

Social Justice and Regeneration Committee

(Agenda) SJR(2) –11-06(p2)

Date: Thursday 6 July 2006

Time: 9.30am – 12.30pm

Venue: White Rose Information and Resource Centre, New Tredegar

Purpose

This paper outlines my proposed priorities under the Budget Planning Round 2006 for budgets which make up the Social Justice and Regeneration portfolio. It seeks the Committee's views on these priorities as set out by the Finance Minister's letter to Cabinet Ministers dated 9 May 2006.

Timing

To meet the timescale for this Round laid down by the Finance Minister, the Committee will need to set out its views by 7 July 2006.

Background

The Finance Minister has made clear that there are only very limited resources available for 2007-08 and 2008-09 and has only invited proposals to meet any inescapable programme and capital pressures. The proposals set out below are in the context of the constraints which relate to this year's budget planning round.

Inescapable Pressures – Programme (Revenue)

The inescapable pressures which I have identified are as follows:

Substance misuse treatment services A large proportion of the Substance Misuse Action Fund (Revenue) BEL goes to Community Safety Partnerships (CSPs) to fund the commissioning of treatment places for those addicted to drugs and/or alcohol. The cost of the contracts with the NHS Trust and voluntary sector providers is increasing because such a large proportion of costs relate to wages. We have made good progress on delivering our Substance Misuse Strategy over the past 2 years but this element of Health Service is still under funded. This was clearly identified in the recent review of the Strategy by the Social Justice and Regeneration Committee. Failing to meet these unavoidable costs will result in services reducing; waiting lists and times increasing; and trained staff being lost from the substance misuse sector.

Supporting People Year on year Treasury cuts have impacted on this budget and consequently the services to vulnerable people it is intended to support in living independently. The cut for 2004-05 was £1 million resulting in a budget of £141.8 million, however this cut rose significantly in 2005-06 to over £13 million resulting in the budget being £128.5 million. A further cut was proposed for 2006-07 to reduce the budget to £126 million, however, to avoid this I have identified resources from within the Social Justice and Regeneration MEG, together with the introduction of a revised Supporting Housing Revenue Grant tariff system, that has resulted in the existing budget being protected, and allow for a small inflationary growth with a final budget of £129.1 million.

Supported housing providers have inescapable cost pressures and I would wish to maintain services in this area.

Care and Repair Services to enable older and disabled people to stay in their homes through adaptations, as well as being a key resource in maximising benefit income for the elderly.

Supervised contact centres and parenting programmes The Children and Adoption Bill will lead to a requirement for CAFCASS CYMRU to meet and deliver significant new statutory duties over and above the duties already being met.

Firelink As the Committee is aware, we have entered a contract for the replacement communications system that will deliver interoperability between emergency services as well as an improved radio network for the fire service. The contract is revenue based and costs will exceed the funding devolved with the service.

Community Facilities and Activities Programme (CFAP) This is a highly successful scheme which funds facilities and activities in some of our most deprived communities. Demand currently far exceeds the funds available. My revenue allocation is already fully committed through to the end of 2007-08. I have had to stop any further revenue bidding rounds for the unforeseeable future. For the most recent bidding round, which is for capital projects only, my officials received bids worth over three times the amount available.

Although it is not strictly inescapable, I require funding to take forward the work associated with the Refugee Inclusion Strategy. This is a cross-cutting strategy to alleviate the position of a particularly vulnerable group of people. The actions are currently being worked up, but my proposal should take forward some of the work in the first instance.

Inescapable Pressures - Capital

Disabled Facilities Grant to meet the costs of removing the means testing on the parents of disabled children last October.

Housing Exchequer Contributions (HEC) This is a payment to local authorities for defective housing loan charge contributions and is now a responsibility of my portfolio.

Young Offenders We are committed to working with the Youth Justice Board to develop additional places in Wales to house young offenders. There are currently only 50 secure placements in Wales for young offenders and this means that around 130 Welsh young people are held in institutions in England at any one time. My priority is for us to develop secure places in North Wales for the most vulnerable young offenders. The development of such a facility will be done in partnership with a local authority or voluntary sector agency.

Social Housing Grant (SHG) Programme The issue of affordable housing is one that is increasingly being highlighted, and although I am taking a number of measures to enable and encourage local authorities to maximise their input through the sale of land in their ownership and the use of S.106 agreements through planning, the delivery of the additional homes is mainly through the Social Housing Grant Programme. The RSL movement in Wales is working, through newly formed consortias to deliver the Department's Making the Connections efficiency gains; however the increasing cost of construction means that they are making significant efficiency savings to find it being eroded by the above average inflation rate increases in construction costs.

Wanless SHG to support the programme to provide extra care housing for the increasing elderly population. This is a cross-cutting programme, saving resources in both health and social services budgets.

Action for Committee

The Committee is asked to set out its views on the proposals above for 2007-08 and 2008-09.

Edwina Hart AM MBE

Minister for Social Justice and Regeneration

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