

Devon Supporting People Financial Strategy 2009 – 2012

Introduction & Executive Summary

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Introduction & Executive Summary

This strategy's aim is to prepare the named grant of Supporting People for the new environment of Area Based Grant.

The environment of the Area Based Grant will bring a number of challenges and opportunities to the housing support sector, some of which have already been prepared for, along with others that are new or even still emerging.

Generally, there will be an expectation that future housing support contracts become based upon Joint Strategic Needs Assessments, as opposed to the legacy position arrived at through take up of Transitional Housing Benefit. Inflationary awards that the programme has previously managed internally, will need to become incorporated into any Area Based Grant decisions that are made. These decisions will inevitably bring greater expectations for the performance and costs of housing support, to better align with the criteria being applied to other Area Based Grant activities.

But preparing the Specific Grant for Area Based Grant supports the case for more flexible procurement systems. These systems will bring new opportunities for rewarding high performing providers, at the same time as allowing commissioners to budget much more effectively. Once the conditions for alignment and integration of services into Area Based Grant are agreed, housing support providers will benefit from greater consistency of procurement arrangements, which will help with their business planning and reduce bureaucracy.

This strategy sets out the principles for how the efficiencies needed within the housing support sector will be achieved, and proposes how by meeting the criteria for Area Based Grant, services users, providers and commissioners will benefit from a simpler, more joined up system of financial administration.

1. Preparing the Specific Grant for Entry into Area Based Grant

Principles for Devon's 2009/12 Finance Strategy

This strategy's proposal is that the Specific Grant of Supporting People will negotiate its way into the Area Based Grant over a 3 year period. The criteria for assessing whether it has met Devon's requirements for Area Based Grant activities will be based on the following 5 principles:

Investment led by Joint Strategic Needs Assessment

- 1.1 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.

High Performance Managed through Flexible Procurement

- 1.2 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.

The Housing Support Sector as an Accepted Value for Money Partner

- 1.3 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.

All available Resources Working to Achieve Service User Outcomes

- 1.4 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.

Ensuring housing support resources align to statutory duties of partners

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

2. Supporting People Finance Strategy during the Transition Period, 2009 – 2012 Budget

Overall purpose and Description of the 2009/2012 Budget Arrangements

2.1 The budget is designed to facilitate delivery of the principles at Section One of this strategy. The budget and contract framework behind it must therefore be capable of delivering the following features:

- Assuming joint commissioner agreement over any specific proposals, at least some proportion of investment across the programme is able to move from sector to sector in response to JSNA evidence, during the 3 year period.
- Assuming Housing Steering Group agreement over any specific proposals, at least some proportion of investment within each sector is able to move from a lower performing provider contract, to a higher performing provider contract, during the 3 year period.

2.2 The budget is designed to facilitate both the above bullet points, without expectation of any carry over from year to year.

2.3 The process for this will begin with changes to Supporting People provider contracts from March 2009. As each sector's current contracts expire, (Homelessness Sector March 2009) any renewals will be offered 3 year block contracts. However, these contracts will state an annually guaranteed amount that reduces by 10% over the total 3 year period. From years 2 and 3 onwards during the 3 year contract period these efficiencies will be used to:

- Introduce flexibility in managing the homelessness sector budget
- Create the potential for some level of investment to become reallocated from low performing provider to high performing provider
- Create the potential for some level of investment to move from sector to sector in response to any changes of need that become agreed by the JCB.
- Commission specific activities within the homelessness sector

2.4 Where the provider does not agree to sign the new contract conditions, the contract will be temporarily extended, whilst a tender exercise is prepared.

Calculating the Budgets for Each of the Programme's Sectors

2.5 In December 2007 Devon Supporting People received a grant announcement from Communities and Local Government (CLG) for 2008/09, 2009/10 and 2010/11 of £19,337,068, £19,337,068 and £19,158,803 respectively.

2.6 Devon Supporting People Financial Services Manager has prepared three options for how this calculation and decision for how sectorial allocations might be made. This is appendix 1 to this strategy.

Calculating the Budgets for Each of the Sectors Providers

2.7 Each sector having had their budget calculated, the Supporting People Team and housing steering groups will manage the development of detailed recommendations for each provider contract. The options will include:

- Introduction of a new Supporting People flexible contract
- Tender, re-design or decommissioning of some or all services.
- Managing the service in Integrated Health & Social Care contracts
- Rationalisation of similar groups of service type e.g. non- specialist floating support.

3. Section Three: Joint Strategic Needs Assessment

Re-alignment of resource pre 2008

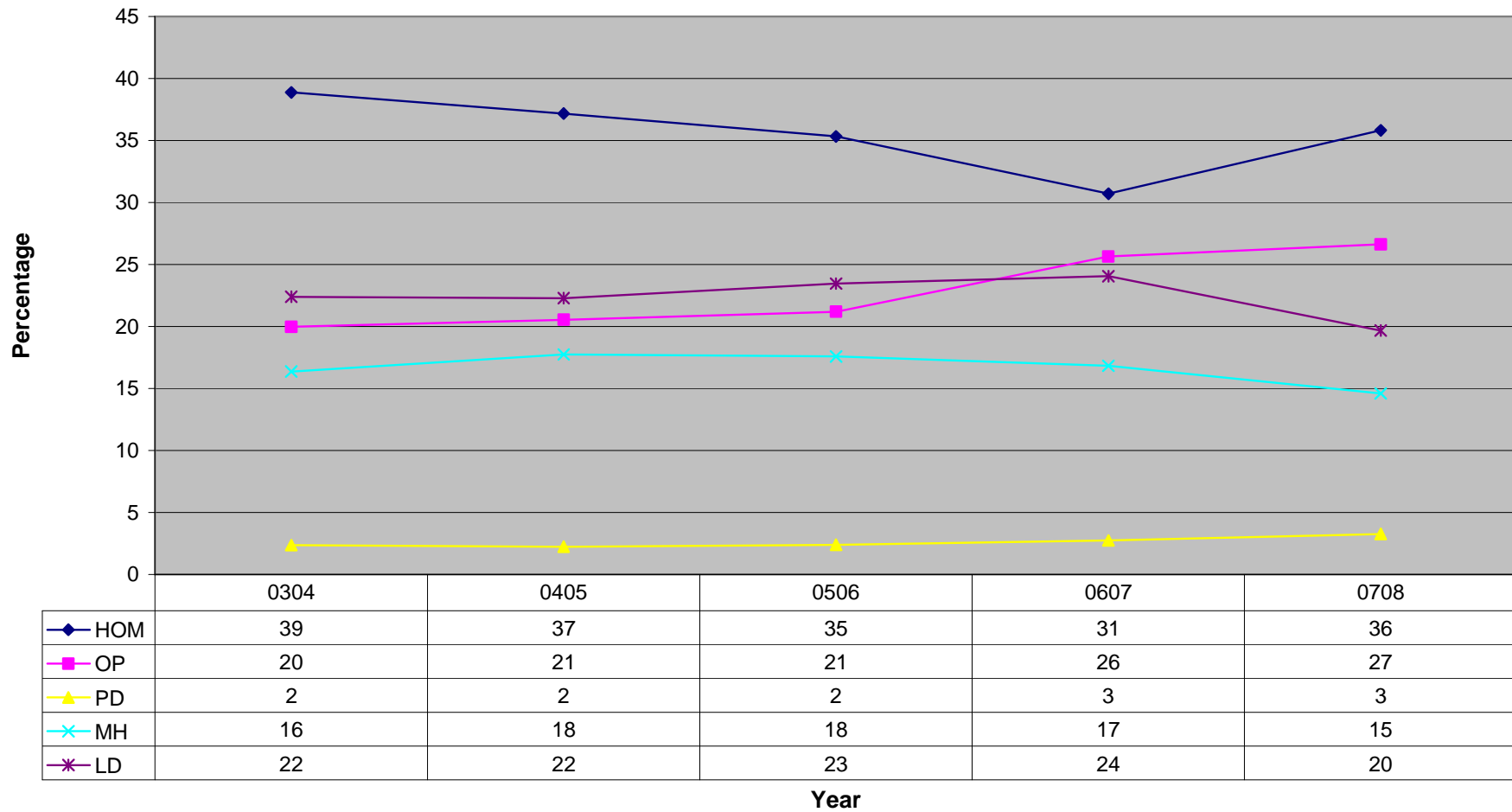
3.1 The Devon Supporting People programme has a history of having successfully re-aligned resources in response to strategic assessment. Examples of this are detailed on include:

- In 2003 – 2006 the programme exempted older persons sector from contributing to efficiency savings required to meet reductions in grant. The rationale for the decision to exempt older persons sector was based upon strategic assessment that concluded there was under provision and over demand in older person's services. As a result the proportional resource of the programme invested in older persons services grew from 20% to 25%.
- In 2003 – 2006 the programme re-designed the homelessness sector's profile of 70% accommodation based services 30% floating support services, to 50% accommodation based services 50% floating support services. In this way, service provision that was previously fixed to one geographical area become available to other areas, in response to changing patterns of need.
- In 2003 – 2006 the programme re-designed the learning disability sector's accommodation based services into floating support services. This allowed support services to reduce and withdraw when appropriate from 19 high cost household units, and become available to 35 household units across a wider geographical area. This change meant that service users were able to receive housing support in households that they had chosen to live in, as opposed to households they'd had to move to in order to receive a support package.

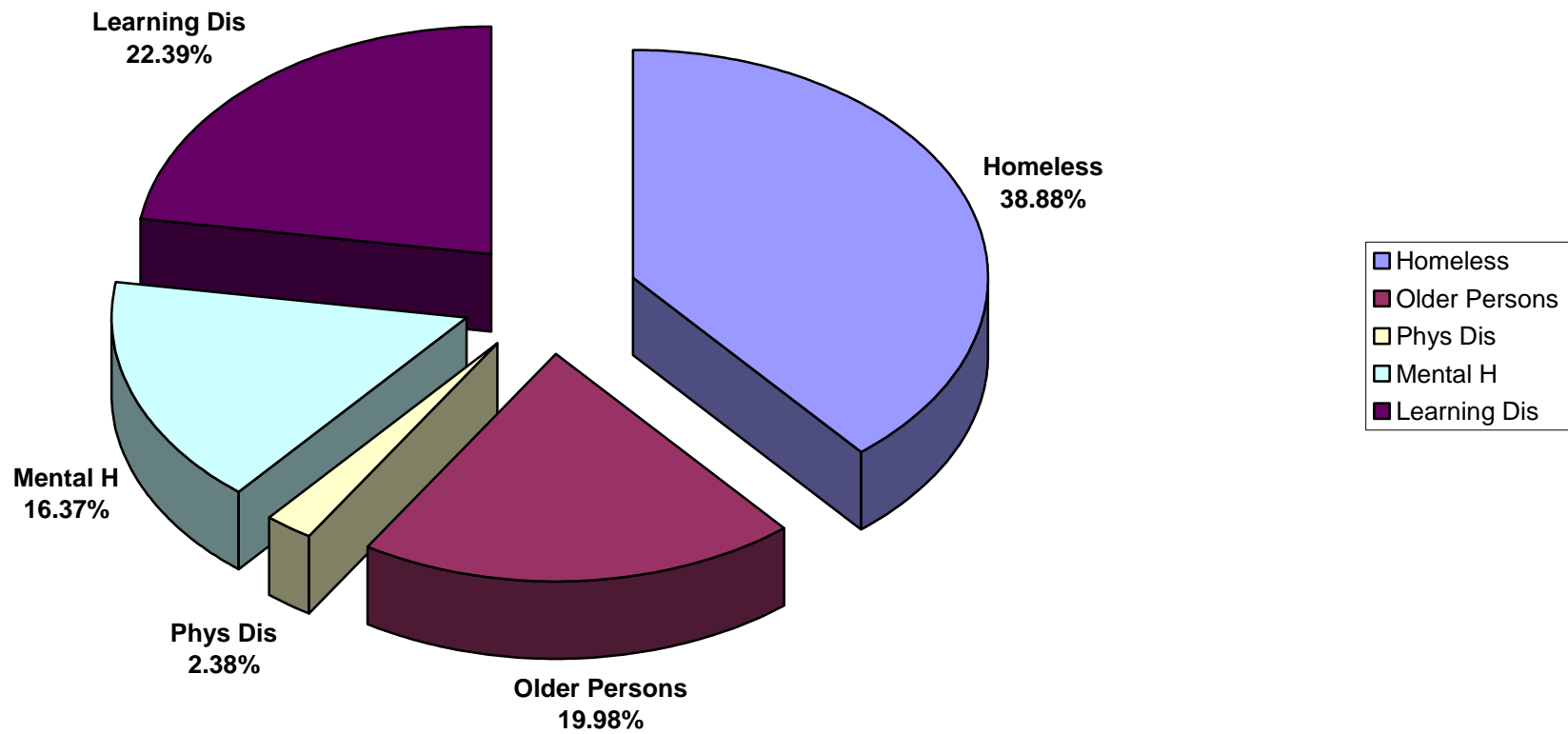
Re-alignment of resource post 2008

3.2 The Devon Supporting People programme has prepared a template structured around the principles of 28 towns/1 city; 3 localities, and 1 Devon. The template is currently being populated with all available supply data (finance, services), as well as a full range of relevant needs indices. In 2008/9 the template will be used to model new proposals for sectorial and geographical shift of resource, within the context of public and community involvement.

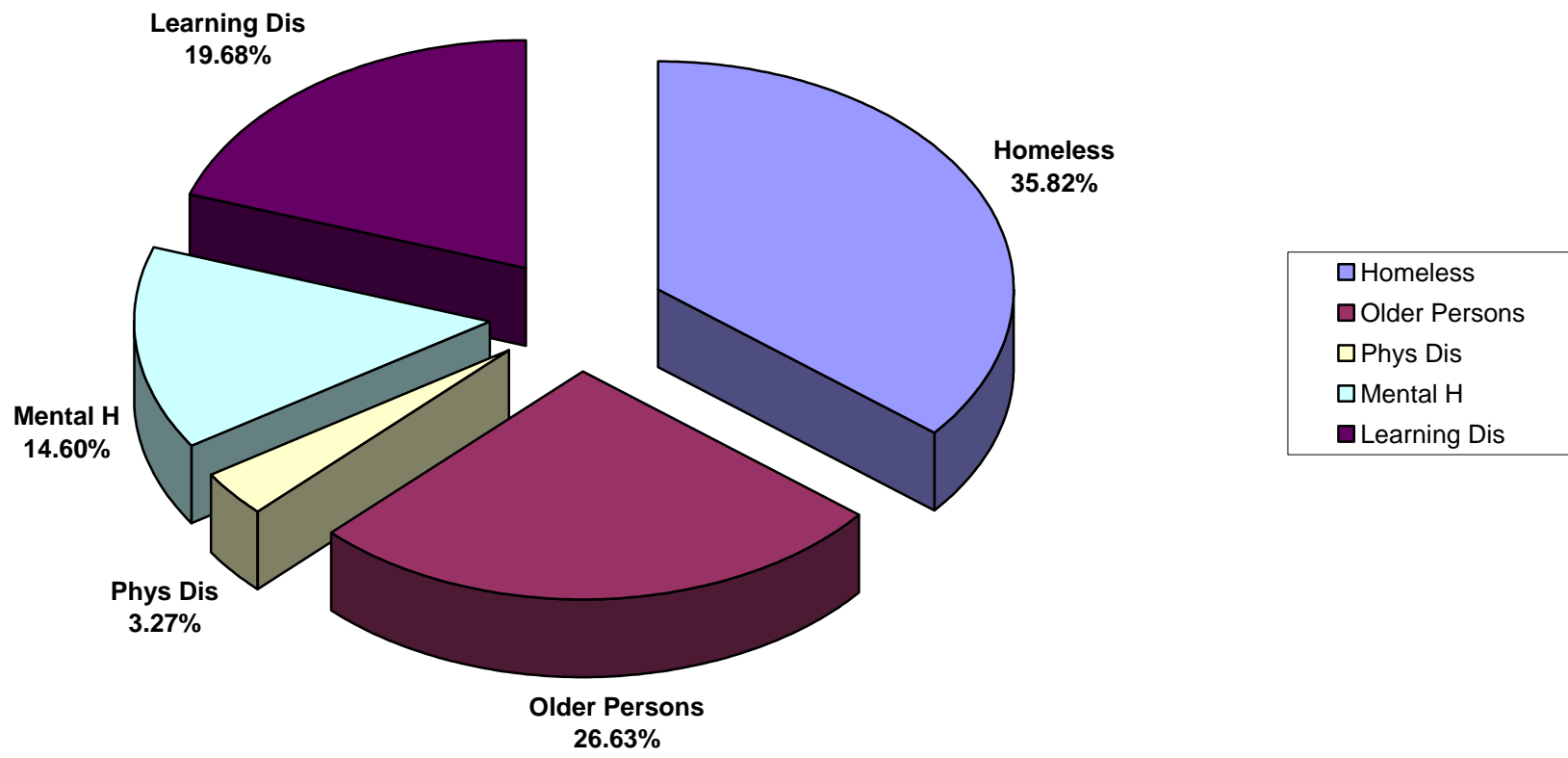
Supporting People Programme Spend Per Sector



Supporting People Funding Split 2003-04



Supporting People Funding Split 2007-08



Supporting People Funding Split 2011-12

