

**PRESS RELEASE**

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**Supporting People funding levels announced today**

Cuts to Supporting People programme not as serious as many predicted, says Sitra Chief Executive.

Emma Daniel, who heads Sitra, the national umbrella organisation for supported housing' says today's announcement on cash decreases to the programme over the next three years should be seen within the context of the current national climate.

As part of the Local Government finance settlement, the indicative national levels of funding for the Supporting People programme are as follows:

2008/09: £1.686bn which is a cash decrease of 0.6%  
2009/10: £1.666bn which is a cash decrease of 1.77%  
2010/11: £1.636bn which is a cash decrease of 3.5%

Including inflationary levels the decrease in the funding amounts to around 3.5% per annum for the life of this CSR.

Emma Daniel, Chief Executive of Sitra, said:

"Sector analysts were very cautious in their predictions about the levels of funding going into the Supporting People programme following the rigours of CSR07. However, the cuts are not as serious as some were predicting and this demonstrates the hard work that has gone on behind the scenes in presenting evidence to the Treasury about the cashable and non-cashable benefits of this programme."

One of the main impacts on local funding levels is the Distribution Formula which has been amended following wide consultation. The purpose of this formula is to address inequitable legacy funding levels and allocate on a needs based formula to local authorities. Authorities may lose up to 5% per annum of their current grant levels over the next three years or alternatively gain up to 7% per annum.

Emma Daniel, said:

“Local Authorities and providers in areas who are most affected by the Distribution Formula for better or worse are expecting some impact on their grants in line with those announced today. Most have already set draft budgets and made strategic decisions in line with this anticipated change. This will have serious implications in some areas and we would urge Commissioners to work closely with their local providers to identify further efficiencies where necessary. We also urge Commissioners to follow the Compact and give inflationary uplift on contracts in line with their agreement with the voluntary sector.”

The Distribution Formula has been widely criticised in the past few years for gaps in data which would lend it more credibility. This gap is particularly relevant in the area of the socially excluded groups. Whilst the CLG in their briefing say that this has been accounted for many organisations are calling for this information gap to be closed.

NOTE: For more details about Sitra and for details of the impact on individual local authority levels of funding log onto [www.sitra.org](http://www.sitra.org)

**Ends**

#### **Note to Editors**

Sitra is an umbrella organisation committed to raising standards in the housing, care and support sector. We are a membership organisation with over 20 years' experience of offering practitioners a range of affordable policy, training, information, conference and capacity building services.

Membership of Sitra is open to voluntary agencies, supported housing associations and small housing associations, statutory bodies, general needs housing associations and private consultants and trainers.

