will soon be in the same position.

When I receive applications for grants from voluntary organisations I take it for granted that objectives will be specified, patterns of service and organisations described, and income and expenditure accounts provided. I look at the accounts and at the balance sheet. We cannot begin to do this in local authorities until budgets are devolved to cost centres and the rules of capital accounting changed so that the cost and value of each investment are shown.

Once established on a more explicit basis in this way, we are straight into the development of internal market arrangements, with our service managers both providing services - at a price - and using services at a cost.

Practical problems

I do not have any difficulty with this principle. The problems seem to me to be essentially practical:

- How to price units of service in a way that is realistic but also simple. It would be easy to become submerged in a process of logging and requisitioning.
- How to organise local area management to ensure that the people who wear two hats - as service managers (providers) and as service users - can manage their role.
- How to fit this approach into a local government framework designed for very different purposes, that has national conditions of employment for staff and highly centralised local authority accounting systems that may not, in my experience, be very flexible. There are also some local government assumptions about exclusiveness and their monopoly position that can be very rigid.

There are a series of challenges here that local authorities are beginning to address through local management schemes for education. The problems are more complex for the social services.

Joint planning development

The move towards decentralised resource management is taking place within a framework of joint planning that is also developing quite fast. To take one example: we are currently planning and installing a community mental health programme jointly with our four district health authorities and the regional health authority. To get to that point some strenuous work had to be done, and we could not have made progress without the help of outside consultants. To make that progress we had to tackle:

1. Personnel issues: It was necessary to get the approval of the county council to employ staff to work on an all-purpose basis within the new mental health modules. This is to be on the basis of four pay levels with flexible job descriptions, so that all staff can join in the provision of a home support, sheltered housing, training, rehabilitation and residential service. Staff training will be provided and required within the framework emerging from the National Council for Vocational Qualifications (NCVQ).

2. Issues of professional identity: How to make community nursing an integral part of this approach.
3. Issues of capital funding: How to draw on capital funds simultaneously through health authority provision, local authority provision and housing association provision. (There are unexpected hazards in this, such as the maintenance implications of licensing arrangements for the use of buildings by another authority.)
4. Issues about the criteria for evaluation. We need to develop self-evaluation by staff teams against performance objectives that are meaningful and realistic to them as well as to departmental management. We shall also need evaluation by consumers, and evaluation by the vigilantes such as MIND.

This kind of development activity puts staff under some considerable pressure. It is a challenge for trades unions and a challenge for elected members. As it happens, this morning I was party to a press announcement over the names of two district health authorities and the social services committee that described provision for elderly severely mentally infirm people, which was to have been part of a health authority hospital site development and will now be made by social services through the phased change in use of certain of our Part III homes. Such developments are matters of high sensitivity for elected members and trade unions.

The future for social services departments

What I am saying, essentially, is that social services departments have already started to get into the business of becoming managing agencies. Some of us have a toe in, some a foot and some a leg. We are already contracting, in one sense, through memoranda of agreement. We are not yet into competitive tendering except on the margins. It seems to me we need to go on gaining experience as rapidly as possible and to demonstrate

- that good welfare provision is complex in the sense that it has to be systematic and reliable, but also highly responsive and flexible

Social services departments as managing agencies

- that it is high value-added activity - not to be undertaken by untrained operatives
- that it involves a series of value judgments about minimum acceptable standards.

I was involved recently on the fringe of the personal social services expenditure round when the local authority associations and the government meet to exchange views about resources and needs. I was struck by the extent to which this is default planning. 'This is where we are. Are there any arguments for change?'

Any move towards an integrated system of subsidy along the lines Sir Roy Griffiths suggests is likely in practice to be on the basis of a series of default decisions:

1. Assume existing patterns of local authority social services expenditure.
2. Assume the existing distribution of DHSS social security expenditure.
3. Assume the existing pattern of subsidised voluntary activity.
4. Now justify any changes in distribution or in the size of the total pool.

Arguments for an increase in the total pool will certainly be resisted by the Treasury on the basis that the contribution of the informal sector to social welfare is - in principle - infinitely elastic (a kind of sponge buffer).

I believe we should move towards this scenario by being much more open and explicit about what we are doing, and about the financial and social costs of doing less or more. Sir Roy Griffiths has argued for integrated management. But unless there is some fundamental moral agreement between the managers, their local authorities and the government about the appropriate level of resources in relation to needs, those integrated managers are likely to become increasingly alienated from the services they endeavour to provide.

So continuous dialogue will be necessary between the government and the local authorities, and the consumer. In principle, the framework of local political accountability seems the right framework for this. I

assume Sir Roy Griffiths believes so. We shall see what the government decides.

References

1. R. Griffiths, *Community Care: Agenda for Action*, HMSO, 1988.
2. Lord Justice Butler-Sloss, Chairman, *Report of the Inquiry into Child Abuse in Cleveland 1987*, HMSO, 1988.
3. Audit Commission, *Making a Reality of Community Care*, HMSO, 1986.