

The Scottish Executive Announces SP Funding for the next 3 years

On Friday 1st October 2004 the Scottish Executive announced Supporting People funding for the next 3 years. Although a cut in funding is being made, Ministers are quick to point out that it amounts to an investment of 1.2 billion in housing support services over the next 3 years.

The total grant is as follows:

- 2005/06 406m
 - 2006/07 399m
 - 2007/08 399m

This compares with the first years allocation in 2003/04 of £426m.

Next year, therefore, the programme is required to make savings of 4.9% and by 2006/07 the Supporting People programme in Scotland will have to absorb savings of £27m or 6.3% when compared to this current years funding. This still represents more funding per capita than in England about double that per head of population.

Pipeline projects

The long awaited news on funding for new pipeline projects has been disappointing. There will be no additional funding offered for pipeline projects decisions about funding pipeline projects are being left to local authorities to make on the basis of the grant allocation announcements. Whilst this may be straightforward in those areas set to increase funding by a substantial amount, other areas will have to weigh up carefully the funding of their existing provision before deciding to enter into a new commitment. Many providers will be greatly disappointed by this news and will most likely have to wait a bit longer to find out for sure whether new projects will be funded or not.

Redistribution of the grant among local authorities in Scotland Ministers in Scotland acknowledged

that the distribution of the grant in the first 2 years of the programme has thrown up some anomalies due to the THB system and due to the varying degrees it was taken up around the country.

Ministers wished to ensure a fairer distribution of resources and have used a new formula in an effort to match more accurately funding relative to need across the country. To assist those authorities that face a reduction in funding there is some transitional support built into the total grant (£8m for year 2006/07 and £8m for 2007/08).

What we know about the new Distribution Formula

The Scottish Executive has explained that the decisions on the allocation of grant to each local authority have been made on the basis of a distribution formula composed of indicators that reflect the key client groups which are intended to benefit from the programme and for which data of sufficient quality and reliability is available. The formula is composed of:

- a) the number of elderly people in the local authority
- b) the number of people claiming disability living allowance
- c) the number of homelessness applications (averaged out over a three year period)
- d) the degree of deprivation in the area using data from the Scottish Index of Multiple Deprivation 2004

The Scottish Executive has explained further that funding has been allocated against the different elements of the formula in the following proportions:

- elderly people 30%
- disabled 20%
- homelessness 30%
- disadvantage 20%

At the moment it is not envisaged that local authorities will be required to show spending outturns according to these proportions.



SCOTTISH EXECUTIVE

The Supporting People Enabling Unit is a partnership initiative between Community Care Providers Scotland (CCPS) and the Scottish Federation of Housing Associations (SFHA), funded by the Scottish Executive.

Efficiency savings

In a letter to Local Authority Chief Executives, Mike Neilson, Director for Housing and Regeneration at the Scottish Executive acknowledged that the grant represents 'quite significant changes for a small number of local authorities.' He goes on to state 'Much of this change can be managed through effective service and value for money reviews, giving careful attention to administrative management overheads rather than through service cuts'.

The basis for this expectation may lie in the Pricewaterhouse Cooper Report which has suggested that efficiency savings of £40m could come from keeping all housing support costs within 20% above the average costs.

This expectation has given rise to surprise and concern amongst providers and local authorities alike.

Service Reviews

Many providers have expressed concerns to the Unit that where local authorities may be facing a reduction in Supporting People grant they will make blanket cuts to contract values. The Unit has raised this with the Scottish Executive. Stephen Sandham has responded by saying:

'Further guidance on Service Reviews for local authorities is likely to be issued in late December. Local authorities are being expected to identify 'efficiency savings' through a review process before April 2005 that considers:

- a) the type of services that are needed in the area and
- b) the right price to pay

A blanket approach to deal with any reduction in funding is not going to be acceptable.'

Over the next few months the SP Enabling Unit we will be building up a picture of how Service Reviews are being carried out. Our purpose being to find out if guidance is being followed and the impact this is having on providers. If you would like to share with us your experience and views on Service Reviews (good or bad) we would like to hear from you.

The picture in England

At the end of August the Office of the Deputy Prime Minister (ODPM) announced funding in England for the next 3 years which represents a 4.4% cut in cash terms next year and 5.6% the following year. In England individual authorities have not yet been advised how much grant they will be offered though Lord Rooker, the Minister responsible for Supporting People, has stated that no authority will face more than a 7.5% cut.

Moving towards redistribution in England

The Office of the Deputy Prime Minister (ODPM) published a briefing paper in September 2004 written by Matrix Research and Consultancy. It outlines proposals for a Distribution Formula to help determine how much Supporting People grant each Authority will be allocated.

The formula will take account of the following issues:

- Population at risk: relative to other areas
- Needs of those at risk: relative to other areas
- Cost drivers in an area: employment costs and dispersal of population
- Resident population taking account of migration and cross boundary issues

To see the paper go to the ODPM website at: <http://www.spkweb.org.uk> and type 'distribution formula' in the quick search option.

The ODPM is currently conducting further work on how to combine these factors and has produced worked examples to show the impact that different ways of doing this would have. These 'exemplifications' though not widely available, are currently being scrutinized by an advisory group.

An official from ODPM has advised the Unit that the formula and allocations to authorities for next year are likely to be announced in mid November. It is not known, however, whether the announcement will go beyond 2005/06.

National Review: Supporting People Programme in Scotland

The Scottish Executive commissioned Pricewaterhouse Coopers to undertake research on the Supporting People programme in Scotland. In June 2004, Pricewaterhouse Coopers completed their report: Analysis of Funding Arrangements for Supporting People. The Report is not being widely circulated at this stage but local authorities have been provided with copies. The SP Enabling Unit was also provided with a copy of the report to examine.

Financial Data

The Report presents detailed financial information gathered from each local authority. These tables detail where the Supporting People money has been spent in terms of client group (according to primary and secondary characteristics). These figures are broken down to average out the amount of money per service user and comparisons are made between local authority areas in relation to local population profile. It provides information on the percentage of population in each local authority area benefiting from the services and the cost of these services on a per capita basis. For instance, the overall number of service places funded, as a percentage of the overall local population, varies across Scotland from 7.74% to 0.19%. The Report also considers the varying rates of voids at the end of March 2003 per local authority area. These range from 13.88% to 0.13%.

Cost Comparisons

Another issue the Report deals with is a cost comparison between services. In particular it compares the average cost of services according to type of organisation providing them. Organisations are categorized as:

- Local Authority,
- Other not for profit,
- Private Sector
- Registered Social Landlords

Again, the Report does not seek to explain differences between average costs though PWC do acknowledge that cost averages will be 'heavily influenced by the type of services being provided'.

Highest and Lowest Spenders

The Summary of the Report identifies those local authority areas where the highest and the lowest amounts per head of population were spent. What the report does not attempt to do is to explain variations in rates between areas. This would be another piece of work which the Scottish Executive may carry out using the data collected by PWC.

Historical information on the funding of housing support
One of the original objectives of the PWC research was to quantify the cost of support packages funded through

Community Care or other budgets prior to the THB system. PWC were not been able to find a way of doing this without having to review every transitional housing benefit claim, which would have imposed an unacceptable burden on PWC, local authority staff and other providers alike.

Observations of a Provider

Malcolm Matheson, Director of Key HA, took part on the Reference Group that acted as a sounding board for the Scottish Executive during the Review and makes the following observations:

The pattern of Supporting People grant across Scotland is a product of the eligibility criteria for Transitional Housing Benefit, and the activity of local authorities and providers in working with this opportunity. It is inevitable that the initial pattern will contain some anomalous components when analysed against certain indices (eg population, poverty etc) The original thinking was that this pattern would be changed over time through the process of strategic and detailed planning, informed by the service review process, which would take place over the 3 year period to 2006. The service review guidance from the Executive provided a strong framework for this process.

The PWC research has provided some baseline information, but it is also confirming that the people affected by SP Grant are among the most vulnerable in our communities. This makes the process of change to the initial pattern all the more critical, and suggests that the timescales for change must be considered carefully as must the effect on the overall support that individuals receive. Supporting People is not a stand alone programme it is part of the wider social care provision that is fundamental to the achievement of a progressive community based approach to supporting vulnerable people maximising independence and minimising institutional care settings. It needs joined up thinking at Executive and local authority level to maximise its impact, and it needs joined up thinking as we move from the initial outcomes to the longer term pattern.

Further research

The Scottish Executive is now drilling down further on some of the PWC data to get a better understanding of the differences in the cost of services across Scotland and considering whether further work is necessary on any other aspects.

Future Funding

Ministers were aware of the findings of the research when reaching their decisions about funding for the next 3 years of the Supporting People programme. A funding announcement on that was made on 1st October.

Future Registration of the Housing Support Workforce

One of the most frequently asked questions providers have approached the Unit with recently has been about the Scottish Social Services Council's plans for registering the housing support workforce. The Unit approached the SSSC for information and the SSSC has provided the following background and update:

The Scottish Social Services Council

The SSSC, along with the Care Commission, was set up under the Regulation of Care (Scotland) Act 2001 as part of the drive to raise standards of care. The Care Commission will regulate and inspect Scottish care services such as residential homes and nursery schools.

The Scottish Social Services Council (SSSC) is the organisation responsible for registering people who work in social services and regulating their education and training. Set up as part of the UK wide drive to raise standards in social services, our role is to increase the protection of people who use social services, to raise standards of practice and to increase public confidence in the sector.

The SSSC has five main tasks:

- to set up registers of key groups of social service workers
- to publish Codes of Practice for all social service workers and their employers
- to regulate the training and education of the workforce
- to promote education and training
- to develop as the emerging Sector Skills Council for social care.

Registration

The SSSC will register the estimated 130 000 social service workers in Scotland and regulate their education and training. This will put social service workers on a similar footing to their professional colleagues in nursing, teaching and medicine.

The Register opened on 1 April 2003. Registration will be carried out in stages, starting with social workers, ie workers holding a Diploma in Social Work (DipSW) or an equivalent qualification. This will be followed by:

- Students entering the new honours degree and postgraduate courses in social work spring 2004
- Care Commission registration and inspection officers autumn 2004
- All residential childcare staff 2005

- All heads of residential care homes 2005/6
- All heads of adult daycare services 2005/6
- All staff in adult residential care 2006/7
- All staff working in early education and childcare 2006/7

Further groups of social service workers will be announced in the future.

As part of their application for registration, workers will be required to hold qualifications appropriate for the job they perform. The qualification criteria for the groups of workers above are available on our website www.sssc.uk.com

It will take time to achieve a fully qualified workforce. The SSSC may allow workers who satisfy all other criteria to register subject to the condition that they gain the appropriate qualifications within a specified period of time, normally the first three year registration period.

Registration and housing support workers

Before any decisions will be made about housing support workers and registration with the SSSC, a specific piece of work will be carried out in relation to housing staff working in supported housing, supporting people and related housing/community care services.

This piece of work is expected to take about a year and will scope the workforce, identifying the roles, responsibilities and functions of housing support/supporting people workers. We will consult with workers, employers, representative bodies, the Chartered Institute of Housing, providers of housing services etc, with a view to making recommendations on the registration and regulation of housing workers by the SSSC.

We are currently recruiting for a Project Officer to carry out this work who has a strong background and knowledge of housing services, current housing/community care policies and of education and training for housing staff. This is a year-long post, funded through Supporting People and in partnership with the Scottish Executive.

As can be seen from this update, there will be a period of fact finding and discussion with stakeholders before final decisions are made about qualification requirements for housing support workers. The Unit will liaise with the Project Officer once in post to ensure that providers are given an opportunity to take part and are kept updated as the project progresses.

Care Commission Update: Testing the Inspection Process

The Care Commission is developing an inspection system which will ensure that the broad range of housing support services across Scotland, conform to the National Care Standards.

In general the same inspection system will be used for all services although some methods may vary depending upon service users needs.

The Care Commission will inspect Registered Services. If the registered service has been identified as a branch then the whole of this service will be subject to inspection.

The Care Commission intend to treat services that include elements of both housing support and care at home the same. It is applying an integrated approach so rather than inspecting these twice it will only inspect once using a mixture of care at home and housing support standards.

An initial framework has been drawn up and it will be tested over the next few months. The Care Commission will inspect branches of service using the following framework:

Pre-inspection:

- Schedule inspection Programme
 - Send out pre-inspection documentation
 - Co-ordinate meetings and arrange inspection
 - Arrange to contact service users

The pre-inspection documentation will include a range of information about how that service meets aims and objectives and is complying with regulations

Inspection:

- Meet/contact service users
 - Check policies and procedures
 - Conduct staff interviews including manager

Post inspection:

- Give feed back to service manager and provider
 - Write report and action plan

The initial framework is a bold outline of how the Care Commission intends to inspect. Details such as whether or not interviews can be conducted over the telephone are still to be decided. However, the Care Commission has

been keen to stress that it is aware of the sensitive nature of inspecting visiting support services which enter a person's home. The Care Commission does not have the right to enter a service user's home and will not do so unless invited. All service users who agree to participate in the inspection process will be fully informed of the purpose of interviews and nobody will be contacted without prior consent.

To help thrash out these issues the Care Commission has undertaken to thoroughly test the inspection framework.

A Pilot Inspection Sub Group has been formed with membership from the Care Commission, Communities Scotland, the Association of Directors of Social Work and HMO. This group will oversee the pilot inspection process and ensure the time table is adhered to. The time table for pilot is:

- September 2004- participating services were selected.
 - October 2004 Complete pre-inspection stage
 - November/December 2004 Inspection
 - January 2005 Complete evaluation

Over 20 providers are taking part in the pilot inspection. They will undergo a full inspection and will be expected to act on the findings of the inspectors.

The pilot inspection documentation has been drawn up and providers' that were not selected to undergo an actual inspection have been encouraged to comment on the paperwork. Diane Norris of Albyn Housing Society has already stated: "I was disappointed that I had to fill out the Care Commission registration form by hand. It would be much better if the inspection documentation was available in an electronic format."

For up to date information of the pilot inspection scheme refer to the Care Commission's website on www.carecommission.com.

Supporting People: Contracting Framework and Guidance

The Scottish Executive issued a document entitled: **Supporting People, Contracting Framework and Guidance (First Draft) in September 2004**. Providers throughout Scotland were invited to take part in four regional consultation events organized by the Supporting People Enabling Unit.

134 people took part in the consultation events - demonstrating a real commitment on the part of providers to invest time and effort into getting the Contract Framework right.

General reaction

Most people welcomed this first draft and acknowledged that it represents a significant achievement. The fact that local authority solicitors have been able to come together and agree core clauses was considered to be a milestone in the history of commissioning social care services. Providers greatly welcomed the opportunity to examine this draft Contract Framework and to help shape its development.

Themes that emerged

There were some themes that emerged throughout the discussions that took place. The main ones being:

- **Plain English** a call for the Framework to be submitted to the Plain English Campaign for scrutiny. Simplicity of language is in everyone's interest.
- **Duplication** - a call for duplication within the contract to be minimized particularly in regard to monitoring and regulation.
- **Management Agreement or Contract?** Providers acknowledged that Supporting People brings with it a move away from a grant culture to a more business like contract culture. Most providers welcome this but feel that at the moment the Contract Framework places an obligation on providers to provide a level of information more commonly associated with a Management Agreement.
- **Reciprocity** this relates to the spirit and scope of the contract. Concerns have been expressed that the Framework does not currently do enough to lay out what is expected of the purchaser and that there is more scope to share risks.

- **Reasonableness** providers feel that the words 'reasonable' and 'best endeavour' should appear more often in the Contract Framework to help give some sort of boundary to the extent to which they should go to in order to meet some of the terms of the contract

Funding

Given that agreeing a price is fundamental to entering into a contract, and indeed puts to test the spirit of any partnership, it is not surprising that a fair amount of discussion took place about Supporting People funding. In particular discussion took place about how best to build into the Contract Framework a fair way of pricing services that will promote capacity maintenance if not capacity building.

A degree of concern was expressed about the uncertain funding of Supporting People and the impact this will have on contract values. Ideally providers would like to see a core clause stating that the contract value will be increased by inflation a 'cost of living increase clause'. Failing this, a clause stating that service capacity will be adjusted to reflect the cut in funding in real terms due to the impact of inflation. This would however, mean that contract price and capacity is being re-negotiated each year.

Conclusion

To reach a generally agreed national Contract Framework will greatly assist the work of providers and local authorities and will enable all parties to take part in local negotiations more confidently. This first draft is a significant step forward and many providers value the opportunity to develop something which will help underpin a partnership approach to the delivery of housing support under Supporting People.

If you wish to see the full report collated by the SP Enabling Unit and submitted to the Scottish Executive and the Local Authorities Solicitors Group please contact the Unit.

A second draft of the Contract Framework is due in November. It is hoped that it will be agreed by the Minister in December 2004 and issued as Guidance.

Recent Publications

Redistribution of Supporting People grant

Briefing Paper: proposals for developing the Supporting People Distribution Formula

Author: Matrix Research and Consultancy : London

Date: September 2004

Organisation: ODPM, Homelessness and Housing Support Directorate

The Office of the Deputy Prime Minister (ODPM) has published a briefing paper outlining its proposals for a Distribution Formula to help determine how much each Authority will be allocated. The formula will consider the following issues in an area:

- Population at risk relative to other areas
- Needs of those at risk relative to other areas
- Cost drivers in an area: employment costs and dispersal of population
- Resident population taking account of migration and cross boundary issues

To view the paper go to the ODPM website:

<http://www.spkweb.org.uk> and type 'distribution formula' in the quick search option.

Parliamentary Select Committee reports on Supporting People in England

The Housing, Planning, Local Government and the Regions Committee has been investigating aspects of Supporting People and in July the ODPM published a paper on the work.

Chris Mole, MP, chaired the inquiry and called witnesses such as Hanover Housing Group, the National Housing Federation and Womens Aid. The report reflects on the management of the programme by ODPM and on the report that Robson Rhodes produced in January.

The recommendations of the Select Committee include:

Establishing a better link between social housing capital and revenue programmes

- ODPM to establish clear criteria as to what SP can fund consider ring fencing
- funding for less popular groups
- identify benefits of SP to other departments and transfer funds to SP
- the ODPM to be more prescriptive about how and when service reviews take place

The report can be downloaded

from:<http://www.publications.parliament.uk/pa/cm200304/cmselect/cmodpm/504/50412.htm>

Reducing the Burden of Information Demands on Registered Social Landlords

Communities Scotland commissioned Carol Oataway of Jim Harvey Consulting to investigate the demands on Registered Social Landlords to produce statistical and financial information for regulatory and statutory bodies and to identify ways of rationalizing requests and scope for sharing information between bodies.

The work has been called Reducing the Burden of Information Demands on Registered Social Landlords

The summary can be read on:

<http://www.communitiesscotland.gov.uk/web/FILES/CSPrecis49.pdf>

and the whole report on

www.communitiesscotland.gov.uk/web/FILES/RR40.pdf%20

For Your Noticeboard

Future Events

3rd & 4th November - Edinburgh

Community Care Live Scotland. Social Care study days and exhibition at Edinburgh Conference Centre. Registration for this event is free. To register go online to www.communitycare.co.uk/cclivescotland or phone 0870 787 3812.

19 and 20 November - Edinburgh

SFHA Annual Conference - "We Still Need Heroes" - at Edinburgh International Conference Centre (EICC)

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Website News

The Supporting People Enabling Unit has a website which contains news and information relating to Supporting People.

The website has several sections including:

- News where the latest developments on Supporting People are posted
- Information where there are sections on up and coming events, publications and briefings

As well as a being a source of information the website can let you discuss issues with other providers. The Open Forum section is where the website becomes interactive. When you access the Open Forum you can look at what other people have written about Supporting People and then add your own comments. If you do not see anything that interests you, you can start your own topic and see if other providers agree with your views.

Recently the Open Forum has been the subject of international attention as a well known hacker accessed the administration zone and mixed up all the content. Unfortunately the website manager had to reinstall the Open Forum programme which meant losing our previous content. This means that all postings made before October 2004 have been deleted. However, it also means that if you visit the site over the next month every topic and issue will reflect current concerns and interests.

You can view the Unit's website and Open Forum on <http://www.ccpscotland.org/spunit>

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