

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE

14 MAY 2003

RESTRUCTURING HOUSING SUPPORT FUNDING AND MAXIMISING TRANSITIONAL HOUSING BENEFIT

REPORT BY THE CHIEF EXECUTIVE, DIRECTORS OF SOCIAL WORK, HOUSING, FINANCE, INFORMATION TECHNOLOGY AND PERSONNEL MANAGER

ABSTRACT

This report identifies housing support services currently funded by social work which can be appropriately transferred to Transitional Housing Benefit funding. The report also makes recommendations on how to establish the most economically advantageous position for the Council and the people of Angus in relation to such a transfer.

1 RECOMMENDATIONS

It is recommended that the committee:-

- i) agrees that charges for housing support services should be based on the economic cost of the service;
- ii) agrees that funding for the following services be transferred to the Transitional Housing Benefit scheme where appropriate:
 - Domestic assistance scheme
 - Dispersed Community Alarm Scheme
 - Salvation Army Community Care (Angus)
 - Crossroads (housing support element)
- iii) agrees that a housing support clause be added to all housing revenue account house leases as a term of the new Scottish Secure Tenancy Agreement;
- iv) agrees that a grant be made available restricting charges for services to their current levels for service users who would otherwise be adversely affected;
- v) approves funding for temporary posts/additional hours to facilitate the transfer.

2 INTRODUCTION

This report follows from the recommendations of the Social Policy Sub-Committee of 20 November 2001, adopted by the Policy and Resources Committee of 4 December 2001 in regard to the Supporting People Programme and Transitional Housing Benefit (THB). (Appendix 1 of the minute of the Policy and Resources Committee of 4 December 2001).

At the Supporting People Lead Officers meeting of 12 April 2002 at CoSLA, all members present confirmed that their councils are either in the process of, or considering, transferring social work housing support services to THB. Angus Council share of the Supporting People pot would be greatly reduced and we would be at a severe disadvantage in relation to other councils were we to ignore the opportunity to do the same.

We only have until the end of March 2003 to change funding streams. This timescale is particularly tight, as implementing the proposals will involve changes to practices and procedures in several departments of the council and consultation with all the service users involved.

3 BACKGROUND

“Supporting People” is a radical and new integrated policy and funding framework for services for people in supported accommodation or in receipt of flexible housing support. The aim of the framework is to provide good quality services focused on the needs of users.

Supporting People brings together a number of funding streams including the support element of Housing Benefit; Income Support/Income based Job Seekers Allowance, Special Needs Allowance Package (SNAP) and Resettlement Grant from Scottish Homes. These resources will be transferred to local authorities in April 2003 who will then be responsible for the administration of the new arrangements and for the commissioning and purchasing of all housing support services in Angus.

In April 2003, Angus Council will be given a single pot of money to spend on housing support services. The pot will be based on an aggregate of the funding streams outlined above. The SNAP and Resettlement monies have already been identified, as has the amount for pooled rent in Angus which is currently being assessed and will be a fixed amount. We do however have an opportunity to increase the size of the pot by transferring services to THB funding.

THB claims can include the full cost of housing support service provision including such things as training, travel to work time and management costs.

Local authorities have been assured by the Scottish Executive that all monies identified through THB claims prior to April 2003 will be transferred to the Supporting People pot in 2003 and annually thereafter dependant on need.

It is, therefore, vital that we identify all housing support provision in Angus which can be funded through THB and ensure that it is included in the pot. THB will cease in April 2003 when the Supporting People pot will be capped.

Revenues division of the finance department are the final arbiter in relation to the validity and reasonableness of THB claims and they are represented on the SP Team. Audit Scotland recently completed a successfully audited of THB claims in Angus.

4 IDENTIFIED OPTIONS

Option 1

Maintain the status quo.

Although the Scottish Executive has confirmed that local authorities can transfer social work funded housing support service provision to THB where appropriate, Angus Council are not obliged to do so. To do nothing is obviously the easiest option and has no resource requirement.

We believe, however, that it would be negligent to ignore the opportunity to substantially increase income to the Council and free up money for new or improved service provision.

Option 2

To maximise THB by implementing the following changes:

Base charges for housing support services on the economic cost of the service.

Transfer the funding for the following services to the THB where appropriate:

Domestic assistance scheme

Dispersed Community Alarm Scheme

Salvation Army Community Care Service (Angus) - (shopping service)

Crossroads (housing support element)

Add housing support clause to all housing revenue account house leases as a term of the new Scottish Secure Tenancy Agreement.

Make a grant available to restrict charges for services to their current levels for service users who would otherwise be adversely affected.

Approve temporary posts/additional hours to facilitate the changes.

Option 2 would necessitate substantial additional work and close co-operation between relevant departments to achieve deadlines by end of March 2003. Additional resources would be required to help fund this spend to save initiative.

However, option 2 would identify the actual cost of housing support provision currently funded by social work. This would result in the maximisation of potential income to the Council in 2003 and annually thereafter and free up funding for new and/or improved service provision.

Option 3

As option 2: except that charges for housing support services are based on the current hourly/weekly charge for services.

Option 3 would be easier than option 2 to implement, as it requires no change to the current charging rates.

This option, however, would not identify the true cost of the services as charges are currently based on an artificially low hourly/weekly cost. Adopting this option would, therefore, substantially reduce the potential income to the Council. It is also not consistent with the proposed charging policy in relation to the implementation of free personal care.

Option 2 is recommended by the Supporting People Steering Group as the preferred option.

5 PROPOSAL

Charges

Local Authorities have been asked to map the supply and identify the true cost of housing support services in their area primarily through the THB Scheme. The results of this exercise will inform the sizing of the Supporting People Fund, which will be transferred to Local Authorities in April 2003 and annually thereafter. It is vital therefore that Angus Council maximises claims through the THB Scheme.

It is therefore recommended that charges for housing support services should be based on the economic cost of the service.

Transfer of Housing Support Services

The following services currently funded by social work have been identified as providing housing support as defined by the THB guidance:

Domestic assistance service
Dispersed community alarm scheme
Salvation Army Community Care Service (Angus)
Crossroads (housing support element)

It is therefore proposed that where appropriate funding for these services is transferred to THB and that we identify all service users receiving the above services who are eligible for THB and assist them in making claims.

Housing Support as a Term of the Tenancy

For housing support services to be eligible for THB the service-user must be a tenant and the housing support must be a term of the tenancy. Angus Council tenancy agreements do not at present include such a term.

It is therefore proposed that a housing support clause be added to all housing revenue account house leases as a term of the new Scottish Secure Tenancy Agreement when it comes into force in September 2002. This will enable tenants to claim THB where appropriate. It is intended that all appropriate claims be paid from September 2002. The housing support clause will remain in force until April 2003, at which time it would cease to have effect.

The financial outcome of these proposals for service users claiming THB will, therefore, either reduce their social work service charge or be neutral. This will depend on whether other chargeable services are being also provided.

Protection for Potential Losers

Members instructed the Supporting People team to investigate ways of protecting any tenants who could be adversely affected by any proposed changes.

In order to identify any potential adverse effect to tenants brought about by the changes outlined in this report it is proposed that a welfare benefit check and a better off calculation be carried out for all tenants prior to any claim. This will help inform the decision on whether a claim for THB should be made.

It is further proposed that a grant be made available restricting charges for services to their current levels for service users who would otherwise be adversely affected. This will ensure that the Council is acting in line with the instruction set out in the current "Implementation of Free Personal and Nursing Care" Guidance, which states in paragraph 10 of the section entitled "Limiting the Charge for Non-Personal Care" that:

“Local Authorities must ensure that from 1 July 2002 until at least 31 March 2003 no individual is charged more than they were previously paying, unless a re-assessment of their care needs results in an increase in the level of non-personal care service provided”.

Future Developments

In April 2003 the THB Scheme will cease and the funding will be transferred to local authorities from the Department of Works and Pensions.

The Scottish Executive and CoSLA are currently in discussion regarding a nationally agreed charging policy for housing support post 2003. Angus Council charging policy for future years will be informed by the outcome of these discussions and will be a matter for further consideration.

The Scottish Executive has also commissioned a further study on “sizing the pot” from Price Waterhouse Coopers. The new study is intended to concentrate in detail on possible pressures and to identify and cost them. The outcome of the new study will be used to assist the Scottish Executive to bid for funds to cover the cost of housing support services not identified through THB, SNAP or resettlement Grant. This exercise will enhance the pot by including monies for such things as re-provisioning, growth, ward closures and owner-occupiers. Guidance on final definitions for housing support under the Supporting People programme is still pending.

Resource Requirements

An assessment of the resource requirements for the proposals outlined in this report identifies the need for approximately 4000 additional hours within social work to ensure that all service users affected by the changes receive a personal visit from an assessor. The assessor’s role will be to inform individual service users of how the proposed changes affect them personally and to perform a better off calculation to advise them of the most beneficial course of action in their case.

The housing department and revenues will be required to process the THB claims and deal with associated administration. They have identified taking these tasks forward as involving the establishment of 600 and 1,000 additional hours respectively.

The total cost of the above, including allowance for travelling expenses is estimated at £55,000. However, this position will be closely monitored and reviewed as the initiative progresses.

It is envisaged that the work outlined above be carried out by staff working additional hours or through the creation of temporary posts and back-filling if required.

6 FINANCIAL IMPLICATIONS

In the current financial year the charging of an economic cost for housing support services will bring in extra income for social work. This will however have to cover the “grant” to be paid to service users where they are not in receipt of housing benefit and hence in such cases represents a cost neutral situation.

There will however be substantial additional income where THB is received. It is estimated that this will significantly exceed the estimated cost of the additional hours etc of £55,000 outlined above.

7 HUMAN RIGHTS IMPLICATIONS

There are no Human Rights implications arising from the recommendations contained in this report.

8 CONSULTATION

The Chief Executive, the Director of Law and Administration and the Director of Finance have all been consulted in the preparation of this report.

9 CONCLUSION

This Report sets out the most economically advantageous position for the Council and the people of Angus in relation to maximising Transitional Housing Benefit.

Successful implementation of the proposed change will depend on a clear lead from Members and close co-operation between social work, housing, revenues and information technology and finance.

These proposals are a temporary measure, as THB will cease at the end of March 2003. The Scottish Executive and CoSLA are currently in discussion regarding a nationally agreed charging procedure for post 2003 and Angus Council charging policy for future years will be based on the outcome of these discussions and will be a matter for future consideration.

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NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.