

Public Accounts Committee

PAC(5)-30-17 Paper 2 – 27 November 2017

## **Welsh Government's Supporting People Programme– Paper from the Welsh Local Government Association**

WLGA welcomes the opportunity to provide views on the findings of the Auditor General's Report, and in particular in the areas covered by the Committee's short inquiry.

The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales. The three fire and rescue authorities and the three national park authorities are associate members. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.

### **The impact of wider policy development**

Key relevant findings from the report: –

*“The Welsh Government considers that the Programme provides vital support to prevent homelessness and tackle poverty, although these issues are not mentioned explicitly in its stated purpose or aims.”*

*“The Programme's stated purpose and aims have not kept pace with changing policy, although the Welsh Government is now developing new strategic objectives.”*

*“The Welsh Government has recognised that wider policy developments have implications for the Programme, but we have identified concerns about the scale of change and the way it has been communicated”*

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. The Auditor General's Report rightly identifies the key legislation and policy reforms relevant to the Programme, at the time of writing, all of which are evolving as implementation of each is taken forward, and the inter-relationships between each becomes more evident. The overall context within which the Programme operates is both complex and evolving, and needs to be kept under regular review in order to ensure that the Programme continues to be effective and efficient.

Within the Supporting People Programme there are a broad range of services and types of services commissioned for a wide variety of vulnerable clients. Expectations of the Programme are considerable, understandably so given the relative size of the budget. However, these expectations have increased over time with the Programme being seen as necessarily contributing to the resolution of a successively wider range of issues. As recognised in the Auditor General's Report this can result in tensions between local and regional needs assessment and service planning, and expectations imposed by Welsh Government.

The recent realignment of officials' responsibilities within the Welsh Government's Housing Policy Division, which now brings together responsibility for the Supporting People Programme and the outcome and implementation of the UK Government's Supported Accommodation Review is welcomed.

### **Funding distribution and financial planning**

Key relevant findings from the report: –

*“The redistribution of funding towards areas of greatest geographical needs has not progressed as rapidly as anticipated.”*

*“The Welsh Government has been considering implementing a revised funding formula, but the timeframe for doing so has not been confirmed.”*

*“The Welsh Government has provided only annual funding allocations in recent years which has hampered local planning.”*

If redistribution of funding is to be further implemented, this needs to be over a sufficiently extended timescale to allow those areas where funding is being reduced to make the necessary changes to services in a strategic way.

We will work with Welsh Government and other stakeholders in the development of any revised funding formula, however, we agree with the point made in the Auditor General's Report that any new formula needs to take account of the confirmed strategic objectives for the Programme.

We agree with the assertion in the report that annual funding allocations, with uncertainty around the possibility of funding reductions, has had the effect of hampering local planning and service development in some areas.

The recent announcement by Welsh Government around Funding Flexibility is significant for the funding and financial planning aspects of the Programme. Seven local authorities which have piloted a grant alignment project are being identified as Full Flexibility Pathfinders with flexibility across Supporting People, Families First, Flying Start, Communities First Legacy Fund and the new Employability Grant. A range of other grants are also under consideration for inclusion.

Feedback from those authorities participating in the alignment project indicated a clear appetite for increased flexibility, reduced bureaucracy and grant structures that support and promote better joint planning and commissioning.

The Full Flexibility pathfinder will give 100% flexibility across grants in order to achieve increased programme alignment, make more effective use of funding and meet local needs. This greater financial freedom and flexibility is expected to enable pilot areas to work differently, giving more scope to design services to support the Welsh Government's drive for more preventative, long-term approaches.

In the remaining fifteen local authorities, it is proposed to give "extended flexibility" of 15% across Supporting People, Flying Start, Families First, Communities First Legacy Fund and the new Employability Grant with the aim of allowing those authorities to plan more strategically, align programmes and

deliver more responsive services to meet the needs of their citizens. It is intended that both Full Flexibility and Extended Flexibility are introduced from April 2018.

The UK Government's recent announcement relating to funding for supported accommodation is also significant to the future funding and financial planning arrangements for the Programme, with funding for short-term supported housing (yet to be fully defined) likely to be removed from the welfare system and devolved to Wales. This will include both core rent and additional housing management costs meaning all the funding of these settings will be within Welsh control. In England it is intended to make this funding available to local authorities as a ring-fenced grant from 2020. Detailed arrangements for Wales have yet to be decided.

### **Monitoring and evaluation**

Key relevant findings from the report: –

*“Progress in developing an approach to evaluation is slow, and so Welsh Government does not have a good enough understanding of the Programme's impact.”*

*“The current Outcomes Framework has a number of limitations which make it difficult to form a comprehensive judgement of the success of the Programme and there is a lack of confidence in the data that has been collected.”*

*“The Welsh Government is planning to revise the outcomes framework in an effort to address some of the current concerns.”*

*“Separate to work on the Outcomes Framework, there is some as yet limited evidence that the Programme reduces demand for health services.”*

While local authorities fully understand the need to provide evidence of the impact of the Programme, particularly to ensure the continuation of budgetary protection during a period of reducing overall resources, it should be recognised that outcomes are complex and often difficult to evidence the impact in numbers, especially around individual and personalised outcomes.

As concluded within the report, the use of case studies provides some examples of very positive qualitative indicators to illustrate the effectiveness of the Programme for some individuals and groups. We welcome the revision of the Outcomes Framework.