

Alun Davies AC/AM
Ysgrifennydd y Cabinet dros Lywodraeth Leol a
Gwasanaethau Cyhoeddus
Cabinet Secretary for Local Government and Public
Services



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref

John Griffiths AM
Chair
Equalities, Local Government and Communities Committee

06 December 2018

Dear John,

Thank you for your budget scrutiny committee report, which I will respond to in due course. A number of questions were raised in the committee session I attended and I agreed to write with some clarification information.

Firstly, you asked for a note on how the government is driving the agenda to ensuring that local authorities are working to improve value for money in the context of the highways budget.

The specific grants we now allocate to local highway authorities include a condition to produce an annual summary of their asset management plan. This will provide an overview of the condition of the road network across Wales and can inform developing consistency in the way highways are maintained. Grant funding allocated to local highway authorities also requires them to follow the Welsh Transport Appraisal Guidance (2017), to inform their investment decisions. This Guidance follows the Treasury five-case model so that authorities appraise the economic, transport, financial, commercial and management cases prior to delivery of their work. The toolkit requires authorities to monitor the benefits expected from their investments. By evaluating the planned benefits against those achieved post construction, it will be possible to assess whether the investment has delivered value for money. More generally, of course, it is the responsibility of local authorities to ensure the value for money of their expenditure across the range of their responsibilities. Scrutiny through elected members and the work of Wales Audit Office are part of the system of accountability to support this.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Secondly, you asked for clarity on the additional £20 million for social care, provided for in the Revenue Support Grant (RSG). The £20 million of funding identified in the provisional local government settlement for 2019-20 is in recognition of the important role local authorities play in delivering core social services and the preventative approach at the heart of delivery. This funding is in addition to the commitment made in the 2018-19 budget to prioritise funding for social care through the 2018-19 and 2019-20 settlements.

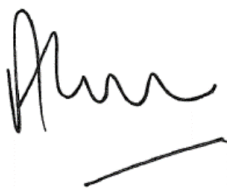
Finally, you asked for a note on the proportion of the budget used for the purpose of preventative spending. As we discussed in committee the definition of prevention that Welsh Government published in the detailed draft budget is multi-layered and recognises the broad range of funding and services we deliver, covering all our expenditure. It is intended to aid policy decisions while recognising that not everything we do can be aimed at primary prevention, but over time, we can move towards a focus on preventing difficulties before they arise.

We recognise that pressure on resources and the very real need of public services to provide restorative interventions means that not all funding can be directed towards prevention. However where there is additional money we are aiming to focus this on the early primary and secondary stages of prevention wherever possible. We spoke in the committee session about the integrated package of £130m revenue funding that has been made available to health and social care regional partnerships throughout Wales. This is allocated across three main areas, £50m to the Integrated Care Fund, which aims to reduce pressure on the hospital and social care system by helping to prevent unnecessary hospital admissions, inappropriate admissions to residential care, and delayed hospital discharges; £30 million to be allocated through the regional partnership boards to support the delivery of *A Healthier Wales*; and £50 million for the Transformation Fund, which will be allocated to programmes endorsed by regional partnership boards, to take forward the development and implementation of new models of care.

On 13 November, the Minister for Children, Older People and Social Care announced that £15 million of the £30 million allocated to Regional Partnership Boards would be used to progress our shared ambition of reducing the need for children to be in care. Local authorities, third sector organisations and health boards should work together to use this fund flexibly and creatively across their regions. The remaining £15m was announced this week to help increase joint working between local authorities and health boards to support adults with care needs in their homes, avoiding unnecessary hospital admissions, or ensuring they can return as soon as possible after hospital admission.

Overall, this funding provided to local government is either un-hypothecated or with broad grant conditions which means that we do not hold the information centrally to fully classify spend against each of the four categories in the published definition. However I look forward to working with the sector, alongside the Future Generations Commission, to explore preventative spend in the local government context.

Yours,



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