

ADULT SOCIAL CARE & HOUSING OVERVIEW AND SCRUTINY COMMITTEE

Agenda Item 22

Brighton & Hove City Council

Subject: In –year Grant Reductions 2010-11

Date of Meeting: 09 September 2010

Report of: The Acting Director of Housing, Culture & Enterprise

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Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Secretary of State for Communities & Local Government announced details of 2010/11 in-year grant reductions for all local authorities on 10 June. These totalled £3.55m for Brighton & Hove City Council covering both revenue and capital grants. There was a further announcement of a reduction in grant received from the Department for Culture, Olympics, Media and Sport on 17 June. On the 5 July the Secretary of State for Education announced reductions to the Education Capital programme relating to the Building Schools for the Future and Academies programme as well as high level reductions in the End Year Flexibility (EYF) allocations. Further details of the EYF allocations were announced on 14 July.
- 1.2 The in-year budget reductions have been considered by Full Council and the Cabinet.
- 1.3 The Overview and Scrutiny Commission (OSC) has considered all of the planned in-year grant reductions as a whole. The OSC has asked each Overview and Scrutiny Committee to individually consider the in-year grant reductions for their departments.

- 1.4 A Scrutiny Review Panel is being set up to consider all of the in-year budget cuts and their effects on Brighton & Hove City Council services.
- 1.5 For the Adult Social Care and Housing Overview and Scrutiny Committee, the only relevant in-year grant reduction is in terms of the Supporting People Administration Grant. This is being reduced by £164,000, which is 100% of the grant.

2. RECOMMENDATIONS:

- 2.1 That members:
 - (1) Note the report;
 - (2) and consider whether to refer any issues to the Scrutiny Review panel that will be considering the reductions in detail.

3. BACKGROUND INFORMATION

- 3.1 There will be a £164,000 reduction (100%) in the Supporting People Administration Grant from central Government.
- 3.2 The government's expectation is that Supporting People Administration could be incorporated into the administration of other related activities. The in-year cut to the Supporting People Administration Grant will be funded from an underspend that is created through low utilisation/voids in some services, re-charging, subsidy payments and a saving generated as a result of one service closing earlier than planned. There is no reduction in any current funding levels for any of our Supporting People services in this financial year and therefore there will be no impact on existing services.
- 3.3 As part of the planning for the 2011/12 budget consideration will be given to how the administration of Supporting People could be delivered alongside other services across the Housing Strategy Division to achieve this saving on a recurrent basis.
- 3.4 The Supporting People Commissioning Body is the key decision making body that governs and oversees implementation of the

Supporting People Strategy. Its key role is to direct the administering authority on the use and application of the Supporting People grant, ensuring expenditure profile is prudent and taking into account existing and proposed commitment to fund services. The Commissioning Body's role is also to identify opportunities for joint commissioning of services and collaborative working with key partners in Health and Probation to commission services. Membership includes representation of Chief Officers from Primary Care Trust, Probation, Housing Strategy and it is chaired by the Cabinet Member for Housing.

- 3.5 Communities and Local Government commissioned a report into the financial benefits of the Supporting People Programme in 2007. This research indicated that for every £1.61 spent on Supporting People services there was a £3.41 benefit for this investment. The methodology developed is based on the projected costs of alternative, appropriate support if Supporting People services were not available. The projected costs take into account costs for housing departments, Department of Work & Pensions, Health and other social costs such as crime and homelessness. This methodology has been applied to the local Supporting People Programme in Brighton and Hove and identified a benefit of £3.24 for every £1.00 spent on Supporting People services locally.
- 3.6 Local Authorities will receive an announcement on future allocation of the Supporting People Welfare Grant from April 2011 onwards after the Spending Review in October 2010. In previous years, allocations have been made on a 3-year basis and for 2008-11 we received an 11% cut over 3 years.
- 3.7 At a national level, National Housing Federation, SITRA and Homeless Link (all member organisations for supported housing) have published a joint submission to Communities and Local Government that presents a business case for ongoing investment in housing-related support. It also includes a number of recommendations to the Spending Review to maintain the same levels of investment in housing-related support and homelessness services that meet the support needs of vulnerable people that offer good outcomes, prevention through early intervention and value for money.

4. CONSULTATION

- 4.1 There has been early consultation with the Trades Unions on the in-year grant reductions. Statutory consultation will be required

with staff affected and the Trades Unions once the detailed proposals are agreed. Preliminary discussions have taken place with Sussex Police, the Community & Voluntary Sector Forum and the Primary Care Trust on the potential implications for services that are jointly funded. These will need to be continued as more detailed information on implementation is developed,

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 These are contained in the main body of the report.

Finance Officer Consulted: James Hengeveld Date: 19 July 2010

Legal Implications:

- 5.2 The respective powers of Council and Cabinet in the decision-making process are set out in the body of the report. The details of how the in year reductions announced by the government are implemented in Brighton & Hove is a matter for the City council's discretion. In exercising its discretion, the council is required to act reasonably. This includes a requirement not to fetter its discretion by adopting rigid/inflexible rules or policies, the need to consider the particular circumstances of each service affected, the need to undertake any necessary consultation with those affected where relevant and proportionate given the practical limitation imposed by time. Above all, the council needs to show that it considered all available options with an open mind. The council should also avoid taking any action that involves a breach of its statutory duty or failure to provide services that are mandatory.

Lawyer Consulted: Abraham Ghebre-Ghiorghis Date: 19 July 2010

Equalities Implications:

- 5.3 Equalities implications have been taken into account when prioritising the areas for grant reductions.

Sustainability Implications:

5.4 None have been identified.

Crime & Disorder Implications:

5.5 None have been identified.

Risk and Opportunity Management Implications:

5.6 5.6 As part of the process of drawing up the proposed expenditure reductions risk implications have been taken into account for example:

- Considering any legal and contractual implications
- Considering the implications on wider schemes particularly provided by the community and voluntary sector
- The lead in times required for delivery of savings

The one off risk provision of £0.5m has been set aside to deal with any residual risks that may arise during the detailed implementation of the proposals and any unforeseen delays.

Corporate / Citywide Implications:

5.7 Covered in the body of the report.

SUPPORTING DOCUMENTATION

Appendices:

1.

Documents in Members' Rooms:

Background Documents:

1.

