

Spending Review alert: Headline issues for housing, care and support providers

Three principles are noted in the budget announcement: Reform, Fairness and Growth.

Funding

Supporting People

£6.5 billion will be available for the Supporting People programme over the four-year Spending Review period. This represents a 6 to 7 percent cut on current figures, which equates to 12 percent, taking into account inflation. The Supporting People funding will be part of local authority Formula Grant, and there will be no ring fence on it.

For more information, see the letter from Eric Pickles at www.communities.gov.uk/publications/localgovernment/srlettersoscouncilleaders

Homelessness Grant

The Homelessness Grant has been protected with an investment of £400 million over the Spending Review period. More information can be found in the letter from Grant Shapps. See www.communities.gov.uk/documents/housing/pdf/1746957.pdf

Disabled Facilities Grant

The Disabled Facilities Grant (DFG) will be retained and rise with inflation, but will no longer be ringfenced.

Social care

There will be additional £1 billion for Personal Social Services grants, as part of an overall £2 billion per year to support social care. This will also be rolled into the Formula Grant. The remaining £1 billion will be for joint working with the NHS to support social care.

Working Neighbourhood Fund

This will end.

Personal Budgets

The Government will look to extend the use of personal budgets across a range of service areas, including special educational needs, support for children with disabilities, long-term health conditions and adult social care.

Housing

Capital Investment

£4.5 billion funding will be made available to fund new affordable homes. This equates to a decrease of 60 percent of the current affordable housing programme. There is a commitment to develop 150,000 new homes over the Spending Review period.

Changes in rents

Social landlords will have the flexibility to offer new households an intermediate social rented contract, where rents will be charged between affordable and market rent. This is suggested to be around 80 percent of market rent. Terms of existing social tenants will remain unchanged.

Decent homes

Over £2billion of capital funding will be made available for the Decent Homes programme.

Regulation

The Tenant Services Authority (TSA) is to be abolished. Slimmed down regulatory functions will move to the Homes and Communities Agency (HCA).

Reforms to the planning system

The planning system will be reformed. A New Homes Bonus will be introduced. Local authorities will receive a New Homes Bonus will be provided for every new home built, which matches the Council Tax for each home developed.

Welfare reform

Universal Credit

A new Universal Credit will replace the current means tested working age related benefits.

Personalised back to work programme

Long-term unemployed and people with disabilities will be supported to get back to work through the work programme, delivered by private and Third Sector organisations. These organisations will be paid by results.

Caps

Welfare benefits caps will be in place from 2013, £500 a week for couples and single parent households and £350 per week for single person households. The caps do not apply to those in receipt of Disability Living Allowance (DLA), for war widows and families claiming Working Tax Credits.

Employment and Support Allowance

Contributory Employment and Support Allowance (ESA) will be limited to a year for those in a work related activity group.

Council Tax Benefit

Council Tax Benefit will be cut by 10 percent and localised from 2013.

Health

Spending

Total spend on health growing by 0.4 percent over the Spending Review period.

Social Care

See funding above.

Equity and Excellence

The Department of Health White Paper, *Equity and Excellence – liberating the NHS* introduces GP Commissioning and abolishing Primary Care Trusts and Strategic Health Authorities by 2014.

Public health

Funding will be ring fenced for public health for the whole population, with a particular premium for tackling pockets of particular ill health and reducing health inequalities.

Localism

Flexibility

Significant devolution of financial control to councils. Ring fencing removed from revenue grants, apart from a few exceptions.

Cuts

Overall cuts of 28 percent to local authority funding over the four year period.

Monitoring

Local Area Agreements (LAAs) will be abolished. Local authorities and their partners will not be required to report performance against any of their LAA targets. Government will not be monitoring any targets which local authorities choose to keep.

Local authority reporting of data to central Government will be reduced. A single comprehensive list is to be reviewed annually.

Regional Government Offices

All Regional Government Offices will be closed.

Voluntary and community sector

Role in delivery of public services

The Government will direct £470 million over the Spending Review to support capacity building in the sector, including an endowment fund to assist to local voluntary and community organisations.

Transition fund of £100 million to provide short term support for voluntary sector organisations providing public services.

The Government will set aside proportions of public services that should be delivered by independent providers such as the voluntary and community sector. This approach should be explored in areas including; adult social care, community health services, youth services and early intervention family services.

Of interest for members who are providing services for:

Young people

- Education Maintenance Allowance will be replaced with a locally managed discretionary fund
- Universities can increase graduate contributions towards fees. However there will be a £150million national scholarship fund to support students from disadvantaged backgrounds
- School leaving age will be raised to 18 by 2015.

Older people

- Cold weather payments for over 75s to remain at £25 per week
- Concessionary bus travel for older people will be protected
- The state pension will be increased by whichever is the higher of: earnings, CPI or 2 percent
- Retirement age will increase to 66 by April 2020.

Domestic violence

- Legal Aid system will be reformed and focus will be placed on support for those who need it the most
- Child Benefit will be withdrawn for households with a higher rate tax payer by 2014

- An extension of 15 hours a week free early years education to all disadvantaged two year olds.

Mental Health and offenders

- The Government will pay and tender for more services by results, building on measures already announced to implement this initiative in mental health and offender rehabilitation services
- The Government will take forward proposals to invest mental health liaison services at police stations and courts, to intervene at an early stage, diverting mentally ill offenders away from the justice system and into treatment.

Families

- In 16 areas, Community budgets will be established by pooling departmental budgets, for families with complex needs
- Individual budgets will be extended to children with disabilities and with special educational needs
- Working tax credit, freeze in the basic, and 30 hour element, and reduction in the child care element from 80 – 70 percent
- Child tax credit, the child element will be increased by £30 in 2011, and £50 in 2012.

Learning disability

- Disability Living Allowance mobility component for those living in residential care, where costs are already met by public funds, will be removed.

Homelessness

- Housing Benefit: the age limit for the shared room rate will increase from 25 to 35.