

Report to: Communities Scrutiny Committee

Date of Meeting: 6th December 2012

Lead Member / Officer: Corporate Director of Modernisation and Wellbeing

Report Authors: Service Manager, Adult Services and Senior Finance Officer

Title: Consultation on the Supporting People Spend Plan & Changes to the Supporting People Strategy for 2013 to 2014

1. What is the report about?

The three year spend plan for Supporting People (SP) and changes to the SP Strategy including the implications for Denbighshire County Council of changes to the SP Programme across Wales.

2. What is the reason for making this report?

To consult with Members on updates to the SP Strategy and 3 year spend plan. Cabinet has requested that Scrutiny consider the impact of the National changes on DCC as part of the Scrutiny Work Programme. Further detail will be provided in 2013 as implications of the new arrangements become clearer.

3. What are the Recommendations?

That Scrutiny notes the tight reporting timescales and comments on the 3 year spend plan and changes to the SP strategy for 13/14, as part of the consultation process.

4. Report details.

4.1 Supporting People is a significant programme providing “housing related” support services to a wide range of vulnerable groups, including people who are homeless, people with mental health needs, learning disabilities, the young & vulnerable, people with substance misuse need, ex-offenders, people fleeing domestic violence and older people. The aim is to enable them to maintain secure housing while developing other aspects of their lives promoting independence. The Supporting People Programme has been evaluated at national level and shown to deliver very positive financial and non financial benefits. In Denbighshire, Supporting People funds a wide range of services including elements of sheltered housing, extra care, women’s refuges, community living schemes for people with learning disabilities and schemes for homeless people.

Current Position.

- 4.2** Changes to the administration of the SP programme are taking place across Wales. These include a new funding distribution formula, and transfer of contracting responsibilities for some services from Welsh Government to local authorities. In addition, new governance arrangements, including Regional Collaborative Committees (RCC), with key responsibilities for the SP Programme, have now been established across Wales.
- 4.3** The RCC has responsibility to make recommendations on local and regional spend to the Minister who would then make the resource decision. Therefore the Minister would be involved in decisions on local and regional spend on SP services and virement of funding between the local and regional plans within the region

Implications for Denbighshire

- 4.4** The implementation of the needs based distribution formula referred to above, is anticipated to lead to funding reductions of £1.5m in Denbighshire over a 5 year period, beginning in 12/13. The rate of cut is 4% (£273k in 12/13), 4% in 13/14 (£276k) plus 5% in each of 14/15, 15/16 plus 16/17. Denbighshire has begun to prepare for how it will approach mitigating this loss, but it remains a very substantial loss of funding, with particular impact likely on adult social care services. The establishment of Regional Collaborative Committees reduces the role that the Council has previously had. New guidance and changes to grant terms and conditions are also reducing flexibility.

The RCC delivery structure

- 4.5** There are many unknowns about how the new delivery structure will operate, no similar multi-sector body, including both commissioners and providers, has existed previously so there is no track record of relationships and trust on which to base collaboration. All stakeholders believe that there are benefits to be gained from cross border working, especially where there are specialized needs. However, there is potential for disagreement about how the new arrangements and guidance are interpreted. This has the potential to expose grant holding bodies to risk in addition to that from reduced funding due to redistribution. This is particularly so in North Wales as all North Wales authorities stand to lose under redistribution.
- 4.6** Recommendations made to Cabinet on 4th September were that, despite identified risks, Denbighshire should participate in the new arrangements and aim to influence delivery from “inside the tent.” The risks are such, however, that the impact of the new arrangements does need careful scrutiny, especially over the next 12 months, as the major changes are introduced.

Changes to the SP strategy 2013/14

4.7 Details of the changes are included in appendix 1 pages 2 and 3 and are highlighted in yellow for ease of identification. A new 3 year rolling strategy will need to be developed during 2013 to mirror the new 3 year spend plan and this will set out how the projected deficit in 2014/15 and 2015/16 will be managed.

The 3 year spend plan

4.8 The grant calculations and impact of the spending reduction for 2012/13 and subsequent 4 years are shown in Appendix 2.

4.9 The overall reduction of 4% in 13/14 equates to £276k and proposals will be put to the RCC for reductions to be found within PDSI (£125K) (which has a reduced demand) uncommitted resources from 12/13 (£109k) and learning disability services (£42k).

4.10 The 3 year spend plan also requires the reporting of 2014/15 and 2015/16. The obligatory levels of savings are again detailed in Appendix 2. Though WG requires a 3 year spend plan (13/14 to 15/16) it is DCC's intention to be clear at this stage about Year 1 (13/14) but to state that more time is needed to develop proposals for 14/15 and 15/16. We believe other North Wales authorities will do the same. It is also DCC's proposal that a more even distribution of the cut is applied as all cuts to date have been taken from former SPG services (essentially those funding community care related services). The required levels of savings have been broken down into the previously categorised SPG, SPRG and WAG SPRG projects. These reductions are required in order to balance the indicated grant funding for 2014/2015 and 2015/2016.

4.11 All projects are subject to a review process. As this develops, the reviews may help inform other options to deliver the required level of savings. All reviews will consider the eligibility of services, "strategic relevance to fund" and performance against contracts and outcomes.

4.12 The 2012/13 and 2013/14 Spend Plans are included in Appendix 3.

4.13 The time scales for reporting the financial information to the RCC is included in Appendix 4.

5. How does the decision contribute to the Corporate Priorities?

Regional collaboration and a regional strategy for commissioning and delivering services will contribute towards managing the downsizing of the grant and the protection of front-line services. However we need to ensure final arrangements for RCCs do achieve this effectively.

6. What will it cost and how will it affect other services?

The estimated reduction in SP grant over the next 5 years is projected to be approximately £1.5m for Denbighshire.

This will have an impact on the Social Care and Housing budgets. The final impact is unclear but is £167k in 13/14 and could be around £133k in 14/15 and £126k in 15/16.

The projects and changes identified will be managed within the existing Supporting People budget allocated to Denbighshire by the Welsh Government.

7. What consultations have been carried out?

Consultation on SP Programme Arrangements and guidance

The Welsh Government has undertaken extensive consultation on the proposals for RCC's. The WG planned review of the new arrangements will include an assessment of how the Programme is meeting the requirements of the WG Single Equality Scheme and action plan.

Consultation on Denbighshire's SP strategy and Spend plan

The Supporting People Planning Group held 3 meetings during the development of this report and considered "Strategic Priority to Fund" commissioning tools, Needs Mapping Exercise (NME) data, outcomes reports, supply map information and feedback from stakeholders and consultation meetings.

A consultation event for current support providers was held in July 2012 and feedback reported to the SP Planning.

A final consultation event with providers & stakeholders will take place early in December. The final document will be submitted to the Supporting People Planning Group on 10th December 2012 and to Cabinet for approval on 18th December 2012.

8. Chief Finance Officer Statement

The reductions in grant funding and the implications on the Supporting People programme - and the wider impact on other social care budgets will continue to be carefully managed. The council has been prudent and made some financial provision to dampen the impact of funding reductions but the programme and the services it funds will have to be kept under review to ensure expenditure does not exceed the allocated funding. The establishment of a regional structure to manage Supporting People is at an early stage and the full implications of this will become clearer over the coming months.

9. What risks are there and is there anything we can do to reduce them?

The proposals to manage the reduction in grant funding in 2013/14 are reasonable. Any in-year shortfall in social care budgets could be met from the reserve established to manage the planned grant cuts. The proposal to distribute grant reductions equally over all SP services spreads the impact more evenly but does pose risks within the context of a regional committee with potentially differing views around priorities within the overall SP funding. A more even distribution of cuts means the impact upon the council generally is more manageable and would provide more flexibility in use of the SP reserve to deal with the issue.

10. Power to make the Decision

To determine the content of any plan, strategy or other policy document
Requires approval by the Lead Cabinet Member in accordance with Statutory Instrument 2001 No. 2291 (W,179) Regulation 4 (3)(c) + (d).

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