



DERBY CITY COUNCIL

ADULTS HEALTH AND HOUSING 14 March 2011

ITEM 10

Report of the Strategic Director of Adults,
Health and Housing

Supporting People Strategy and spending plan

SUMMARY

- 1.1 Supporting People provides housing related support services to a wide range of vulnerable adults such as sheltered housing tenants, nightshelter and hostel tenants, and women in domestic violence refuges. The strategy and spending plan will set out the direction of Supporting People for the next three years.
- 1.2 The spending plan will set out how Supporting People will achieve its savings requirement of approximately £444k for each of the next 3 years in order to contribute to the rebalancing of the Council's budget.
- 1.3 Members are asked to confirm their agreement of the proposed strategy and to the recommended spending plan from a range of options set out in Section 4 of the report.

RECOMMENDATION

- 2.1 To approve the proposed Supporting People strategy.
- 2.2 To approve the proposed spending plan in option 3 being:
 - (a) A flat rate reduction of 2% from all Supporting People contracts in 2011/12
 - (b) An immediate decommissioning of the following services related to homeless families and teenage parents:
 - ❖ Derby Homes Family Intervention Project
 - ❖ Derventio Families in Crisis Project
 - ❖ Oasis floating support project for teenage parents (part)
 - (c) Savings of £444k taken from mental health provision in 2012/13.
 - (d) £444k savings to be taken from provision for single homeless in 2013/14.
 - (e) Further savings to be identified in additional years to balance the budget.

REASONS FOR RECOMMENDATION

- 3.1 The Supporting People Strategy which can be found at <Outlook://public folders/all public folders/DERBY CITY COUNCIL/Policy/Housing & Advice Service/~Council Meeting Report sp strategy and savings.doc> and is summarised in Appendix 3 has been developed in consultation with a wide range of stakeholders including providers, and service users. It has their support and approval. By deciding its priorities for housing support the Council can concentrate its activities to ensure that it makes a real difference to housing support service users in those areas that are considered the most important.
- 3.2 The recommended spending plan is considered to be the most strategic because it limits the impact on service users, and on other Council budgets (through the loss of preventive services) as much as possible.

SUPPORTING INFORMATION

- 4.1 The proposed action plan for Supporting People set out in the Strategy is the best summary of what these priorities are recommended to be and what it is suggested should be done to improve outcomes for vulnerable people in Derby.

Action	Lead	Timescale
Value for money		
Implement recommendations of strategic review of supporting people services for people with mental health problems	Core Strategy Group	By end December 2011
Complete strategic review of supporting people provision for people with alcohol problems	Core Strategy Group	By end March 2011
Carry out strategic review of supporting people provision for single homeless people	Core Strategy Group	By end March 2012
Carry out strategic review of supporting people provision for People with learning disabilities	Core Strategy Group	By end March 2013
Partnership		
Review the partnership and develop action plan for further improvements using an academically proven methodology	Commissioning Board	By end September 2011
Quality		
Ensure the successful implementation of the new Quality Assessment Framework – all providers to be validated as achieving the minimum standard	Supporting People Team	By end December 2012
Budget		
Develop plans to deal with income reductions expected as a result of the Comprehensive Spending Review, continuously monitor budget and implement plans as required	Commissioning Board	Ongoing throughout the life of the action plan to December 2013
Empowerment and enabling		
Increase the number of trained peer reviewers	Supporting People Team	By end March 2011
In consultation with service users and stakeholders develop an action plan to take forward increased choice and control for service users of supporting people services including where possible implementing personal budgets	Core Strategy Group	By end September 2011
Outcomes		
Develop and implement an action plan to improve the outcomes achieved in Derby when benchmarked against other similar authorities	Supporting People Team	By End December 2013

- 4.2 The table shown in Appendix 2 shows the financial impact on the Supporting People budget of a range of options. The benefits and risks associated with these options are outlined in the rest of this section.

OPTION 1

- 4.3 Reductions of £437k 2011/12 achieved via the decommissioning of all provision related to homeless families and all provision related to teenage parents:
- ❖ Derby Homes Family Intervention Project
 - ❖ Derventio Families in Crisis Project
 - ❖ Oasis floating support project for teenage parents
 - ❖ Riverside accommodation based and floating support provision for teenage parents
- 4.4 This would be followed by savings of £444k taken from mental health provision 2012/13, followed by a £444k savings to be taken from provision for single homeless.
- 4.5 Further savings to be identified in additional years to balance the budget.
- 4.6 The rationale for this approach is...
- It is better to take a strategic approach and identify schemes to close or cut back on that will have the least bad impact than to pursue other options such as flat rate savings.
 - The Department of Communities and Local Government commissioned Capgemini to develop a benefits realisation model to evidence the value of Supporting People to the Treasury. This research indicates that it may cost the Council more to run these housing support services than it would do to meet needs through other means of provision.
 - This option offers the possibility of a 'quick win' in terms of early implementation compared with other proposals
 - A review of Supporting People services for people with mental health problems has found that we could deliver better outcomes by remodelling services to be more recovery and re-enablement orientated.
 - Benchmarking shows us to have a greater percentage of our portfolio of services dedicated to this client group than is the norm.
 - We have plans in place to decommission most services and to commission a new model of delivery to replace them. Through this process we should be able to deliver outcomes that are the same or better for less cost and so deliver budget savings in 2012/13 without a detrimental effect upon this vulnerable client group.

OPTION 2

4.7

A flat rate reduction in 2011/12 of 444%, followed by savings of £444k taken from mental health provision 2012/13, followed by a £444k savings to be taken from provision for single homeless. With further savings to be identified in additional years to balance the budget.

4.8

This option avoids the immediate need to decommission specific named schemes. It therefore limits certain risks in the short term.

4.9

There are legal risks associated with this option as there is no provision in the contracts for the Council to unilaterally impose reductions in its agreed prices. However, the Council has developed a reasonably strong partnership relationship with most providers and combined with other mitigating actions that can be implemented this risk should be possible to manage.

4.10

However, the flat rate savings approach does increase the risk of the sudden and unexpected loss of services with resultant safeguarding issues for the vulnerable adults who may become homeless as a consequence.

4.11

Additionally although we can predict that there will be an overall loss in provision as a result of a reduction in contract values of, taking into account inflation 8.5%, it is impossible to predict where those losses in provision will occur.

OPTION 3

4.12

Same as option 1 but retaining Riverside's accommodation based and floating support Teenage Parent provision and about half of Oasis floating support provision

4.13

Flat rate savings year 1 of 2% 2011/12 and immediate decommissioning of the following services related to homeless families and teenage parents:

- ❖ Derby Homes Family Intervention Project
- ❖ Derventio Families in Crisis Project
- ❖ Oasis floating support project for teenage parents (part)

4.14

This would be followed by savings of £444k taken from mental health provision 2012/13, followed by a £444k savings to be taken from provision for single homeless. With further savings to be identified in additional years to balance the budget.

- 4.15 Riverside Housing Group supply the only accommodation based provision for teenage parent families in Derby. Housing and Advice services use this provision as the preferred alternative to bed and breakfast when a teenage parent presents in a crisis situation.
- 4.16 There is, therefore, a better business case for the retention of this provision than may be apparent through the Capgemini methodology. Additionally this provision is particularly useful to the Council in managing some of the safeguarding risks related to homeless teenage parents.
- 4.17 Essentially this is compromise option between option 1 and option 2, trading a certain amount of flat rate savings for the retention of the highest value for money area of teenage parent provision.

OPTION 4

- 4.17 Same as option 1 but delayed by 1 year
- 4.18 This approach manages immediate risks in 2011/12 to zero. However, additional savings at a faster rate would need to be found in subsequent years in order to deliver the required savings.
- 4.19 There would be a high risk that it would be impossible for the Council to deliver the pace of change required to meet the savings requirement, and an increased risk that safeguarding issues could not be properly managed for the vulnerable people that would be affected by scheme cut backs.
- 4.20 **PROPOSAL**

Option 3 is recommended as it reduces safeguarding risks whilst still allowing a realistic plan to be implemented to deliver the savings requirement the Council needs in response to the Comprehensive Spending Review.

OTHER OPTIONS CONSIDERED

- 5.1 Option 1 would have a strategic rationale but would place too much emphasis on the Capgemini financial modelling tool. It would expose the council to increased risks related to safeguarding and ignore the stronger business case associated with the higher value Riverside Housing Group provision.
- 5.2 Option 2 would definitely incur the loss of services but when and where would be unpredictable. Particularly valuable services may be lost whilst other less strategic services may remain. Risks of sudden and unexpected service closure giving rise to adult protection issues would be raised.
- 5.3 Option 4 would mean deeper cuts in the long run with additional threats for vulnerable people whilst risking the ability of Supporting People to make the required contribution to the rebalancing of the Council's budget following the CSR.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Stuart Leslie C
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For more information contact: Background papers: List of appendices:	Name 01332 255238 e-mail Andrew.humberstone@derby.gov.uk Draft Supporting People Strategy Appendix 1 – Implications Appendix 2 – Spending plan projections
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IMPLICATIONS

Financial

- 1.1 In line with the spending plan outlined in appendix 2

Legal

- 2.1 The Council's contract for services with providers does not allow for us to unilaterally reduce contract values. Previously flat rate reductions of the kind proposed have been achieved through negotiation and mutual agreement. However there is a risk in this area.

Personnel

- 3.1 None directly arising

Equalities Impact

- 4.1 Supporting People provides housing support services for a wide range of vulnerable, elderly, or disabled client groups. A full equality impact assessment has been arranged and will be carried out in partnership with community representatives.

Health and Safety

- 5.1 None directly arising

Carbon commitment

- 6.1 None directly arising

Value for money

- 7.1 Savings in relation to years 2 and 3 of the spending plan are linked to value for money savings.

Corporate objectives and priorities for change

- 8.1 Value for money

SPENDING PLAN PROJECTIONS

Actual Outturn 2009/10 £'000	Forecast Outturn 2010/11 £'000	Forecast Outturn 2011/12 £'000	Forecast Outturn 2012/13 £'000	Forecast Outturn 2013/14 £'000	Forecast Outturn 2014/15 £'000
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OPTION 1 - CAP GEMINI SAVINGS ALL TP & HOMELESS FAMILIES

All Teenage Parents, Homeless Families	0	0	437	437	437	437
Mental Health Review	0	0	0	444	444	444
Single Homeless Review	0	0	0	0	444	444
	0	0	437	881	1325	1325
BALANCE B/FWD	3,023	3,023	2,748	2,012	1,339	666
SURPLUS/DEFICIT (-) IN YEAR	108	-275	-736	-673	-673	-1,117
SURPLUS TAKEN TO CORPORATE RESERVES	-108	0	0	0	0	0
BALANCE C/FWD	3,023	2,748	2,012	1,339	666	-450

OPTION 2 - FLAT RATE SAVINGS 4.5%

Flat Rate 4.5% Savings	0	0	444	444	444	444
Mental Health Review	0	0	0	444	444	444
Single Homeless Review	0	0	0	0	444	444
	0	0	444	888	1332	1332
BALANCE B/FWD	3,023	3,023	2,748	2,019	1,353	687
SURPLUS/DEFICIT (-) IN YEAR	108	-275	-729	-666	-666	-1,110
SURPLUS TAKEN TO CORPORATE RESERVES	-108	0	0	0	0	0
BALANCE C/FWD	3,023	2,748	2,019	1,353	687	-422

OPTION 3 - KEEP PART OF TP PROVISION - FLAT RATE SAVINGS OF 2%

Family Intervention Project (FIP) Derby Homes	0	0	96	96	96	96
Families In Crisis (FIC) Derventio	0	0	58	58	58	58
Part of Teenage Parent Provision	0	0	90	90	90	90
Flat Rate Savings 2%	0	0	200	200	200	200
Mental Health Review	0	0	0	444	444	444
Single Homeless Review	0	0	0	0	444	444
	0	0	444	888	1332	1332
BALANCE B/FWD	3,023	3,023	2,748	2,019	1,353	687
SURPLUS/DEFICIT (-) IN YEAR	108	-275	-729	-666	-666	-1,110
SURPLUS TAKEN TO CORPORATE RESERVES	-108	0	0	0	0	0
BALANCE C/FWD	3,023	2,748	2,019	1,353	687	-422

OPTION 4 - CAP GEMINI SAVINGS DELAYED UNTIL 2012/13						
All Teenage Parents, Homeless Families	0	0	0	437	437	437
Mental Health Review	0	0	0	444	444	444
Single Homeless Review	0	0	0	0	444	444
	0	0	0	881	1325	1325
BALANCE B/FWD	3,023	3,023	2,748	1,575	902	229
SURPLUS/DEFICIT (-) IN YEAR	108	-275	-1,173	-673	-673	-1,117
SURPLUS TAKEN TO CORPORATE RESERVES	-108	0	0	0	0	0
BALANCE C/FWD	3,023	2,748	1,575	902	229	-887

Appendix 3 - Summary of Supporting People Strategy

The purpose of the strategy is to give direction to the programme over the next three years taking into account key strategies and drivers, and to influence the development of other related strategies in the City.

The strategy outlines the key challenges that we face in meeting vulnerable peoples housing support needs in Derby City over the next 3 years. It sets out our aims and objectives and highlights the changes in housing related support services that are needed to achieve better value for money and to get better outcomes for service users and their carers.

We developed the strategy taking full account of:

All consultations and feedback from service users carried out since the production of the first strategy

An updated and improved needs analysis

The current strategic context

Achievements made since the first strategy

The feedback we received to the public consultation conducted in relation to developing this strategy

Our vision

The vision for Supporting People in Derby is...

“To provide housing related support services that meet the needs and aspirations of the people of Derby”

Our priorities

In order to give effect to our vision and our underpinning values our key priorities over the next 5 years are to...

To further refine of our assessment of housing support needs in Derby across all supporting people client groups

To remodel and modernise all service areas giving priority to those where value for money can most be improved

To further empower service users

To ensure that the outcomes delivered by housing support services in Derby are maximised

To further review and improve partnership working arrangements