

REPORT TO: **JOINT COMMISSIONING BODY**

REPORT FROM: **HOUSING SUPPORT STRATEGIC PARTNERSHIP, &  
DEVON SUPPORTING PEOPLE TEAM**

DATE: **9<sup>TH</sup> MARCH 2009**

OVERALL FINANCE REPORT

**STUCTURE OF REPORT**

**Financial Strategy Report JCB/09/170**

**Appendices:**

**Appendix 2**  
Finance Manager  
Report

**Appendix 1**  
Letter from CLG  
Rough Sleeper  
specialist advisor

**Appendix 3**  
Forecast spend  
As at 31<sup>st</sup> Jan 09

**Appendix 4**  
Excel spreadsheet  
Draw down schedule  
Of funds

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FINANCE STRATEGY REPORT

**RECOMMENDATIONS**

The Joint Commissioning Body (JCB) to:

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

**1. BACKGROUND**

- 1.1 On December 15<sup>th</sup> 2009, Devon's Joint Commissioning Body agreed a financial strategy based upon the report JCB-08-169.
- 1.2 The report set out 5 principles for how Supporting People finances will be managed between 2009/12.

**2. METHODOLOGY FOR REPORTING FINANCE STRATEGY PROGRESS**

- 2.1 The JCB will receive a progress report four times a year, updating them on the progress or problems being experienced with implementing the 5 finance strategy principles (shown in bold italics).
- 2.2 These updates will report against each finance strategy principle separately using the headings of:
  - o 'progress/obstacles'
  - o 'next steps or recommendations'
- 2.3 Wherever 'recommendations' are made, the report will show clearly where/who these are from, and will summarise all consultations leading up to the recommendation.

### 3. 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.”***

#### **Progress/Obstacles:**

3.1 Joint Strategic Needs Assessments (JSNA) for housing support have been established for extra care, sheltered housing and substance misuse.

3.2 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.

#### **Next Steps and/or Recommendations:**

3.3 The Devon Supporting People team intend to work with each District and with each care group partnership board/steering group, to establish a joint housing and housing support needs assessment (JSNA).

3.4 The Housing Support Strategic Partnership (HSSP) recommends that a target date be agreed for completion of an initial JSNA for each care group. This will be set following further consultation with districts and partnership boards/steering groups.

#### **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.”***

#### **Progress/Obstacles:**

3.5 On 30<sup>th</sup> 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 JCB/09/171 ‘Performance Assessments’.

Next Steps and/or Recommendations:

- 3.6 The HSSP recommend that a reference group be established that includes providers in its make up, to help develop the performance assessment implementation needed for re-pricing homelessness contracts prior to March 2010.
- 3.7 The Devon Supporting People team to work with each District and with each care group partnership board/steering group, to develop the performance assessments needed for re-pricing contracts generally.

**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. “***

Progress/Obstacles:

- 3.8 Report JCB//09/171 ‘Performance Assessments’ includes the benchmarking of unit costs as part of decision making about payment of non guaranteed amounts.
- 3.9 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.
- 3.10 Report JCB/09/172 ‘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.

Next Steps and/or Recommendations:

- 3.11 The Devon Supporting People team will continue consultations with Communities and Local Government, Government Office South West, and Devon County Council finance team over the efficiency measures that Devon’s housing support programme will be expected to evidence.

**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.”***

Progress/Obstacles:

- 3.12 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.
- 3.13 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.
- 3.14 The Finance Manager Report (Appendix 2, 3, and 4 to this report) provides a detailed update of progress towards achieving a balanced spend at financial year end.
- 3.15 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. There is a difficulty and question about how provisions that are not connectable to named service users or post codes should be reported on in the future.

Next Steps and/or Recommendations:

- 3.16 The HSSP recommends that a review of the finance reporting formats should take place, to ensure that the most appropriate financial in year and longer term forecasts can be clear and accessible.
- 3.17 The Devon Supporting People team will develop a budget plan for 2009/10, based upon the assumption of the programme needing to fund a 2.5% inflationary award out of existing grant for 2010/11.

**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.”***

Progress/Obstacles:

- 3.18 The letter from CLG’s Rough Sleeper Specialist Advisor (Appendix 1 to this report) demonstrates that Devon’s finance principles are recognised as good fit to the statutory duties of housing departments.
- 3.19 The Report JCB/09/172 ‘Joint contracts’ sets out proposals for service users in receipt of both care and housing support to have their needs met

Next Steps and/or Recommendations:

3.20 The HSSP Recommends that a short overarching housing support strategy be drafted, that set out the key aims and aspirations of housing support. This to be available as draft by June 2009.

## Appendix 1 to JCB/09/170

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 led 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

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**REPORT FROM: HOUSING SUPPORT STRATEGIC PARTNERSHIP & DEVON SUPPORTING PEOPLE TEAM**

**DATE: 9<sup>th</sup> March 2009**

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## **SUPPORTING PEOPLE FINANCIAL REPORT**

### **RECOMMENDATIONS**

The JCB 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 inflationary uplift for 2009-10. (3).

### **1. BUDGETARY POSITION**

- 1.1 Attached at appendix 3 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 JCB meeting on the 15<sup>th</sup> 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 3 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 JCB 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 has been classified as red, or '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 at Appendix 4 to this report.
- 2.2 As already indicated above (1.4) there will be a significant saving associated with the funding approved for 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 their 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. The current forecast spend still reflect both of these schemes being fully drawn down by 31<sup>st</sup> March 09. However, should this situation not present itself it will have the effect of increasing the forecast under spend as reported in 1.1 (appendix 3).

## **3. INFLATIONARY INCREASE 2009-10**

- 3.1 Approximately two years ago JCB took the decision to align the annual Supporting People inflationary increase with that agreed for Adult & Community Services external contracts. It has now been confirmed a **2.5%** inflationary increase has been agreed for 2009-10. This will be applied to Supporting People contracts from the 1<sup>st</sup> Monday in April (6<sup>th</sup>) or the date Providers increase their charges whichever is the latter.

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)
	(2.8%)

<b>Total SP Programme Funding available 2008-09</b>	
08-09 CLG Grant	£19,337,068
08-09 ACS Funding Devon C&R	£ 292,218
07-08 R/F Funding	<u>£ 1,104,446</u>
	£20,733,732