

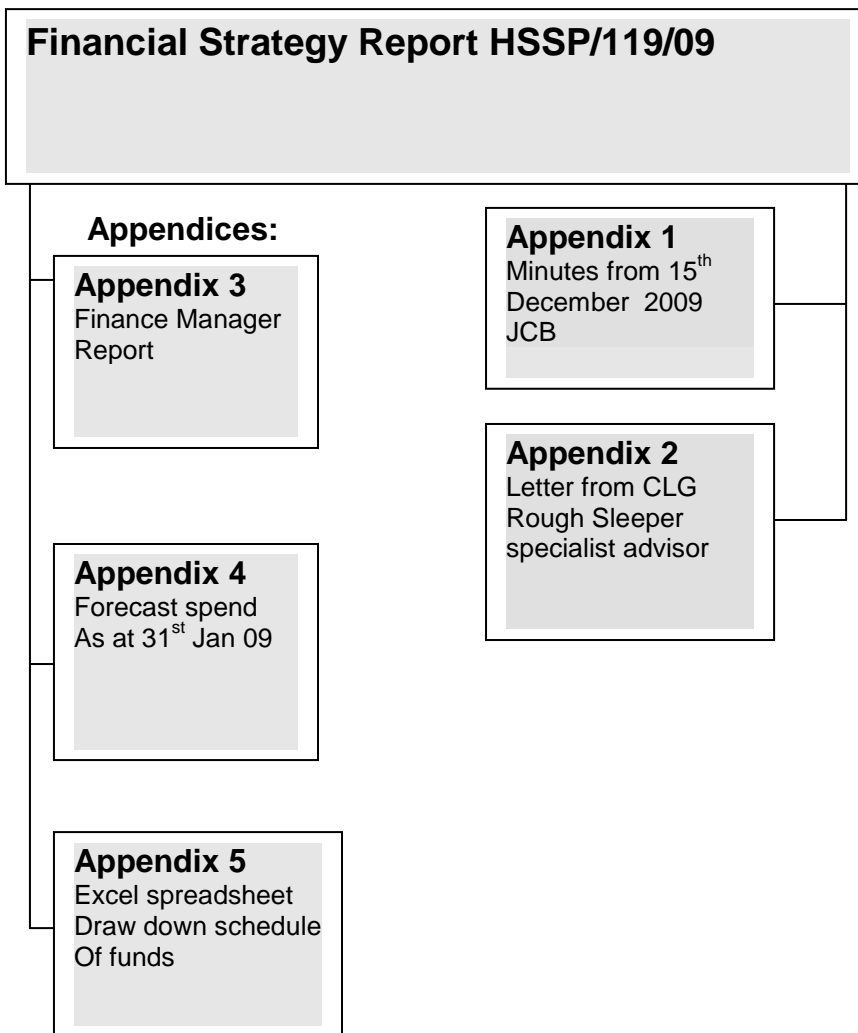
REPORT TO: HOUSING SUPPORT STRATEGIC PARTNERSHIP

REPORT FROM: DEVON SUPPORTING PEOPLE TEAM

DATE: 24TH FEBRUARY 2009

OVERALL FINANCE REPORT

STUCTURE OF REPORT



REPORT TO: HOUSING SUPPORT STRATEGIC PARTNERSHIP

REPORT FROM: DEVON SUPPORTING PEOPLE TEAM

DATE: 24TH FEBRUARY 2009

FINANCE STRATEGY REPORT

RECOMMENDATIONS

The Housing Support Strategic Partnership (HSSP) to:

1. Review progress on finance strategy implementation
2. Receive a finance update from the Finance Manager

1. BACKGROUND

1.1 On December 15th 2009, Devon's Joint Commissioning Body agreed a financial strategy based upon the report JCB-08-169. Decisions were made about the options within the report, and are minuted at Appendix one to this report.

1.2 The report set out 5 principles for how Supporting People finances will be managed between 2009/12.

2. PROGRESS UPDATE WITH IMPLEMENTATION OF FINANCE PRINCIPLES

Investment led by Joint Strategic Needs Assessment

"At any point in time housing support commissioners expect to be able to evidence a strong alignment between investments, and the needs of its communities. Shifts in any resource from one part of Devon to another, or from one type of need to another type of need must be preceded by appropriate public and community involvement."

2.1 Joint Strategic Needs Assessments (JSNA) for housing support have been established for extra care, sheltered housing and substance misuse. The need for all partnership boards/steering groups to review housing related JSNAs where they do not yet exist has been highlighted in report HSSP/121/09 'Joint contracts'. The HSSP may wish to consider the setting of milestones for this.

2.2 The CIVIS consultancy is assisting to collate the housing support elements of JSNA. The Supporting People Team intends to link these housing needs JSNA profiles to the health and social care JSNA.

High Performance Managed through Flexible Procurement

"Commissioners expect to have the means of administering financial reward in return for high performance, alongside the means to avoid overpayment for underperformance. Equally, commissioners expect to have the means to quickly and simply commission additional service when it is needed and affordable."

2.3 On 30th January 2009 Devon Supporting People Team and Procurement & Contracts Team hosted a Homelessness provider engagement event, designed to introduce a new flexible contract that will be used from March 2009. The process for allocating a non guaranteed amount on top that which the contract guarantees, is set out in Report HSSP/120/09: 'Performance Assessments'.

The Housing Support Sector as an Accepted Value for Money Partner

"At any point in time commissioners expect the housing support sector to be able to evidence benchmarking of unit costs that are comparable to other activities within Area Based Grant. Only after having successfully evidenced this, does the sector expect to be included within Area Based Grant inflationary uplift agreements. "

2.4 Report HSSP/120/09: 'Performance Assessments' includes the benchmarking of unit costs as part of decision making about payment of non guaranteed amounts.

2.5 The work programmes of the Homelessness steering group, and the Home Improvement Agency steering group include analysis of unit costs, and will compare housing support costs to that of health & social care commissioned services.

2.6 Report HSSP/121/09 'Joint contracts' sets out proposals for service users in receipt of both care and housing support to have their needs met through joint or 'integrated' contracts. This offers a means for the complete and permanent alignment of unit costs.

All available Resources Working to Achieve Service User Outcomes

"Through application of the above three principles, commissioners expect to prepare an annual budget that deploys all available resource, and does not incur under or over spend at each financial year end."

2.7 Use of flexible contracting to administer winter pressures has assisted commissioners to manage the budget more effectively in time for the 2008/9 financial year end.

2.8 Wider use of flexible contracting from March 2009 will further improve the ability of commissioners to prepare and plan budgets, ideally to the degree that there is no underspend at financial year ends.

2.9 The Finance Manager Report (Appendix 3, 4, and 5 to this report) provides a detailed update of progress towards achieving a balanced spend at financial year end.

Ensuring housing support resources align to statutory duties of partners

“Directing money at clients where partners have a statutory duty to house people with support needs.”

2.10 The letter from CLG’s Rough Sleeper Specialist Advisor (Appendix 2 to this report) demonstrates that Devon’s finance principles are recognised as good fit to the strategic imperatives of housing departments.

2.11 The Report HSSP/121/09 ‘Joint contracts’ sets out proposals for service users in receipt of both care and housing support to have their needs met by joint or ‘integrated’ contracts. This will ensure a higher degree of linkage between housing support activities and the statutory duties of partners.

3. RECCOMENDATIONS

3.1 Delivery of Devon’s housing support finance strategy is highly dependent upon the right information being presented to the HSSP and JCB at the right time. The HSSP is requested to discuss, agree or amend the financial projection report formats at Appendix 4 and 5 to this report. In particular, HSSP is requested to consider this question in the context of the financial principles described at 2.7 – 2.9 of this report. One option might be to maintain the current format of finance reporting to manage the financial year we are in, and to develop another format for maintaining a report about the longer term projected balance of funding, which is essential information needed for calculating the non guaranteed ‘performance’ elements of contracts.

3.2 The anomalies in the projected spend i.e. £0 amounts showing for physical and sensory disability in South Hams and Torridge, and £0 amounts showing for mental health in Torridge, highlight the need for developments in the way that housing support is contracted for, and reported on at a service user level. Increased use of ‘joint’ or integrated contracts by Supporting People will address this to a significant degree, but the HSSP needs to discuss and consider how reports about provisions that are not connectable to named service users or post codes should be reported on in the future.

3.3 With regards to overall implementation of the financial principles, HSSP to approve continued working towards the actions described in points 2.1 – 2.11

Devon Supporting People Joint Commissioning Body

Monday 18th December 2008

10.00 p.m. to 1.00 p.m.

Livestock Centre, Marsh Barton, Exeter

Attendees

Cllr Hugo Barton	Devon County Council
Cllr Mike Saltern	South Hams District Council
Cllr Jill Elson	East Devon District Council
Cllr Ray Frost	Teignbridge District Council
Cllr David Lausen	Torrridge District Council
Cllr Rob Hanniford	Exeter City Council
Ms Trudy Robinson	North Devon District Council
Ms Jennie Stephens	Devon County Council
Ms Debbie Holloway	South Hams District Council
Mr Dick Scott	Mid Devon District Council
Mr John Golding	East Devon District Council
Mr Nick Payne	West Devon Borough Council
Mr Steve Warran	Exeter City Council
Ms Liz Steele	Torrridge District Council
Mr Simon Perkins	Devon and Cornwall Probation
Mr Graham Davey	Teignbridge District Council
Ms Rebecca Carmichael	Devon PCT
Mr Iain Mellis	Devon PCT
Ms Alison Golby	Devon County Council
Mr Max Sillars	Devon County Council
Mr Kevin Oke	Devon County Council
Ms Sue Gubb	Devon County Council
Ms Lucie Spiers	Devon County Council
Mr Shaun Bennett	CIVIS Consultancy
Ms Christiana Fisher	Devon County Council

In Attendance

Ms Katy Kerly Team.	Devon County Council, Workforce Development
------------------------	---

Apologies

Ms Mary Mitchell	Devon and Cornwall Probation Area
Mr Peter Hancock	Mid Devon District Council
Cllr Andrea Davis	North Devon District Council
Mr Rory McCallum	Children's & Young People's Services
Mr Alan Robinson	South Hams District Council
Cllr Diana Moyse	West Devon Borough Council

1. Apologies

Apologies were read out.

2. Minutes from last meeting

The minutes were agreed as an accurate and true record.

3. Matters Arising

There were none.

4. Report JCB/08/169: Finance

Mr Sillars began the Finance Report with a short presentation. Managing the programme's budget effectively has already presented the JCB with significant challenges, but functioning from 2010 with no ring fence, and as part of the Area Based Grant presents even further challenges which must be planned for. A smarter more flexible way of contracting is needed to reduce the risks of large over or under spends. To date contract types have been limited to 'block' payments fixed for periods of 3 years. This approach has contributed to budget management problems and has not easily facilitated responses to change. However, this year's administration of 'winter pressures' has piloted an example of more flexible approach to funding which has been proved workable to Providers.

The Supporting People team therefore propose commissioning services using 'outcomes' and performance measures in the future, whilst continuing to use Joint Strategic Needs Assessment approaches to improve alignment of resource to need.

Discussion of the draft financial strategy included the following points:

Cllr Elson noted that the current economic climate means that an increasing number of people need assistance to maintain their tenancies. Ms Elson questioned whether it was being proposed that the Joint Strategic Needs Assessment (JSNA) approach be used to resolve relative priorities.

Mr Sillars acknowledged that it was not Devon Supporting People Team's proposal to refer to any JSNA 'template' as a means of resolving commissioning priorities and finance options needing decision today. In the short term the introduction of more flexible contracts would enable changing needs to be addressed, whilst maximising certainty for providers by offering 3 year contract periods. In the medium to longer term the JSNA template being developed would inform a more sophisticated analysis of supply across Devon's market towns/city, and health and social care localities.

Mr. Sillars stated that in terms of informing the decisions needed today, JCB were however being asked to bear in mind the already well documented

demographic projections of older person's need. In Devon this additional need will require an increase of housing support funding estimated at being between £350k to £500k by the year 2012.

Mr Kevin Oke drew attention to the fact that all three finance options were based on current contractual arrangements and included an inflationary uplift; the figures did not include the extra care investments that were currently still being quantified by a developing extra care strategy and Older Persons Housing & Support Review.

Ms Jennie Stephens reminded attendees that arrangements for deciding any inflationary award would continue to reflect previous years' policy, i.e. for this to be consistent with Devon County Council decision making on its entire portfolio of care and support contracts.

Generally, Ms Stephens went on to suggest that the key strength of the JCB was in its ability for all agencies to work together to serve generic need across the County of Devon. Devon County Council has agreed targets to reduce residential care by investing in preventative services. She referred to the letter of 26th November 2008 from Communities & Local Government, which refers to the role of housing support in reducing costs elsewhere in health and social care as a vital feature of the programme's overall business case.

Ms Trudy Robinson stated that the Housing Support Strategic Partnership (HSSP) were of the opinion that any efficiencies needed should be made across all sectors of the programme, as laid out in 'Option One' in finance report. Cllr Rob Hanniford was in support of this option.

Mr Steve Warran stated that Local Authority still has a statutory duty to house and support certain clients. Although a relatively small number of people, they are usually in crisis and are expensive to support. He suggested that there may be further savings made through the Older Person's sector once the re-modelling has been completed and it may be premature to reduce this sector's funding. He supported Option One during the current economic downturn, commenting that this position could be revisited next year.

Although Mr Warran commended the Supporting People team for the quality of the information supplied, he said that the opinion of the HSSP should have been reflected in the report. Jennie Stephens apologised unreservedly if any mistakes were made by the team in passing on the outcome of consultations.

Mr Oke informed the JCB that confirmation has been received that underspend from this financial year can be rolled forward to next, but for the last time. There is also the possibility of the underspend increasing between now and the end of the financial year as the Physical & Sensory Disability Brokerage scheme that has not been utilised as originally foreseen.

Cllr Mike Saltern highlighted the risk of the JCB attempting today to devise further finance options beyond the three provided within the report. He urged

the JCB to make a decision that would enable clear and informed management of the budget.

After a vote, the JCB agreed the following recommendations:

Agreed:

- **Recommendation 3.1:** Principles of the financial strategy to be adopted, to include moving to cost and volume contract types starting in March 2009.
- **Recommendation 3.2:** Option One, efficiency savings to be made across all sectors.
- **Added Recommendation:** to review efficiency proposals (as at recommendation 3.2 above) at the end of each financial year
- **Recommendation 3.3:** Length of the new 'flexible' homelessness contracts to be for three years.

5. Presentation: Local Area Agreement

This agenda item was not covered due to sickness.

6. Presentation: Safeguarding contribution & workforce development

Ms Katy Kerley from the Workforce Development Team at Devon County Council gave a presentation to the JCB that outlined the role and mission of her team; to provide training to the private, voluntary and independent workforce.

Agreed: Ms Kerley to liaise with the Learning Skills Council to propose working on a floating support training framework.

Agreed: Any enquiries or comments regarding Provider engagement and training to be sent to Mr Sillars.

Agreed: Ms Jill Elson to act as JCB representative on workforce development

7. Presentation: Older Persons Housing & Support Review

Ms Lucie Spiers presented an update of the Older Persons Housing & Support Strategic Review, which is seeking to improve the availability and quality housing related support available to older people. The update included a report of the progress achieved within each District.

8. Verbal Update: Winter Pressures

Ms Sue Gubb and Lucie Spiers gave an update on the Winter Pressures project for Older People and the Physical & Sensory Disability sectors.

Age Concern Devon and Age Concern Exeter will oversee a Winter Pressures fund; their contracts will be subsequently varied. The sum will be distributed between the Districts pro rata; the project will commence in January and finish in March and outcomes will be captured in a robust monitoring framework.

Ms Lucie Spiers informed the JCB that the South West Ambulance Service Team (SWAST) have been commissioned to utilise some spare capacity in their pilot project to help alleviate winter pressures. The Mobile Response Team will respond to internal referrals made by 999 Teams notice a potential problem associated with fuel poverty when visiting clients. This has been operating since December 7th.

9. A.O.B.

Mr. Steve Warren requested that there be an update of the performance of the Home Improvement Agency at the next meeting.

Cllr Rob Hanniford informed the JCB that the Age Concern Exeter advice centre is set for closure due to a £25k shortfall; the project was originally funded through a lottery grant.

The latest updated version of the joint Health and Social Care strategy; 'The Way Ahead; Five Years of Improvement' will be circulated with the minutes.

Next Meeting 9th March 2009.

6 February 2009

Dear Max and Chris

Firstly, I would like to thank you and your colleagues for your time in meeting with us today. The organisation the SP Team had put in to bringing people together was greatly appreciated, and we were especially pleased to have the opportunity to meet with Nicola from SHOT and Christian from the DAAT. It was a positive and practical demonstration of the partnerships established between the county, city and PCT and the importance you are placing on preventing and tackling rough sleeping.

As you know, we were keen to meet with you to explore the issues and challenges you face, that have lead to the increase in rough sleepers in Exeter, identified in the last rough sleeping count in November 2008.

The 15 people bedded down means Exeter had the third highest rough sleeper count in England, and the highest outside London. We are also aware that there are significant challenges elsewhere in the county – most notably in North Devon.

Given this situation, we are very pleased to note the decision from the Devon Supporting People Joint Commissioning Board to maintain current levels of investment in homelessness services in the county; there is clearly a need for such services. We were also very interested in your plans to develop jointly commissioned integrated services with the DAAT and Devon Partnership Trust, and your proposed approach to link ten per cent of the value of block grant funded contracts to agreed performance and outcomes. This innovative approach balances providers' needs for stable funding for core services with the ability to tailor and personalise service responses and interventions to secure positive outcomes for service users.

Whilst there are significant challenges to be resolved, we were pleased that many of the key issues had already been identified by yourselves, and that there is a clear commitment to address these over the next 1 -2 years. We acknowledge that, whilst there are some recommendations that can be actioned relatively quickly – in the next 3 - 6 months, some of the other changes needed are more structural and therefore likely to be implemented over the next 12 – 24 months.

We believe that your ongoing commitment to the development of a county-wide approach, with targeted actions in the City and other high demand areas will deliver a more effective strategic system of service interventions that will both prevent people sleeping rough, and have the right combination of services that can get people off the streets quickly and permanently.

As promised, I have summarised our discussions on the key issues, and identified the action points in the attached table. I hope these will be useful.

We would like to arrange a progress meeting for later in the year – in perhaps four months to review how things are going.

We do look forward to working with you to end rough sleeping in Exeter and Devon.

With Best Wishes

Rebecca

Rebecca Pritchard
Specialist Adviser (Rough Sleeping)
Housing Strategy and Support Division
1/B4 Eland House
Bressenden Place
London SW1E 5DU

REPORT TO: HOUSING SUPPORT STRATEGIC PARTNERSHIP

REPORT FROM: SUPPORTING PEOPLE TEAM

DATE: 24th February 2009

SUPPORTING PEOPLE FINANCIAL REPORT

RECOMMENDATIONS

The HSSP to:

- Note the current forecast spend reference the Programme Grant as at January 09 (1.1)
- Note the current position reference Funding Drawdown schedule (1.4).
- Note the current position regarding inflationary uplifts 2009-10. (3).

1. BUDGETARY POSITION

- 1.1 Attached at appendix 4 can be found the current updated forecast, as at January 08, appertaining to the 2008/09 Supporting People programme grant spend.
- 1.2 The total programme grant funds available for 2008/09 is **£20,733,732**
- 1.3 As can be seen the forecast under spend as at the end of January will be in the region of £576k. This represents an increase of £124k from the figure reported to the previous HSSP meeting on the 2nd December. Previously JCB have been willing to mandate a maximum under spend ceiling of £500k the primary use of which was to fund an inflationary increase for 2009-10. It is clear from appendix 4 this ceiling will be exceeded.
- 1.4 There are two primary reasons that lie behind the increase in reported under spend, These are
- As reported to previous HSSP meetings one scheme in particular (Phys & Sensory Brokerage), included within Funding Drawdown Schedule (see 2 below), has been giving cause for concern as to whether all allocated funds would be fully utilised by the end of March 09. As a result of which this scheme was classified as red 'high risk'.

'Take-up' of this funding (£230k) has clearly not been as expected or envisaged which is going to result in a saving of over £100k

- Funds totalling £26,147 have been reclaimed from a provider as a direct result of contract under-utilisation.

2 FUNDING DRAWDOWN SCHEDULE

- 2.1 An updated Funding Drawdown schedule is available on an Excel spreadsheet, as Appendix 5 to this report.
- 2.2 As already indicated above (1.4) there will be a significant saving associated with the funding allocated to the Phys & Sensory Brokerage pilot. The physical & sensory disability partners and commissioners are aware of this, and have implemented a number of actions to ensure that the 'All available Resources Working to Achieve Service User Outcomes' principle becomes met as soon as possible.
- 2.3 As can be seen the majority of schemes have either fully drawn down the allotted funding allocations, or are on course to do so. The two exceptions being the Wywurree Project & the Supported Lodgings scheme both of which at this point in time still have an 'amber' risk warning.

3. INFLATIONARY INCREASE 2009-10

- 3.1 Approximately two years ago JCB took the decision to align the annual Supporting People inflationary increases with those agreed for Adult & Community Services external contracts. At the time of completing this financial report we have not received confirmation regarding any inflationary uplifts for 2009-10.

Forecast Spend as at 31 Jan 09

Supporting People Projected Spend Summary 2008-09



<i>District</i>	<i>Homelessness</i>	<i>Learning Disability</i>	<i>Mental Health</i>	<i>Older People</i>	<i>Phys Sens Disability</i>	<i>Total</i>
East Devon	£354,825.16	£338,896.72	£144,019.20	£535,792.55	£234,470.16	£1,608,003.79
Exeter	£3,233,665.42	£365,463.75	£1,137,858.61	£605,906.08	£8,599.49	£5,351,493.36
Mid Devon	£342,870.01	£150,925.54	£146,057.98	£343,794.99	£85,894.79	£1,069,543.31
North Devon	£711,514.55	£58,904.89	£520,817.72	£648,311.43	£1,878.50	£1,941,427.09
South Hams	£253,674.15	£860,888.00	£122,950.54	£507,500.66	£0.00	£1,745,013.35
Teignbridge	£347,707.60	£569,810.33	£78,476.81	£555,958.77	£562.06	£1,552,515.57
Torridge	£129,323.92	£116,364.64	£0.00	£316,706.19	£0.00	£562,394.75
West Devon	£37,709.48	£145,077.29	£174,546.98	£256,168.14	£12,076.82	£625,578.71
Cross District	£1,459,517.31	£1,251,045.94	£783,423.44	£973,147.15	£187,242.75	£4,654,376.59
Client Conts	£0.00	£0.00	(£200.00)	(£6,650.00)	(£3,000.00)	(£9,850.00)
Recharge	£0.00	£0.00	(£40,945.00)	£0.00	£0.00	(£40,945.00)
Grant Payments	£42,000.00	£238,914.00	£0.00	£91,500.00	£0.00	£372,414.00
Other	£0.00	£0.00	£0.00	£604,355.00	£120,648.35	£725,003.35
Projected Spend	£6,912,807.60	£4,096,291.10	£3,067,006.28	£5,432,490.97	£648,372.92	£20,156,968.86
Budget	£7,002,552.00	£4,143,854.00	£3,049,315.00	£5,473,400.00	£752,896.00	£20,422,017.00
Over/(Underspend)	(£89,744.40)	(£47,562.90)	£17,691.28	(£40,909.03)	(£104,523.08)	(£265,048.14)

Bal of 07/08 R/F under spend	(£311,715.00)
Total Forecast under spend	(£576,763.14)

Total SP Programme Funding available 2008-09

08-09 CLG Grant	£19,337,068
08-09 ACS Funding Devon C&R	£ 292,218
07-08 R/F Funding	£ 1,104,446
	<u>£20,733,732</u>

02 February 2009