

Report



meeting

CABINET

date

10th January 2007

agenda item number

REPORT OF THE CABINET MEMBER FOR ADULT SERVICES AND HEALTH

FUTURE FUNDING OF THE SUPPORTING PEOPLE PROGRAMME

1. Purpose of the Report

- 1.1 The purpose of the report is to seek approval for the budget arrangements operating within the Supporting People programme and to note the current financial environment in which the programme is being delivered.
- 1.2 This report constitutes a key decision as it seeks to advise about the future funding of the Supporting People programme which is over one million pounds and has a significant effect on a number of people. This decision was first published in the Forward Plan on 2nd October 2006.

2. Information and Advice

- 2.1 The Supporting People programme in Nottinghamshire is responsible for overseeing the funding, quality, performance and strategic relevance of housing-related support services provided to around 19,000 vulnerable people in Nottinghamshire. The County Council administers the programme on behalf of a wider commissioning partnership comprising the eight local authorities in Nottinghamshire, the Primary Care Trusts and Probation Service, with decisions made by the Supporting People Commissioning Body, on which all the partners are represented.
- 2.2 Nationally, the programme is overseen by the Department for Communities and Local Government (DCLG).
- 2.3 The original allocation of monies for the Supporting People programme in March 2003 brought together funding for housing-related support from a range of agencies – The Housing Corporation, Housing Benefit from District Councils, Probation – which had been funding local services. Since then the DCLG (formerly the Office of the Deputy Prime Minister) which oversees the

programme nationally, has allocated funding based on this original allocation whilst working to develop a longer term funding distribution formula¹.

- 2.4 Funding for the Supporting People programme has been reducing since 2003, with a particularly steep reduction in local funding (of £1.5 million, around 5%) from 2004/05 to 2005/06. The Supporting People Grant reduction has been managed by Supporting People commissioning bodies using a process of service review which has been undertaken over the last three years in relation to every Supporting People Grant-funded service in line with the programme's grant conditions. Budget management has sought to not only take into account the cost of current services but also to guard against future grant reductions following implementation of a national distribution formula.
- 2.5 The Nottinghamshire Supporting People Partnership have made significant efficiency savings of over £3 million through the service review process whilst maintaining support to users of Supporting People services. Supporting People expenditure for Nottinghamshire is set to be around £2.4 million below the £26 million Supporting People Grant for 2006/07. This is not untypical; many Supporting People commissioning bodies are taking a cautious approach to commissioning new services and are maintaining significant contingency funds to protect their local programmes against future grant reductions.
- 2.6 The DCLG has also allowed carry forward of Supporting People Grant from year-to-year. This has enabled many authorities to manage the impact of year-on-year Supporting People Grant reductions. However, in Nottinghamshire it has led to a steadily increasing surplus which has allowed the building of contingency funds.
- 2.7 The underspends from previous years are now in the Council's base budget. As an Audit Commission 'excellent' Authority, additionally, any underspends in the annual Grant can continue to be carried forward. Whilst the Supporting People Grant commitment in Nottinghamshire is at its lowest level since the programme began, plans to increase services to deliver the Supporting People Strategy will see the commitment increase. In future years, the underspends from previous years will need to be called on if service expenditure exceeds the Supporting People Grant allocation. This will particularly be the case if the Supporting People Grant to Nottinghamshire is significantly reduced. In the longer term the pattern of services will have to be adjusted to ensure they are consistent with the Supporting People Grant allocated and the carried forward underspends will provide a cushion to enable this.
- 2.8 The Supporting People Distribution Formula, which could see the Nottinghamshire Grant reduce by £7 million annually over the next few years, was the subject of DCLG consultation 12 months ago and is expected to be released in Spring 2007.

¹ The National Distribution Formula is a way of allocating the overall funding for Supporting People to each Administering Authority. The formula will be a way of arriving at what is intended to be 'a fair' allocation of the budget to each Local Authority area.

- 2.9 The 2007/08 Grant award for Nottinghamshire is £25.7 million, a reduction of 1.01% on the 2006/07 Grant. This Grant reduction constitutes a reduction of 3.5% in real terms. At the same time, many authorities saw their Grants increase for the first time as the award was informed, in part, by the future distribution formula.
- 2.10 The programme's planned expenditure, required to implement the five year Supporting People Strategy, is contained in the five year Investment Plan which was approved by the Commissioning Body (28th July 2006) and Cabinet (13th September 2006). Alongside this development the Nottinghamshire Supporting People Commissioning Body has to budget to maintain existing valued services.
- 2.11 The County Council is likely to have around a £4.7 million underspend on the Supporting People Grant by the end of 2006/07. It is expected that this will be carried forward to maintain current expenditure and the required investment for three to four years. On this basis, it is recommended that this approach to budget management for the programme is supported.
- 2.12 At a recent Local Government Association conference which focussed on the national Supporting People Strategy, Phil Woolas, the Minister of State (Local Government) advised that a three year funding award would be made covering the period from April 2008 and that this would be advised before December 2007.
- 2.13 It is proposed that Cabinet receives a further report once the distribution formula is published and the three year funding award is known.

3. Statutory and Policy Implications

- 3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder and those using the service. Where such implications are material, they have been described in the text of the report. Members' attention is however, drawn to the following:

3.1.1 Financial Implications

As stated in the report, the Supporting People programme will underspend by some £4.7 million in 2006/07. This includes balances brought forward from previous underspends plus slippage on this year's programme. In view of the prospects of reduced funding in the future, it is recommended that this under spend is carried forward into 2007/08 to support the programme.

3.1.2 Equal Opportunities Implications

In developing the strategy for Supporting People within this partnership framework, equal opportunities are central consideration.

3.1.3 Implications for Service Users

The commitment of funding is intended to assist the delivery of the Supporting People Strategy for Nottinghamshire and aims to improve access to housing-related support services for vulnerable people.

3.1.4 Crime and Disorder Implications

The Supporting People Programme is intended to ensure that housing-related support services are provided to meet the needs of groups at risk of social exclusion.

3.1.5 Human Rights Act Implications

The Supporting People programme is part of the Government's agenda for improving the quality of family and private life of service users by fairer access to, and more effective delivery of, housing-related support services.

4. **Recommendations**

4.1 It is **recommended** that:

- (a) approval be given for the projected underspend of £4.7 million be earmarked for reserves and be ring-fenced for Supporting People into 2007/08 to support the Supporting People Programme in the future
- (b) Cabinet receive a further report on future funding once the outcome of the three year award from April 2008 is announced

5. **Legal Services' Comments** (SSR 12/12/06)

5.1 This decision falls within the delegation of Cabinet. Management of the Supporting People Grant funds must be consistent with the DCLG Supporting People Grant conditions and the Council's Financial Regulations.

6. **Strategic Director of Resources' Financial Comment** (DW 06/12/06)

6.1 The financial implications are contained in the report.

7. **Background Papers Available for Inspection**

7.1 None.

8. **Electoral Division(s) Affected**

8.1 Nottinghamshire.

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(Comm/CAB258)