

EAST AYRSHIRE COUNCIL

**HOUSING COMMITTEE : 18 MAY 2005
SOCIAL WORK COMMITTEE : 19 MAY 2005**

THE SUPPORTING PEOPLE PROGRAMME

Joint Report by the Director of Neighbourhood Services and the Executive Director of Educational and Social Services

1. PURPOSE OF REPORT

- 1.1 To advise members of continuing funding arrangements in respect of the Supporting People Programme.

2. BACKGROUND

- 2.1 Previous reports to Committee have detailed the policy background to the Supporting People Programme together with the funding being made available to the Council.

3. 2005/06 FUNDING ARRANGEMENTS

- 3.1 As previously reported, the Council's Grant allocation will be £6.184M for 2005/6. As a consequence, it has not been possible this year to provide any inflation increase on the contractual commitments to service providers, for either external or in-house services. While some external providers are entitled to an inflation uplift on hourly rates under the terms of their contracts and are actively seeking those increases, the effect of this will be that fewer hours can be purchased from those providers in 2005/6, unless additional funding is to be provided from other budgets.
- 3.2 Additional funding has however been allocated to East Ayrshire Womens Aid to enable them to increase their support services when the new refuge currently under construction in Kilmarnock opens in the near future. Although the new refuge was identified to the Scottish Executive at the beginning of 2003 as a pipeline scheme requiring additional funding and accepted by them as being an appropriate scheme for additional funding, no additional Grant funding was provided. This is because the Executive only ever undertook to provide additional funding for approved capital schemes that were originally programmed to open during 2003/4. Also, as previously reported, all such additional pipeline funding ceased at the end of 2004/5.
- 3.3 Despite no additional funding having been made available to the Council, it was considered that having been fully supportive of Womens Aid throughout the bidding and construction process for the new refuge, it would not be acceptable to now renege on commitments that had been in place from the very beginning of that process. An additional £40,000 has been accordingly allocated to East Ayrshire Womens Aid to recruit an additional support worker and redeploy an existing member of staff into the support role, effective from the opening of the new refuge. Full year additional sums of £50,000 have been allocated for 2006/7 and subsequent years. As a consequence of this additional funding being made available, Support to Communities in Education and

Social Services are reviewing their budget contribution to East Ayrshire Womens Aid for 2005/6 onwards. Any subsequent adjustments in funding will be reported to the appropriate Committee.

- 3.4 For in-house services such as the Tenancy Support Team or the Sheltered Warden Service, the amount of Grant allocated is set at the same amount as for 2004/5 or their actual level of expenditure in 2004/5 from Supporting People Grant, whichever is less. The only exception is the support service for ex-offenders provided by Criminal Justice where there was a 40% underspend as a result of a vacancy. Their original 2004/5 allocation has been reallocated for 2005/6. Effectively however, all in-house services will need to meet the April 2005 staff pay increase from existing budgets.
- 3.5 A total of £137,000 was identified as being underspent from original 2004/5 budget allocations to in-house services at the end of 2004/5. The main cause of these underspends was vacant posts within agreed establishments. As the Scottish Executive has once again permitted local authorities to carry over any underspends from 2004/5 to 2005/6, this opportunity was taken and the carry over, combined with a freeze on Grant allocations to most providers has greatly reduced the gap between the amount of Supporting People Grant being provided to the Council and our contractual commitments.

4. SERVICE REVIEW PROGRESS

- 4.1 The review process required both by Scottish Executive guidance and the conditions attaching to payment of Supporting People Grant has been concluded for all support services involved in the homelessness sector. Supporting People funded sheltered housing services are now being subjected to the same review process under the direction of the Member Officer Working Group of Sheltered Housing established last December. The original timescale given by the Scottish Executive of March 2006 for the completion of all initial reviews of Supporting People funded services is still expected to be achieved.
- 4.2 The service reviews that have so far been concluded have led to the initiation of a tendering process for the procurement of a young persons service targeted at young people with chaotic lifestyles as the result of substance misuse issues. This new service will replace an existing hostel facility in Kilmarnock. The other services reviewed have been tasked to draw up action plans to achieve the agreed recommendations of the service review reports.

5. FINANCIAL IMPLICATIONS FOR THE GENERAL FUND

- 5.1 Despite the carry over of underspends from 2004/5 and the freezing of the great majority of Grant allocations to providers, the requirement to provide funding from other budgets to meet the current shortfall between our existing contractual obligations and the amount of Grant provided by the Scottish Executive will continue into 2005/6. It has however been greatly reduced. Initial estimates of the funding requirements are that approximately £25,000 will be required from Social Work existing budgets and £4,500 will be required from the Housing General Fund. This contrasts with the equivalent final figures for 2004/5 of £157,000 and £25,000. This improvement has been delivered through efficiencies in service reviews.

- 5.2 The previously reported increase in Supporting People Grant due from the Scottish Executive for 2006/7, to £6.464M, should for the first time remove the requirement to fund a gap between Supporting People contractual commitments and the amount of Supporting People Grant received. It will not however substantially help to address the issue of the continuing increase in the need for additional support services. As previously reported, it is expected that some £1.3 M more has been spent on the provision of housing support services in 2004/5 than the amount of Supporting People Grant available to fund those services. This additional expenditure relates to the cost of services delivered as part of integrated packages of care and support. That shortfall was met from the community care budget.
- 5.3 That shortfall will continue into 2005/6 and will continue to increase. This is not only the result of general increases in levels of need but also as the result of substantial new services having to be put in place to meet the needs of people being discharged from long stay hospital care under the hospital retraction programme. The additional full year costs of the housing support element of the care packages needed for the 19 people being discharged this year could be as much as £600,000. This additional expenditure would meet all the eligibility criteria for payment of Supporting People Grant but the only way to fund the new services would be to stop funding other existing services.

6. FINANCIAL IMPLICATIONS FOR THE HOUSING REVENUE ACCOUNT

- 6.1 For the same reasons as given in Para 5.1 above, the requirement for additional funding from the Housing Revenue Account to meet the current shortfall between existing contractual obligations and the amount of Grant provided by the Scottish Executive is also greatly reduced. Initial estimates are that some £6,500 will be required from the Housing Revenue Account. This will be in addition to the ongoing requirement to fund the sheltered warden service for protected tenants, who have preserved rights to a free service. Initial estimates are that for them, the cost to the Housing Revenue Account for 2005/6 will be in the order of £130,000. As protected tenants die or move out of the service however, the Housing Revenue Account funding for their free service necessarily ends and this can only increase the deficit funding requirement from the other budgets referred to above and in Para 5.1 of this report.

7. POLICY IMPLICATIONS

- 7.1 There are no policy implications arising from this report.

8. LEGAL IMPLICATIONS

- 8.1 There are no legal implications arising from this report.

9. COMMUNITY PLANNING IMPLICATIONS

- 9.1 Nil.

10. RECOMMENDATIONS

10.1 The Committee are recommended to:

- (i) note the continuation of all 2004/5 contractual values into 2005/6 with the specific additional commitment to East Ayrshire Womens Aid; and
- (ii) otherwise note the contents of the report.

Bill Stafford
Director of Neighbourhood Services

John Mulgrew
Executive Director of Educational & Social Services

14th April 2005
Enc (0)

LIST OF BACKGROUND PAPERS

1. Supporting People Commissioning and Purchasing Group reports and minutes of 14th January 2005
2. Supporting People Commissioning and Purchasing Group reports and minutes of 28th February 2005
3. Supporting People Grant budget reconciliations for 2004/5 and 2005/6

For further information please contact:
Eddie Fraser, Community Care, telephone: 01563 554825

IMPLEMENTATION OFFICER: JACKIE DONNELLY