

REPORT TO: JOINT COMMISSIONING BODY

REPORT FROM: HOUSING SUPPORT STRATEGIC PARTNERSHIP

DATE: 14thTH SEPTEMBER 2009

SUPPORTING PEOPLE FINANCIAL REPORT 2009/10

RECOMMENDATIONS

The Joint Commissioning Body to:

1. Note the final outturn position appertaining to the Programme Grant spend for 2008-09 (1.1 appendix 1).
2. Note the current programme grant forecast appertaining to 2009-10 (3.1 appendix 2).
3. JCB to endorse the decision taken by the SP Finance & Planning group and the HSSP not to budget for the award of a inflationary increase in 2010-11 (4.2).
4. Note the target 'efficiency' savings required from each sector for 2010-11 & 2011-12. (5.3).
5. Agree to the continual introduction of flexible contracting arrangements in order to meet new and changing priorities for example future extra care developments (6.3).

1. PROGRAMME GRANT

- 1.1 Attached at appendix 1 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 has resulted in having an under spend of £620,120 which we have been permitted to roll-forward into 2009-10.
- 1.3 The 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.
- 1.4 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 £13,182

previous financial reports.

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

- 1.3 JCB had already taken the decision that £500k should be set aside to fund an inflationary increase for 2009-10. This initially was based on the award of a 2.5% increase, which is the figure subsequently agreed.

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

- 2.1 The estimated full-year programme grant expenditure for 2009-10 is outlined below. This has been based upon the current commissioning plan going ahead and includes the 2.5% inflationary increase approved at the beginning of the year.

<u>Sector</u>	<u>Est spend 09-10</u>
Homeless	(£6,805,057)
Learning Dis	(£3,978,194)
Mental Health	(£3,125,682)
Phys Dis	(£ 647,000)
Older Persons	(£5,591,161)
TOTAL BUDGETED COST (09-10)	(£20,147,094)
CLG Grant 09/10	£19,337,068
ACS Funding (Devon C&R)	<u>£ 299,523</u>
	<u>£19,636,591</u>
Est shortfall	(£ 510,503)
08/09 R/F under spend	<u>£ 620,120</u>
Est non-recurrent funding available	£ 109,617

- 2.2 A report was presented to the last HSSP meeting on the 26 May 09 requesting approval for the £109k be used to fund a number of one-off strategic priority initiatives identified within Devon's Housing Support programme. The report was subsequently endorsed on the 26th and a detailed Funding Drawdown schedule outlining the agreed initiatives is available upon request.

3. PROGRAMME GRANT POSITION 2009-10

- 3.1 At appendix 2 can be found details of the forecast programme grant spend for 2009-10 as at August 09.
- 3.2 As can be seen the current projection indicates an under spend in the region of £90k.
- 3.3 The majority of the £90k is made up of under spends within SP Learning Disability and Older Persons Block Subsidy contracted services. It is worth highlighting these are variable contracts therefore the situation could change as the year unfolds.

4. INFLATIONARY INCREASES 2010-12

- 4.1 The three-year Devon Supporting People strategy approved by JCB at its meeting of the 15 December 09 covered the period 2009-12. A 2.5% inflationary uplift for 2009-10 will be funded from the under spend being roll-forward from 08-09 into 09-10 (see 1.3 above).
- 4.2 The Devon Supporting People programme will need to agree its position and intent in respect of whether it should plan and budget for an inflationary increase for year's 2010-11 & 11-12. The Supporting People Finance & Planning Group and HSSP have agreed a proposal that no inflationary increase should be awarded for 2010-11.

5. ESTIMATED TARGET EFFICIENCY SAVINGS 2010-12

- 5.1 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.
- 5.2 Given the fact that we have been permitted to roll-forward the 2008-09 year-end under spend will result in no efficiency savings having to be found during 2009-10.
- 5.3 However, as previously forecast, this situation will change in the subsequent two years. Below are the estimated savings 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

5.4 The above figures do not include any inflationary increases for year's 2010-11 & 11-12. Also, as already outlined, we do not know, 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.

6. EXTRA CARE DEVELOPMENT

6.1 The JCB's role is to decide the strategic commissioning priorities in terms of how investment is apportioned across the care groups that make up the programme. In December 2008, JCB agreed the introduction of flexible contracts, alongside an annual re-appraisal of the balance of investments. (Report JCB-08-169). The decision as to whether the 2010 'non-guaranteed element' of each contract will remain available to the high performing providers in the sector that generated them, or whether they will be needed to fund activities in other sectors of the programme is due to be taken by the JCB in autumn 2009.

6.2 In taking this decision JCB will need to be aware of the Extra Care developments currently taking place and which are planned over the next few years, the majority of the costs for which were not included within the 3-year Financial Strategy approved by JCB in December 2008.

Current planned Extra Care Developments

1. Okehampton, 50 bedded unit due to become operational Oct/Nov 09. Full-year SP contribution required will be £100k, £50k has already been identified as a result of a previous JCB decision, however currently there is a £50k shortfall.
2. Barnstaple, development of a 45 bed extra care facility, currently planned for autumn 2010. It is not yet known what SP investment will be required over and above its current funding levels for this service.
3. Plans are currently in the embryonic stage for the development of a 50 bedded extra care unit in central Exeter. Current time frame would indicate this facility becoming available in late autumn 2011. Not yet known the likely SP investment required.

6.3 Given 6.1 & 6.2 above Supporting People should continue to maintain a flexible contracting arrangement which will allow investment to take place in order to address new and changing priorities i.e. extra care.