

Decision maker: CABINET MEMBER FOR HOUSING

Subject: SUPPORTING PEOPLE PROGRAMME UPDATE

Date of decision: 9TH NOVEMBER, 2010

Report by: HEAD OF COMMUNITY HOUSING & REGENERATION

Wards affected: All

Key decision (over £250k): No

1. Purpose of report

- 1.1 To provide the Cabinet Member for Housing with an update on progress made on ongoing issues within the Supporting People (SP) programme in Portsmouth.

2. Recommendations

That the Cabinet Member for Housing;

- 2.1 notes the effects of the reduction in Supporting People administration grant as part of the governments 'in-year' cuts announced in June 2010.
- 2.2 notes that the Treasury Spending Review announcement on 20th October 2010 may have a significant impact upon the Supporting People programme in Portsmouth.
- 2.3 is aware that changes to both the funding and administration of the programme are likely from 2011/12.
- 2.4 receives a further update report at his next scheduled Decision meeting.

3. Background

- 3.1 The SP programme was introduced by the Government as a single pot of funding to finance housing-related support services for vulnerable groups of people and to promote independent living.
- 3.2 Until the late 1990s, such support was funded through the Housing Benefit system, and as such, was effectively 'hidden' in rental costs. This position was overturned in a court case, leading the Government to develop alternative arrangements for the financing of supported housing. A Transitional Housing Benefit (THB) scheme was put in place, until this was replaced with Supporting People funding from April 2003.
- 3.3 The strategic oversight of the SP programme rests with the Commissioning Body (CB), chaired by Margaret Geary, Strategic Director and comprises senior officers

from Housing, Social Care, Probation, and Portsmouth City Primary Care Trust (PCT).

- 3.4 The SP main grant budget for Portsmouth in 2010/11 is £7.669 million, a reduction from 09/10 of about £400k, excluding inflationary pressures. This currently funds 70 services, provided by 26 agencies to around 3,150 vulnerable people in the city at any one time.

4. Reasons for recommendations

Supporting People Administration Grant

- 4.1. Historically, the department for Communities and Local Government (CLG) had always made a contribution towards the each authority's cost of administering the programme.
- 4.2 The current SP Team consists of Supporting People Manager, Contracts Officer, Programme Development Officer, Service Development Officer and a Finance & Administration Officer.
- 4.3 On 10th June 2010 the new coalition Government announced that they would be withdrawing the SP Administration Grant element of the Area Based Grant, as part of the £1.16b in year cuts to the department for Communities and Local Government (CLG). Nationally this is a reduction of £30m and equates to a **loss to Portsmouth City Council of £135k in grant funding for 2010/11**, and for each future year.
- 4.4 The total 'Cash Limited Spend' (administration) of the SP Programme in Portsmouth was £228k in 2009/10, of which the administration grant made up a significant proportion. The expectation of the Cabinet was that the shortfall would be found within the Supporting People work area.
- 4.5 A number of savings proposals were agreed immediately with the Commissioning Body from both within the current SP administration spend and from reductions to provision/decommissioning of some services. These exceeded the required £135k to reflect the possibility of some not being achieved or unforeseen expenditure taking place (see para 4.8)
- 4.6 It was recognised that the current staffing arrangements would have to continue in the short term in order to continue the running of the programme and allow resources for any transition to take place.
- 4.7 Reductions to services were based on previous strategic reviews, team knowledge and in some case current service demand, to ensure that those areas affected have a low impact on service users, low impact on the community and lastly minimal direct affect on other council departments and agencies that would otherwise negate the effect of the cuts.
- 4.8 The breakdown of proposed 'in year' savings were as follows:

	2010/11
Administration	£32,168
Uncommitted expenditure	£40,000
Service reductions	£47,121
Other financial support	£35,000
Total	£154,289

Administration

- 4.8.1 Savings will come from reductions from a review of staffing resources, payments to 3rd Parties, reduction in bad debt provision and other miscellaneous small spend.

Services

- 4.8.2 Proposals for savings of £47k for this financial year has been identified based upon the above criteria.
- 4.8.3 The amount is relatively small for financial year 10/11 due to the need to give 6 months notice on contracts, but the 2011/12 full year savings will be £206k if all the proposals are implemented successfully.
- 4.8.4 Any excess savings achieved will be utilised as a financial buffer against any further reductions in main grant funding for 2011/12, as a result of the Treasury spending review due in October 2010.

Future funding, local area agreements and area based grant

- 4.9 Since April 2010 the Supporting People programme grant has been paid to the Authority as part of the Area Based Grant (ABG), but still as a named grant. The SP grant forms a significant proportion of the total ABG grant (approx. 40%).
- 4.10 Over the past year work has been undertaken with the Local Area Agreement Delivery Board to raise the profile of Supporting People as an important preventative programme to vulnerable people in the city, to assist in future funding priorities for the city based on the Local Area Agreement and National Indicator (NI) priority targets.
- 4.11 Initial indications from the Spending Review announcements on 20 October indicate that nationally SP grant is planned to fall by over 2.8% in cash terms over the next 4 financial years and will cease to be part of the ABG, being subsumed instead into the overall "Formula Grant" paid by Government to support overall council spending.
- 4.12 It is not yet known how this will affect SP grant for Portsmouth however reductions in grant could have a significant impact upon the housing support provision in the

city. Consultations are currently taking place with providers and stakeholders to prepare for possible reductions in funding.

- 4.13 It is planned to provide Members of the city council and specifically those in the Cabinet with information and briefings on the SP programme to add to their understanding and help with future decision making on budget allocations.
- 4.14 A further report will be brought to the Cabinet Member for Housing to the next Decision meeting to provide more information on the outcome of funding reductions.

5. Equality impact assessment (EIA)

As this report is an update on an existing programme an Equalities Impact assessment is not required

6. Head of legal services' comments

The report is for updating and information only. The City Solicitor has read the report and is satisfied there are no legal implications to be considered at this time.

7. Head of finance's comments

- 7.1 Reductions in SP Government Grant in this & previous financial years has already led to significant budget pressures falling on the Adult Social Care Cash Limit and cut funding available towards the costs incurred by tenants in Sheltered Council Housing. Further cuts in Government support for SP in future years could intensify those pressures and further reduce resources available to meet the needs of Adult Social Care and Sheltered Housing clients.

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Signed by:
Alan Cufley
Head of Community Housing & Regeneration

Appendices:
None

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts and matters which have been relied upon to a material extent by the author in preparing this report
Report to Leader of the City Council – August 2006
Portsmouth city's Five-year Supporting People Strategy (2005-2010)
Independence and Opportunity – Our Strategy for Supporting People, Department of Communities and Local Government (June 2007)

The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

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Signed by:
Councillor Steve Wylie