



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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From the Minister for Health

The Rt Hon Viscount Whitelaw
Lord President of the Council
68 Whitehall
LONDON

19th November 1985

See Willie,

NRBN.

SOCIAL SERVICES SELECT COMMITTEE REPORT ON PUBLIC EXPENDITURE

I enclose a draft reply on the Social Services Committee's report on public expenditure which was published in July. The Committee's enquiry on social security and health and personal social services expenditure is a routine annual event which follows on from the publication of the Public Expenditure White Paper. This year their report contained no major new criticisms of Government policy, confining its attention mostly to points of detail. It did however follow its past practice of examining general trends in HPSS expenditure. Such press and parliamentary interest as the Committee's report attracted concentrated on its discussion of the difference between growth in NHS spending measured in input volume and economic cost terms, and the then projected slight real terms fall in NHS expenditure for 1985-86, due chiefly to savings in the FPS through the introduction of the selected list.

The draft reply itself breaks no new ground on policy issues. It does however endeavour to put the Committee's conclusions in a proper perspective by emphasising the importance of service output rather than expenditure as a measure of NHS growth, and by highlighting the role of efficiency in achieving service improvements. It also provides more up-to-date information on likely expenditure in 1985-86, showing that we now expect a small real-term increase in NHS spending.

In previous years our reply has been published as a White Paper. I see no reason to depart from this approach. We have also been accustomed to clear the reply in correspondence; I should like to do so again this year. The draft has been seen by officials in the Departments most concerned, Treasury, Department of Environment (local authority personal social services) Scotland, Wales and Northern Ireland.

The Committee has asked that the reply be published in mid November. I would hope not to over-step this timetable by more than a fortnight and I would be grateful for any comments you may have by 29 November.

I am sending a copy of this letter and enclosure to members of "H" Committee, the Prime Minister, and to Sir Robert Armstrong.

Barney Hayhoe

BARNEY HAYHOE

DRAFT 4.11.85

RESPONSE TO THE SOCIAL SERVICES SELECT COMMITTEE SIXTH REPORT (SESSION 1984-85) PUBLIC EXPENDITURE ON THE SOCIAL SERVICES

INTRODUCTION

This memorandum gives the Government's observations on the conclusions and recommendations in the Committee's 1985 report on Public Expenditure on the Social Services. Part I of the memorandum considers the Committee's four conclusions relating to health and personal social services expenditure. Part II contains responses to the individual recommendations made by the Committee. Like the Committee's report, this response relates to the health and personal social services in England.

PART I

National Health Service Expenditure

1. The Committee's first three conclusions use estimates of changes in health service spending measured in "input volume" (ie purchasing power) and in economic cost (ie cost to the economy and the taxpayer). Such figures give only a partial picture unless account is taken of the increases in efficiency with which resources have been used.

2. As the Government has emphasised in previous replies to the Committee, the most important measure of the success of the Health Service is the scale and quality of services to patients. Both increased expenditure (demonstrated in the Government's evidence to the Committee) and increased efficiency (shown for example by the £100 million of cost improvement programmes achieved by health authorities in 1984-85 and the £150 million planned for 1985-86) have been instrumental in achieving very significant improvements in patient care. Since 1978 the number of cases treated in hospitals has risen dramatically. There were 800,000 more in-patient cases, 340,000 more day cases and over 3 million more out-patient attendances in 1984 than in 1978. Between 1983 and 1984 alone the number of in-patient cases rose by 158,000 to about 6.2 million day cases by 92,000 to 0.9 million and out-patient attendances by more than 520,000 to over 37 million. These increases have been greater than those required to meet demographic pressure and

include developments in making modern medical techniques more widely available. For example, between 1983 and 1984, the number of kidney transplants rose by 299 (26%), heart transplants by 70 (132%) and liver transplants by 31(155%).

3. There have been similar substantial increases in the family practitioner services. For example, between 1978 and 1984 the number of courses of dental treatment rose by 4.2 million to 31.2 million and the number of sight tests by 1.9 million to 9.75 million. Between 1983 and 1984 alone the increases were over 700,000 in each case.

4. The expected small fall (0.2 per cent) in real terms in health service spending in 1985-86 is mainly the result of changes in the family practitioner services [(introduction of the selected list and the changes made in the general ophthalmic service, both of which have secured better value for money for the taxpayer)]. The figure is an estimated one and the final figure will depend on and may need to be revised in the light of final figures for the outturn of expenditure on these demand-determined services. Present indications are that expenditure on the Family Practitioner services will be higher than originally forecast. This should result in a small real terms increase over 1984-85 in overall NHS spending.

5. The figures for 1984-85 and for 1985-86 have to be seen in the context of the real terms increases in previous years [21 per cent since 1978-79] and the plans for increases in each of the next three years.

Personal Social Services Expenditure

6. As the Committee notes in its Report, the receipt of information from local authorities on their actual spending in 1984-85, and budgets for 1985-86, has been delayed this year. The latest information available to the Department is that net current spending in England was about £2281 million in 1984-85, and budgets for 1985-86 were about £2421 million on a cash basis. The extent to which there may be a variation from either of these figures is not yet known.

PART II: RESPONSE TO RECOMMENDATIONS

Recommendation 5 - The Department will be spending around £50 million in 1985/86 on the four Special Hospitals. We recommend a review of central management and accountability arrangements for the Special Hospitals.

The Committee's questions earlier this year did not refer to management arrangements and these were therefore not covered in the reply. There have in fact been several important developments.

The four Special Hospitals constitute a national service provided by the Secretary of State for Social Services under the 1977 National Health Service Act for those patients who require treatment under conditions of special security on account of their dangerous, violent or criminal propensities. The Home Secretary has certain responsibilities in respect of individual restricted patients.

Management arrangements for special hospitals have only recently been extensively reviewed. In November 1983 the Special Hospitals' central managers requested the Department's Central Management Service (CMS) Branch to undertake a study of financing arrangements as they operated within, and between, the Department and the hospitals. It was subsequently agreed that the CMS remit should be extended to include an examination of the overall management processes. The study has now been completed. The key recommendations have been accepted by the Office Committee and have gained a broad measure of support within the hospitals. They suggest more formal arrangements for financial allocations and accountability including the setting of overall service objectives within which specific hospital objectives can be set and progress towards meeting them monitored.

In addition, in early 1984 a wide-ranging review of external management structures was initiated covering all four Special Hospital in the period beyond 1986, and taking account of the consequent impact of any changes on the existing internal management arrangements. More recently, the implications for the Special Hospitals of the appointment

of NHS unit General Managers have been incorporated into that review. Ministers are expected to consider the outcome within the next few months.

Recommendation 6 - We recommend that the eventual report of the working party into the services of artificial limb and appliance centres under the chairmanship of Professor McColl be made generally available.

The report has been received and will be published in full. The Government expect to make a preliminary response before Christmas.

Recommendation 7 - We recommend a Departmental review of the organisation and purpose of central management of personal social services.

The Secretary of State does not regulate the resources local authorities use to provide personal social services. His statutory functions are, in general, those of providing guidance to local authorities and not of controlling (except in certain limited matters specified in legislation) the activities of their social services departments. So the Department's role is in no way comparable with what it is in relation to the NHS.

The establishment in April 1985 of the Social Services Inspectorate has provided the Department with a new instrument not for management of the personal social services but for assisting social services authorities to manage their own departments more efficiently and to improve their delivery of services. The Inspectorate's objective will normally be to identify good practice in the use of the resources available to social services departments and to spread knowledge of it. In the carrying out of the Department's functions the Inspectorate works in close collaboration with other parts of the Department. These arrangements, in the Government's view, best suit the effective discharge of the Department's responsibility. The Inspectorate itself is only recently established, and must be allowed to develop before it would be useful to consider a review of this area.

Recommendation 8 - We recommend that the NHS Management Board examine the operation of Departmental control on capital schemes.

Departmental controls on capital schemes have only recently been reviewed. Ministerial decisions on the operation of the Property and Works functions were announced in July 1985. Capital building schemes with an estimated building and engineering content of over £5 million will continue to be submitted to the Department for Approval in Principle. The Department will review existing guidance on the conduct of option appraisals to support Approval in Principle submissions with a view to increasing the effectiveness of this process. Routine submission of schemes to the Department after Approval in Principle will no longer be required. The existing Departmental control of these subsequent stages will be replaced by a system of monitoring through the computerised project information scheme (CONCISE) and through the "audit" of a small number of schemes.

Recommendation 9 - We recommend that the Department work towards the Nurses' and Doctors' and Dentists Review Bodies reporting before the start of the financial year to which their Reports relate.

Although their terms of reference do not specify when or how often they should report both Review Bodies in practice aim to report to the Prime Minister around the end of the financial year. For example, in 1984 the Nurses Review Body reported on 30 March (and not July as suggested in the Committee's report) and the Doctors and Dentists Review Body on 18 April; in 1985 the former reported on 22 April and the latter on 30 April.

On this timetable, the Review Bodies can use the most up-to-date information (which is only available at the end of each calendar year or the beginning of the next) on a range of issues which are central to the evidence of the Health Departments, the professions and to the reviews themselves. The information includes nursing manpower data for Great Britain validated to the level of detail required by the Review Body; reliable current earnings data for NHS-employed staff; and a whole year's information about general medical practitioners' earnings and expenses which cannot be made available until shortly before the end of the financial year.

This use of up-to-date data is one of the strengths of the current system and its loss would be a retrograde step. While efforts are continually being made to improve the timeliness of statistical data and other information required by the Review Bodies, the scope of accelerating the timescale substantially is therefore very limited indeed.

Recommendation 10 - We recommend that the detailed results of the monitoring exercise on the savings actually achieved from the introduction of the limited list be laid before Parliament.

It is agreed that the estimated savings achieved from the introduction of the selected list will be reported to Parliament.

Recommendation 11 - We recommend that the Department publish their evaluation of the extent to which Regional Strategic Plans provide for equity between Districts

The Regional Strategic Plans, which are published documents, include Regions proposals for improving equity of access to services for their residents and relate these to other planning objectives. Each Region's proposals for progress towards District equity need to be evaluated in the context of that Region's particular circumstances and its strategy as a whole. Regions are however required to calculate their Districts' distance from RAWP target in accordance with the national RAWP formula (subject to any minor variations the Region may have introduced for local use) and to demonstrate that their plans tackle the major disparities over the 10 year period.

Progress on this front is one of the major criteria on which the Department will assess the plans. It is recognised that it will take longer to achieve District than Regional equity, since the existing disparities of provision are greater at District level. Regions are not therefore required to bring all Districts to equity within the planning period. Broadly, however, the Department would expect to see the more serious deficiencies in services tackled earlier in that period.

Following assessment of the plans, any conditions attaching to their approval, or further tasks that the Region has agreed to undertake will be specified in Ministers' letters to Regional Chairmen notifying formal approval of the plans. Copies of these letters will be placed in the Library of the House.

Progress on implementing the plans will be monitored through Regions' Short-Term Programmes (and, in particular, the Management Accounting Framework). It is recognised that there will not necessarily be an even pattern of progress year by year; funding will need to reflect service plans and in some instances - for example the development of local mental illness and mental handicap services - may for a period run counter to the general direction of resource redistribution.

Recommendation 12 - We recommend that the estimated proportion of FPS expenditure met from related charges be published in each year's Public Expenditure White Paper.

The Government accepts this recommendation.

Recommendation 13 - We recommend that the Department ensure that they are in a position to report to Parliament on additional costs attributable to the re-imbusement of clinicians acting as unit general managers or medical representatives.

The Government does not intend to require health authorities to provide information specifically on the costs of appointing clinicians as general managers or medical representatives. Indeed it is doubtful whether additional costs (if they arise) could be isolated among the other changes taking place as part of the introduction of general management. However the Government agrees with the Committee's suggestion (in paragraph 35 of its Report) that it is important to track the specific cost of the general management function and, with effect from 1984-85, health authorities will be required to identify in their annual accounts expenditure on the general management function.

Recommendation 14 - We recommend that provision be made for evaluation of the latest central initiative "Helping the community to care", and that the results of other evaluations of central initiatives be made available to Parliament as they become available.

The Government has made provision for evaluation where appropriate. Progress reports will be made available to Parliament on the various programmes that make up the 'Helping the community to care' initiative. Results of other evaluation of central initiatives will be sent to the Committee when available.

Recommendation 15 - We recommend that the Estimates should henceforth include brief explanatory notes on substantial real increases from the previous years total provision in subheads or sub-subheads.

The Government accepts the necessity of explaining substantial real changes, and will draw up the relevant paragraphs of the introductory note to each Vote accordingly.

Recommendation 16 - Between March 1983 and March 1984, the numbers of nursing and midwifery staff fell by over 3000. We recommend that, before any further setting of manpower targets or ceilings, the Department undertake an evaluation of their impact at regional, district and unit level.

The manpower targets exercise was designed to bring overall numbers of directly employed staff in health authorities under control and it has been very successful in this. But the responsibility for efficient and effective local deployment of staff remains firmly with health authorities themselves. Health authorities are expected to take full account of manpower when preparing their 10-year strategic plans and annual short-term programmes. This gives them the opportunity to look at what is happening at the local level, and to set manpower in an overall context. Their plans and programmes are submitted to the Department. The manpower ceilings set for March 1986 take full account of regional health authorities' short-term programmes for 1985-86 - indeed nine regions' manpower proposals were accepted without amendment.

Central targets for individual staff groups have not been set, although Ministers have made it clear that they expect health authorities to increase the proportion of staff working directly with patients. It is for health authorities themselves to decide how to achieve this. The proportion of "front line" staff increased from 1983 to 1984 despite the small drop in the numbers of nursing staff referred to by the Committee. There is no evidence that manpower targets or ceilings significantly affected nursing staff numbers and this decline was largely attributable to a reduction in learner intakes, due to uncertainty about the future of second-level (enrolled) nurse training. Moreover, this small fall, of less than 1 per cent, must be seen in context. Between March 1984 and March 1985, the second year of manpower targets, the number of nurses increased by 3,200 (by 4,300 including Agency Nurses) bringing the total increase since September 1978 to over 50,000. The Department considers that the existing arrangements provide the right framework for the assessment of manpower levels, and does not regard a separate form of central evaluation as necessary.

Recommendation 17 - The proportion and value of laundry services contracted out fell in 1983-84 and the proportion of catering and domestic and clearing services contracted out was stagnant. The whole exercise, which has now been underway for around four years has involved a considerable amount of management time and effort; has caused disruption and discontent, not exclusively amongst NHS staff directly employed in these services; and to date has not brought home the bacon. The real impact of competitive tendering, for better or for worse, has yet to be seen.

The Government does not consider that the exercise should be seen in terms of the proportion of services contracted out. It is rather that all these services are subjected to competitive tender and the best tender accepted whether external or internal. The success of the competitive tendering policy should be judged on the maintenance of adequate standards and on its cost effectiveness, not on the proportion of services contracted out. Moreover, until all services have been subject to tender a cost based proportion will understate the volume of services contracted out.

The reduction in the cost-proportion of contracted-out laundry services in 1983-84 will only be seen in perspective when there has been adequate time for the effects of Circular HC(83)18 to show. This Circular was only issued to health authorities in September 1983, not 4 years ago. More recently it has become clear that substantial reductions in the cost of domestic catering and laundry services are taking place. Total expenditure on these services fell in real terms by 3 per cent between 1982-83 and 1983-84 and by 5.51 per cent between 1983-84 and 1984-85.

The Government believes that nothing can justify the obstructive and disruptive attitudes of some trades unions and others in resisting a policy that releases substantial extra resources for patient care.

The Department is receiving regular reports from health authorities which show that the savings produced by competitive tendering are growing all the time. Up to the end of September 1985 in England 368 tendering exercises had been completed which will achieve estimated savings in a full year of £28.2 million and more than 85% of services still have to be put to tender.

Recommendation 18 - Joint finance has been a growing success. Over £500 million over 9 years has been pumped into community health and personal social services. As we said in our Report on Community Care, it is "an essential part of the infra-structure of community care". There would however seem to be grounds for supposing that joint finance is decreasingly likely to be used for new revenue projects in the personal social services for community care. If that was so, it would have serious consequences for community care.

As the Committee notes (paragraph 37) about one-fifth of joint finance funds is estimated to have been spent on health services in 1984-85. The comparable figure for 1982-83 was 15%. We do not at present know the reasons for this increase in spending on health services since detailed information about individual projects is not collected centrally. The Centre for Research in Social Policy at the University of Loughborough and the Institute for Research in the Social Services at the University of York have recently been commissioned by the Department

to undertake research into joint planning and joint financing and have been asked to include this aspect in their investigations. Meanwhile the Government will keep developments under review. Joint finance payments to voluntary organisations also show a slight increase. Nevertheless around three-quarters of joint finance funds are still being spent by local authorities, representing a significant contribution to social services development. The extra health authority expenditure from joint finance funds is helping to develop primary and community health services, and this will often be essential to the development of local authority community services.

The Department knows of little evidence that joint finance has "silted up" (paragraph 37). Some social services authorities have expressed unwillingness to incur further long-term revenue responsibilities through jointly financed projects but most authorities are continuing to take up joint finance. There has been a continuous trend towards spending less on capital and more on revenue projects. About 20% of joint finance funds are available each year for reallocation and the available evidence suggests that nearly all these funds are being used to support new projects.

Recommendation 19 - We recommend that the Department work towards a target of social security expenditure being no more than one per cent - that is £400 million - away from forecast in this and future years; and that detailed forecasts of social security expenditure be made available to Parliament every three months.

The Department is fully committed to producing the best forecasts of expenditure possible without disproportionate cost in data collection. The work undertaken in recent years to improve forecasting and monitoring of benefit expenditure has been reported to the Committee. It must be recognised, however, that these forecasts are built upon forecasts of economic variables which themselves contain a significant margin of uncertainty, and that they are subject to the same inherent imprecision as any system which attempts to model the behaviour of large numbers of individuals. A one per cent margin represents two to three days of benefit expenditure, and at this level outturn is sensitive to a whole range of factors, including even the weather in the last week of the financial year.

Over and above these inherent uncertainties, there have been specific problems in recent years because of the absence of much of the underlying statistical data as a result first of the 1981 industrial action by civil servants and then of the 1984 dispute. The effects of the latter on forecasts are likely to be felt well into 1986. For these reasons, the Department's view is that a specific target of the sort suggested would not be realistic. In the longer terms when the new forecasting systems are established it should be possible to make estimates of the possible margin of uncertainty in the forecast. The Department's view is that the best way forward from there is to seek those areas where improvements can realistically be attempted and, with an eye to the costs involved, make them. A blanket target of 1 per cent or any other arbitrary figure with no regard to the technical problems would not be useful.

So far as providing detailed quarterly forecasts to Parliament is concerned, the Government do not consider it would be sensible to treat the social security programme differently from the generality of public expenditure. Present practice is to publish the estimated current year outturn, by department and for the planning total as a whole, in the public expenditure White Paper. Although forecasts for some departmental programmes or parts of programmes will be available in the year, they will inevitably be subject to considerable uncertainty. However, the Treasury has recently told the Treasury and Civil Service Committee, in reply to the Committee's Sixth Report, Session 1984-85, that it will give further consideration to whether it is able to meet that Committee's request for future Autumn Statements to contain a departmental split for the current year's estimated outturn.

Recommendation 20 - We recommend that the Department investigate in detail the reasons for the growing number of invalidity beneficiaries

The Government shares the Committee's concern about the continued growth in the number of invalidity pensioners and agrees that this should be further investigated. A special study, funded by the Department, is proposed. Details of the work involved are currently under discussion.

Recommendation 21 - It is infinitely regrettable that the Newcastle dispute cost £150 million which could have been far better spent

The Government agree that it is profoundly unsatisfactory that a dispute over working practices in some of the computer areas at Newcastle Central Office should have added £150 million to public expenditure - and also caused extensive inconvenience to members of the public in this country and abroad. The dispute arose over proposals to adjust outmoded shift working patterns to cope better with present and emerging workloads. The changes were needed in the public interest, to secure the most effective and economical use of resources for the payment of benefits. The staff concerned were, in the course of full and thorough negotiations, offered generous transitional arrangements which would have led to no existing member of staff suffering any immediate financial loss. These arrangements were rejected by the union concerned, which initiated strike action. This action was strongly supported by a large proportion of the staff directly concerned, though numbers continued to work and, by exceptional efforts, enabled some emergency procedures to be maintained.

In these circumstances the Department had no alternative but to take all necessary action to ensure that beneficiaries, both in this country and broad, continued to receive the benefits to which they were entitled and on which, in many cases, they relied for their living costs. It was the extra cost of these emergency arrangements that accounted for the greater part of the costs of the strike.

Recommendation 22 - Class XII, Vote 4 of the Estimate seeks £4.231 billion towards housing benefits. Past experience suggests that Parliament is being asked to vote this sum of money with little idea as to the sums which will actually be spent on this service.

The Government appreciates the Committee's concern. The aim is to provide as realistic an estimate of actual costs as possible when asking Parliament to vote the necessary funds. There are, however obvious difficulties in forecasting expenditure on housing benefit. Housing benefit covers a much wider range and cross section of people than other income related benefits (some one in three households). Added to the

difficulties of predicting take-up and changes in income which might affect caseload, there is also the impact of changes in housing costs. The uncertainties which characterise the forecasting of social security expenditure in general are therefore even greater for housing benefit spending. Moreover the wide variations noted by the Committee relate to the first year of a radically new scheme where there was little or no past experience to use as a guide.

Recommendation 23 - We recommend that the Department ensure that the development of community care, in particular for those transferred from NHS to local authority care, is not obstructed by any unnecessary constriction on local authority capital expenditure.

Where patients transfer from NHS to local authority care, capital spending financed by transferred NHS funds is permitted without restriction under the arrangements for control of local authority capital spending. To assist cases where the local authority itself finances such spending, the Government has made allocations before the start of each year to cover in full any bids for capital spending on jointly financed schemes which have been received. There should thus have been no constriction on these developments. The desirability of continuing this will be kept in mind in considering new proposals for controlling local authority capital spending.

Recommendation 24 - We recommend a Departmental quantitative study of future demands from the over 75s for personal social services provided by local authorities.

In the Government's view, a study of this kind undertaken at national level would be of little practical value. Local authorities have statutory responsibility for the personal social services, and in view of the many locally variable factors the setting of levels of service provision must, in the Government's view, be for local decision. Account has to be taken of the characteristics of the local elderly population (ie size, age distribution, health, social and economic status), other statutory provision in the area, the contribution to care made by the private and voluntary sector, and other local considerations.

The role most appropriate for central government is to indicate broad national policies, to issue guidance where necessary and to have a general concern for standards. In that context the development of services to meet the needs of the growing number of very elderly people is among the foremost of our priorities and features prominently in our research programmes and in the work of the Social Services Inspectorate. For example all Directors of Social Services were sent in October 1984 copies of a study of very elderly people and social services departments which had been carried out by the Inspectorate. Directors were asked to review the planning and development of services for very elderly people in the light of the report.

Recommendation 25 - While progress is being made, the introduction of Approved Social Workers still lingers on the edge of fiasco.

The Government accepts that the difficulties created by the NALGO industrial action have been severe for many authorities and that, in consequence, the introduction of approved social workers has been far less smooth than it would have liked. Nevertheless, and as the Committee recognises, an adequate number of ordinary and transitional approvals has been made to provide the required service. CCETSW has issued guidance on the training and means of assessment of social workers for approval under the Act. By 1 October over 12 hundred social workers in England and Wales had successfully completed training and assessment.

Authorities have coped well under difficult circumstances and have generally succeeded in meeting Parliaments desire to have an improved Mental Health Act social work service. The Government is keeping the position under review and is mindful of the need to find a practical solution to the impasse that still prevails.

Recommendation 26 - We recommend that the Department publish in the annual Supply Estimates the costs of reimbursing CCETSW for work on Approval Social Workers; that CCETSW itemise these sums in its Accounts; and that the Department review the balance between administration and other expenditure by CCETSW.

The work by the Central Council for the Education and Training of Social Workers (CCETSW) related to the training and assessment of Approved Social Workers (ASWs) forms only a small part of the CCETSW total administration budget; costs charged to this head were £112,000 in 1983-84 and £269,000 in 1984-85. As the Committee's report notes, the outcome of CCETSW's work has been affected by circumstances beyond the council's control. There does not seem any advantage in including a separate figure for this element of expenditure in the Supply Estimates; the Council will include information on the total actual spending each year on ASW work when presenting its Account.

The Committee's comments on the balance between administration and other expenditure by CCETSW appear to be based on a misunderstanding of the position. The growth in the budget limit for administration expenditure, noted by the Committee, is attributable to the introduction since 1981-82 of two special programmes: the training and assessment of ASW's, and work on shared training (with the NHS) for staff working with mentally handicapped people. On a comparable basis over the period, provision for the Council's core activities has been reduced. In addition to the administration budget a total of £6.3 million was spent on direct support of training provision. The Government keeps the level of all elements of the CCETSW budget under review, and will continue to do so as recommended by the Committee.

Recommendation 27 - We recommend that the Department keep a careful watch on the number of people local authorities are able to assist with holidays.

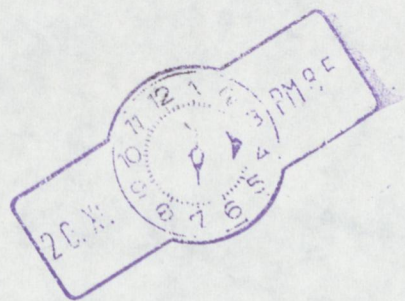
The Government will continue to keep a careful watch on provision of holidays by local authorities. The following points are worth stressing in this context.

First, although the number of cases directly assisted by local authorities has fallen, their expenditure (in real terms) on holidays has risen in each of the last two years for which figures are available. This suggests that holidays are becoming more expensive, and authorities are being stricter about whom they support. Priority-setting of this

kind is a matter for local authorities themselves, although of course, if an authority were thought to be in breach of its duty under the Chronically Sick and Disabled Persons Act 1970, the Government would pursue the possibility of default action.

Secondly, it is difficult to gain an accurate overall picture of activity in assistance with holidays. We have no central figures relating to the significant involvement by voluntary organisation in holidays for disabled people, in some cases supported by financial help from local authorities. We are aware, too, of efforts to interest mainstream holiday operators in disabled customers. If this welcome trend continues it may become even more difficult to form an accurate picture of the full range of assistance being given.

Finally, the Government will continue to encourage voluntary sector activities in promoting holidays for disabled people, and has given grants to several organisations active in this field.





PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

9 December 1985

Dear Minister of State

SOCIAL SERVICES SELECT COMMITTEE REPORT ON PUBLIC EXPENDITURE

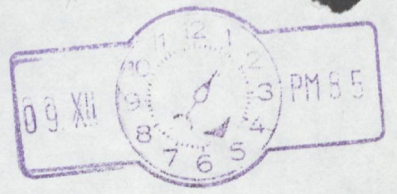
You wrote to me on 19 November seeking H Committee agreement to the publication of your response to the Social Services Select Committee report on public expenditure. You will have seen Norman Tebbit's letter of 19 November supporting publication. No other member of the Committee has objected by your deadline. You may therefore take it you have agreement to proceed as you propose.

I am sending a copy of this letter to the Prime Minister, the members of H Committee and to Sir Robert Armstrong.

Yours Sincerely
R Lawrence

(Approved by the Lord President
and signed in his absence)

The Rt Hon Barney Hayhoe MP



CCBG



Chancellor of the Duchy of Lancaster

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26 November 1985

Sarah Bateman
Private Secretary to the
Minister for Health
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NRBM

Dear Sarah,

SOCIAL SERVICES SELECT COMMITTEE REPORT ON PUBLIC EXPENDITURE

The Chancellor of the Duchy has seen a copy of your Minister's letter of 19 November to the Lord President. He is content with the proposed reply to the Select Committee's report.

I am copying this letter to the private secretary to the Prime Minister and Lord President, private secretaries to members of H, and the private secretary to Sir Robert Armstrong.

*Yours ever,
Andrew Lansley*

ANDREW LANSLEY
Private Secretary

Parliament; Select Committees, Pt 7

