



DERBY CITY COUNCIL

ADULT SERVICES AND HEALTH COMMISSION 17 March 2008

Report of the Director of Corporate and Adult Social Services

Supporting People Update

RECOMMENDATION

- 1.1 To consider and comment.

SUPPORTING INFORMATION

- 2.1 A report was taken to Council Cabinet on 6 September 2005 giving details of and reasons for deficits in the Supporting People budget in 2003/4 and 2004/5 along with projected shortfalls for 2005/6 through to 2007/8.
- 2.2 The report presented an action plan with three elements...
 - Service reviews
 - New contracts
 - Strategic reviews
- 2.3 It was a Government expectation that all Supporting People funded services would undergo a value for money review by end March 2006. These reviews generated significant reductions in contract values largely through the identification of services where supporting people was paying for low level domiciliary care which Supporting People is not intended to pay for.
- 2.4 New contracts were introduced for all providers except a small number of providers of sheltered housing services. Previous variable rate contracts that based payments on actual occupancy had proved very time consuming to administer and also had shown great volatility with payments based on this contract type increasing in an uncontrolled way year on year. Consultation with most providers also showed that the provision of guaranteed predictable monthly payment helped them business plan more effectively.
- 2.5 Strategic Reviews were entered into on the basis that the service reviews and the introduction of flat rate contracts would not on their own deliver the savings that were required. Strategic reviews brought

together groups of commissioners to look at services and to make recommendations about how to further reduce services whilst have the least possible detrimental impact on service users.

- 2.6 These processes have produced a situation whereby the Supporting People budget has turned around the deficit situation to move into a surplus position from which we have been able to plan new investment in the sector. See below...

Budget Position 2007/08

		£000
<u>Income</u>		<u>10,556</u>
<u>Expenditure</u>		
	Subsidy	471
	Gross	8,340
	<u>TOTAL</u>	<u>8,811</u>
<u>Income less Expenditure</u>		<u>1,745</u>
Less committed reinvestment in 2007/08 per SRG		30
Less elimination of remaining deficit		149
<u>Surplus</u>		<u>1,566</u>

- 2.7 In February 2006 the following programme of reinvestment was agreed by the Commissioning Board...

Scheme	Cost 07/08 and 08/09 (1000's)
Inflation 08/09	234
Avoiding flat rate cuts for Children and Young People schemes 07/08	123
Single Point of Access	233
People with alcohol problems - Wet unit – part funding	60
Telecare	150
Bond bank (single homelessness and people with drug problems)	122

Respect scheme – high intensity (part funding)	68
Refuge provision for women with substance misuse problems	83
Extra Care	190
People with Drug Problems – scheme targeted at people leaving tier 4 level drug intervention	110
Handy person scheme	160
Respect scheme – low intensity	112
Learning Disabilities – Re provisioning return to Derby	90
Brain injury	30
Total	2098

- 2.8 With regard to the longer term financial planning position there is a need for Supporting People to pick up eligible housing support activities that are currently funded through Homecare budgets. This is something that the Council considers to be of critical importance as it no longer has the resources to support these activities from its own finances as it has done to date.
- 2.9 It is estimated that a further £325,000 in 2008/09, and from 2009/10 a full year effect of £645,000, of allowable Social Services costs will be identified as chargeable to Supporting People. In a full year this would leave an underlying amount of funding of £716,000 available for further investment or inflationary increases on existing and future contracts.
- 2.10 In order to maintain consistency for making a transfer of costs from Homecare to Supporting People the same methodology used to identify the split between care and support that has been used within Derby to date for Supporting People will also be applied across the Homecare Service. A report detailing these services, and the value of the support services that would normally be eligible for Supporting People will be brought to the Commissioning Board via the Core Strategy Group as soon as possible.
- 2.11 In the light of these new budget pressures for Supporting People a long term balanced budget position may require the Supporting People Commissioning Board to pass the cash freeze in our grant income on to providers for both 2009/10 and 2010/11. It should be noted that inflation of 2.4% has been awarded for 2008/9.
- 2.12 From 2009/10 the current ring-fenced arrangements for financing Supporting People services will be changing with Area Based Grant paid into the Local Area Agreement-(LAA). This will have the effect of removing the 'ring fence' around the Supporting People Grant thereby giving increased flexibility to decision makers in the LAA on how the grant should be spent.

For more information contact: Andy Humberstone 01332 255312 e-mail
andy.humberstone@derby.gov.uk

Background papers: None

List of appendices: Appendix 1 - Implications

Appendix 1

IMPLICATIONS

Financial

1. None arising from this report.

Legal

2. None arising from this report.

Personnel

3. None arising from this report.

Equalities impact

4. Effective scrutiny will benefit all Derby people.

Corporate Priorities

5. This report links with Council's priority for 2007-10 to giving excellent services and value for money.