

**SUPPORTING PEOPLE - RETRENCHMENT POLICY
(Report by the Head of Housing Services)**

1. PURPOSE OF REPORT

- 1.1 To advise Cabinet of the decisions of the Supporting People county-wide Joint Member Group and to consider the financial implications for this Council arising from those decisions.

2. BACKGROUND INFORMATION

- 2.1 At its last meeting on 1 October 2003 the Joint Member Group considered a number of options to address a shortfall in funding in the Supporting People budget.

- 2.2 The reasons for having to consider retrenchment (savings) for 2004/05 are as follows:

- ODPM have imposed a savings adjustment for 2003/04 of £214,000 for Cambridgeshire. It was agreed at the last Joint Member Group that it should be rolled forward to 2004/05 and tackled for that year.
- There is inherent underfunding of £300,000 (estimated) in the 2003/04 Supporting People budget as a result of Fairer Charging and other requirements that have not been funded centrally. This is being tackled in 2003/04 through the one-off risk sharing agreement between the County Council and five District Councils. It remains to be tackled for 2004/05 and subsequent years.

- 2.3 In addition to the £514,000 that is known about as set out 2.2, there are two additional issues that needed to be tackled as part of this retrenchment policy for 2004/05 or addressed separately:

- Any further savings adjustment that the ODPM may impose when the 2004/05 Supporting People grant is announced in February 2004.
- The revenue consequences in 2004/05 of housing developments prioritised last year for which capital allocations have been received and the revenue consequences of any revenue only housing developments that are prioritised this year. The amounts required if these were to be funded in full are £521,628 and £461,668 respectively.

- 2.4 Therefore, there are severe pressures building up in the Supporting People budget. In 2005/06 these will be further increased by any imposed savings requirement for that year and by the revenue requirements of capital development priorities agreed this year for development next year.

- 2.5 Given these pressures in the system, the Joint Member Group decided that it would be prudent to tackle the main pressures (as set out in 2.2) at this point in order to put the Supporting People budget in a realistic shape for 2004/05 and to prepare for the additional pressures that may come in that year (as set out in 2.3) and later years (as set out in 2.4).
- 2.6 The Joint Member Group decided that it wishes to clarify the implications and consequences of seeking £1.5m retrenchment for 2004/05. They have decided that this shall come entirely from "windfall gainers". Windfall gainers are those providers of accommodation/services that have benefited from a switch in funding from their original source to Supporting People funding and, therefore, in theory their original source of funding has benefited.
- 2.7 The £1.5m retrenchment is 11.8% of the current SP budget of £13.5m.

2.8 The potential impact on those affected is as follows:

The Learning Disability Partnership	£751,275
Mental Health	£171,358 + £43,051
Physical Disability	£58,667
Young People at Risk	£56,979
HDC for Homeless Families Hostel	£41,784
Women's Aid	£24,902
Cambridge City Council	£68,248
Hereward Housing Association	£41,953
Huntingdonshire Housing Partnership	£64,998
Fenland District Council	£0
South Cambridgeshire District Council	£80,108
YMCA	£96,677

- 2.9 In addition it was decided that all providers (not just those listed above) will be asked to make a 2% efficiency saving for 2005/06.
- 2.10 The Joint Member Group has asked that those affected be consulted and it wishes to be advised at its meeting to be held on 10 December 2003 of representations made on the consequences of retrenchment in order to arrive at a final decision on that date.

3. IMPLICATIONS FOR HDC

- 3.1 This Council has previously supported the running costs of Coneygear Court, the homelessness hostel in Huntingdon, owned and managed by Granta Housing Society. The Council benefited by a shift in funding to the Supporting People budget of circa £99,000. Under the retrenchment proposal £41,784 would need to be returned to the Supporting People Budget.
- 3.2 No provision for the return of the £41,784 is included in the Council's Budget or approved MTP. If the Joint Members' Working Group's proposal is to be supported provision will need to be made in the review of the MTP.

