

Distribution Sub-Group (2016) Paper No. 07 – Delivering Transformation Grant transfer in

This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.

Social Services and Well-being Act (Wales) 2014 Delivering Transformation Grant (DTG)

Summary

1. It is proposed that the £3m DTG is transferred into the revenue support grant in 2017-18.

Views sought

2. DSG members are asked to discuss the distributional issues surrounding this proposal. A recommendation is required for the 2017-18 Unitary Authorities Settlement.

Related papers

3. None

Background

4. The change programme for the implementation of the Social Services and Well-being Act (Wales) 2014 has been funded by a specific delivering transformation grant since 2013-14. It was £1.5m for 2013-14 and 14-15, and £3m for 2015-16. The Act provides a new legal framework in Wales for the support and care of adults, children and carers.
5. The grant has funded Local Authorities for the transition costs to ensure the new duties and activities resulting from the Act are embedded and as far as possible, cost neutral. The grant has also funded national leadership activity through the Association of Directors of Social Services Cymru, Wales Council for Voluntary Action and Care Forum Wales.
6. The commencement of the Act is 6 April 2016. The Minister has agreed, as per the published decision report of 30 December 2015, the £3m grant will remain in place for 2016-17 to support the first year of implementation.
7. The Minister has stated his expectation that the grant will move into RSG for 2017-18 to continue to support new ways of working, maintaining cost neutrality. The final recommendation will be the subject of further advice.

Analysis

Revenue Outturn

8. Future expenditure will be captured in the Social Services element of the revenue outturn forms.

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Proposed Distribution

9. Since its inception the Delivering Transformation Grant has been distributed to Local Authorities based upon the PSS sector IBA allocations. Consequently, if the transfer of the grant was based upon the PSS sector IBA in initial years then the percentage share of the allocation to each Local Authority would not differ from the grant being transferred in or being left as a specific grant. This insures that the funding for this particular service remains stable.
10. The proposed distribution would be to base the Delivering Transformation Grant on the PSS Sector IBA immediately (which is the current practice) and allow expenditure reporting to take over in year 4.
11. Table 1 shows the expected distributional change that would result in 2017-18. These figures include a small increase resulting from allocating the full £3m to Local Authorities instead of including national organisations.
12. This proposed distribution upholds the DSG principle of moving funding onto a needs-based formula at the earliest opportunity. DTG funding through 2016-17 is expected to have helped to set up Regional Partnership Boards required under the Act, establish their programme of activity for 2017-18 and associated operational support costs.

Conclusion

13. This proposal aligns with the DSG principle of moving funding to a needs-based formula at the earliest opportunity and has been requested by the Minister. This can be implemented into the 2017-18 Settlement with little changes to the allocations provided in the 2016-17 specific grant. Therefore it is recommended that the transfer to RSG is agreed.
14. Further discussions will take place separately regarding the establishment of the Regional Partnership Boards and their programme of activity for 2017-18 and ensuring they receive their associated operational support costs.

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Table 1: Delivering Transformation Grant based upon 2016-17 PSS Sector SSA

Unitary Authority:	Region:	2017-18 Distribution based upon PSS Sector IBA 2016-17	
		£s	% share
Isle of Anglesey	North Wales	66,576	2.2%
Gwynedd	North Wales	112,865	3.8%
Conwy	North Wales	116,693	3.9%
Denbighshire	North Wales	99,329	3.3%
Flintshire	North Wales	130,318	4.3%
Wrexham	North Wales	128,967	4.3%
Powys	Powys	119,438	4.0%
Ceredigion	Mid and West	66,925	2.2%
Pembrokeshire	Mid and West	115,191	3.8%
Carmarthenshire	Mid and West	179,669	6.0%
Swansea	Western Bay	236,619	7.9%
Neath Port Talbot	Western Bay	149,897	5.0%
Bridgend	Western Bay	134,871	4.5%
The Vale of Glamorgan	Cardiff and Vale	112,083	3.7%
Rhondda Cynon Taf	Cwm Taf	244,454	8.1%
Merthyr Tydfil	Cwm Taf	65,681	2.2%
Caerphilly	Greater Gwent	181,025	6.0%
Blaenau Gwent	Greater Gwent	78,207	2.6%
Torfaen	Greater Gwent	95,753	3.2%
Monmouthshire	Greater Gwent	73,948	2.5%
Newport	Greater Gwent	152,811	5.1%
Cardiff	Cardiff and Vale	338,680	11.3%
Total Unitary Authorities		3,000,000	100.0%