






**Report of: Community Housing Business Manager**

**To: Executive Board**

**Date: 11<sup>th</sup> September 2006**

**Item No:**

**Title of Report : Reduction in Supporting People Funding**


  
  
  
  


**Summary and Recommendations**



**Purpose of report:** To seek the Board's approval for the signing of an amended Supplemental Agreement for Supporting People Contract 830 relating to the provision of support for homeless households in Council owned or leased temporary accommodation), which will have the effect of reducing the level of funding received for this contract.


**Key decision:** No



**Portfolio Holder:** Councillor Patrick Murray (Improving Housing)

  
**Scrutiny Responsibility:** Housing Scrutiny & Overview Committee

**Ward(s) affected:** All

**Report Approved by**  
  
**Portfolio Holder:** Councillor Patrick Murray  
**Legal:** Lindsay Cane  
  
**Finance:** David Higgins  
**Strategic Director:** Michael Lawrence

  
**Policy Framework:** Consistent with the Council's Supporting People Strategy.

  
**Recommendation(s):**  
  
Board are recommended to approve the signing of the amended Supplemental Agreement for Supporting People Contract 830.



1. The Supporting People (SP) programme is central government's chosen method of delivering funding to those organisations providing housing related support to vulnerable people. SP, which was introduced in 2003, replaced a number of funding streams, most significantly the payment of costs for housing related support through the Housing Benefit system.
2. The programme was, in part, intended to generate savings in the amount of funding provided for such support by centralising the procurement of support services and matching provision to need more effectively. The exact details of the formula for calculating the amount of funding provided to each administering authority (in this case, Oxfordshire County Council working in partnership with District Councils, Registered Social Landlords, and Primary Care Trusts within the County, and the Thames Valley Probation Service) are still a matter of some debate, but significant reductions in the total amount of funding provided for the county have already occurred, and it is anticipated that further reductions will follow.
3. Oxford City Council functions as a provider of support as well as being a member of the administering partnership. The Community Housing Business Unit provides housing related support to elderly and vulnerable residents through the work of the Elderly Services Team, and to homeless households in Council owned or leased temporary accommodation through the work of our Temporary Accommodation Managers (TAMs).
4. In our role as support providers, officers of the Business Unit were involved in discussions with the SP team at County Hall during 2005. These discussions informed the process of allocating funding for the 2006/2007 financial year. One outcome of that process was a decision to reduce funding for the work carried out by the TAMs by approximately £90,000 p.a. from an original allocation of £170,000 p.a.
5. This reduction was factored into the Business Unit's budget planning for 06/07, and a bid was made for additional funding to cover the shortfall during the budget setting round in 2005/06. The bid was approved by Council as part of the budget setting debate on 20<sup>th</sup> February 2006.
6. It was anticipated that the new funding arrangements would be incorporated in contracts due to be signed before the start of the 06/07 financial year. Unfortunately, the SP Team proved unable to draft such contracts within the required timescale. To avoid any interruption in funding for SP supported schemes, the SP Team instead generated Supplemental Agreements which had the effect of extending the existing contracts (and existing levels of funding) for one year. The Supplemental Agreements contained a "claw-back clause", which allowed for the recovery of the difference between the existing level of payment and the level of payment contained in the proposed new contracts, when these were finalised and agreed.

7. This arrangement has now been in place for six months, and during that time the SP Team have continued to pay support costs to Community Housing at the old rate of c£14,000 per month. Similar arrangements are in place with other providers throughout the County. As a result the SP budget is overspending in relation to some contracts. The SP Team have so far proved unable to deliver new contracts, and are now seeking to amend some of the existing Supplemental Agreements to reflect the agreed changes to funding levels.
8. The SP Team have issued a Notice of Variation, together with an amended Supplemental Agreement, for SP contract 830, which is the contract which covers the support provided by Temporary Accommodation managers. The variation will reduce the funding for this service from £170,000 in the current financial year to £78,214.29, a reduction of £91,785.71, which is in line with the shortfall anticipated by officers. As this reduction is matched by the increased funding achieved through the budget setting exercise, the variation will have no effect on service delivery, and will regularise the financial position for both organisations.
9. Although this reduction was agreed in advance, and the funding to replace the shortfall was agreed in the 06/07 budget setting round, the Notice of Variation does represent a material change to the existing contract, and as such requires approval from the Board under the Contract Regulations as specified in the Council's Constitution.

#### Recommendation

9. The Board are recommended to approve the signing of the amended Supplemental Agreement for Supporting People Contract 830.

#### **Name and contact details of author:**

Graham Stratford, Business Manager, Community Housing

Tel: (01865) 252447

Email: [gstratford@oxford.gov.uk](mailto:gstratford@oxford.gov.uk)

#### **Background papers:**

None.

