

**SUPPORTING PEOPLE STRATEGY 2005 - 2010  
(Report by the Head of Housing Services)**

**1. PURPOSE OF REPORT**

- 1.1 For Cabinet to consider endorsing the updated Supporting People Strategy covering the period 2005 – 2010 (Annex 2); and to note the projected decrease in Government funding.

**2. BACKGROUND REPORT**

- 2.1 Supporting People is a revenue funding stream that pays for housing related support services. Examples include the warden in sheltered housing, support workers in schemes for adults with learning disabilities, mental health problems and homeless people, amongst others. Home Improvement Agencies also receive a small amount of funding.
- 2.2 The budget within Cambridgeshire is £13.5m and all of this is committed to existing schemes. There is a decision making structure made up of statutory partners from health, housing, social care and probation. The Executive Councillor for Housing Strategy and Young People represents the Council on the Joint Member Group.
- 2.3 It is a requirement that a Strategy be produced that sets out how the partnership plans to administer Supporting People within Cambridgeshire. This includes how existing schemes will be reviewed, how growth will be managed for certain groups, how partners and service users can be involved and most importantly, how the Government imposed reductions in grant will be managed. As all existing resources pay for much-needed schemes for vulnerable people this is a challenging programme.
- 2.4 The first Supporting People Strategy was evaluated by ODPM and rated as 'Good'. Nationally, 21 strategies were rated as excellent, 49 as good, 53 as fair and 26 as poor.
- 2.5 The Audit Commission carried out an inspection of the programme at the end of January 2003. Cambridgeshire was one of four authorities invited to take part in pilot inspections. The inspection found that Supporting People in Cambridgeshire was a good, two-star service that had promising prospects for improvement. They identified a number of practical pointers for further improvement and the action plan for tackling these was included in the updated Strategy. The next formal inspection in Cambridgeshire will take place in autumn 2005.
- 2.6 The next Supporting People Strategy has to be with the ODPM by 31 March 2005.
- 2.7 The Overview and Scrutiny Panel (Service Delivery and Resources), at its meeting held on 2 November 2004, considered the Supporting People Strategy. The Strategy had been finalised without the benefit of future financial information from the government. The Panel, having

reviewed the gap analysis contained in the Strategy, urged Councillor Mrs P Longford to encourage the Cabinet to meet as many of the needs identified as possible. It was resolved that the contents of the report be noted.

- 2.8 The changes made to the current strategy (2005-10) from the previous strategy (2003-08) are shown in the Strategy in italics. There remains to be a small number of paragraphs still to be added to the Strategy and some factual appendices.

### **3. PROGRESS ON DEVELOPING THE STRATEGY**

- 3.1 The Strategy has been developed through consultation with partners. The key developments in the new strategy are:

(a) **a new vision statement**

The Commissioning Body agreed that the existing vision statement (para 1.3.3 of the July 2003 Strategy) needed to be revised to make it briefer, more aspirational, better connected to wider housing, community development and social inclusion agendas, and in plainer English. Proposals were sought from the Supporting People partnership over the summer, and the current proposal was tested out with housing providers at the Provider Forum on 10 September. It has been generally well-received.

The proposal is:

*To improve quality of life and well-being by ensuring housing and housing support is available that reduces risk and enables vulnerable people to live as full a life as possible.*

This will require all partners to work together, and with communities, to develop preventive services, anticipate and avert crises, and support people to maintain or regain their independence in those ways that best meet needs.

(b) **provider efficiency savings for 2005/06**

In addition to a budget savings requirement on providers who were "windfall gainers" in 2003/04, the Joint Member Group agreed in December 2003 that all providers should be asked to consider the scope for recurrent 2% efficiency savings from 2005/06. All providers were notified by 1 October so that the option to implement them from 1 April 2005 can be exercised, given the six-month notice clause in the contracts. This clause is being implemented.

(c) **implementation of reviews** (see Appendix 6 of the Strategy)

Five reviews were undertaken in 2003/04:

- ◆ Home Improvement Agencies. This is now well into the process of implementation. A core specification has been agreed and will be introduced from 1 April 2005. This will ensure a more consistent standard of service across the county. A funding sub-group will also be bringing forward

proposals on the resource implications of this core specification (issues of equity, and revenue and capital consequences for various partner agencies).

- ◆ BVR of sheltered housing. The implementation plan has been agreed and is now being further developed.
- ◆ Offenders, teenage parents and young people at risk. These reviews have been considered by the Commissioning Body and action plans for implementation are now being developed.

(d) **priority client-groups**

There are four of these: older people, offenders, young people at risk and mental health. These determined the order in which reviews were undertaken. The adult mental health review is well underway and is due to report in the spring of 2005.

(e) **user and carer involvement**

This was raised as a prominent issue at the time of the pilot inspection. Service providers believe that there is already widespread consultation with users and carers in Cambridgeshire and a range of innovative approaches are in place to consult them and listen to their views on service delivery issues. It was agreed that providers would share best practice in this area. User involvement is integral to Supporting People service reviews. Consultation on the Strategy with partners is well developed and exiting provider arrangements will be used to consult in a more meaningful way on the Strategy with users.

(f) **Revised priorities for change**

These are detailed in section 9 of the Strategy, covering the period 2005/06 to 2007/08.

3.2 The Strategy, as in previous years, identifies a number challenges. A revised list of challenges is set out in section 3.2 of the Strategy. These challenges include:

- (a) The scope for pooling budgets across health, housing, social care and Supporting People to optimise impact. The Joint Member Group and Commissioning Body have endorsed this principle. This is included as Appendix 8 to the Strategy, but requires further discussion by the commissioning agencies before it is tested with all partners to Supporting People.
- (b) the cash limited nature of the budget, £13.5m in Cambridgeshire, but with efficiency savings imposed by ODPM of 2.5% in both 2003/04 and 2004/05, and 5.9% for 05/06, and 5% forecast for the next few years. All without an allowance for inflation.
- (c) population growth in the county, with possibly another 75,000 people by 2016.

#### 4. FUTURE FUNDING

- 4.1 The government has announced that the national budget will be reduced from £1.8bn in the current year to £1.72bn in 2005/06, and to £1.7bn in the two subsequent years.
- 4.2 The Government is to adopt a financial distribution formula. The allocation for 2005/06 is being based on the indicative results of the formula despite the final consultation on the formula having not yet taken place. Representations have been made on earlier drafts of the formula.
- 4.3 The Government has stated that authorities with greater than 5% reductions will receive longer term cuts under the formula but that reductions will be capped at 5% for 2006/07 and 2007/08. One version of the formula indicates that Cambridgeshire will receive as much as 37% reduction in allocation, based on the first year of operation (03/04). The actual and potential affect on the grant receivable is shown below.

Year	Notional Budget	Reductions		Actual/ Forecast Grant
		£,000	%	
03/04	13,507	214	1.58	13,293
04/05	13,668	342	2.5	13,326
05/06	13,326	784	5.9	12,542
06/07	12,542	627	5.0 (A)	11,915
07/08	11,915	596	5.0 (A)	11,319
08/09	11,319	566	5.0 (A)	10,753
09/10	10,753	538	5.0 (A)	10,215
10/11	10,215	511	5.0 (A)	9,704

(A) = assumed

- 4.4 No allowance for inflation has been given to date and it has been assumed that this will prevail. A chart illustrating this graphically, including the loss of inflation allowance (assumed at 2.5%), is included at Annex A.
- 4.5 The current required savings to the budget cannot be matched currently from efficiency savings from service reviews. This coupled with the potential reductions to the budgets in future years will require cut backs in service provision rather than the growth that is needed. Growth in priority services, if any, will have to be funded from additional savings, which will need to be identified.
- 4.6 A range of measures has already taken place in an attempt to achieve the level of saving required to date. However, there continued to be a shortfall. The county council indicated that they will contribute £411,000 towards this shortfall and has asked that the city and district councils also consider making a contribution. However, subsequent rescheduling of when some pipeline schemes require funding now means that, with the county council funding, the budget for 2005/06 should be sufficient. There continues to be a significant shortfall in the budget for 2006/07

onwards against a current expenditure of £13,040k (04/05), which is forecast to rise to £13,812k by 06/07.

- 4.7 The projected savings required over the next few years will require a fundamental review of the way services are provided, a review of the relative costs of like services and a review of the eligibility criteria for clients to access these services. This task is large and will need to commence in the current year to achieve the required level of savings to match future budgets. However, the lead in time to remodel or decommission schemes and services following the review, bearing in mind that schemes are currently occupied, will probably mean that savings will not be made in the timescales required to match budget reductions.
- 4.8 Administering authorities also receive an administration grant from Government. This grant to Cambridgeshire has been reduced by 15.7%, £487,971 (04/05) to £411,525 (05/06). This reduction is less than many other administering authorities.
- 4.9 The consequences of budget reductions on schemes serving residents of Huntingdonshire with any options will be reported to a future meeting of Cabinet.

## **5. CONCLUSIONS**

- 5.1 The Strategy has been updated and needs approval. The budget is cash limited and the government imposed efficiency saving for the last two years without an increase for inflation. A 5.9% reduction is being imposed for 05/06 and the government is forecasting reductions of 5% for 06/07 and 07/08 in addition to making no provision for inflation. This is set against a necessity to address increasing need and population growth. .
- 5.2 The County Council has requested that authorities consider a contribution towards budget shortfalls but the immediate funding pressure for 2005/06 has now reduced. A comprehensive review of schemes and services will be required in the year ahead to keep future years' spend in line with projected budgets. The consequences of budget reductions and any options will be reported to a future meeting of Cabinet.
- 5.3 The Strategy has been formally considered and endorsed by all commissioning agencies in the Cambridgeshire partnership: the County Council, the other four District Councils, the Probation Service and Primary Care Trusts.

## **6. RECOMMENDATION**

- 6.1 It is recommended that Cabinet:
- (a) endorse the updated Supporting People Strategy for the period 2005 –2010; and
  - (b) note the Supporting People resource allocation for Cambridgeshire for 2005/06 and the projected reductions to budgets.

## **BACKGROUND INFORMATION**

Supporting People Strategy 2003 - 2008, 2005 -10.  
Agendas and Minutes of Commissioning Body and Joint Member Group for  
Supporting People in Cambridgeshire.

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# SUPPORTING PEOPLE - REDUCTION IN GRANT FUNDING

