

PART 1 - PUBLIC

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Decision Maker: **Adult and Community Services Policy Development and Scrutiny Committee**

Date: **24<sup>th</sup> February 2010**

Decision Type: Non-Urgent Non-Executive Non-Key

**TITLE: 2010/11 GRANTS REPORT**

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Chief Officer: Terry Rich, Director of Adult & Community Services

Ward: Borough Wide

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Reason for report

1. The Executive and Resources PDS Committee has requested that the individual PDS Committees look at government grants received and consider reports highlighting the dependency on government funding, what services are funded through the grants, and options for the future.
2. This report reviews the range of Government Grants deployed within the Adult & Community Services Portfolio, considers the risks of dependency on such grants, and summarises the exit strategies that are in place to cope with the eventual cessation of the grants.

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**2. RECOMMENDATION(S)**

The PDS is invited to:

- (a) consider the government grants received and services funded through the grants
- (b) review the department's exposure to risk from this source of funding and options for the future management of this risk.

## Corporate Policy

Existing policy:

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## Financial

1. Estimated cost                      £106m
  2. Recurring cost
  3. Budget head                      <Various ACS Grants including Housing Benefits>
  4. Total budget for this head    £106m
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## Staff

1. Number of staff (current and additional) - 46
  2. If from existing staff resources, number of staff hours – N/A
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## Legal

1. Non-statutory - Government guidance:
  2. Call-in is not applicable:
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## Customer Impact

Estimated number of users/beneficiaries (current and projected) - the grants in the report reflect various services covering a wide range of customers and users of the services.

### 3. COMMENTARY

- 3.1 The department receives £10,105,910 in Area Based Grants and £3,056,630 in Specific Grants, which are used to fund a number of core services.
- 3.2 The breakdown of the grants for 2010/11 within ACS are shown in the table below:-

	<b>2010/11</b>	
	<b>£</b>	<b>Dept</b>
<b>Area Based Grants</b>		
Adult Social Care Workforce	676,250	DoH
Carers	1,214,280	DoH
Local Involvement Networks	150,470	DoH
Mental Health	615,560	DoH
Preserved Rights	1,469,060	DoH
Learning Disabilities Development Fund	174,680	DoH
Supporting People Administration	166,020	DCLG
Supporting People Grant	5,428,130	DCLG
<b>Area Based Grants held in Central Contingency</b>		
Mental Capacity Act	134,840	DoH
Additional Carers	76,620	DoH
	<u>10,105,910</u>	
<b>Specific Grants</b>		
Aids/HIV	138,000	DoH
Homelessness Grant	135,000	DCLG
LD Campus	1,435,630	DoH
Social Care Reform	1,145,000	DoH
Stroke Grant	93,000	DoH
Handyman	110,000	DCLG
	<u>3,056,630</u>	
<b>TOTAL</b>	<u><u>13,162,540</u></u>	
Housing Benefit Subsidy	<u>92,880,230</u>	DWP

#### Area Based Grants

- 3.3 Area Based Grants (ABG) are former specific grants that were, and still are, allocated for particular purposes. The government's performance assessment framework embeds targets to measure the delivery of the objectives associated with these purposes. However, ABG is now not ring-fenced, so the Council is free to use these grants as it sees fit. As with all other grant allocations, the government can reduce or end them at any time, and the Council would suffer such a reduction in funding even where Chief Officers' savings have been made from the Area Based Grants as part of the current year's and previous years' budget-setting process.
- 3.4 Although ABG is not now ring fenced, it can, in terms of volatility and risk, be bracketed together with other Specific Grants, in that both are composed of a large number of separate grants each with its own terms of reference or guidance on use, and each related to a particular government initiative which often are likely to have a finite life span, even where this has not yet been made known by the government.

- 3.5 The areas of expenditure within ASC Portfolio that Area Based Grant is being spent on are detailed as follows:-

#### Social Care Workforce Grant

This funding stream is designed to support workforce development in social care in the statutory, private and voluntary sector. It is available to help social care staff (both CYP and ACS) achieve NVQ qualifications and continuous Professional Development and tackle the problem of recruitment & retention of staff.

#### Carers

The main purpose of this grant is to enhance provision of community care and children's services to allow carers to take a break from caring, stimulate greater awareness by authorities of the need for the services in their area to be more responsive to the needs of the carers and to provide carers with services other than breaks, in keeping with the 2001 Carers and Disabled Persons Act.

#### Local Involvement Network

Funding has been made available to local authorities to set up a local involvement network to promote and support the involvement of people in the commissioning, provision and scrutiny of local health and social care services. It has to operate independently of the local authority within its own governance structure and decision-making processes. Local authorities with a responsibility for social services are statutorily required to procure the host organisation which will establish and support LINKs and also to performance manage the host organisation against a contract.

#### Mental Health

This grant is to assist local authorities to finance the provision of social care for people with mental illness.

#### Preserved Rights

This grant is allocated to individual local authorities based on the number of former Preserved Rights residents who are supported in each local authority. From April 2002 local authorities became responsible for providing residential accommodation to persons ordinarily resident in their area who were previously in relevant accommodation with Preserved Rights to higher income support. The Preserved Rights Grant is paid to local authorities to cover the costs of residential/nursing care for those specific individuals and to help them discharge these responsibilities.

#### Learning Disabilities Development Fund

The Learning Disability Development Fund (LDDF) was created to support local implementation of the agenda set out in the learning disability white paper, Valuing People (2001), and until 2007/8 has been allocated to PCTs for local learning disability partnership boards to determine its allocation. In recognition of the lead role of local authorities this funding is now being paid to them instead.

#### Supporting People Services

This grant has been made available to local authorities to help service users who are supported to establish and maintain independent lives. This grant originated from a transfer of services previously funded through higher rate housing benefit and housing association

special needs management grants and funds sheltered and supported housing schemes for older people and various vulnerable groups. It is also there to support service users who have moved on in a planned way from temporary living arrangements and to ensure that there is fair access to people who are eligible for supporting people services.

To help local authorities administer supporting people services and administration grant is also available.

### Mental Health Capacity Act

This grant covers three areas of work, Independent Mental Capacity Advocate (IMCA) Service, Mental Capacity Act Training and additionally following a recent amendment to the Act there is a new work stream to establish a service response to the Deprivation of Liberty legislation. The Act makes it a legal requirement for people lacking mental capacity to have independent advocacy when there are no known relatives or close friends to speak for them.

### **Specific Grants**

3.6 A total of £3,056,630 is allocated to ACS in the form of specific grant for the following services

#### HIV/AIDS

Local authorities have the lead responsibility for developing social care provision for those affected by HIV/AIDS. The grant is to assist local authorities to finance the provision of social care for people with HIV/AIDS.

#### Homelessness Grant

This money is available to local authorities to deliver new initiatives that will meet the government's targets around reducing the use of B&B and preventing homelessness.

#### Learning Disabilities Campus Reprovision

The Department of Health has made revenue funding available to affected Councils over a three year period (2008 - 2011) to help support reprovision programmes to achieve the closure of NHS LD campus accommodation, and to secure for individuals with learning disabilities living in Primary Care Trust Campus accommodation a move into their own homes within the community with individualised support packages.

#### Social Care Reform Grant

The Government reform of social care, set out in Our Health, Our Care, Our Say outlines the requirement to provide people with care needs with greater choice and control, including ensuring that people eligible for Council funded support, and self-funders have access to information advice and support. The specific grant has been made available for three years from 2008-2011.

#### Stroke Grant

This funding is to help support the implementation of the National Stroke Strategy which sets out 20 quality markers needed for raising the quality treatment and care, including social care, for stroke survivors and carers over the next decade. The evidence shows that the provision of high quality social care is of fundamental importance in the stroke care pathway.

## Handyman Grant

The DCLG agreed additional funding for the handyperson scheme at the end of February 2009, to enable authorities to “expand and further develop any existing services”, in order “to achieve better outcomes for older people”. Under the scheme almost any work is considered that will help to get patients discharged quickly from hospital, prevent accidents in the home or will assist a client in remaining in their own home.

- 3.7 The Council also receives £92m in Housing Benefit subsidy which for accounting purposes sits within the ACS budget, relating to the number of people entitled to claim housing benefit. As the amount of subsidy received is directly linked to activity it is not considered to be high risk. The only risk to the council is if the government reduce subsidy levels around housing benefit administration (currently £1.1m) or if subsidy levels reduce for people living in temporary accommodation which has been the trend over the last two years.
- 3.8 Appendix 1 provides the exiting strategies in place or proposed to cope with the eventual demise or reduction of the grant funding.

## **4. POLICY IMPLICATIONS**

- 4.1 “Building a Better Bromley” refers to the Council’s intention to remain amongst the lowest Council Tax levels in Outer London. Strict budgetary control continues in 2009/10 to minimise the risk of compounding pressures in future years.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The risk from dependency on grants should also be viewed within the context of the whole range of government funding mechanisms. This includes government limits on Council Tax funding increases and the funding mechanism which sets a floor level of funding for Councils such as Bromley. But for this floor level of funding, Bromley would receive an even lower allocation of funding, below that which the government acknowledges as an absolute minimum.
- 5.2 Since Bromley is funded at “floor level”, it faces a further risk if there is any future move to transfer specific grants into the main formula grant. In this event, and unless the government specifically alters the normal arrangements, a grant transferred to the main formula grant might simply reduce the gap between Bromley’s level of funding that the pure formula grant would have given and the “floor level” which it actually receives. In such an event, the specific grant would have been lost with no corresponding real benefit to the formula grant.

## **6. LEGAL CONSIDERATIONS**

- 6.1 As far as possible all contracts which have been let using grant funding should have break clauses that permit the Council to cease or vary the service dependent upon whether the grant is withdrawn or reduced. Whether there is any knock on effect from the loss of staff resources as a consequence of the withdrawal of such funding will depend upon the extent to which funding has been used to support other projects (if at all).

## **7. PERSONNEL CONSIDERATIONS**

- 7.1 Where local authority staffing costs are funded from time limited funding or from grants the exit strategy would have to be implemented early enough to enable formal consultation to take place with staff, departmental representatives and trade unions. In addition the process needs to commence early enough so that any costs arising from the termination of posts can be recouped. Where funding is provided to a third party to deliver services, consultation with

those bodies would need to commence in good time to ensure that they were also able to meet their obligations in terms of the consultation process, and employment processes.

- 7.2 In the event that there are redundancy implications for local authority staff these will be managed in line with the Council's HR procedures for managing change which include a redeployment framework. The affected staff would be briefed and consulted on the impact of the budget proposals on their employment and every effort will be made to redeploy staff at risk.

<b>Non-Applicable Sections:</b>	N/A
Background Documents: (Access via Contact Officer)	Supporting documents held within ACS finance