

REPORT TO: **HOUSING SUPPORT STRATEGIC PARTNERSHIP**

REPORT FROM: **DEVON SUPPORTING PEOPLE TEAM**

DATE: **26TH MAY 2009**

SUPPORTING PEOPLE FINANCIAL REPORT 2009/10

RECOMMENDATIONS

The HSSP to:

1. Note the final outturn position appertaining to the Programme Grant spend for 2009-10.
2. Agree/Recommend utilisation of non-recurrent funding in 2009-10
3. Agree inflation recommendation at (3.5).
4. Note the estimated efficiency savings target for each sector reference the financial year's 2010-11 & 11-12 (4.3).

1. PROGRAMME GRANT

- 1.1 Attached at appendix 3 can be found the final position in respect of the total Supporting People programme grant spend for the 2008/9 financial year.
- 1.2 Given the total funding available (£20,733,732) this will result in having a year end under spend of £620,120 (3%) which CLG have confirmed can be roll-forward into 2009-10.
- 1.3 JCB having already approved £500k of the final year-end under spend (1.2) would be used to fund a 2.5% 2009-10 inflationary increase, means we have exceeded the target under spend for the year by £120,120 .
- 1.4 The final under spend position has increased by £43,357 from the position reported to the last JCB meeting in March, which at that time represented the forecast position as at the end of January 09.
- 1.5 The reason for this increase is as follows:

The SP funding associated with the Supported Lodgings scheme has not been fully drawn down. This had been reported with an 'amber' warning during the year within previous financial reports. £13,182

Unspent monies reclaimed reference the OP Winter Pressures funding initiative.	£ 4,860
Young Persons under the financial responsibility of CYPs placed within SP contracted services ended up Being more than forecast.	£15,249
The final position in respect of payments to Leaseholders ended up being less than forecast.	£ 6,640
Other	<u>£ 3,426</u>
	£ 43,357

2. CALCULATION OF NON RECURRENT SPEND TO BE ROLL-FORWARD INTO 2009-10

- 2.1 The current estimated full-year programme grant expenditure for 2009-10 based current contractual commitments and allowing for a 2.5% inflationary increase is as follows:

Homeless	(£6,805,057)
Learning Dis	(£3,978,194)
Mental Health	(£3,125,682)
Phys Dis	(£ 647,000)
Old Person	<u>(£5,291,637)</u>
TOTAL	(£19,847,570)
CLG Grant 09/10	<u>£19,337,068</u>
	(£ 510,502)
08/09 R/F under spend	<u>£ 620,120</u>
Est non-recurrent spend	£ 109,618

3. INFLATIONARY INCREASES 2010-12

- 3.1 The three-year Devon Supporting People strategy approved by JCB at its meeting of the 15 December 09 covered the period 2009-12. The 2.5% inflationary uplift for 2009-10 will be funded from the under spend being roll-forward from 08-09 into 09-10.
- 3.2 The Devon Supporting People programme will need to agree its position and stated intent in respect of its inflationary decisions for year's 2010-11 & 11-12.
- 3.3 The payment DCC receives from CLG in respect of the Devon Supporting People grant has never been increased in line with inflation, this goes right back to when the Supporting People programme went 'live' on the 1st April 03. Therefore in order to fund any inflationary increases for years 2010-11 & 11-

12 (as has been the case in previous years) it is more than likely the cost of which would have to be found from within the existing SP financial resource. However, the situation that presents itself for years 2010-11 & 2011-12 is more complex and difficult especially given the fact we already know efficiency savings will need to be achieved during 2010-11, in addition to which CLG have not yet confirmed (indicative or otherwise) what the programme grant allocation will be from 2011 onwards.

3.4 In the current financial year (2009-10) the SP programme grant received by Devon is classified as a 'non- ringfenced' specific grant. However, from April 2010 it is expected the Supporting People funding allocation will form part of the Area Based grant. There are two possible implications that could arise as a result of these changes

- With the SP grant no longer being 'ring-fenced' it will mean SP may no longer be permitted to roll forward any year-end under spend that might accrue during 2009-10.
- Also once the SP grant is paid via the ABG, and given the fact it will no longer be 'ring-fenced', it is possible future SP grant funding could become vulnerable to the wider financial pressures and demands being placed on the Directorate as a whole.

3.5 **Recommendation** Given the situation outlined in points 3.1 to 3.4 above and also taking into account the current projected RPI figure for 2010-11 the decision is taken not to award any inflationary increase for 2010-11 and revisit the situation again at a later date reference 2011-12.

4. ESTIMATED TARGET EFFICIENCY SAVINGS 2010-12

- 4.1 At its meeting of the 15 December 08 took the decision that any efficiency savings that need to be found during the period of the 3-year financial strategy will be applied across all sectors.
- 4.2 Given the fact that we have been permitted to roll-forward the 2008-09 year-end under spend current forecast indicate no efficiency savings will need to be found during 2009-10.
- 4.3 However, as previously forecast, this situation changes in the following two years. Below are the estimated savings that will be required from each sector during the financial years 2010-11 & 2011-12.

	<u>2010-11</u>	<u>2011-12</u>
Homeless	£236,155	£328,445
Learning Dis	£138,055	£192,007
Mental Health	£108,470	£150,861
Phys & Sens	£ 22,453	£ 31,227
Older Persons	<u>£183,635</u>	<u>£255,400</u>
Totals	£688,768	£957,940

- 4.4 The above figures are indicative and do not include any inflationary increases for year's 2010-11 & 11-12. Also we do not know, at this point in time, what the SP programme grant allocation will be for the year 2011-12. Therefore the figure for 2011-12 above has been based on allowing for Devon's grant allocation being reduced by a maximum of 5% from its 2010-11 allocation. Obviously we cannot predict for certain as to whether this is a realistic assumption, especially given the degree of uncertainty Authorities currently face regarding future levels of public expenditure investment, in addition to which 2011-12 will be the first year of the next 3-year Government Comprehensive Spending Review.