

Agenda item:

[No.]

Cabinet

On 26th April 2011

Report Title: Proposal for the redesign of the Supporting People programme and contributions to the Council's savings plan

Report of: **Mun Thong Phung, Director of Adult, Culture and Community Services**

Signed:

Contact Officer: Margaret Allen, Assistant Director Safeguarding & Strategic Services

Wards(s) affected: **ALL**

Report for: **Key decision**

1. Purpose of the report

- 1.1. To describe the proposal on redesign of the Supporting People programme from April 2011 to March 2014, and to achieve improved value for money savings and to deliver on strategic developments to ensure continued support to the residents of the borough.

2. Introduction by Cabinet Member

- 2.1. The funding cuts from Central Government have meant that all areas of support and budget commitment be reviewed. The Supporting People programme is preventative in nature and the council has a clear commitment to continuing to support local residents through this mechanism. A redesign option on the Supporting People programme has been drawn up, which will align the programme with future needs within the community and allow for savings to be made to contribute to the council's savings plan.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. ACCS Council Plan Priorities are:

- Encouraging lifetime well-being at home, work, play and learning;
- Promoting Independent living while supporting adults and children in need; and
- Delivering excellent customer focused cost effective services.

4. Recommendations

4.1. It is recommended that the Supporting People programme is reduced in budget commitment by £5m from 1st April 2011.

4.2. It is further recommended that the programme makes use of this opportunity to be redesigned in line with current and future needs of the borough.

5. Reason for recommendation(s)

5.1. Currently the budget allocation for the Supporting People programme is £17m of which £3m is spent on delivering council-based services, and £14m is contracted with external providers. The services provided under the programme cover 19 client groups within 14 sectors and has 125 contracts in place to deliver services.

5.2. The programme provides services to the following sectors:
Mental Health; Learning Disability; Older People; Offender & substance misuse; Home Improvement Agency; Generic Floating Support to all age groups; BME organisations (advice & information); Teenage parents; single homeless; Young People; Domestic Violence; HIV/AIDS and physical/sensory impairment.
The programme also underpins the Rent Guarantee Scheme and links to the council's Housing Strategy, the Move On strategy and the Older People's Housing Strategy.

Floating Support services are designed to support people to access housing and to sustain tenancies in some circumstances. The service assists with:

- Rent arrears
- Benefits, budgeting and debt
- Finding and setting up a home
- Accessing local services

5.3. The programme has been externally evaluated as successfully delivering improved outcomes for service users and in achieving robust governance and oversight of council funds. The intention for the future is to use the key skills within the programme team to ensure continued delivery of both, within a reduced budget and a re-designed programme. The savings of £5m is challenging but achievable, through continuing the robust review of the programme which has already delivered savings of £4m plus, over the last 3 years, in response to Central Government funding reductions.

- 5.4. The Floating Support contracts equate to approximately 13% of the SP programme with approx 85% of Supporting People being accommodation-based, and 2% being made up of access to employment and Home Improvement Agency services. The retention of accommodation-based provision will guarantee security of tenure, and ensure the stability of the programme across sectors, which floating support would not directly provide. The intention is to reduce floating support services to a single, generic service (over two years), aimed principally at the core of homeless people in the borough. It is deemed a lesser risk to remove floating support services, as most people accessing this service also have access to other support. The reductions of floating support services would therefore reduce duplication and overlap with the system, and would achieve savings of £2.6m based on current spend.
- 5.5. Similarly, the current value of external contracts for mental health support could be reduced by 40% without losing the accommodation-based provision which is essential to supporting adults with Mental Health problems effectively. It should be noted that market rates have determined that the existing contracts are now “adrift” of market prices, so a contract value reduction would achieve some levelling of costs. Additionally, there is likely to be increased take up of individual budgets for this client group that is likely to mitigate a reduced contract value. A reduction on this part of the programme would achieve savings in the region of £1.3m.
- 5.6. The range of council services in the programme has been reviewed and a saving of £200k has been identified which could be achieved by 1st April 2011, without incurring exit costs (due to vacant posts), or destabilising the internal provision. It is therefore proposed to reduce the in-house spend by £200k.
- 5.7. The existing Root & Branch review of the programme during 2010/11 will also deliver a proportion of the savings required. The full year effect savings on these, from 1st April 2011 will deliver an additional £1.4m. The total savings achievable under this proposal amount to £5.545m which includes the £5m reduction in response to Central Government spending cuts, and meets an in-year budget pressure of £545k to bring in a balanced year-end account.
- 5.8. The redesign of the programme would allow (in 2012/13) for the funding to adult social care client groups to be moved into adult social care commissioning, which would align better with the transformation programme and increased choice and control offered to residents. This “passport” funding would allow new services to be commissioned which would link to housing-related needs, for example, expanding the use of assistive technology to link with the community alarm service, and to re-direct funding into extra care supported housing. Both of these examples would assist a broad range of people to remain in their own homes for longer. These proposals link to the existing review of supported housing and the development of the Older people’s Housing Strategy

- 5.9. The “core” of the redesigned Supporting People programme would focus on hard-to-reach groups such as; homeless people, Domestic Violence, Offenders, substance misuse, teenage parents, young people leaving care and young people at risk. The intention would be to retain the Home Improvement Agency and the Rent Guarantee scheme and to seek to develop a Foyer in the borough. This range of services would underpin a continuum of housing options for residents, whilst developing new initiatives for the future.
- 5.10. As part of the redesign of the programme, we are exploring options for some external providers to become social enterprises, and discussing re-modelling and reconfiguration of services across the provider forum, allowing for greater integration of service delivery, and access to alternative funding streams. To that end, we are also working with housing on the development of a “gateway” model incorporating Youth Offending, Hearthstone, the Vulnerable Adults Team and Housing Accommodation Officers, to enable a more coherent pathway to a range of housing-related support.
- 5.11. The redesign proposal will follow the council’s consultation process and all service areas will be equality impact assessed prior to any final decisions.

6. Other options considered

- 6.1. Officers have considered all options but due to budgetary constraints on the Council it is necessary to find this level of savings within the Supporting People budget. This necessitates the redesign of the service to meet these budgetary demands.

7. Summary

- 7.1 The Supporting People programme is an invest-to-save strategy which responds to the Prevention Agenda.
- 7.2 The programme has been externally evaluated as delivering good outcomes within robust governance and has successfully been reviewed in line with reducing income over the past 3 years.
- 7.3 The programme team enjoys a mature working relationship with providers, which has allowed for re-modelling and re-negotiated contracts. This approach will be taken to achieve further savings of £5m required in response to the current spending cuts.
- 7.4 Equality Impact assessments and full consultation procedures will be followed prior to any final decisions.
- 7.5 Market shifts have indicated that current contract values are “adrift” of benchmarked prices, and this will be used as a mechanism for a further levelling of costs across the programme.
- 7.6 Approximately 13% of the programme is concentrated in Floating Support, with 85% being accommodation-based provision. The proposal is to reduce all but one generic floating support service, retain accommodation based provision and re-negotiate contracts where flexibility is available to make the required savings

without de-stabilising the programme.

- 7.7 The retained services would (under "Phase 2") be re-designed with a view to moving those relevant adult social care client groups into the personalisation agenda for future commissioning, and focussing the programme on the Hard-To-Reach groups, within significantly closer working arrangements with strategic housing.
- 7.8 Consultation with providers, on the proposals closed on 31st March 2011, consultation with Service Users, closed on 8th April 2011. The feedback (including responses to EqlAs) and the conclusions from these will form part of any final decisions. The Council will take into account its public sector equality duties and responses received to consultation before making any final decisions on the cuts in this area. The reports will form appendices to the main report and will be tabled for Cabinet Members prior to the meeting.
- 7.9 As a consequence to delays in due process, there is a risk that the full £5m saving from the SP programme may not be realised by 1st April 2011. There is a potential financial risk of £410,000 for a delay of four weeks, which will create an in-year budget pressure, which will be managed within the programme. The Supporting People team are working to ensure the minimum disruption.

8. Chief Financial Officer Comments

- 8.1 The budget allocation for the Supporting People Programme is £16.99m. In order for the Council to meet its savings target and to bridge the gap between available funding and expenditure the Supporting People Programme must find savings of £5m. There is an over commitment currently within the programme which, unless reduced by the end of this financial year, will cause an overspend position on 1st April 2011 of £0.537m. Therefore, in order to achieve savings of £5m commitments must reduce by £5.537m.
- 8.2 The proposal outlined above will achieve the required reductions and will result in a contribution of £5m towards the Council's budget gap. The service redesign, and re-negotiation based on current market rates will enable the service to become more cost effective. Each contract that is being proposed for change or decommissioning will need to be evaluated to ensure that correct process is followed minimising any risk of challenge to the council from the current providers.
- 8.3 In order for the saving to be achieved in full, contract reductions would need to have been in place from 1st April 2011. However, as it is now evident that this will not be possible, the cost of the delay in implementation will need to be contained within the overall 2011-12 service budget. A delay of one month will result in a reduction in savings of approximately £410k. A further 2 months delay, to end of June 2011, will result in a total reduction in savings of circa £990k.

9. Head of Legal Services Comments

- 9.1. Final decisions will need to be made as appropriate by the relevant Cabinet

Member or Cabinet. The budget report that went to Cabinet on 8th February 2011 approved **in principle** savings set out in the relevant Appendix to the report and agreed to delegates final decisions on the savings to be adopted to Directorates and where appropriate to the relevant Cabinet members within their portfolio responsibilities, following appropriate consideration of the results of any consultation and having had due regard to the Council's equality duties. In particular Equality Impact Assessments will be considered individually and where appropriately collectively before any final decisions are made.

10. Head of Procurement Comments – [Required for Procurement Committee]

10.1. N/A.

11. Equalities & Community Cohesion Comments

11.1 Equalities Impact Assessments have been carried out for all services which have been subject to the Root & Branch review within the Supporting People programme and continued consultation is ongoing with Providers and their service users.

11.2 For any stakeholders (includes providers and users) likely to be affected by this proposal but not yet reviewed, Equalities impact assessments are currently being carried out, in line with the guidance from the Equalities and Diversity Officer.

12. Consultation

12.1 Consultation, in line with guidance from legal services has commenced and a programme covering affected providers has been drawn up.

**13. Service Financial Comments
Efficiencies**

Of the proposed £5m cuts, £3.1m will be achieved through efficiencies, without impacting on service provision, and is inline with the Root and Branch review of the Supporting People programme which is due to be completed by March/April 2011.

14. Use of appendices /Tables and photographs

14.1. Appendices 1 & 2 to be tabled prior to the meeting.

15. Local Government (Access to Information) Act 1985

15.1. N/A.