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Dear Chief Executive

RE: SUPPORTING PEOPLE GRANT FOR 2005/06

This letter is to inform you of your authority's Supporting People programme and administration grants for 2005/06 and to advise you that we are now consulting on the draft Supporting People Grant Conditions and Directions for 2005/06.

Annex A sets out the programme grant allocations for all Administering Authorities. A detailed explanation of how these have been calculated will be placed on the spk-web (at www.spkweb.org.uk) shortly.

Most Authorities are required to make programme efficiency savings next year equivalent to the average reduction in the Supporting People budget of 5%. In accordance with Lord Rooker's undertaking no authority faces a reduction of more than 7.5% on its 2004/05 allocation. Where necessary, Authorities should make savings through the service review process and not apply across the board cuts.

Annex B sets out the administration grant allocations for all Administering Authorities. Details of how this has been calculated are included there. These grants are awarded to your authority as a contribution towards the costs of administering the Supporting People programme. It is for your authority to ensure that the administration of the programme is adequately funded.

As a preventative programme, Supporting People contributes to a range of key Government targets and objectives. Most of these are measured at the local level and if Authorities and their partners are to meet them, close links will need to be drawn between Supporting People, Health Trusts, and Probation Services among many others.

Throughout 2005/06, Administering Authorities will be measured against the three Key Supporting People Performance Indicators. We will use this data to

establish baseline performance against these indicators and will then look to authorities to deliver continued improvement in outcomes over time. Fuller details of Supporting People's cross Government objectives are set out in Annex C.

As previously announced, I can confirm that Authorities will be able to roll over any unspent Supporting People programme and administration grants from the 2004/05 financial year into the 2005/06 financial year.

We are also today launching a consultation on the Supporting People Programme Grant Conditions and Directions for 2005/06. The conditions remain broadly the same as in 2004/05 and are at www.spkweb.org.uk. The consultation will run for 8 weeks and will end on 11 February 2005. Please send any comments to sandra.popoola@odpm.gsi.gov.uk.

You may also know that we have been developing a formula to allocate Supporting People programme funds on the basis of need - the Supporting People distribution formula. This has been used to a limited extent to inform the allocations made for 2005/06 but we intend to consult further on developing the formula in the New Year. More information about the consultation will be set out on the spk-web shortly.

Finally, we recently sought bids for supplementary funding in 2004/05 to help authorities complete their service review programmes by the April 2006 deadline. A list of successful authorities and their awards is at Annex D.

Should you have any queries relating to the Supporting People Budget for 2005/06 then please contact the helpline at Supporting.People@odpm.gsi.gov.uk or on 020 7944 2556

Yours sincerely



Wendy Jarvis

cc. Supporting People Accountable Officer
Chair of Commissioning Body

Annex A

Distribution of Supporting People programme allocations in 2005/06

Following the 2004 Spending Review settlement, £1.715b has now been made available for Supporting People services in England in 2005/06.

The settlement for 2005/06 represents a reduction in funding of about 5% against the 2004/05 awards. In advance of today's announcement, Lord Rooker announced that no authority would face a reduction in grant of more than 7.5% and this has determined the lower limit for allocations in 2005/06.

We have used the Supporting People Distribution Formula to help inform the allocations of grant this year. We are still developing this formula but its main impacts are now clear. Some authorities are substantially under funded and, in the long run, they should have their allocations increased. Other authorities will face long term loss of SP funding. We are still working on the range of changes generated by the model - but the ranking of winners and losers is broadly stable.

We intend to consult further on the detail of the model so the formula will be subject to some change. However, we have used the current version to identify those authorities that will see increases or reductions in the long run, under a range of plausible scenarios (ie the outliers), and have adjusted their allocations in 2005/06 accordingly.

Where the distribution formula indicates, under a range of scenarios, a reduction of funding in the long term for an authority we have applied a cut of between 5% and 7.5%. The larger the long term reduction the closer the cut to 7.5%. Conversely, where the formula indicates an increase in funding in the long term we have applied a reduced cut of between 0% and 5%.

Three authorities have had their allocations managed outside the formula: City of London, Isles of Scilly and Rutland UA. These authorities each have allocations of less than £1m and do not fit the formula well and we have applied the average cut to their allocations.

Full details of how the formula has been applied to funding in 2005/06 will be published on the spk-web shortly. We will also be consulting on developing the formula further early in 2005.

In the longer term, by using the formula we will gradually shift resources from lower need areas to higher need areas. Over time this will mean that more vulnerable people get help. However, we recognise that significant changes in distribution cannot be made quickly and Ministers have announced that for 2006/07 and 2007/08 no authority will have its allocation reduced by more than 5%, or increased by more than 10% in any one year.

Table of Supporting People allocations in 2005/06

Local Authority	Allocation in 2005/06 £
Barking and Dagenham	4,829,776
Barnet	7,210,584
Barnsley	5,634,085
Bath and North East Somerset UA	4,082,544
Bedfordshire County	7,243,472
Bexley	2,776,759
Birmingham	52,234,629
Blackburn with Darwen UA	6,111,846
Blackpool UA	5,986,904
Bolton	9,210,165
Bournemouth UA	11,580,241
Bracknell Forest UA	2,070,981
Bradford	19,478,884
Brent	13,032,318
Brighton and Hove UA	12,913,931
Bristol, City of UA	28,722,815
Bromley	5,361,155
Buckinghamshire County	5,586,354
Bury	6,825,212
Calderdale	5,728,115
Cambridgeshire County	12,541,678
Camden	37,242,715
Cheshire County	21,116,586
City of London	703,788
Cornwall	13,784,764
Coventry	15,918,531
Croydon	8,572,165
Cumbria County	9,204,364
Darlington UA	3,868,563
Derby UA	10,734,376
Derbyshire County	17,333,558
Devon County	19,705,395
Doncaster	11,096,622
Dorset County	9,925,431
Dudley	6,277,415
Durham County	14,615,606
Ealing	11,103,991
East Riding of Yorkshire UA	4,778,204
East Sussex County	11,582,793
Enfield	11,252,905
Essex County	30,144,101
Gateshead	5,816,517
Gloucestershire County	25,769,741
Greenwich	9,113,923
Hackney	22,900,212
Halton UA	8,087,428
Hammersmith and Fulham	13,231,020
Hampshire County	31,597,449
Haringey	22,148,323

Harrow	3,498,300
Hartlepool UA	3,902,468
Havering	2,460,000
Herefordshire, County of UA	6,813,797
Hertfordshire County	21,341,822
Hillingdon	5,925,247
Hounslow	5,423,405
Isle of Wight UA	6,623,945
Isles of Scilly	1,859
Islington	15,901,079
Kensington and Chelsea	11,590,533
Kent County	32,509,561
Kingston upon Hull, City of UA	11,128,187
Kingston upon Thames	4,483,219
Kirklees	10,456,148
Knowsley	7,377,889
Lambeth	20,998,429
Lancashire County	29,284,038
Leeds	33,566,982
Leicester UA	15,988,077
Leicestershire County	6,807,853
Lewisham	17,522,839
Lincolnshire County	21,749,385
Liverpool	43,479,985
Luton UA	4,429,224
Manchester	39,415,198
Medway UA	5,943,669
Merton	3,345,767
Middlesbrough UA	5,973,730
Milton Keynes UA	5,333,923
Newcastle upon Tyne	19,133,061
Newham	10,855,567
Norfolk County	16,274,675
North East Lincolnshire UA	6,253,662
North Lincolnshire UA	3,393,287
North Somerset UA	5,977,551
North Tyneside	8,746,058
North Yorkshire County	15,584,012
Northamptonshire County	14,578,905
Northumberland County	7,085,603
Nottingham UA	26,949,100
Nottinghamshire County	26,382,139
Oldham	8,258,784
Oxfordshire County	19,721,101
Peterborough UA	4,582,416
Plymouth UA	8,251,491
Poole UA	5,166,505
Portsmouth UA	9,088,828
Reading UA	5,093,057
Redbridge	4,258,705
Redcar and Cleveland UA	2,245,094
Richmond upon Thames	2,863,427
Rochdale	15,369,828

Rotherham	7,442,852
Rutland UA	736,306
Salford	13,401,309
Sandwell	10,576,536
Sefton	6,656,540
Sheffield	25,288,885
Shropshire County	6,380,706
Slough UA	4,471,950
Solihull	2,613,473
Somerset County	19,806,183
South Gloucestershire UA	4,764,505
South Tyneside	4,783,470
Southampton UA	10,862,462
Southend-on-Sea UA	4,994,701
Southwark	19,095,830
St Helens	10,462,664
Staffordshire County	11,487,321
Stockport	8,094,293
Stockton-on-Tees UA	2,753,375
Stoke-on-Trent UA	5,126,907
Suffolk County	19,336,988
Sunderland	11,309,637
Surrey County	18,835,049
Sutton	3,640,743
Swindon UA	5,488,665
Tameside	7,137,904
Telford & Wrekin UA	3,917,394
Thurrock UA	2,310,961
Torbay UA	5,824,661
Tower Hamlets	15,166,392
Trafford	5,428,894
Wakefield	6,963,434
Walsall	7,155,216
Waltham Forest	7,666,158
Wandsworth	11,263,263
Warrington UA	7,745,015
Warwickshire County	10,241,821
West Berkshire UA	5,663,969
West Sussex County	15,374,370
Westminster	17,330,965
Wigan	7,170,457
Wiltshire County	8,284,967
Windsor and Maidenhead UA	1,744,531
Wirral	10,357,688
Wokingham UA	1,638,584
Wolverhampton	8,041,690
Worcestershire County	15,247,996
York UA	8,640,941

Annex B

Supporting People Administration Grant allocations in 2005/06

Background

In order to ensure that Supporting People was successfully implemented and managed, since 2001 Administering Authorities have been allocated a contribution towards their administration costs. This is now un-ringfenced for all authorities.

The amount of administration grant available was front loaded to reflect the implementation activities in the lead up to Supporting People going live.

In 2002 Tony McNulty announced our continued commitment to provide at least £40m of Supporting People Administration grant in each of the three years 2003/04 to 2005/06. Subsequently £48m was allocated in 2003/04, £46m in 2004/05 and £40m in 2005/06. Following the recent Spending Review 2004, £40m has also been allocated in each of the following years 2006/07 and 2007/08.

The formula used to allocate administration grant over the past two years reflected the number of services in each authority (as known at that time – the Golden Cut data), weightings for older people services and other services, and included a specified amount for IT, an amount for tenants not in receipt of housing benefit, and building on the initial formula a further weighting for authority type.

That formula is now out of date. It was designed to reflect costs associated with setting up the programme. We now need to reflect costs of administering the programme and managing the service review process to promote value for money in the programme.

New formula

The new formula has therefore been simplified and now reflects the numbers of services in each authority as at April 2003. This, in turn, reflects the volume of work associated with managing services – conducting reviews, re-contracting, decommissioning and ensuring good quality, value for money service provision.

However, given that the reduction in grant from £46m this year to £40m in 2005/06 represents an overall 13% reduction, changing the method for calculating allocations can lead to substantial changes in grant to individual authorities. We are therefore limiting maximum reductions to 20% for any authority and maximum increases to 3%.

Because all Administering Authorities are required to carry out certain tasks regardless of the number of contracted services within their area we have provided that no authority shall receive less than £28,000.

Individual grant allocations for 2005/06 have therefore been calculated by dividing £40m by the total number of services at April 2003 (Platinum Cut). This figure is then multiplied by the number of services within your authority, a floor and ceiling are then applied restricting losses to no more than 20% and gains to no more than 3%.

Local Authority	Allocation in 2005/06	Local Authority	Allocation in 2005/07
Barnsley Metropolitan Borough Council	220,624	London Borough of Southwark	327,660
Bath and North East Somerset Council	179,433	London Borough of Sutton	161,122
Bedfordshire	327,362	London Borough of Tower Hamlets	284,802
Birmingham City Council	759,092	London Borough of Waltham Forest	264,635
Blackpool Borough Council	154,497	London Borough of Wandsworth	363,741
Bolton Metropolitan Borough	199,558	Luton Borough Council	125,700
Borough of Blackburn with Darwen	158,954	Manchester City Council	348,138
Bournemouth Borough Council	208,688	Medway Council	175,740
Bracknell Forest Borough Council	108,315	Middlesbrough Borough Council	127,702
Bradford Metropolitan District Council	333,511	Milton Keynes Borough Council	143,301
Brighton and Hove Council	218,051	Newcastle Upon Tyne MBC	272,747
Bristol City Council	262,719	Norfolk	508,063
Buckinghamshire	265,595	North East Lincolnshire Council	143,178
Bury Metropolitan Borough Council	149,250	North Lincolnshire Council	131,502
Calderdale Metropolitan Borough Council	153,364	North Somerset District Council	139,374
Cambridgeshire	411,525	North Tyneside MBC	221,307
Cheshire	579,729	North Yorkshire	385,412
City of London	28,000	Northamptonshire	425,178
Cornwall	523,776	Northumberland	286,689
Coventry City Council	261,886	Nottingham City Council	290,761
Cumbria	328,059	Nottinghamshire	516,648
Darlington Borough Council	152,128	Oldham Metropolitan Borough Council	238,919
Derby City Council	219,179	Oxfordshire	427,128
Derbyshire	448,046	Peterborough City Council	147,094
Devon	622,026	Plymouth City Council	159,251
Doncaster	203,643	Poole Borough Council	132,724
Dorset	301,350	Portsmouth City Council	180,084
Dudley Metropolitan Borough Council	161,871	Reading Borough Council	135,189
Durham	420,406	Redcar and Cleveland Borough Council	135,647
East Riding of Yorkshire Council	217,087	Rochdale Metropolitan Borough Council	233,178
East Sussex	342,719	Rotherham Metropolitan Borough Council	217,163
Essex	893,263	Royal Borough of Kensington and Chelsea	223,383
Gateshead Metropolitan Borough Council	217,465	Royal Borough of Kingston Upon Thames	143,098
Gloucestershire	353,014	Rutland District Council	82,165
Halton Borough Council	128,656	Salford City Council	269,149
Hampshire	820,125	Sandwell Metropolitan Borough Council	291,255
Hartlepool Borough Council	153,146	Sefton Metropolitan Borough Council	285,403
Herefordshire Council	135,748	Sheffield Metropolitan City Council	287,778
Hertfordshire	715,392	Shropshire	230,940
Isle of Wight Council	130,909	Slough Borough Council	126,511
Isles of Scilly	28,000	Solihull Metropolitan Borough Council	132,461
Kent	980,690	Somerset	486,878

Kingston Upon Hull City Council	240,954	South Gloucestershire Council	150,177
Kirklees Metropolitan Borough Council	194,204	South Tyneside MBC	147,790
Knowsley Metropolitan Borough Council	140,426	Southampton City Council	202,614
Lancashire	651,359	Southend-on-Sea Borough Council	147,438
LB Hammersmith and Fulham	242,819	St. Helens Metropolitan Borough Council	195,036
Leeds City Council	523,670	Staffordshire	452,967
Leicester City Council	194,060	Stockport Metropolitan Borough Council	152,636
Leicestershire	351,726	Stockton-on-Tees Borough Council	129,038
Lincolnshire	464,185	Stoke-on-Trent City Council	330,816
Liverpool City Council	383,711	Suffolk	647,227
London Borough of Barking and Dagenham	142,565	Sunderland City Council	189,582
London Borough of Barnet	180,502	Surrey	568,571
London Borough of Bexley	145,194	Swindon Borough Council	173,233
London Borough of Brent	227,784	Tameside Metropolitan Borough Council	205,763
London Borough of Bromley	221,365	Telford and Wrekin District Council	121,765
London Borough of Camden	372,258	Thurrock Borough Council	116,963
London Borough of Croydon	225,052	Torbay Borough Council	124,791
London Borough of Ealing	228,859	Trafford Metropolitan Borough Council	159,994
London Borough of Enfield	355,467	Wakefield District Council	224,822
London Borough of Greenwich	240,338	Walsall Metropolitan Borough Council	166,386
London Borough of Hackney	321,406	Warrington Borough Council	137,886
London Borough of Haringey	227,834	Warwickshire	339,616
London Borough of Harrow	154,495	West Berkshire District Council	164,256
London Borough of Havering	130,608	West Sussex	497,341
London Borough of Hillingdon	174,653	Westminster City Council	268,910
London Borough of Hounslow	164,505	Wigan Metropolitan Borough Council	231,117
London Borough of Islington	243,530	Wiltshire	369,383
London Borough of Lambeth	349,114	Windsor and Maidenhead RBC	115,612
London Borough of Lewisham	233,462	Wirral Metropolitan Borough Council	287,806
London Borough of Merton	141,362	Wokingham District Council	100,714
London Borough of Newham	198,547	Wolverhampton Metro Borough Council	144,092
London Borough of Redbridge	152,436	Worcestershire	440,592
London Borough of Richmond upon Thames	147,868	York City Council	243,102

Annex C

Supporting People - Outcomes and Indicators

It is essential that in the delivery of Supporting People services, Administering Authorities and providers ensure that they are getting good value for money.

Part of assessing value for money is the outcomes delivered by each service for vulnerable people: a cheap service is not good value for money if it is not achieving positive outcomes for people. Equally, an expensive service might not be good value for money if a cheaper service is delivering better outcomes for the same client group.

ODPM is now collecting data from all Administering Authorities on performance against the three Key Performance Indicators. We will use 2005/06 to establish baseline performance against these indicators and will then look to authorities to improve that performance and ensure that they are delivering the best possible outcomes for all groups of vulnerable people.

Key Supporting People Indicators

The three key performance indicators are:

- service users who are supported to establish and maintain independent living (for long term services).
- service users who have moved on in a planned way from temporary living arrangements (for short term services)
- fair access to people who are eligible for SP services. This relates primarily to BME groups but we will look to examine this against other client groups.

Government Targets

It is also important to realise that, as a preventative programme, Supporting People contributes to a range of other key government targets and objectives. Most of these are measured at the local level and if authorities and their partners are to meet them, close links will need to be drawn with Supporting People work.

As a **Government**, we are committed to:

- Tackling social exclusion and delivering neighbourhood renewal, working with departments to help them meet their floor targets, in particular narrowing the gap in health, education, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England, with measurable improvement by 2010.
- Tackling homelessness, working with local authorities and their partners to sustain reductions in rough sleeping and the use of Bed & Breakfast hotels to accommodate families with children, go further in preventing homelessness, increase supply and access to settled housing, and reduce the use of temporary accommodation.

- Increasing the range and choice of housing open to people with learning disabilities to enable them to live as independently as possible.
- Improve the quality of life and independence of vulnerable older people by supporting them to live in their own homes where possible, by:
 - increasing the proportion of older people being supported to live in their own home by 1% annually in 2007 and 2008; and
 - increasing, by 2008, the proportion of those supported intensively to live at home to 34% of the total of those being supported at home or in residential care.
- Increasing the participation of problem drug users by 100% by 2008 and increase year on year the proportion of users successfully sustaining or completing treatment programmes.
- Protecting the public and reducing re-offending by 5% for young offenders and for both adults sentenced to imprisonment and adults sentenced to community sentences.
- Improving health outcomes for people with long-term conditions by offering a personalised care plan for vulnerable people most at risk; and to reduce emergency bed days by 5% by 2008, through improved care in primary care and community settings for people with long-term conditions.

Local Government Targets

At the **local level**, the Supporting People programme should support local authorities and their partners who are being measured in their success in:

- Preventing homelessness and repeat homelessness.
- Ensuring that levels of rough sleeping are as close to zero as possible, and at least two thirds lower than the 1998 level.
- Avoiding the use of B&B hotels for families with children for longer than six weeks.
- Reducing the use of other forms of temporary accommodation, especially for families with children, and improving its quality.
- Ensuring that anyone who is homeless or threatened with homelessness has access to appropriate accommodation and support.
- Individuals living in a Drug Action Team area who are receiving structured drug treatment for the first time as a proportion of the total number receiving any structured drug treatment in a financial year.

- Clients from a Drug Action Team area that complete treatment or move between treatment providers in a planned way as a proportion of the total number of discharges.
- Ensure that all under 18 teenage parents who cannot live with their family or partner are offered supported housing, whether on-site or floating support, to enable them to make a successful transition to an independent tenancy.
- Increasing the participation of teenage parents in education, employment or training to 60% thereby increasing their life chances and reducing both social exclusion and the chances of subsequent unplanned pregnancies.
- Helping people with mental health problems to lead independent and fulfilling lives.
- Enabling adults with mental health problems to live at home.

We hope that this paper will help you to strengthen the links between the Supporting People programme and the other local programmes and objectives that it helps to deliver. By improving the outcomes for vulnerable people through effective delivery of the Supporting People programme, you will also be able to deliver more effectively against these other key targets and objectives.

You may want to share outcome information across programmes and so consider how far Supporting People contributes towards the delivery of the other programmes and objectives outlined in this letter.

Annex D

Supplementary funding for service reviews in 2004/05

ODPM sought bids for additional funding in 2004/05 to help authorities meet the deadline for completing all service reviews by 31 March 2006. Bids from authorities were required to meet the following criteria:

- Provide clear evidence & detail as to why they were behind with their service review programme
- Submit a clear plan showing how they would use the additional funds to progress their service review process, with clear costings
- Submit a realistic timeframe for achieving the desired outcomes in relation meeting the 2006 deadline
- Provide evidence that the bid & revised plan for service reviews was endorsed & supported by the commissioning Body.

£2m was available for distribution and 72 bids equating to £3.5m were received.

The bids have been assessed alongside additional service review information, which is collected as part of our wider monitoring programme, and information from the Audit Commission SP inspection process. We have selected 59 successful authorities, which are shown below. The unsuccessful authorities did not meet the bidding criteria.

Not all successful authorities have been awarded their bid in full, as there was considerable pressure on the £2m available. Where an authority has been awarded less than it bid, payment of the award will be conditional on the authority submitting a revised plan within the awarded budget which still meets the March 2006 deadline.

Successful authorities are required to provide the ODPM with quarterly interim reports highlighting the progress being made against their service review timetables. ODPM will be in touch shortly with the requirements and framework for those quarterly reports. Should the desired outcomes not be achieved, ODPM may claw back the amount of funding awarded.

For any further information about this additional allocation, please contact Lorraine.Regan@odpm.gsi.gov.uk.

Supplementary funding allocations in 2004/05

Administering Authority	Allocations
Barnsley	£40,000
Birmingham	£40,000
Blackpool	£32,000
Bournemouth	£20,500
Bracknell Forest	£31,000
Bradford	£32,000
Bristol	£32,000
Bury	£32,000
Calderdale	£40,000
Cheshire	£50,000
Cumbria	£32,000
Derby	£32,000
Doncaster	£33,479
East Riding of Yorkshire	£32,000
East Sussex	£20,981
Halton	£35,000
Hartlepool	£32,000
Hertfordshire	£35,000
Kingston upon Hull	£40,000
Kirklees	£28,520
Knowsley	£32,000
Lancashire	£50,000
LB Bexley	£35,000
LB Camden	£35,000
LB Croydon	£35,000
LB Ealing	£35,000
LB Enfield	£35,000
LB Haringey	£35,000
LB Hillingdon	£35,000
Leicester	£30,000
Lincolnshire	£39,366
Liverpool	£50,000
Luton	£35,000
Middlesbrough	£25,000
Milton Keynes	£32,000
North Somerset	£32,000
North Tyneside	£32,000
North Yorkshire	£35,000
Peterborough	£32,000
Portsmouth	£32,000
Rochdale	£30,000
Rutland	£22,500
Sheffield	£32,000
Solihull	£32,000
South Gloucestershire	£30,000
South Tyneside	£32,000
Southend	£35,000
St Helens	£45,000
Stockport	£32,000
Stockton	£31,000
Stoke	£32,000
Torbay	£32,000
Walsall	£32,000
Warrington	£32,000
Warwickshire	£45,000
Wigan	£27,000
Wiltshire	£32,000
Wokingham	£21,500
Wolverhampton	£32,000

