

REPORT

By: Caroline Highwood - Director Resources, Kent Adult Social Services

To: Supporting People in Kent Commissioning Body

19 March 2009

Subject: Supporting People Budget

Classification: Unrestricted

For Decision

Summary: This report provides information on the budgetary position of the Supporting People Programme for the year 2008/2009 and predicted position for 2009/10

1.0 Introduction

1.1 There has not been any substantial change in expenditure since the previous Commissioning Body.

1.2 The programme has always been managed on the basis that there is no expectation that additional funding can be sought from key stakeholders. The current intention is to invest in the programme within the resources that are made available by the CLG.

2.0 Forecast for 2008/2009

2.1 The Commissioning Body report in December 2008 indicated an estimated spend within 2008/2009 of £31.7 million. There is very little change to this position. The expenditure remains stable.

3.0 Five Year forecast

3.1 The Commissioning Body report in December 2008 showed an anticipated spend of £35.2 million for 2009/2010. This has now changed to £34.3 million. This is due to competitive bids within the

tendering process and the movement of anticipated supported housing schemes into 2010/2011.

The forecast is attached as Appendix 1 of this report.

4.0 Inflationary Increase

- 4.1 A 2.5% inflationary uplift has been factored into the forecast. The proposal is for the programme to mirror the inflationary uplift which is being applied to the majority of Adult Social Services contracts. The background to this decision is that in this difficult financial climate it is important to reflect Kent County Council's commitment to working with all providers to improve the quality of services available to vulnerable people of Kent.
- 4.2 It was felt that the usage of the Retail Index and Consumer Price Index was limited at this time because of their significant fluctuation over the past several months which is expected to continue.
- 4.3 The 2008/2009 inflationary price increase award was allocated as follows:
- 2.5% across all sectors except Nursing Care Homes
 - Direct Payments increase 2.5%
 - Supporting People increase 2.5%
- 4.4 The other relevant factors taken into account were the need to reflect the direction that other local authorities are taking and ensuring that there is a rationale behind any differential in price increases awarded by other social care agencies (adults and children) that are operating in the Kent area
- 4.5 Due to the timing of the Commissioning Body and payment runs for the beginning of the financial year any increase agreed by the Commissioning Body will not be applied until May and backdated to 1 April 2009.

5.0 Conclusion

- 5.1 The Supporting People programme has succeeded in reducing the anticipated overspend in 2012/2013. The five-year strategy will need to place the programme in a position of being able to deliver a balanced budget by 2011/2012.

6.0 Recommendation

- 6.1 The Commissioning Body is asked to agree:
- (i) the contents of this report.
 - (ii) an inflationary uplift of 2.5% from 1 April 2009.

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Background Documents:
None

Appendix 1 Supporting People 5 Year Forecast

Appendix 1
Supporting People 5 Year Forecast 2008/09 – 2012/13
5 Year Forecast

Years	2008/09	2009/10	2010/11	2011/12	2012/13
	£000	£000	£000	£000	£000
<u>Grant Allocation</u>	-£32025	-£32025	-£32025	-£32025	-£32025
<u>Expenditure</u>					
Core Services	£30115	£31612	£34208	£35515	£35587
Service Adjustment	£1497	£174			
Core Services With Proposed Inflationary Uplifts		£32581	£35063	£36403	£36476
New Identified Services Commencing April 2009/2010		£1627	£110	-£816	
<u>Identified New Service Commitments</u>					
Dual Diagnosis Accommodation Based			£102		
<u>Further Detail Required by Commissioning Body</u>					
Victoria Lodge (£25k)					
Thanet Direct Homeless Access Hostel			£240		
<u>Forecast Annual Spend</u>	£31612	£34208	£35515	£35587	£36476
Variance	-£413	£2183	£3490	£3562	£4451
<i>Under/Over spend indicator</i>	<i>Underspend</i>	<i>Overspend</i>	<i>Overspend</i>	<i>Overspend</i>	<i>Overspend</i>
Achieved Savings B/F	-£8969	-£9382	-£7199	-£3709	-£147
<i>Under/Over spend indicator</i>	<i>Underspend</i>	<i>Underspend</i>	<i>Underspend</i>	<i>Underspend</i>	<i>Underspend</i>
Year End Balance	-£9382	-£7199	-£3709	-£147	£4304
<i>Under/Over spend indicator</i>	<i>Underspend</i>	<i>Underspend</i>	<i>Underspend</i>	<i>Underspend</i>	<i>Overspend</i>