

## **Executive**

**5<sup>th</sup> December 2006**

Report of the Director of Housing and Adult Social Services

## **Supporting People Update and Complex Cases in Adult Social Services**

### **Purpose of Report**

1. To update the Executive on the current position in terms of Supporting People funding.
2. To advise the Executive of cost pressures arising from new, complex cases in adult social services and to seek approval to call off funding from contingency.

### **Background to Supporting People**

3. The Supporting People (SP) Programme was launched by the former Office of the Deputy Prime Minister (ODPM) in 2003, and is a grant programme which enables the provision of housing related support services at a local level, to help vulnerable people maintain or improve their ability to live independently. The programme is expected to contribute to a range of broader strategies, including reducing re-offending, tackling disadvantage and social inclusion, reducing and preventing homelessness, reducing health inequalities, reducing substance misuse and increasing choice for older people, people with disabilities and with mental health conditions. In 2006/7 York received an SP grant of £8,436,979 to fund services.
4. The support offered can include help in developing life skills, such as understanding tenancy agreements, budgeting and cooking. It can help people access services and benefits, training and employment. It can include support through warden and/or community alarm services. Housing related support works with a wide range of vulnerable groups and although there is no such thing as a typical user there are in effect three main customer groups for whom Supporting People (SP) needs to deliver improving services:
  - People receiving care and support, for whom housing-related support underpins health and social care services.
  - People who live independently with support only, for whom a small amount of support (such as a warden or a community alarm) makes a critical difference to being able to remain independent

- People experiencing or at risk of social exclusion, for whom housing-related support plays an essential part in preventing or dealing with a crisis situation and restoring independence in a sustainable way
5. At the meeting on 17<sup>th</sup> February 2006 the Executive's views were sought on a national consultation carried out by the ODPM between November 2005 and March 2006 that fell into two main categories:
    - a) The policy framework for SP
    - b) The funding regime for SP
  6. Over 1,000 responses were received by ODPM including ones from the council. The key points raised in the response approved by the Executive were:
    - a) To recognise the importance and value of SP and its links to the broader social aims of the council
    - b) To acknowledge the potential for SP to support the aims of the Local Area Agreement and the work of the Local Strategic Partnership
    - c) To support the link to the quality of life outcomes for customers as expressed in the White Paper "Our Health, Our Care, Our Say".
    - d) To express reservations about removing the ring fence for the grant that funds SP
    - e) To express **major concerns** about the impact of introducing a formula for re-distributing SP grant (the formula consulted upon would have seen the grant to York reduce by 49%.).
  7. In July the Minister issued a response to the consultation that reaffirmed the government's commitment to the SP programme and set out some policy directions that develop rather than change the existing framework. In terms of funding distribution the Minister made it clear that the formula set out in the consultation was illustrative and that further thought would be given to the best approach for future funding allocations. He also reaffirmed the commitment to 3 year settlements to give local authorities stability on which to base future plans.

### **Current funding position on funding for the Supporting People programme**

8. As part of a 2-year local government funding settlement in December 2005 the government held back 5% of SP funding, pending consultation on the draft Supporting People distribution formula. The government decided to distribute this money in 2007/8 to try to address uneven shares between councils i.e. giving more grant to those areas which are deemed to have less than they need. Those authorities who are deemed to have a higher relative share, such as York, have had their grants reduced for 2007/8 but by no more than 2%.
9. The grant for York in 2007/8 will be £8,268,239 – which is a 2% reduction on the current year. Given that providers will rightly expect at

least an increase on their fees in line with inflation (perhaps 2.3%) this means that York will have a cut in real terms of about 4.3% in funding for Supporting People schemes – equivalent to about £360,000.

10. In addition, work is being implemented to ensure that the current grant funding complies with revised government guidance on what services Supporting People grant can be used for. Under the original guidance (prior to 2003) councils were urged to maximise the use of SP to bring in all relevant schemes. In York we were already well advanced in the development of independent living schemes (care and support schemes) which had enabled people to leave hospital or not have to go into residential/nursing care. A typical scheme would be a house or bungalow purchased by a housing association or charity with several people living in it as tenants but receiving a large package of support and care to enable them to maintain their tenancy.
11. In the Audit Commission inspection of the SP programme in 2004 the inspectors commented critically on the use of SP grant to fund care related services in these schemes and the York Commissioning Body (the local, multi agency group charged with overall responsibility for SP policy) agreed to introduce eligibility criteria to review all these schemes and ensure that funding was only provided for services that were eligible for SP grant. (This was within a national context of SP grant claims from local authorities having exceeded Treasury estimates by about £400m.)
12. Reviews of all SP services were completed by April 2006 and the Supporting People team in Housing and Adult Social Services have applied the eligibility criteria agreed by the Commissioning Body to those services. Where SP grant is no longer deemed to be eligible then either the service must be funded by the statutory agency (i.e. the council or the PCT) from its base budgets or the service would have to be reduced in cost and/or size or ended and an alternative provided.
13. The most significant impact will be on services for people with learning disabilities living in 'care and support' schemes where almost £2.3m of SP grant is currently spent on services which are no longer eligible – of which over £1.1m relates to the council's responsibilities. There are also significant impacts on similar schemes for people with physical disabilities ( about £625k of grant spent on services no longer eligible) and some mental health rehabilitation schemes (about £100k) . The Commissioning Body has taken the view that retraction of SP grant must be in such a way as to prevent any breakdown in care arrangements and to give the statutory agencies a chance to look at options for efficiency savings and to fund the shortfall in grant.
14. The most pressing problems relate to learning disability services. Where schemes remain relevant and effective in caring for people closure is not an option either in human or financial terms (as the alternative would be likely to be more expensive). Some efficiencies can be obtained but these are very small in comparison to the amount of grant that is to be withdrawn. To ease the situation the Commissioning Body has agreed to phase the withdrawal of grant over three years beginning in 2006/7. Grant of £516k is being withdrawn in the current year of which £255k is

the council's responsibility. This will rise over the next 2 years until the full amount of £2.3m has been withdrawn.

15. The withdrawal of grant for people with physical disabilities and for those with mental health problems will begin in 2007/8. Options are being explored to look at alternative funding arrangements or changes in the provision but there will inevitably be a call on council budgets to meet the shortfall as grant is withdrawn.
16. The full financial implications of the withdrawal of ineligible SP grant in 2007/8 and future years **and** the reduction of about 4.3% in real terms (see paragraph 9) will be set out in the budget proposals for next year and a growth bid submitted for the amount that cannot be met through savings or service reconfiguration.
17. On the positive side, the withdrawal of SP grant from services no longer eligible will present opportunities for the Commissioning Body to invest in new services that address unmet needs. (How much is available for re-investment will, in part, be affected by rules on carrying forward uncommitted grant from one year to another.) The Commissioning Body has identified that the top priorities for investment in new SP schemes should be people with drug problems, mentally disordered offenders, and people with chaotic lifestyles.

### **Additional demands – complex cases**

18. As part of the budget process for 2006/7 a number of budget pressures in Adult Social Services that could not be quantified at that stage were flagged up - with the option of seeking funding from contingency if they materialised. This included £400k for additional complex cases during the course of the year.
19. So far, during 2006/7 there have been 23 new complex cases with a cost to the council of £513k (rising to £559k in 2007/8). Of the 23 cases 12 concern people with a learning disability, 6 concern people with a physical disability and 5 concern elderly people. So far there have been 6 complex cases that have left care with a saving during 2006/7 of £102k – a net increase of £411k so far in 2006/7.
20. This is increasingly the pattern in adult social services i.e. that the number of new complex cases exceeds the number of cases leaving care. This is because more children are living into adult life; more people are able to survive traumatic injuries; more people with learning disabilities are living into old age; older people are generally living longer ( we expect a 77% increase in the number of people over 85 in York in the next 20 years).
21. Four case studies are attached as Annex 1 to give members an idea of the kind of complexity that we are referring to. These are anonymised cases but do feature real situations in York.
22. This has added to the existing cost pressures on adult social services. Full details have been provided to the Director of Resources and the

Executive is asked to approve the call off of £400k from contingency to meet these additional demands.

## **Consultation**

23. The Supporting People Commissioning Body have been fully involved in the retraction plan to deal with SP grant being used for services that are no longer eligible.

## **Options**

24. The briefing on Supporting People is for information at this stage. The decision on how to deal with the funding pressure will be taken as part of the budget process for 2007/8.
25. In terms of the call off from contingency there are 2 options:
  - a) **Option 1** – not to approve the call off from contingency. This will leave the full £411k as a cost pressure on Adult Social Services.
  - b) **Option 2** – to approve the call off from contingency. This will reduce the projected overspend on Adult Social Services in the current year and contribute to the increased cost pressure from these cases in 2007/8.

## **Corporate Priorities**

26. The report relates to the corporate priority “ Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of healthy are the poorest.”

## **Implications**

### **Financial**

27. The report to the Executive Member for Adult Social Services and Health on the first quarter expenditure showed a potential overspend of £1.7m on adult social services. Action is being taken to try to reduce that to £651k by March 2007. If the call from contingency of £400k is approved then this would reduce the projected overspend to approximately £250k.
28. The General Contingency for 2006/07 was set at £800k. Potential areas that might require funding during the year were identified as part of the budget process, and totalled almost £1.8m. To date £187.5k has been released leaving £612.5k available. It is too early to know yet how many of the identified areas of financial pressure will come to fruition, but at the first monitor report potential requests that have not yet come forward The Council also has reserves that can be used to fund non-recurring expenditure, which will leave the contingency available to fund recurring items. CPA recommend that a minimum level of revenue reserves is held, and for 2006/07 the minimum recommended level is £4.95m. It is estimated that there will be approximately £1.91m of other revenue reserves available, thus the level of the general fund balance should not fall below £3.04m. The current level of the general fund balance, after

deducting Member approvals to date, is £3.27m. The balance available, if this application is approved will be £2.869m.

29. were identified in the sum of £600k, which would leave a balance of £12k. The key pressures where there may still be a need for additional funding, which were included within the £1.8m, are the costs of meeting the demand and complexity of social care needs and possible early retirement costs. This request was included in the £600k identified in the monitoring report. Any release from the contingency will obviously reduce sums available for distribution during the remainder of the year. The balance available, if this application is approved, will be £212.5k.

### **30. Other Implications**

#### **Human Resources (HR)**

There are no immediate implications to report.

#### **Equalities**

There are no immediate implications to report.

#### **Legal**

The increase in the number of people with complex needs living in the community may have an impact on the support needed from Legal Services.

#### **Crime and Disorder**

There are no immediate implications to report.

#### **Information Technology (IT)**

There are no immediate implications to report.

#### **Property**

There are no immediate implications to report.

#### **Other**

None

### **Risk Management**

31. The key risks on Supporting People are:
- That the retraction plan cannot be funded by base budget contributions from the statutory agencies
  - That care arrangements for customers are affected due to uncertainties about future funding
32. To mitigate these risks the Commissioning Body has phased the retraction of SP funding over 3 years for learning disability services.

33. The key risk in relation to the additional complex cases is to increase the cost pressures on and adult social services budget that is already overspending. To mitigate this risk the Executive has been asked to approve a call off from contingency.

### Recommendations

34. That the Executive notes the funding position related to Supporting People and that growth will need to be provided as part of the budget process for 2007/8 to deal with the additional cost pressure to the council.

Reason : So that the Executive is briefed on the context of budget pressures before considering the budget requirements for 2007/8.

35. That the Executive approves a call off of £400k from contingency for additional complex cases in adult social services in 2006/7.

Reason: To enable Housing and Adult Social Services to meet the additional costs arising from the increase in complex cases.

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**Bill Hodson**  
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**Report Approved**  **Date** 9/11/06

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Director

**Report Approved**  **Date** 9/11/06

### Specialist Implications Officer(s)

None

**Wards Affected:** *List wards or tick box to indicate all*

**All**

**For further information please contact the author of the report**

### Background Papers:

1. Report to the Executive on Supporting People on 17<sup>th</sup> February 2006
2. Report to the Executive Member for Adult Social Services and Health with the Advisory Panel, 1<sup>st</sup> Quarter Monitor, 11<sup>th</sup> September 2006