

# The Welsh Government's Supporting People Programme

May 2018



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# **The Welsh Government's Supporting People Programme**

May 2018



# About the Committee

The Committee was established on 22 June 2016 to carry out the functions set out in Standing Orders 18.2 and 18.3 and consider any other matter that relates to the economy, efficiency and effectiveness with which resources are employed in the discharge of public functions in Wales.

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## Committee Chair:



**Nick Ramsay AM**  
Welsh Conservatives  
Monmouth

## Current Committee membership:



**Mohammad Asghar AM**  
Welsh Conservatives  
South Wales East



**Neil Hamilton AM**  
UKIP Wales  
Mid and West Wales



**Vikki Howells AM**  
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## Chair's foreword

Following publication of the Auditor General's report in August 2017, the Welsh Government announced in October 2017 proposals to merge the Supporting People Programme with a number of other grant programmes to create a single integrated "Early Intervention, Prevention and Support Grant".

It is clear from the Auditor General's report, and from the evidence, we received that, after some 14 years in existence, there remained a number of significant shortcomings with the governance and management of the Supporting People Programme. The pace of progress in addressing issues raised by previous reviews, for example, with regard to the funding formula and the monitoring of the impact of the Programme, had been slow. Efforts to progress regional collaborative working had mixed success and the Programme had not kept pace with a changing policy landscape. There were also ongoing inconsistencies in the management of the programme at a local level.

There was undoubtedly a need to take stock of the future of the Supporting People Programme and we noted that the Welsh Government had already been consulting on issues relating to the Programme's aims and objectives and monitoring arrangements.

However, while we recognise that there may be scope to better integrate grant programmes to achieve better outcomes, we have serious reservations about the way the proposals for the new integrated grant were developed and announced in the fine detail of the Welsh Government's budget proposals.

We also question whether the grants, that the Welsh Government is proposing to bring together, represent the best fit to achieve its objectives, and without risking a negative impact on the provision of housing related support and homelessness prevention. The Welsh Government needs to do more to demonstrate the evidence base for its proposals and to test the arrangements through robust evaluation of the flexible funding pilot projects that are now underway before deciding on the scope of any new grant and the timetable for its implementation. This all needs undertaking in a manner consistent with the ways of working set out under the Well-being of Future Generations (Wales) Act 2015, including ensuring full engagement with those likely to be affected by any changes.

The proposals announced have created significant uncertainty for those involved in the Supporting People Programme. They have also created uncertainty about whether, and if so how, the Welsh Government plans to progress the actions that

it had set out in its response to the Auditor General's recommendations in September 2017, just a few weeks before the announcement of the integrated grant proposals.

Whatever form any future grant arrangements take, it is important that the lessons identified from the governance and management of the Supporting People Programme are implemented at the earliest opportunity.

Nick Ramsay  
Committee Chair, Public Accounts Committee



## Conclusions and Recommendations

A number of notable policy changes have affected the Supporting People Programme in recent years. This includes Welsh Government legislation on social services, future generations, housing and plans for local government reform, and UK Government policy on welfare reform.

The Committee notes that the programme's aims have needed to change to meet the objectives of these policy changes. However, the Welsh Government has failed to form a coherent view and clearly set out the purpose of the Supporting People grant in light of these policy changes.

The Committee is of the view that the Welsh Government's proposals for the creation of a single integrated "Early Intervention, Prevention and Support Grant" is not evidenced based. We are disappointed with the absence of strategic objectives for the proposals and more widely, the lack of direction from the Welsh Government on the Supporting People Programme.

More specifically, we found the Welsh Government's draft strategic objectives do not provide sufficient clarity about the Programme's core purposes of preventing homelessness.

There remains a lack of clarity around the objectives of the Supporting People Programme and the impact of recent policy developments on the programme's future. It is disappointing that the Welsh Government was not able to consult on the Programme's guidance and strategic objectives at an earlier stage and that the revised guidance promised, at the time of publishing, has still not yet been published.

**Recommendation 1.** We recommend the Welsh Government publish revised guidance for the Programme quickly to provide the required clarity on the overall Programme aims and objectives. At the very least this guidance could be provided for the short-term, in the context of the proposals for a new integrated grant and the implications of the UK Government's Supported Accommodation review.

We have serious concerns about the Welsh Government's lack of engagement with the sector in developing its proposals and find it unacceptable that some stakeholders found themselves "kept in the dark". The approach taken seems to have been in direct contrast to the co-production principle, which the Welsh Government had sought to put at the heart of the Supporting People Programme over previous years. This was all happening during a period when the Welsh

Government was separately consulting on revised Supporting People Programme guidance and strategic objectives and on the Programme's "Outcomes Framework" and preparing a response to the Auditor General's recommendations.

Moreover, we consider that simply "signalling intent" about the integrated grant proposals was not commensurate with the ways of working expected under the Well-being of Future Generations (Wales) Act 2015, regardless of the Welsh Government's belief that its proposals would enable service re-design in line with the principles and aims of the Act.<sup>1</sup> We note and welcome the Welsh Government's commitment to engaging with stakeholders through meetings of the "Pathfinder Working Group" that has been established. It is crucial that any changes to existing grant programmes are evidence-based with the aim of improving outcomes for vulnerable people and not simply about saving money in the short-term.

**Recommendation 2.** We recommend that the Welsh Government engages closely with key stakeholder organisations in evaluating the impact of the flexible funding pilots and to determine the scope and timing of any further grant integration affecting the Supporting People Programme beyond 2018-19.

We note and agree with the acknowledgement of the Equalities Local Government and Communities (ELGC) Committee that the proposed single combined grant will be ring-fenced for providing early intervention, intervention and support. We also share its concerns that removing the ring-fence from the Supporting People Programme Grant will impede the delivery of vital housing related support services, including those for rough sleepers.

We also agree with the ELGC Committee's findings that the combined grant will extend across two Ministerial portfolios and share their questions on how this will affect future funding decisions, as well as scrutiny and accountability arrangements.

We have serious reservations about the timescales currently set out by the Welsh Government for evaluating the flexible funding pilots if the Welsh Government remains committed to introducing an integrated grant in 2019-20. However, we note the Deputy Permanent Secretary's acknowledgement that there may not, be a big bang approach.

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<sup>1</sup> Welsh Government budget proposals paras 4.26-4.31.

**Recommendation 3.** We recommend that the Welsh Government pause and reflect on its approach to evaluating the feasibility of an integrated grant proposal. We recommend that the Welsh Government considers extending the timescale of the flexible funding pilot projects to ensure that a thorough and detailed examination of their impact can take place.

**Recommendation 4.** We recommend that, as part of its evaluation work, the Welsh Government identifies clearly the extent to which individual local authorities have taken advantage of the funding flexibility provided and how this has supported better outcomes.

**Recommendation 5.** We recommend that the Welsh Government report back to the Committee on the outcomes of work to facilitate comparable outcomes monitoring for different client groups. The Committee would also like to hear about the outcomes of the Welsh Government's wider evaluation work and recommend the findings of the evaluation are reported back to us on a formal basis.

We are concerned that the Welsh Government's stated rationale for integrating existing grants may not take into account sufficiently the way the programme works with those who are homeless or at risk of becoming homeless. We would wish to see further monitoring and evaluation of the pilot schemes, along with further stakeholder engagement, to test this rationale.

**Recommendation 6.** We recommend that the Welsh Government reconsider the grants it proposes to include in an integrated funding stream, and particularly considers, as part of future development, the relative merits of integrating Supporting People solely with housing and homelessness grants.

It remains unclear whether the Supporting People Programme funding is protected with the Welsh Government giving mixed messages. The Welsh Government needs to be clear on its intent.

The Committee also has reservations that the Welsh Government is looking for a new Integrated Grant to deliver £13 million in savings, which to quote the Welsh Government, "are not based on a bottom-up analysis of what can be achieved". This may yet mean that the financial savings required will only be achieved by impacting on the quality and level of services provided for by the grants that are integrated, including the Supporting People Programme.

**Recommendation 7.** We recommend that the Welsh Government clearly quantifies the extent of the financial savings that can be accrued through reduced administrative costs and more efficient delivery of services through its

integrated grant proposals. This evaluation should include assurances that efficiency savings that may be delivered in the pathfinder areas can be achieved readily elsewhere.

We also note that concerns remain about the effectiveness and impact of Regional Collaborative Committees with mixed progress in developing regional projects and services. The proposals for the integrated grant raise further questions about the role and function of those committees and any uncertainty in this regard risks undermining their effectiveness.

**Recommendation 8.** We recommend that the Welsh Government clarifies the role of the Regional Collaborative Committees in the context of the flexible funding pilot projects and in the event of any future rollout of an integrated grant.

We note the concerns raised by witnesses that some providers are withdrawing from bidding for services due to funding uncertainties and support the Auditor General's recommendations about re-introducing three-year funding allocations at the earliest opportunity and moving to three-year spending plans. We believe that these recommendations remain relevant even if the Welsh Government integrates Supporting People Programme funding with other grant programmes.

We are concerned that the possibility of providers withdrawing from bidding for services may be compounded by the additional uncertainty caused by the integrated grant proposals.

**Recommendation 9.** Alongside its evaluation of the flexible funding pilot projects, we recommend that the Welsh Government carries out an urgent review to explore whether there commissioners are struggling to attract bids for Supporting People services due to funding uncertainties.

The proposals for an integrated grant raise questions about plans for the Supporting People funding formula. It has proved difficult to move to a position of allocating Supporting People Programme funding based on need. Any move to an integrated grant with greater funding flexibility would appear to create greater complexity given the broader range of purposes that the grant funding may be used for.

**Recommendation 10.** We recommend that the Welsh Government provide the Committee with an update on its response to the Auditor General's recommendation on the funding formula to clarify its intent. This update should include details of how the Welsh Government intends to allocate the overall budget to local authorities for any integrated grant while also ensuring that it is needs based.

We note the Welsh Government's positive response to the Auditor General's recommendations about exploring variations in the provision of Supporting People services for people with learning disabilities and benchmarking wider service costs. However, we are unclear whether the Welsh Government remains committed to these actions given the integrated grant proposals.

**Recommendation 11.** We recommend that the Welsh Government confirms its commitment to the actions that it set out previously in response to the Auditor General's recommendations about learning disability services and benchmarking of service costs.

**Recommendation 12.** We also recommend that the Welsh Government looks in a similar way at the issue of the variation between local authorities in Supporting People provision for other specific groups, including any obvious differences in the type of support i.e. fixed or floating.

It is disappointing that, after 14 years, the Welsh Government still lacks a good enough understanding of the Supporting People Programme's impact and similar weaknesses in monitoring and evaluation have been identified in other areas of policy delivery.

It remains unclear exactly what the proposals for the new integrated grant now mean for the changes to the outcomes framework that the Welsh Government consulted on previously and for other evaluation work.

**Recommendation 13.** We recommend that the Welsh Government provides comprehensive guidance and training to ensure that any revised outcomes framework, for the Supporting People Programme, or for any new integrated grant, is clearly understood and used consistently across Wales from the outset.

## Introduction

1. On 25th September 2017, the Public Accounts Committee (the Committee) agreed to conduct an inquiry into the Welsh Government's management of the Supporting People Programme (the Programme). This followed publication of the Auditor General for Wales report on "The Welsh Government's Supporting People Programme"<sup>2</sup> published in August 2017.
2. The Programme provides grant funding to local authorities to deliver directly, or through third-party providers, housing-related support services to a diverse range of people. Established in 2003, the Programme implemented a new set of governance and management arrangements in 2012. The Welsh Government currently spends about £125 million per year on the Programme.
3. The Auditor General's report examined whether the Welsh Government has put in place effective arrangements to manage the Programme and ensure it is delivering high quality and appropriately targeted services.
4. The Auditor General's report concluded that despite some improvements, action taken to address longstanding concerns with the Programme's design and delivery has not always been effective, progress has been slow in key areas and there are inconsistencies in the Programme's management at a local and regional level.
5. The report made eight recommendations to the Welsh Government on issues including the implications of wider policy reforms for the Programme; the funding formula and the funding and planning horizon for the Programme; and the clarity of guidance on the procurement of Supporting People services.
6. The Welsh Government responded to the Auditor General's recommendations, accepting seven in full and one in principle.
7. The Committee's inquiry explored the Welsh Government's responses to the Auditor General's findings and wider issues arising from the Welsh Government's policy intentions in this area.
8. On 24 October 2017, the Welsh Government published the detail of its draft budget plans. The proposals set out that, for 2019-20, consideration is being given to the creation of a single integrated "Early Intervention, Prevention and Support

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<sup>2</sup> **Auditor General for Wales Report. The Welsh Government's Supporting People Programme. August 2017.**

Grant”, bringing together a number of existing grant funded programmes, including Supporting People. The potential impact of these proposals, and the way in which they emerged, dominated much of the evidence that we received.

**9.** In addition, on 31 October 2017 the UK Government launched two consultations on funding for supported housing. The UK Government is proposing that housing benefit to cover short-term supported accommodation will not be provided by the UK Government and will instead transfer to the Welsh-funding block.

**10.** As part of its evidence, gathering, the Committee held evidence sessions and undertook a consultation exercise to collect the views of stakeholders. Some Members of the Committee also attended the Supporting People National Advisory Board (SPNAB) Service User Consultation Events that took place during January 2018.

**11.** With the exception of our evidence session with the Welsh Government on 22 January 2018, all other oral evidence was taken prior to the agreement of the Welsh Government's Budget 2018/19 in Plenary on 16 January 2018.

**12.** The Committee also considered the report of the Auditor General for Wales on “How Local Government manages demand – Homelessness” published in January 2018. Although the Committee did not seek to undertake a separate inquiry on this report, we did write to the Welsh Government with a number of questions arising from the report as they related to the Supporting People Programme.

**13.** Alongside our inquiry, the Equalities, Local Government and Communities Committee undertook an inquiry into “Rough Sleeping”, which considered the long term sustainable funding and continued investment in support services for rough sleepers. The inquiry also considered the funding provided annually through the Supporting People Programme Grant and the potential impact of the Welsh Government's proposal to merge the grant with other housing and non-housing grants. The relevant findings of that inquiry are reflected in our report.



## The objectives of the Supporting People Programme

**14.** A number of recent policy changes have affected the Supporting People Programme. This includes Welsh Government legislation on social services, future generations, housing and plans for local government reform, and UK Government policy on welfare reform.

**15.** The Auditor General's report found that the Welsh Government had recognised that wider policy developments have implications for the Programme. However, it had not formally reviewed the aims of the Programme, despite setting local authorities a broadening and increasingly complex agenda. The Welsh Government completed a consultation on its revised Programme guidance in August 2017, which included a new series of strategic objectives. This consultation process was originally due to have commenced at the end of 2015 but was delayed by resourcing constraints for the Welsh Government and its partners.

**16.** Witnesses told the Committee that the Programme is one of the Welsh Government's most cross-cutting programmes. Although there is general support that the focus of the Programme should be on reducing homelessness, it is felt this focus has suffered over recent years from a number of competing priorities placed on it.

**17.** Some witnesses suggested this loss of focus has also been the result of the complex policy landscape and different Welsh Government Ministers having responsibility for the Programme. Evidence from the Wallich summarised these concerns:

“In recent years, the Welsh Government's strategic aims for the Supporting People programme has been characterised by a series of letters from Ministers – these letters highlighted priority areas, emerging at various times at which the programme's aims might need to shift: examples include meeting the aims of the Housing (Wales) Act and the Health, Social Care and Wellbeing (Wales) Act; tackling poverty; investigating Adverse Childhood Experiences (ACEs); domestic abuse; and substance misuse in Wales.

It would be beneficial if the Welsh Government were to consolidate a coherent view on the purpose of making the grant available and



publish this, taking into account recent policy and implementation developments.”<sup>3</sup>

**18.** Cymorth Cymru told us that although their Members felt the Programmes objectives are clear and appropriate, the ever changing and sometimes competing political priorities from different Ministers responsible for the Programme had caused confusion for providers and commissioners.<sup>4</sup>

**19.** The Auditor General's report also found that while the Welsh Government considers that the programme provides vital support to prevent homelessness and tackle poverty, these issues are not mentioned explicitly in its current stated purpose or aims.<sup>5</sup>

**20.** This was supported in written evidence from Community Housing Cymru (CHC) who stated:

“We share the Auditor General's concerns as to the lack of explicit reference to prevention of homelessness in the programmes stated purpose and aims, though we are clear as to the transformative effect that Supporting People funded services have on enabling people to live independently and retain tenancies.”<sup>6</sup>

**21.** In oral evidence, Cymorth Cymru expanded on these issues explaining:

“Reading the auditor general's report, and recognising that that distinct focus on homelessness was missing from the original objective seems really alien to us, because that is at the root of everything that Supporting People does, whether it's putting a roof over someone's head in supported accommodation, or whether it's providing floating support that enables someone to avoid eviction.”<sup>7</sup>

**22.** Written evidence from Isle of Anglesey County Council explained:

“...it is our opinion that Welsh Government need to decide whether or not it is their intention to publish the revised Guidance which has been in draft format prior to the publication of the Auditor General's Report. In general, it is our opinion that the current revised draft guidance

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<sup>3</sup> PAC(5)-SP02 – Written Evidence

<sup>4</sup> PAC(5)-SP18 – Written Evidence

<sup>5</sup> AGW Report paragraphs 1.2-1.4

<sup>6</sup> **PAC(5)-29-17 PI**, 20 November 2017

<sup>7</sup> RoP, 20 November 2017, paragraph 57

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provides greater overall clarity of the Programme's objectives compared to the actual guidance, which remains in use."<sup>8</sup>

**23.** Similarly, the Welsh Local Government Association (WLGA) informed us:

"We welcome the development of revised guidance and new strategic objectives for the Programme, and hope that these will bring greater and refreshed clarity to the aims and purpose of the Programme."<sup>9</sup>

**24.** In responding to recommendation 5 of the Auditor General's report, which recommends that the Welsh Government should identify and clearly communicate the implications of reforms for the Programme, the Welsh Government stated:

"We have initiated a large scale exercise to co-produce policy development in order to address the challenge posed by the Department of Work and Pensions Supported Accommodation Review. We will build on this, working with the sector via the Supporting People National Advisory Board to consider what additional improvements can be made to the current mechanisms for communication to ensure the Welsh Government's programme is widely understood."<sup>10</sup>

**25.** During oral evidence, Welsh Government officials explained that the UK government was driving the timetable for the Supported Accommodation Review, and that the proposed changes were different in nature to those originally expected.

## Our View

**26.** There remains a lack of clarity around the objectives of the Supporting People Programme and the impact of recent policy developments on the programme's future. It is disappointing that the Welsh Government was not able to consult on the Programme guidance and strategic objectives at an earlier stage and that the revised guidance promised, at the time of publishing, has still not yet been published.

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<sup>8</sup> PAC(5) SP03 Written Evidence

<sup>9</sup> PAC(5) SP16 Written Evidence

<sup>10</sup> Welsh Government response to the Auditor General for Wales Report, 20 September 2017

**Recommendation 1.** We recommend the Welsh Government publish revised guidance for the Programme quickly to provide the required clarity on the overall Programme aims and objectives. At the very least this guidance could be provided for the short-term, in the context of the proposals for a new integrated grant and the implications of the UK Government's Supported Accommodation review.

## Proposals for a single Integrated Grant

**27.** The Welsh Government Budget Proposals for 2018-19 describe how the Welsh Government is considering creating a single grant in the area of early intervention, prevention and support to replace a number of existing grants.<sup>11</sup> Although the Welsh Government has taken no final decision as yet, the evidence that the Committee received highlighted various concerns about the proposals and the way in which they had been communicated.

### Communication with key stakeholder organisations

**28.** Commenting on the announcement of the proposals for an integrated grant, the Chief Executive of CHC stated:

“...we had no inclination that this was coming. So, I think that this says where we were in terms of consultation.”<sup>12</sup>

**29.** Similarly, the Director of Cymorth Cymru said

“...we work really well collaboratively with officials on many areas, and in particular the supporting accommodation review...but on this particular issue, it has felt like it's gone on behind closed doors during the summer and then has just come out through detailed budget proposals.”<sup>13</sup>

**30.** A respondent to our consultation told us:

“Where was the consultation? Why were programme leads kept in the dark?”<sup>14</sup>

**31.** In responding to these concerns, the Deputy Permanent Secretary expressed disappointment that people felt left out of the engagement process.<sup>15</sup> In pressing the Welsh Government on how inclusively they had engaged with stakeholders, they told us they remained confident that they had engaged widely and that notice of greater flexibilities of funding was not a new idea. However, the Deputy Permanent Secretary did concede:

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<sup>11</sup> **Welsh Government - Draft Budget 2018-19 Detailed Proposals, paragraphs 4.26-4.31**

<sup>12</sup> RoP, 20 November 2017, paragraph 147

<sup>13</sup> RoP, 20 November 2017, paragraph 142

<sup>14</sup> PAC(5) SP07 Written Evidence

<sup>15</sup> RoP, 22 January 2018, paragraph 27

“...it certainly looks to me like we were signalling intent, but maybe not in a clear enough way that, perhaps, people were really understanding what we were saying.”<sup>16</sup>

## The potential scope of the Integrated Grant

**32.** Further issues with the Welsh Government's approach to developing its proposals were summarised in evidence from Western Bay Regional Collaborative Consortia (RCC). Those issues included “Limited understanding with regards to some of the less well known grants in the list”.

**33.** Cymorth Cymru and CHC told us that the decision on grant alignment was not evidenced based. CHC explained:

“We're not averse to discussing how funding could be spent better. Where there is efficacy in merging pots and commissioning differently, we're absolutely up for that conversation. We want to do the best for the people that we serve. But, to make policy decisions without evidence, I think, is worrying.”<sup>17</sup>

**34.** In commenting on the evidence base for integrating the Programme grant with Families First, Flying Start and Communities First Grant, Cymorth told us:

“...there is just no recognition of homelessness, housing-related support and non-families, which is what a lot of the Supporting People programme supports. That isn't the focus for those people in the world that they operate in. No-one in the sector can make any sense of putting Supporting People with those other programmes.”<sup>18</sup>

They added:

“...we're absolutely ready to engage constructively in conversations about grant alignment. We just think that SP doesn't belong in that group. It absolutely belongs with things like the homelessness prevention grant and the supported accommodation money from Westminster.”<sup>19</sup>

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<sup>16</sup> RoP, 22 January 2018, paragraph 28

<sup>17</sup> RoP, 20 November 2017, paragraph 160

<sup>18</sup> RoP, 20 November 2017, paragraph 164

<sup>19</sup> RoP, 20 November 2017, paragraph 164

**35.** Newport City Council who suggested that there was little linkage between the Supporting People Grant and funding for Flying Start and Communities First presented similar evidence stating:

“...in Newport, we did an analysis of Supporting People households and Flying Start households and Communities First households, and you’d expect there to be at least a 50 per cent linkage with those households, but it was 15 per cent in both cases. That’s the household, never mind members of the household, just the household synergy crossover.”<sup>20</sup>

**36.** In response to this evidence, the Deputy Permanent Secretary explained that 100 per cent crossover would suggest that all the current grants were trying to achieve the same thing, with a risk of duplication of resources.

**37.** CHC told us they were calling on the Welsh Government to postpone the re-alignment of tackling poverty grants to allow the new funding model for housing costs in the short term supported accommodation to be established. This would allow more time for a wider consultation around tackling poverty grants and a more detailed analysis of which grants would best align.<sup>21</sup>

**38.** Similarly, Cymorth Cymru offered an alternative solution for grant re-alignment suggesting alignment of the Supporting People Grant with the Homelessness Prevention Grant and the funding for supported accommodation, which will be devolved to the Welsh Government in 2019-20. This is based on the principles of grant alignment but retains Supporting People in housing and homelessness.<sup>22</sup>

**39.** We sought the views of the Welsh Government on this proposal and were told:

“...there are always decisions to be made to be balanced in this process, but I think our belief is that people who are at risk of becoming homeless, or who have become homeless, often have much more complex needs than simply needing support for housing, and therefore having that wider array, I suppose, of support in a more flexible way would provide them with a better response.”<sup>23</sup>

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<sup>20</sup> RoP, 27 November 2017, paragraph 217

<sup>21</sup> PAC(5)-SP06 Written Evidence

<sup>22</sup> PAC(5)-SP18 Written Evidence

<sup>23</sup> RoP, 22 January 2018, paragraph 65

**40.** We were also told:

“...when we’re thinking about prevention, it’s important to note that quite a lot of the causes for people presenting as at risk of homelessness are actually more closely linked to family circumstances or debt management or domestic violence and so forth. So, when we’re thinking in the prevention arena, actually, there’s a great synergy across a number of these grants if we want to move our efforts upstream and prevent people from becoming actually homeless.”<sup>24</sup>

**41.** We wrote to the Minister for Housing and Regeneration on 21 November 2017 requesting consideration be given to the concerns raised with us about the scope of the integrated grant proposals as part of its deliberations in setting the final budget.

**42.** The Minister will consider our concerns when the Welsh Government works with stakeholders to inform decisions about future grant structures. However, there will be no immediate change to the Welsh Government’s proposals in the final 2018-19 budget.

### The possible timetable for implementation

**43.** Pilot projects to test the feasibility of creating an integrated grant will run during 2018-19. We heard concerns that these timescales are short and would not allow sufficient time for evaluation should the Welsh Government roll out an integrated grant in 2019-20. The evidence we received also raised concerns about the work that would be required to put in place the necessary administrative arrangements for the grant.

**44.** These concerns were highlighted in written evidence from The Wallich, which stated:

“The time it would take for the Welsh Government to devise and issue guidance for the implementation for amalgamating up to ten grants needs consideration.”<sup>25</sup>

Adding:

“There also appears to be little or no time to undertake a monitoring and evaluation exercise within the pilot areas prior to the super grant

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<sup>24</sup> RoP, 22 January 2018, paragraph 68

<sup>25</sup> PAC(5) SP02 Written Evidence

rollout. This leads to a danger that any failures of the pilot will be 'inherited' during the transition to the super grant, as the time for monitoring and evaluation of the pilot is extremely limited."<sup>26</sup>

**45.** In contrast the Welsh Government explained that:

"Interim arrangements for the pathfinders will allow for comparable monitoring of outcomes for different client groups and an external evaluation of the process is being commissioned."<sup>27</sup>

**46.** However, the Deputy Permanent Secretary agreed that it might not be possible to reach any definite judgements in line with the timescales it has set out for the evaluation. We were told:

"You're right: if we were to go for a full big bang early intervention and preventative support grant for all local authorities for the next financial year, that decision would need to be taken well in advance of that, certainly probably by December of next year, when we'd have had probably nine months of running with this. I think what we need to do is we need to assess what information we have, how confident we feel about that information, what those proxy indicators are showing us, and, as I say, it may not be a big bang sort of decision; there may be complete variation on that. For example—and I am sort of freelancing a bit here, but there's probably a variation of things that could happen, from deciding to run the pathfinders for longer, into the following financial year, or maybe feeling confident on the basis of those and saying, 'Right, they can have 100 per cent flexibility going forward' and then maybe taking a new cohort of pathfinders. So, I don't think it's necessarily a complete, 'We don't do it', or 'We do do it in absolute full—'. I think we will have to collate all the information, including stakeholder feedback, and provide that advice to Ministers to take a decision."<sup>28</sup>

**47.** The Welsh Government had initially set out that it would give seven local authorities 100% flexibility across five grants in 2018-19: Families First; Flying Start, Supporting People, Communities First Legacy Fund; and the Employability Grant. However, after further consideration the Welsh Government outlined that it is giving these seven local authorities full flexibility across 10 of the 13 grants outlined

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<sup>26</sup> PAC(5) SPO2 Written Evidence

<sup>27</sup> Welsh Government written evidence, page 2

<sup>28</sup> RoP, 22 January 2018, paragraph 144



in the original budget proposals. The remaining local authorities will receive limited flexibility of 15% across the five initially proposed grants.

**48.** However, it is unclear how much flexibility will happen in practice on the ground during 2018-19, given the Welsh Government's advice to the Pathfinder local authorities. We were told by Welsh Government Officials that:

"It may also be worth reflecting that the indicative grant offer letters that have just gone to pathfinders include a reference to the fact that, for the Supporting People programme, it's our expectation that authorities should allocate funding to the Supporting People programme at least at the level of the Supporting People allocation—that will be shown in an annex in the grant offer letters—unless they can demonstrate that they can be sure of delivering the same or improved services for less money as a result of efficiencies."<sup>29</sup>

**49.** We are also aware that, in some cases, there are multi-year contracts given for services under the Supporting People Programme. Commitments to these services may therefore limit the scope for flexibility in 2018-19. The Deputy Permanent Secretary conceded that this was an issue that the evaluation process would need to consider, noting:

"...if contracts are pre-committed then the room for manoeuvre, I suppose—the chance to explore flexibilities—will be more limited and, therefore, we will learn less from that process."<sup>30</sup>

## Efficiency savings and the potential impact on Supporting People services

**50.** One of the reasons for deciding to consider the feasibility of integrating a number of grants was a consequence of needing to find £13 million financial savings. This £13 million amounts to around 5% of the total annual expenditure for the grants identified in the budget proposals. The Deputy Permanent Secretary told us:

"As for the £13 million that was referenced in the budget, that was identified as efficiency savings, I think. They are efficiency savings that we are currently exploring that are not based on a bottom-up analysis of what can be achieved. This is a budget challenge, which we will be

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<sup>29</sup> RoP, 22 January 2018, paragraph 101

<sup>30</sup> RoP, 22 January 2018, paragraph 140

working hard to meet. So, there aren't detailed cost calculations or analyses, as you've asked, for the basis of that figure. That is the figure that we will be working to achieve with our stakeholders and partners."<sup>31</sup>

**51.** The Deputy Permanent Secretary highlighted that she did not expect efficiencies to arise from just reduced bureaucracy and administration alone, adding that the Welsh Government was working with the Society of Welsh Treasurers to identify other efficiencies.

**52.** There was some recognition that alignment of grant structures had the potential to produce efficiencies and improve outcomes. However, the majority of views we heard expressed concerns that the proposals had the potential to dilute the Programme and risked a gradual loss of housing-related support expertise, a displacement of funding towards more "politically popular" client groups and diminished accountability for the programme.

**53.** CHC told us:

"While CHC welcomes any approach which will allow for alignment of strategic priorities and reduction in bureaucracy, we remain concerned about what this move means for the long-term protection of housing-related support in Wales."<sup>32</sup>

**54.** Some witnesses raised concerns regarding the detrimental impact the integration of grant proposals might have on Supporting People provision. An individual consultee explained:

"The removal of SPPG/SP as a distinct budget line in 2019/20 is a real worry for the sector as a whole, not least that SPPG funding was agreed to be protected for the next two financial years in the recent WG budget 'deal'. SP works with a number of 'unpopular' client groups and there is a fear that services for children will take priority."<sup>33</sup>

**55.** Cymorth Cymru set out similar concerns that despite assurances given in the budget deal that Supporting People funding would be protected for two years, in practice this will not necessarily be the case because of the proposals for the integrated grant.

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<sup>31</sup> RoP, 22 January 2018, paragraph 93

<sup>32</sup> PAC(5)-29-17 P1, 20 November 2017

<sup>33</sup> PAC(5) SP07, Written Evidence

**56.** In drawing comparisons with England on the impact of removing ring fenced funding, Cymorth Cymru presented a pessimistic outlook highlighting that the National Audit Office in England has previously identified 45 per cent cuts to some Supporting People budgets.

**57.** We are aware that there were some reports of 80 per cent cuts across three years in some English local authority areas following removal of the ring fence funding. We were told that this potential scenario in Wales is “...terrifying for the client groups that we support”.<sup>34</sup>

**58.** In conclusion, Cymorth Cymru, outlined that:

“It is likely that the resulting merged grant will sit outside of the housing directorate of Welsh Government and housing departments of local authorities, resulting in the loss of housing expertise at a time when homelessness is an increasing challenge and concern. The focus on this issue will be diluted and the funding for SP client groups (particularly those who are less ‘politically popular’) could be lost, resulting in increased homelessness, particularly for people with the most complex needs.”<sup>35</sup>

**59.** Evidence from Gwynedd Council, reflected concerns arising from proposals to include the Supporting People Programme grant within the Early Intervention, Prevention and Support Grant:

“...there are concerns that the inclusion.....with predominantly non-housing related grant streams will dilute focus on homelessness and homelessness prevention which is a concern given recent increases in homelessness and rough sleeping.”<sup>36</sup>

**60.** Similarly, evidence from the Vice Chair of the Gwent Regional Collaborative Committee raised further questions about the clarity of intent with regard the future protection of the Supporting People Programme Grant. We were told:

“...our concerns...would be that the SP budget line disappears entirely... from 2019-20 to go into this new pot, whereas we were informed that the budget had been protected up until 2020. So, the implication of it disappearing, as such, makes us think that that it's possibly not protected. And it would be much more difficult to dig down and see

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<sup>34</sup> RoP, 20 November 2017, paragraph 42

<sup>35</sup> PAC(5)-29-17 P2, 20 November 2017

<sup>36</sup> PAC(5) SP04, Written Evidence

where that money is actually going if it's combined with four or five other grants. And the amount for all of those is reducing by £13 million, it would seem, in that year as well. So, if SP were to be protected in that year that means there's £13 million disappearing from Families First, Communities First, and the employability grant moneys."<sup>37</sup>

**61.** Welsh Government Officials told us that they did not believe that there will be a reduction in homelessness prevention and that the aim was to protect more people. We heard they would be very clear about the outcomes and the client groups with which local authorities were expected to work.<sup>38</sup>

**62.** The Committee heard that a working group has been looking at developing guidance for the pathfinder authorities, and as part of that, have been looking to identify a set of outcomes that the potential single grant would be working to achieve.

**63.** The outcomes identified by the working group include homeless people, people with mental health conditions with housing-related needs, people with learning disabilities with housing-related needs, children who have experience of or are at risk of experiencing multiple adverse childhood experiences, users of substance misuse, and older people struggling to retain their independence. The Committee were told that these are some of the outcomes that are "absolutely central" to the pathfinder proposal.<sup>39</sup>

**64.** Welsh Government Officials also set out that if initiated, a combined grant would be a ring-fenced grant outside the Revenue Settlement that would cover the range of grants identified above focused on early intervention, prevention and support, and that:

"Ministers have been clear that whilst there is an overall saving to be made there is no specific cut to SP. Ministers are also anxious that grant terms and conditions should remain sufficiently tight to ensure there is clarity over expectations on local authorities, supported with sufficiently robust accountability and monitoring."<sup>40</sup>

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<sup>37</sup> RoP, 27 November 2018, paragraph 296

<sup>38</sup> RoP, 22 January 2018, paragraph 99

<sup>39</sup> RoP, 22 January 2018, paragraph 100

<sup>40</sup> PAC(5)-02-18 P1, 22 January 2018

**65.** Cymorth Cymru in commenting on the issue of whether or not the Supporting People Programme grant is protected in 2019-20 despite not having a distinct budget line stated:

“...it absolutely isn't protected. Unless you have that certainty that a budget line exists and is ring fenced and protected, if any questions remain about that, it is not protected....We're being told that no decisions have been made, but it is of huge concern to the sector.”

**66.** In its report on Rough Sleeping the Equalities, Local Government and Communities Committee also draws comparison with the position in England. The report notes that the removal of the ring-fence in England has led to significant reductions in programme funding.

**67.** The ELGC Committee's report highlights that while the experience in England is not directly comparable, it identifies the risk for Wales. That Committee found that, along with reports that the current successful approach to homelessness prevention could not have been realised without the grant, and the need for an increase in pace in developing the Supporting People programme (as outlined by the Wales Audit Office), does little to allay the ELGC Committee's concerns.

## Implications for Regional Planning and Delivery

**68.** Building on the commentary in the Auditor General's report, the Committee heard a number of concerns about the effectiveness and progress of regional planning and delivery of services under the Supporting People Programme

**69.** The Auditor General's report recommended that the Welsh Government identify and apply lessons learned from the experience of the RCCs to inform its proposals for local government reform; and review whether the RCCs arrangements remain fit for purpose in the context of other collaborative governance arrangements, such as the new statutory public service boards.

**70.** In responding to the Auditor General's recommendations the Welsh Government stated that:

“Once the final guidance....is published it will place Regional Collaborative Committees within the governance structure of Public Service Boards.”<sup>41</sup>

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<sup>41</sup> PAC(5)-23-17 P3A, 25 September 2017

**71.** Evidence we heard raised questions about how the RCCs fit with PSBs and their role in scrutinising activity around the flexible funding pilots given these will not be operating region wide.

**72.** The Committee explored these issues further with witnesses during oral evidence and were told by the Regional Development Coordinator for Gwent Regional Collaborative Committee that:

“The concerns that I have around the new fund are that it’s going to be a large amount of money going to local authorities on a locality basis, so I can’t understand how our regional governance structures that are currently in place for Supporting People are going to be able to oversee these kinds of mega-grants that are going into local authorities from 2019.”<sup>42</sup>

They added:

“...we also need some clarity delivered to RCCs, so that RCCs understand what their role and function is going forward after April, when most are going to have local authorities administering this larger grant. So, some clear messages about how that’s going to happen on a regional basis. So, clear communication would be really helpful.”<sup>43</sup>

**73.** This level of uncertainty was also expressed by the WLGA who raised concerns that:

“it does feel that, as we move forward, in terms of funding flexibility, I’m not clear where the RCCs will sit with the other regional arrangements and national arrangements and how they’ll all fit together.”<sup>44</sup>

**74.** In responding to questions concerning the potential scrutiny RCCs could have over an integrated grant, the Regional Development Coordinator for Gwent RCC stated:

“I can’t see how an RCC could have governance over that. So, I think that the governance arrangements would need to change. As an RCC, we’re looking at the Supporting People budget and our role is to scrutinise the spend of that budget, and it’s an adult services budget; it’s not children’s services. So, that skills that would be required on that

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<sup>42</sup> RoP, 27 November 2017, paragraph 309

<sup>43</sup> RoP, 27 November 2017, paragraph 353

<sup>44</sup> RoP, 27 November 2017, paragraph 90

committee would need to be much broader, and I'm not quite sure how you would do that across children's services and adult services."<sup>45</sup>

**75.** In evidence from the Welsh Government, it appears that the overall implications of the integrated grant proposals for the role of the Regional Collaborative Committees has not been fully considered.

**76.** A Welsh Government Official, told us:

"...part of the discussion that we need to have with the committees themselves. There are representatives from those committees who have been part of the discussions so far, on quite a general level. However, going forward, now that the conditions of the proposals are much clearer and that guidance is available for people to be able to discuss the details of the new scheme, I think it will be essential that we bring in or attract the members of the committees to the policy discussions that will be taking place throughout Wales."<sup>46</sup>

**77.** We also asked the Welsh Government for its views on how Public Service Boards and Regional Collaborative Committees would work together in practice and were informed:

"I think that is something that we'll need to work out. Because the other relationship that I was talking about was the relationship between the local partnership boards on a regional level, which look at broader questions in terms of bringing together social care and healthcare, which, in terms of Supporting People, is a discussion that is similar to the discussion taking place about the regional partnership boards. And there are examples, as the report of the Wales Audit Office has shown, of some boards that are making those linkages, or connections, but we think that there is room for further collaboration across those boards."<sup>47</sup>

## Our View

**78.** We have serious concerns about the Welsh Government's lack of engagement with the sector in developing its proposals and find it unacceptable that some stakeholders found themselves "kept in the dark". The approach taken seems to have been in direct contrast to the co-production principle. which the

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<sup>45</sup> RoP, 27 November 2017, paragraph 316

<sup>46</sup> RoP, 22 January 2018, paragraph 157

<sup>47</sup> RoP, 22 January 2018, paragraph 159



Welsh Government had sought to put at the heart of the Supporting People Programme over previous years. This during a period when the Welsh Government was separately consulting on revised Supporting People Programme guidance and strategic objectives and on the Programme's "Outcomes Framework" and preparing a response to the Auditor General's recommendations.

**79.** Moreover, we consider that simply "signalling intent" about the integrated grant proposals was not commensurate with the ways of working expected under the Well-being of Future Generations (Wales) Act 2015, regardless of the Welsh Government's belief that its proposals would enable service re-design in line with the principles and aims of the Act.<sup>48</sup> We note and welcome the Welsh Government's commitment to engaging with stakeholders through meetings of the "Pathfinder Working Group" that has been established. It is crucial that any changes to existing grant programmes are evidence-based with the aim of improving outcomes for vulnerable people and not simply about saving money in the short-term.

**Recommendation 2.** We recommend that the Welsh Government engages closely with key stakeholder organisations in evaluating the impact of the flexible funding pilots and to determine the scope and timing of any further grant integration affecting the Supporting People Programme beyond 2018-19.

**80.** We have serious reservations about the timescales currently set out by the Welsh Government for evaluating the flexible funding pilots if the Welsh Government remains committed to introducing an integrated grant in 2019-20. However, we note the Deputy Permanent Secretary's acknowledgement that there may not be a big bang approach.

**Recommendation 3.** We recommend that the Welsh Government pause and reflect on its approach to evaluating the feasibility of an integrated grant proposal. We recommend that the Welsh Government consider extending the timescale of the flexible funding pilot projects to ensure that a thorough and detailed examination of their impact can take place.

**Recommendation 4.** We recommend that, as part of its evaluation work, the Welsh Government identifies clearly the extent to which individual local authorities have taken advantage of the funding flexibility provided and how this has supported better outcomes.

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<sup>48</sup> Welsh Government budget proposals paras 4.26-4.31.



**Recommendation 5.** We recommend that the Welsh Government report back to the Committee on the outcomes of work to facilitate comparable outcomes monitoring for different client groups. The Committee would also like to hear about the outcomes of the Welsh Government's wider evaluation work and recommend the findings of the evaluation are reported back to us on a formal basis.

**81.** We note and agree with the acknowledgement of the ELGC Committee that the proposed single combined grant will be ring-fenced for providing early intervention, intervention and support. We also share its concerns that removing the ring-fence from the Supporting People Programme Grant will impede the delivery of vital housing related support services, including those for rough sleepers.

**82.** We also agree with ELGC Committee's findings that the combined grant will extend across two Ministerial portfolios and share their questions on how this will impact on future funding decisions, as well as scrutiny and accountability arrangements.

**83.** We are concerned with the Welsh Government's stated rationale for integrating existing grants may not take into account sufficiently the way the programme works with those who are homeless or at risk of becoming homeless. We would wish to see further monitoring and evaluation of the pilot schemes, along with further stakeholder engagement, to test this rationale.

**Recommendation 6.** We recommend that the Welsh Government reconsider the grants it proposes to include in an integrated funding stream, and particularly consider, as part of future development, the relative merits of integrating Supporting People solely with housing and homelessness grants.

**84.** The position on whether the Supporting People Programme funding is protected remains unclear with the Welsh Government giving mixed messages. The Welsh Government needs to be absolutely clear on its intent.

**85.** The Committee also has reservations that the Welsh Government is looking for a new Integrated Grant to deliver £13 million in savings, which to quote the Welsh Government, "are not based on a bottom-up analysis of what can be achieved". This may yet mean that the financial savings required will only be achieved by impacting on the quality and level of services provided for by the grants that are integrated, including the Supporting People Programme.

**Recommendation 7.** We recommend that the Welsh Government clearly quantifies the extent of the financial savings that can be accrued through

reduced administrative costs and more efficient delivery of services through its integrated grant proposals. This evaluation should include assurances that efficiency savings that may be delivered in the pathfinder areas can be achieved readily elsewhere.

**86.** We also note that concerns remain about the effectiveness and impact of Regional Collaborative Committees with mixed progress in developing regional projects and services. The proposals for the integrated grant raise further questions about the role and function of those committees and any uncertainty in this regard risks undermining their effectiveness.

**Recommendation 8.** We recommend that the Welsh Government clarifies the role of the Regional Collaborative Committees in the context of the flexible funding pilot projects and in the event of any future rollout of an integrated grant.

## Distribution of funding and financial planning

### Funding pressures and uncertainty

**87.** The Auditor General's report refers to how annual funding notifications have created a climate of uncertainty, preventing long-term strategic planning, stifling innovation and making it difficult to retain experienced staff. While the Welsh Government's response to the Auditor General's report acknowledged its aim of providing longer-term indications of budgets wherever possible, it pointed to the constraints arising from the uncertainty around the implications of UK Government funding decisions.

**88.** The difficulties arising from funding uncertainties were set out in written evidence from the Isle of Anglesey Council highlighted:

"Funding uncertainty has also restricted development of new services, for fear of funding being unavailable for newly awarded contracts, particularly within fixed support services."<sup>49</sup>

**89.** Cymorth Cymru referred to issues of service providers not bidding for contracts due to uncertainty explaining that:

"Another consequence of funding cuts is that some providers have taken the decision not to bid for contracts that they view as being too low value for the services that need to be delivered. The primary concern of these providers has been the safety and quality of the services they deliver for vulnerable people with complex needs."<sup>50</sup>

**90.** In written evidence, Cornerstone commented:

"Some providers are completely withdrawing from providing Support People-funded services, due to the risk to business models."<sup>51</sup>

**91.** Similarly Denbighshire County Council explained that budget pressures and funding uncertainty has affected service planning and delivery by having had:

"...an impact on staff retention and recruitment, as well as on the market overall – e.g. a lack of interest when tendering contracts. There's

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<sup>49</sup> PAC(5) SPO3 – Written Evidence

<sup>50</sup> PAC(5) SP18, p Written Evidence

<sup>51</sup> PAC(5) SP01 Written Evidence

limited incentive for Providers to take the risk in developing supported housing in particular.”<sup>52</sup>

**92.** Despite a number of witnesses clearly highlighting this as an issue in evidence submitted to the inquiry, the Welsh Government were not themselves aware this was happening. The Deputy Permanent Secretary told us:

“I hadn't picked up that providers were hesitating in providing for services. That's not something that I've heard directly myself.”<sup>53</sup>

**93.** The Welsh Government confirmed that they would investigate this issue further with a Welsh Government Official stating:

“I think that it's something we'll certainly pick up with local authorities, and Cymorth and other providers, to take a closer look at that.”<sup>54</sup>

**94.** There have also been concerns about the impact of budget reductions on the quality and sustainability of Supporting People services. The Auditor General's report found that one of the ways in which local authorities have dealt with budget reductions has been to change from generally more expensive fixed support to less expensive floating support.

“Since 2014-15, there has been a small but noticeable change in the overall proportion of Programme funds spent on fixed and floating support. The Welsh Government's view is that higher levels of floating support are an indicator of local authorities intervening earlier to address issues before they reach crisis point and individuals require fixed support services. This approach is in line with the preventative agenda set out within the Well-being of Future Generations (Wales) Act 2015 and could be more cost-effective in the longer term. However, respondents to a 2016 Community Housing Cymru survey expressed the view that local authorities are funding fewer intensive services to achieve cost savings and that this would have a detrimental impact on service users.”

**95.** The Committee heard various reasons to explain an increase in levels of funding devoted to floating support compared to fixed support. Some witnesses suggested that it was result of a directive from the Welsh Government that viewed floating support as more preventative than fixed support, and to ensure that

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<sup>52</sup> PAC(5) SPO8 Written Evidence

<sup>53</sup> RoP, 22 January 2018, paragraph 111

<sup>54</sup> RoP, 22 January 2018, paragraph 112

Supporting People services would be delivered to people regardless of their residential status.<sup>55</sup>

**96.** However, other witnesses highlighted that while it was right that people should be able to receive support regardless of their residential status, there was sometimes good reason to provide support in specialist fixed accommodation. Evidence suggested that funding uncertainties were making it increasingly difficult to provide this type of support resulting in more reliance on non-specialist floating support. There was also a suggestion that the use of floating support instead of fixed was sometimes having the adverse effect and was not always necessarily a more preventative solution.

**97.** For example, Cymorth Cymru explained:

“As new services are developed, commissioners are aware that per person, the cost of shared or fixed schemes is much higher than for floating support. However, the move to the cheaper floating service will mean much of the support is lost. There is no comparison between the support that can be offered to a 16 yr old single mother in a residential mother and baby scheme and having a support worker ‘pop in’ once a week for an hour. You get what you pay for. A diluted service will cost less- but may well achieve less and so becomes money wasted.”<sup>56</sup>

## Funding Formula

**98.** Since the commencement of the Programme in 2003, the distribution of funding to local authorities has not been based on greatest need. Although the Welsh Government attempted to address this problem by implementing a new funding formula in 2012-13, it chose to suspend the formula when also making cuts to the Programme budget for 2014-15 and 2015-16.

**99.** The Welsh Government did continue with an element of funding redistribution but had the formula continued to have been implemented some local authorities would now be receiving significantly more and some significantly less than their current allocations.

**100.** The Supporting People National Advisory Board (SPNAB) has recognised the need for a new formula to help redistribute programme funds to geographical areas of greatest need. The Welsh Government has been considering

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<sup>55</sup> PAC(5)SP09, Written Evidence

<sup>56</sup> PAC(5) SP18 Written Evidence

implementing a revised funding formula in response to a recommendation from the National Advisory Board but the time-frame for this has not been confirmed. Any new formula will need to take into account the revised Programme objectives and be consulted on.

**101.** The Auditor General's report notes that the National Advisory Board had been encouraging the Welsh Government to implement the new formula for 2018-19 but that this was likely to be an overly ambitious timeframe, as the Welsh Government had not yet undertaken any work to identify potential data components to be included in a revised formula. Reaching agreement on the formula introduced in 2012-13 proved challenging and took 12 months of work before its implementation.

**102.** The Welsh Government's response to the Auditor General's report suggested an extended time-frame, with any new formula not in place until April 2020.

### Local variations in financial support for client groups

**103.** The Auditor General's report highlighted a variation in the level of support across local authorities for the same groups:

"...work undertaken in Gwent and North Wales shows that there are some wide variations in the hourly support for people with learning disabilities that local authorities will fund through the Programme. As part of a phased Programme of completing individual housing related support assessments, in 2015-16, Newport City Council, decided to limit Supporting People funded support to eight hours per week for people with learning disabilities or enduring mental health problems."<sup>57</sup>

**104.** The report also highlighted:

"It is the Welsh Government's view that some local authorities are using Supporting People funding to support ineligible services to people with learning disabilities."<sup>58</sup>

And:

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<sup>57</sup> **Auditor General for Wales Report, The Welsh Government's Supporting People Programme, August 2017**, paragraph 3.37

<sup>58</sup> **Auditor General for Wales Report, The Welsh Government's Supporting People Programme, August 2017**, paragraph 1.8

“Typically.....reviews found that some support provided through the Supporting People Programme was not housing-related support, but was ‘care’ support, which is not eligible for support under the Programme. The Welsh Government does not have any intelligence on whether other funding sources are filling the gap left by removing Supporting People funding. We have not followed up this issues with all local authorities. However, we know of one authority (Blaenau Gwent), which remodelled its learning disabilities services to remove elements of care from the Supporting People Programme and fund them instead from its adult social care budget.”<sup>59</sup>

**105.** In evidence to the Committee reasons given for widespread variation in financial support for client groups across local authorities were numerous ranging from diverse demographics, different levels of sophistication of needs analysis, political priorities and still some evidence of historical legacies.

**106.** The Auditor General’s report was unable to form a definite judgement about whether such variation in provision exists across other client groups. However, it noted that the available data does suggest a degree of variation:

“For example, we identified that 16 of 22 local authorities provided Supporting People services for the client group ‘families with support needs’ in 2016-17. Fourteen local authorities provided support to people with physical or sensory disabilities through the Programme. While only three local authorities provided Programme support to people with developmental disorders such as autism...”<sup>60</sup>

**107.** In response to the Auditor General’s recommendations, the Welsh Government had indicated that it would be working with Regional Collaborative Committees to review services for people with learning disabilities by the end of 2018-19, with a view to implementing any changes by March 2022. More generally, the Welsh Government indicated that it would be working with the committees to develop an understanding of service costs and how these vary across local authorities.

## Our View

**108.** We note the concerns raised by witnesses that some providers are withdrawing from bidding for services due to funding uncertainties and support

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<sup>59</sup> **Auditor General for Wales Report, The Welsh Government’s Supporting People Programme, August 2017**, paragraph 2.53

<sup>60</sup> **Auditor General for Wales Report, The Welsh Government’s Supporting People Programme, August 2017**, paragraph 3.38

the Auditor General's recommendations about re-introducing three-year funding allocations at the earliest opportunity and moving to three-year spending plans. We believe that these recommendations remain relevant even if the Welsh Government integrates Supporting People Programme funding with other grant programmes.

**109.** We are concerned that the possibility of providers withdrawing from bidding for services may only be compounded by the additional uncertainty caused by the integrated grant proposals.

**Recommendation 9.** Alongside its evaluation of the flexible funding pilot projects, we recommend that the Welsh Government carries out an urgent review to explore whether there commissioners are struggling to attract bids for Supporting People services due to funding uncertainties.

**110.** The proposals for an integrated grant raise questions about plans for the Supporting People funding formula. It has proved difficult to move to a position of allocating Supporting People Programme funding on the basis of need. Any move to an integrated grant with greater funding flexibility would appear to create greater complexity in this regard given the broader range of purposes that the grant funding could be used for.

**Recommendation 10.** We recommend that the Welsh Government provide the Committee with an update on its response to the Auditor General's recommendation on the funding formula to clarify its intent. This update should include details of how the Welsh Government intends to allocate the overall budget to local authorities for any integrated grant while also ensuring that it is needs based.

**111.** We note the Welsh Government's positive response to the Auditor General's recommendations about exploring variations in the provision of Supporting People services for people with learning disabilities and benchmarking wider service costs. However, we are unclear whether the Welsh Government remains committed to these actions given the integrated grant proposals.

**Recommendation 11.** We recommend that the Welsh Government confirms its commitment to the actions that it set out previously in response to the Auditor General's recommendations about learning disability services and benchmarking of service costs.



**Recommendation 12.** We recommend that the Welsh Government look in a similar way at the issue of the variation between local authorities in Supporting People provision for other specific groups, including any obvious differences in the type of support i.e. fixed or floating.

## Monitoring and Evaluation

**112.** The Auditor General's report highlighted that progress in developing an approach to evaluation has been slow and the Welsh Government does not yet have a good enough understanding of the Programme's impact, some 14 years on from its initial launch. There is also a lack of confidence in the data collected. The report found that:

“Many of those involved in managing delivery of the Programme told us that the outcomes data was time consuming to collect. Moreover, many lacked trust and confidence in the accuracy of the data. In response, the Welsh Government emphasised to us its view that where local authorities lack confidence in the data, they should work more closely with support providers to address these issues.”<sup>61</sup>

**113.** In oral evidence Cymorth Cymru explained:

“I think that the outcomes work is far from perfect, but it has been making progress over the years. Certainly, we've seen an increase in the outcomes collected over the space of two or three years—an increase of 65 per cent in outcomes collected. So, the sector is engaging more with it; they're collecting more data. There's obviously been some criticism from some people in the sector and in the audit office report around how robust those are and how they're interpreted by support workers filling out those forms. We often hear complaints about the bureaucracy and how much time people spend filling that out, but the sector's really keen to demonstrate impact because they know from working with people every day the life-changing impacts that it has, but also the savings to health, criminal justice, social care et cetera. So, they're really keen to collect outcomes but want to do so in a less bureaucratic way, and to make sure that when they are collecting outcomes they are as robust as possible to show the true impact.”<sup>62</sup>

**114.** Similarly the Gwent Regional Collaborative Committee told us:

“[There is a]General feeling that WG SPPG Outcomes have been difficult to use to analyse decision making due to limited faith in their

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<sup>61</sup> **Auditor General for Wales Report, The Welsh Government's Supporting People Programme, August 2017**, paragraph 2.24

<sup>62</sup> RoP, 20 November 2017, paragraph 47

meaningfulness and as such their usefulness for this. They need to be better linked with e.g. Homelessness definitions under legislation, rather than being 'standalone' as currently."<sup>63</sup>

**115.** This view was supported in written evidence from Llamau who stated:

"In addition, whilst the monitoring process attempts to measure progress, there is no base line to give meaningful data on the effectiveness of support interventions. This has resulted in limited faith in their meaningfulness and a hesitancy to use the data to inform decisions. Furthermore, there is little link between the measurement of other areas of work and Supporting People, particularly the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act, Wellbeing of Future Generations (Wales) Act and the Housing (Wales) Act. At the moment, the outcomes monitoring for the Supporting People Programme does not allow for any measurement of its contribution to these areas of work."<sup>64</sup>

**116.** The Welsh Government has been planning to revise the Outcomes Framework. However, there was also scepticism whether the proposals for a revised outcomes framework would sufficiently address all the limitations of the current outcomes framework. In order to ensure any revised outcomes framework is successful and produces robust data there was a clear call for training and comprehensive guidance to ensure it is used consistently across Wales. Two respondents also suggested that the Office for National Statistics should be involved in developing it.<sup>65</sup>

**117.** Evidence from Western Bay RCC highlighted that with the development of the Health Social Care and Wellbeing Outcomes there is an opportunity to have a single set of national outcomes consistently used reducing the bureaucracy and administrative processes.<sup>66</sup>

**118.** In their response to the Auditor General's recommendation to ensure that any new framework arrangements are clearly understood by providers and embedded as part of contractual arrangements the Welsh Government stated that it would:

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<sup>63</sup> PAC(5) SP09 Written Evidence

<sup>64</sup> PAC(5) SP10 Written Evidence

<sup>65</sup> PAC(5) SP10 Written Evidence

<sup>66</sup> PAC(5) SP09 Written Evidence

“...engage with the Supporting People Information Network (SPIN) and Cymorth Cymru to introduce and prepare commissioners and providers for future changes to data collection. In addition, we will update Welsh Government grant terms and conditions to reflect these changes to Local Authorities. We will work with local authorities so changes to data collection are reflected in their own commissioning arrangements with service providers. Welsh Government will test this has been embedded via the local authority review process.”<sup>67</sup>

**119.** However, in oral evidence a Welsh Government Official indicated that:

“At the moment....we have paused on implementing the new framework that we consulted on in the summer pending decisions around any integrated grant.”<sup>68</sup>

**120.** We also heard concerns about the impact of the integrated grant proposals on the four-year data linking study that is looking at the impact of the Supporting People Programme on demand for NHS services. Responding to these concerns, a Welsh Government Official stated:

“Because we are not proposing to revolutionise our approach to Supporting People within the proposed early intervention grant, we are hopeful that we won't cut across our ability to measure. But the sector is right to say that there'll be issues arising as a result of any change. But hopefully we will still generate good enough data, because that's a tricky exercise and we would be frustrated to say the least if we weren't able to build on the work that's been done to date.”<sup>69</sup>

**121.** The Equality, Local Government and Communities Committee has highlighted similar weaknesses in performance management and evaluation in a previous report on the Communities First programme. Other reports commissioned by the Welsh Government of its Flying Start and Families First programmes have identified similar issues, concluding that to date there is insufficient information to assess the effects of these programmes fully, despite them operating for a number of years.

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<sup>67</sup> Welsh Government response to the Auditor General for Wales Report, 20 September 2017

<sup>68</sup> RoP, 22 January 2018, paragraph 171

<sup>69</sup> RoP, 22 January 2018, paragraph 208

## Our View

**122.** It is disappointing that, after 14 years, the Welsh Government still lacks a good enough understanding of the Supporting People Programme's impact and similar weaknesses in monitoring and evaluation have been identified in other areas of policy delivery.

**123.** It remains unclear exactly what the proposals for the new integrated grant now mean for the changes to the outcomes framework that the Welsh Government consulted on previously and for other evaluation work.

**Recommendation 13.** We recommend that the Welsh Government provide comprehensive guidance and training to ensure that any revised outcomes framework, for the Supporting People Programme, or for any new integrated grant, is clearly understood and used consistently across Wales from the outset.

## Annex – Witnesses

The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at:

<http://record.assembly.wales/Search/?type=2&meetingtype=441>

Date	Name and Organisation
20 November 2017	Stuart Ropke, Community Housing Cymru Enid Roberts, Cartrefi Cymunedol Gwynedd Katie Dalton, Cymorth Cymru Rhian Stone, POBL Group & Cymorth Cymru Chair
27 November 2017	Naomi Alleyne, Welsh Local Government Association Elke Winton, Torfaen County Borough Council Nigel Stannard, Newport City Council Sam Lewis, Gwent Regional Collaborative Committee Angela Lee, Gwent Regional Collaborative Committee
11 December 2017	Councillor Mark Child, Western Bay Regional Collaborative Committee Rachel Evans, City and County of Swansea Co-ordinating Authority
22 January 2018	Tracey Burke, Welsh Government Jo-Anne Daniels, Welsh Government John Howells, Welsh Government Emma Williams, Welsh Government