

Agenda – Public Accounts Committee

Meeting Venue:

Committee Room 4 – Tŷ Hywel

Meeting date: 27 November 2017

Meeting time: 13.45

For further information contact:

Fay Bowen

Committee Clerk

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(Private Pre-Meeting 13.45 – 14.00)

1 Introductions, apologies, substitutions and declarations of interest

(14.00)

2 Paper(s) to note

(14.00 – 14.05)

(Pages 1 – 3)

2.1 Scrutiny of Accounts 2016–17: Additional information from Sport Wales (14 November 2017)

(Page 4)

2.2 Scrutiny of Accounts 2016–17: Additional information from Arts Council for Wales (17 November 2017)

(Pages 5 – 10)

2.3 Scrutiny of Accounts 2016–17: Additional information from the National Library of Wales (20 November 2017)

(Pages 11 – 14)

2.4 Challenges of Digitalisation: Additional information from the Welsh Government (17 November 2017)

(Pages 15 – 18)

2.5 Appointment of Director General's in the Welsh Government: Letter from the Permanent Secretary, Welsh Government (21 November 2017)

(Pages 19 – 20)



3 Cardiff Airport: Update from the Welsh Government

(14.05 – 14.15)

(Pages 21 – 24)

PAC(5)–30–17 Paper 1 – Update from the Welsh Government

4 The Welsh Government’s Supporting People Programme: Evidence Session 2

(14.15 – 15.30)

(Pages 25 – 50)

Research Briefing

PAC(5)–30–17 Paper 2 – Paper from the Welsh Local Government Association

Naomi Alleyne – Director, Social Services and Housing, Welsh Local Government Association

Elke Winton – Group Manager Housing, Torfaen County Borough Council

Nigel Stannard – Supporting People Programme Manager, Newport City Council (and Chair of the Supporting People Information Network)

(Break 15.40 – 15.45)

5 The Welsh Government’s Supporting People Programme: Evidence Session 3

(15.40 – 16.40)

(Pages 51 – 62)

PAC(5)–30–17 Paper 3 – Paper from Gwent Regional Collaborative Committee

Sam Lewis – Vice Chair, Gwent Regional Collaborative Committee

Angela Lee – Regional Development Coordinator, Gwent Regional Collaborative Committee

6 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

(16.40)

Items 7 & 8 of today’s meeting and Items 1 & 2 of the meeting on 4 December 2017

**7 The Welsh Government's Supporting People Programme:
Consideration of evidence received**

(16.40 – 16.50)

8 Forward Work Programme Spring 2018

(16.50 – 17.00)

(Pages 63 – 70)

PAC(5)-30-17 Paper 4 – Forward Work Programme Spring 2018

Concise Minutes – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: Monday, 20 November
2017

Meeting time: 14.00 – 15.40

This meeting can be viewed
on [Senedd TV](#) at:

<http://senedd.tv/en/4354>

Attendance

Category	Names
Assembly Members:	Nick Ramsay AM (Chair) Mohammad Asghar (Oscar) AM Neil Hamilton AM Vikki Howells AM Adam Price AM
Witnesses:	Katie Dalton, Cymorth Cymru Enid Roberts, Cartrefi Cymunedol Gwynedd Stuart Ropke, Community Housing Cymru Rhian Stone, Cymorth Cymru
Wales Audit Office:	Huw Vaughan Thomas – Auditor General for Wales Matthew Mortlock
Committee Staff:	Fay Bowen (Clerk) Claire Griffiths (Deputy Clerk) Katie Wyatt (Legal Adviser)



1 Introductions, apologies, substitutions and declarations of interest

- 1.1 The Chair welcomed the Members to the Committee.
- 1.2 Apologies were received from Rhianon Passmore AM and Lee Waters AM. There were no substitutes.
- 1.3 The Chair paid tribute to the late Carl Sargeant AM.

2 Paper(s) to note

- 2.1 The papers were noted.
- 2.2 The Committee agreed to seek further clarification from the Welsh Government on in-year funding for health boards and the findings of the Deloitte review of governance issues at Hywel Dda University Health Board as part of the NHS Finance (Wales) Act 2014. Regarding Senior Management Pay, the Committee noted that the Auditor General would report back following discussions with the Welsh Government.

2.1 Medicines Management: Additional information from the Welsh Government (30 October 2017)

2.2 Implementation of the NHS Finance (Wales) Act 2014: Correspondence from the Welsh Government (6 November 2017)

2.3 Senior Management Pay: Correspondence from the Welsh Government (8 November 2017)

3 The Welsh Government's Supporting People Programme: Evidence Session 1

3.1 The Committee received evidence from Stuart Ropke, Chief Executive, Community Housing Cymru; Enid Roberts, Assistant Director, Customers and Communities, Cartrefi Cymunedol Gwynedd; Katie Dalton, Director, Cymorth Cymru and Rhian Stone, Director of Care and Support at POBL Group & Cymorth Cymru Chair as part of its inquiry into The Welsh Government's Supporting People Programme.

4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

- 4.1 The motion was agreed.

5 The Welsh Government's Supporting People Programme: Consideration of evidence received

5.1 Members considered the evidence received and agreed to write to the Cabinet Secretary for Finance with the concerns raised regarding the proposed removal of ring-fencing the Supporting People Programme budget and the impact this could have on vulnerable members of society.

5.2 Members noted that the Auditor General anticipates publishing a report on how local government manages demand for homelessness services early in the New Year which could be considered as part of this inquiry.

Agenda Item 2.1

Public Accounts Committee

PAC(5)-30-17 PTN1 - 27 November 2017

Scrutiny of Accounts 2016-17

Additional information from Sport Wales

I am writing following comments made at the meeting of the Public Accounts Committee on Monday 9 October 2017.

The issue raised by the Auditor General was whether the recently commissioned review of Active Young People programme was as a result of Sport Wales' appearance before the Public Accounts Committee in October 2017.

I can confirm that in our 2017/18 remit letter from the Minister, we were asked to commission an external review of our young people programmes and Free Swimming Initiative; that is, before the Public Accounts Committee.

In accordance with Sport Wales' procurement procedures, we tendered this work in July 2017. Unfortunately, following careful assessment, we were not satisfied with the quality of bids. As a result, we split the review into two parts: a review of Free Swimming was commissioned in early October 2017 and will report by the end of March 2018, and we are currently advertising on Sell2Wales to procure an organisation to undertake a review of the young people programmes, which we expect will report in May 2018.

Sarah Powell
Chief Executive

14 November 2017

National Assembly for Wales – Public Accounts Committee

Scrutiny of Arts Council of Wales' General Activities Annual Report & Financial Statements for the year ended 31 March 2017

Monday, 6 November 2017

Provision of further information

Budgets and projects specifically targeted for NEETS

During scrutiny of our General Activities Accounts, Committee members noted that we had not repeated our *Momentum* programme in 2016/17. We were asked to provide additional information about other projects and spending that benefited young people who were NEET.

We continue to support engagement with NEETS in three main ways:

1. Structured programmes of support through strategic partnerships (such as *Creative Learning through the Arts*, *Night Out* and *Fusion*)
2. The work of our revenue-funded arts organisations, the Arts Portfolio Wales
3. Projects supported through our open-to-application Lottery funding programmes

Creative Learning through the Arts

Momentum was a programme focused on NEETS, or those at risk of becoming NEET. It was a successful project, although European funding obligations placed management and reporting burdens on us that were proving to be very onerous.

Throughout the delivery of *Momentum* it was becoming increasingly clear that young people were becoming disengaged from education, employment and training whilst in school. The introduction of our *Creative Learning* programme provided us with the opportunity to address this issue, and at an enhanced scale across Wales.

Creative Learning through the Arts is now the principal means through which we reach disadvantaged young people. It's a carefully structured programme using creative practice and techniques to improve attainment across the whole school spectrum. It has engagement and attainment of our lowest achievers at its heart. This is especially the case in the *Lead Creative Schools* strand of the programme.

A key objective of *Lead Creative Schools* is "to find creative approaches to literacy, numeracy and reducing the impact of deprivation on educational attainment between disadvantaged learners and their peers".

Feedback from schools to date is telling us that the scheme is achieving above and beyond our expectations.

The programme is being closely monitored. Case studies in our interim evaluation talk about learners being more engaged and taking ownership of their own learning. Attendance levels are increasing, in many cases to 100%. Pupil attainment levels are also increasing significantly. These outcomes mirror those in the *Momentum* programme, but here we're operating here at significantly greater scale and wider reach.

We have 550 *Lead Creative Schools* in Wales.

414 of these are based in the former Communities First areas – that's 75.27% of all schools on the scheme. It's obviously not possible to identify specifically how many of the young people in these schools are at risk of becoming NEET. However, the focus on significant areas of deprivation increases the likelihood that support is being targeted in the most acute areas of need.

The total budget allocated to these schools is £5,478,000, with £4,653,000 of this being spent in the former Communities First areas – 84.94% of the budget.

Of course, some pupils do still find themselves in Pupil Referral Units but many of our revenue-funded arts organisations (our Arts Portfolio Wales) are working in these contexts. For example, **National Theatre Wales** collaborated with **Ocean Park Academy**, a centre for alternative learning in Splott, Cardiff, to work with 312 young people helping them to develop life skills through their engagement with creative activity.

Night Out

Night Out promotes over 500 high quality performances in local community settings across Wales each year. An important part of this is promoting activity in areas of deprivation. In 2016/17, 93 events took place in former Community First areas. This was 18% of total. *Night Out* is available to the community as a whole. A more relevant statistic is the 37 *Young Promoter* events in Community First areas. The scheme works directly with the young people themselves to plan, organise and manage professional performances that are open to the public. This helps to develop important life skills. We offer funding in the form of guarantees against loss to the local promoter. Consequently, around £35,000 was spent on these events in 2016/17. *Night Out* is also assisting with the *Fusion* project (see below).

Fusion

We are partners in the Welsh Government's *Fusion* project, specifically targeted at areas of particular deprivation. Eight lead bodies (across Cardiff; Caerphilly and Torfaen; Conwy; Carmarthenshire; Gwynedd; Neath Port Talbot; Newport and Swansea) have received Challenge Grants (totalling £200,000) to deliver cultural engagement activities for those living in some of the most deprived areas of Wales.

The focus of the current phase of work is to deepen and expand partnerships between cultural organisations and disadvantaged communities, using culture, heritage and the arts to support employability, empowerment, early years and family learning and health and well-being. *Fusion* delivers projects that focus on developing the employability skills of young people and adults in our most deprived communities. The arts will be one of the interventions used.

Cultural organisations involved in managing these projects include some of our most successful *Momentum* delivery partners such as **Head 4 Arts** (Caerphilly and Torfaen), an Arts Portfolio Wales organisation. These organisations are applying the learning and approaches developed through the *Momentum* programme.

The Arts Portfolio Wales

Our Arts Portfolio Wales comprises 67 revenue-funded organisations operating across Wales. In 2016/17 we allocated £25.8m to the Portfolio. During 2016/17 the Portfolio organised 37,953 sessions run for children and young people involving 633,729.

Twelve members of the Portfolio deliver all – or the greater part – of their activity in Community First areas. Our spending on these companies in 2016/17 was £2.7m.

It's not possible for us to say with absolute certainty how many of these were NEETs, because most of the organisations don't collect information in this way. However, we feel confident enough to believe that these activities are providing important opportunities for a significant number of young people in disadvantaged areas to attend and take part in the arts.

Examples include:

- **Ffilm Cymru Wales** inspiring 30,000 young people each year through film education programmes across
- **Community Music Wales'** "Children in Need" project with young people aged 12 to 18. 800 young people across Wales have taken part in creative activity over the life of the project, with 92% reporting positive outcomes (including achievement of accredited learning, a break in negative behavioural patterns, and an increase in confidence). This extends a project originally funded by the *Momentum* programme
- **Valleys Kids'** ArtWorks programme uses a multi-disciplinary approach encompassing Drama, Theatre, Music, Dance and Film to help disadvantaged young people aged 8 – 25 years tackle issues and events affecting their lives
- **Valley and Vale Community Arts'** partnership project with The South Wales Police and Crime Commissioner to work with young people to encourage and stimulate positive change in their lives

Lottery-funded activity

A number of organisations have carried on their *Momentum* work with projects funded from other Lottery programmes. For example, the organisation Mess up the Mess is focusing its projects on 11 – 25 year olds, specifically the most disadvantaged and marginalised. They received £30,000 in 2016 for “Broken Generations”. And a more recent project “Mess up the Future” has been awarded £24,240. Again, the project focusses on NEETs and those at risk of becoming NEET.

We have analysed the full range of Lottery funded projects that we supported in 2016/17. We have concentrated on identifying those projects taking place in Communities First areas where the beneficiaries included children and young people.

147 projects were supported in a Communities First area where young people were among the beneficiaries. Total Lottery funding for these projects was £4.8m. 31 of those projects were exclusively targeted at those aged 26 and under. Funding for these projects totalled £1.5m.

A note on the limitations of the data.

We cannot report with complete accuracy on the precise number of NEETs reached, or the exact value of the funding allocated to NEETs projects. We do ask those who we fund to provide extensive information and statistics, but we’re conscious of the need to strike the right balance between the desirability of detailed data and the burden that this places on organisations. For the moment, we’re focusing in particular on people from groups with “protected characteristics”. NEETs is not one of the protected characteristics.

Detailed breakdown of Arts Council of Wales reserves [at 31 March 2017]

As a charity we distinguish between restricted and unrestricted funds. Restricted funds are grants, donations and other sources of income received for a specific purpose or project, or where restrictions are imposed that are narrower than the Council’s overall objectives. Unrestricted funds are used at the discretion of our Council members, as trustees of the Arts Council of Wales, in furtherance of our chartered and charitable objectives.

Most of the Council’s unrestricted funds are committed during the year, in accordance with the conditions of grant-in-aid issued by the Welsh Government. Any surplus funds are carried forward and used in the following year. Our holding of unrestricted cash reserves at the year-end is capped at 2% of our non-Lottery income but, with the agreement of the Welsh Government, we carried forward some funds to 2017/18 to offset the costs associated with our Organisational Review and delayed commitments for some of our planned programmes.

At 31 March 2017 we had restricted reserves of £1,210,000 and unrestricted reserves of £1,414,000.

As a charity we observe Charity Commission guidance by maintaining a prudent level of unrestricted reserves to meet unforeseen circumstances. Year on year Council has considered our permitted 2% cash holding sufficient for this purpose.

At 31 March 2017 that accounted for approximately £614,000 of our reserves. The remaining £800,000 was carried forward – following approval of a business case that we had submitted to the Welsh Government – to meet the following planned commitments:

Wales Millennium Centre (2017/18 capital funding from Welsh Government received in March 2017)	£200,000
Public Art Residencies Programme	£50,000
Wales in China Programme	£40,000
Arts and Health Programme	£40,000
Arts & Business Cymru funding	£70,000
ICT upgrade & development	£170,000
Estimated national insurance contributions associated with HM Revenue & Customs' IR35 legislation	£20,000
Costs associated with our Organisational Review:	
In-year residual staffing costs to August 2017 ¹ (redundancy date)	£128,000
Consultancy, training, etc.	£55,000
Implementation of developments associated with Welsh Language Standards and the Well-being of Future Generations (Wales) Act	£27,000
	<u>£800,000</u>

¹ Redundancy termination payments were accrued in full in 2016/17

Portfolio Organisations identified as 'red' risk

Our Portfolio risk rating is an internal management tool that helps us to decide where we should focus our professional support and monitoring. We don't view risk as a bad thing in and of itself. Ambitious, creative organisations often take planned risks – if they didn't, the sector would lack ambition and innovation. Nevertheless, as stewards of public funding, we take a conservative approach to risk, erring on the side of caution.

A 'red' risk is our way of noting that the organisation's performance, or the circumstances currently affecting it, requires particular vigilance on our part.

There are five principal (but not exhaustive) reasons why we might identify an organisation as 'red' risk:

1. Organisations are automatically rated 'red' risk if they're managing a capital building project, or if they're undergoing some form of strategic review that might fundamentally alter the nature of the organisation's activities
2. There might be external factors beyond the organisation's control (such as the loss, or potential loss, of a major funder)
3. Shortcomings in management or governance problems
4. Risk of insolvency
5. The organisation's performance, output and management are so poor as to potentially call into question our continuing investment

All 'red' risk organisations have a specific action plan and a lead officer working with the organisation to affect change.

At the present time, we have rated 20 (29%) of the 67 Portfolio organisations as 'red'.

Nick Capaldi
Arts Council of Wales
15 November 2017

Agenda Item 2.3

Report to: Financial Forward Planning Committee, 30 October 2017

Subject: Costs and risks of keeping the Pension Scheme open to new joiners

Purpose of report: to follow up on the issue as requested in previous meetings of the Financial Forward Planning Committee

1. Background

1 The Library is somewhat unusual in that the defined benefit pension scheme it offers to staff remains open to new joiners. This is a situation that has been questioned by the Committee in the past, and a report of the matter has been commissioned from the Actuary (attached).

2. Assessment by the Actuary

2.1 The main conclusions from the Actuary's report are:

- If the Scheme is closed to new members then the contribution rate required from the Library will increase over time
- If the Scheme remains open then the liabilities of the pension scheme will be larger as a result of the accrued pension rights

2.2 Other factors to consider are:

- The Scheme remains at or around a fully funded position
- Significant changes have recently been made to the Scheme requiring staff to move to a normal retirement age of 65 or pay 3% more to retain the current age of 60
- The Remit Letter from the Cabinet Secretary has requested that the Library considers how it could align the Library's terms and conditions with those of the Civil Service.

2.3 Given the above it is the view of the Executive Team that the Scheme should not be changed for the time being, unless there are new circumstances that give a compelling case to do so. In this context, the most immediate issue that would cause the Library to look at its costs would be the Grant-in-aid (GIA) settlement from the Welsh Government. There is considerable uncertainty over the level of GIA that the Library will receive in 2018/19 and beyond, and if there is a material cut then the Library will have to consider how it will reduce its costs to live within its budget. In these circumstances the Library may well be required to consider radical changes in pension provision, including a move to defined contribution provision.

3. Recommendations

3.1 It is recommended that the Scheme is not changed for the time being, but that cuts to GIA may require the Library to consider the wider issue of pension provision.

National Library of Wales Staff Superannuation Scheme (the “Scheme”)

Potential costs / risks associated with keeping the Scheme open to new joiners

To the Library

1 Introduction

- 1.1 The Library has asked us to consider the potential costs / risks to the Scheme associated with keeping the Scheme open to new hires versus the alternative of closing to new joiners. This paper focuses on the potential impact on the Scheme and does not consider the wider implications of alternative benefit arrangements for new joiners.
- 1.2 The impact of closing the Scheme to new hires is very dependent on the likely turnover / recruitment profile that might be expected. For example, if the Library were to cease recruitment for the next 5 years then a decision to close the Scheme to new hires would have no real impact over this period.
- 1.3 For illustration purposes, we have therefore assumed that a typical recruitment pattern for the Library would be to aim to maintain the age / salary profile of employees at the current level.

2 Pension Cost

- 2.1 It is a feature of defined benefits pension schemes that, under most reasonable economic assumptions, the cost of providing future service benefits for an individual member will increase as that member gets older. This is because the period over which investment returns can be earned is shorter for older members than it is for younger members.
- 2.2 The single rate of contributions that is payable to the Scheme (currently a rate of 30.2% is payable for member with an NRA of 60, including 3% which is payable by members) is therefore determined by the weighted average age of the Scheme’s membership. Over time, if the average age of the membership increases then, all other things being equal, the Library’s contribution requirement to the Scheme will increase.
- 2.3 The following figures are for illustration only, but show how the contribution rate to the Scheme might change over time.

Assume that the Scheme has the following membership profile:

Age	25	30	35	40	45	50	55	60
Number of members	30	30	30	30	30	30	30	30
Pensionable Salary (£'000 pa)	12	14	16	18	20	22	24	26
Contribution rate required for 1 year of benefit accrual	26%	27%	28%	29%	30%	31%	32%	34%

- 2.4 The average weighted contribution rate of the sample scheme above is ~ 30.2% per annum i.e. the same as the joint rate payable by the Library and members for those with an NRA of 60.

2.5 Scenario 1 – the Scheme remains open to new joiners

If we assume that anyone reaching age 60 takes retirement and that new hires join the Scheme at age 25 (at the rate of 30 new hires every 5 years i.e. broadly 6 new hires per year) then in 5 years' time the age profile of the Scheme and therefore the average contribution rate will be broadly unchanged.

In 5 years' time, then, all other things being equal, the total annual contribution rate is expected to remain at 30.2% per annum (including 3% which is payable by members).

Similarly, in 10 years, 15 years and 20 years' time, the contribution rate should remain broadly unchanged, as follows:

	In	5 yrs' time	10 yrs' time	15 yrs' time	20 yrs' time
Pensionable payroll (£m pa)		4.6	4.6	4.6	4.6
Contribution rate required for 1 year of benefit accrual		30.2%	30.2%	30.2%	30.2%
Contribution amount (£m pa)		1.4	1.4	1.4	1.4

2.6 Scenario 2 – the Scheme closes to new hires

If instead we assume that anyone reaching age 60 takes retirement but that no new hires are allowed to join the Scheme then in 5 years' time the age profile of the Scheme and therefore the average contribution rate will have changed.

In 5 years' time, then, all other things being equal, the total annual contribution rate is expected to increase to 30.6% per annum (including 3% which is payable by members). However this increase *in rate* is offset by the fall in pensionable payroll, leading to a reduction in the cash contribution payable.

Similarly, in 10 years, 15 years and 20 years' time, the contribution rate is expected to increase but will be offset by the fall in pensionable payroll, as follows:

	In	5 yrs' time	10 yrs' time	15 yrs' time	20 yrs' time
Pensionable payroll (£m pa)		4.2	3.8	3.3	2.8
Contribution rate required for 1 year of benefit accrual		30.6%	31.0%	31.4%	31.9%
Contribution amount (£m pa)		1.3	1.2	1.0	0.9

2.7 **Political factors** – the Cabinet Secretary for Economy and Infrastructure has asked that the Library works towards harmonising staff terms and conditions with those of the Welsh Government. The Library will need to consider whether closing the defined benefit scheme to new members might be in contradiction of this request.

2.8 **Other factors** - clearly there are factors, other than the membership profile of the Scheme, that will impact the future cost of benefit accrual but the effect of these on the contribution rate will be similar, regardless of whether the Scheme is closed to new joiners or not. The most significant of these are:

- a economic factors such as future investment returns and future inflation
- b demographic factors such as changes in longevity / mortality.

Closing the Scheme to new joiners will however reduce the pensionable payroll of the Scheme (as shown in the table under Scenario 2 above) and so the impact of any economic or mortality changes on the total cash cost of the Scheme to the Library will reduce.

For example, if economic and mortality changes lead to a 15% uplift in contribution rates, then the contributions in 10 years' time would be:

- 34.7% (i.e. 30.2% x 1.15), or £1.6m pa for a Scheme that is open to new joiners; vs
- 35.7% (i.e. 31.0% x 1.15), or £1.4m pa for a Scheme that is closed to new members.

2.9 The illustrative figures assume the Trustee retain the same investment strategy for the Scheme over time. However, the closure of the Scheme to new hires will mean that the Scheme's liabilities have a finite end point and, as the Scheme matures, there may be a move towards a more de-risked asset strategy, which would likely reduce the discount rate and increase the contribution rate.

3 Impact on funding risk

3.1 An important consideration for the Trustees is that closure to new entrants will limit the extent by which the Scheme's liabilities grow in future and will therefore help to reduce the level of funding volatility inherent in the Scheme (in cash terms).

3.2 In very broad terms, the liabilities of the Scheme, based on the current funding assumptions and other assumptions as outlined in this paper might be around £5m to £10m lower in 20 years' time if the Scheme is closed to new joiners today vs if it remained open.

3.3 If we were to assume that a 1 in 20 downside event might worsen the funding level of the Scheme by ~ 10% to 15% then the additional deficit risk in 20 years' time that the Library is exposed to as a result of keeping the Scheme open to new joiners might be around £1m to £2m.

Steve Yates
September 2017

Limitations and reliances

This paper was prepared for the National Library of Wales for the purpose of illustrating the potential costs / risks to the Scheme associated with keeping the Scheme open to new hires versus the alternative of closing to new joiners, under the terms of our engagement with you. It may not be suitable for use in any other context or for any other purpose and we accept no responsibility for any such use.

This paper was prepared for your sole and exclusive use and on the basis agreed with you. It was not prepared for use by any other party and may not address their needs, concerns or objectives.

This should not be disclosed or distributed to any third party other than as agreed with you in writing. We do not assume any responsibility, or accept any duty of care or liability to any third party who may obtain a copy of this paper and any reliance placed by such party on it is entirely at their own risk.

This paper, and the work involved in preparing it, are within the scope of and comply with the Financial Reporting Council's Technical Actuarial Standards regarding pensions, reporting actuarial information, data and modelling.

Agenda Item 2.4

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Public Accounts Committee Chair
National Assembly for Wales
Cardiff Bay
CF99 1NA

17 November 2017

Dear Mr Ramsay,

Thank you for your letter of 20 October 2017 following the Public Accounts Committee session on 02 October 2017 on the challenges of digitalisation.

Thank you for the opportunity to share the Welsh Government's Digital Action Plan 2017-2020 with the Committee; I'm glad the Committee recognises its value. As you note in your letter, the Digital Action Plan is an internal document. It is designed to support the improvement of the organisation's internal systems and staff digital capability, and in turn, to improve how we deliver the services the Welsh Government provides to external customers such as farmers, businesses, care home providers, child minders, and more. I am confident that coupled with my 'Future-proofing' initiative - which is looking closely at the skills and ways of working the Welsh Government Civil Service will need to operate successfully in the future - the Action Plan will help us to further embed a digital mindset amongst staff and improve digital service delivery.

I am sorry that the Committee felt I was not able to respond to its broader questions on the Welsh Government's digital policy. In the Government's national strategy, *Prosperity for All*, digital service delivery; skills and literacy; infrastructure; and the Welsh Government's global digital presence are discussed across the strategy's four key themes.



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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Pack Page 15

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding

The Welsh Government's digital policy is of course a matter for Julie James, Leader of the House and Chief Whip. As the Committee will be aware, Julie James' portfolio now includes: digital infrastructure, including broadband and mobile; digital service transformation for the Welsh public sector; and digital inclusion. I have discussed this response with the Minister and she has confirmed that she would be happy to appear before the appropriate Assembly Committee for a session on digital.

On the Welsh Government's self- assessment of its digital capability, I would like to reassure the Committee that external assessments of our performance, such as a number of different awards at the Wales and UK levels, were used as evidence in our most recent self-assessment exercise. Evidence of increased take up of the services we provide was also used. However I completely accept the Committee's point about the value of external verification and have asked colleagues to consider how this could be incorporated further in the future.

I would not wish the Committee to be in any doubt that I regard this as a vital area, and a challenging one as well. I think that we have taken some excellent steps in the Welsh Government and we are making good progress but we recognise of course that there is still room for us to improve, to learn and to move on to higher levels of achievement. I will continue to take a close personal interest in this work going forward

I want to thank the Committee for its interest in how digital will be addressed in the recent recruitment process for the two Director General posts. Innovative, effective, value for money policy making and the delivery of excellent public services for the people of Wales are core requirements for both of these roles. Digital skills were not referenced specifically in the job descriptions, not because I regarded them as of lesser importance, but simply because digital is an immediate and important component of the delivery of excellent public services and cannot be separated from delivery. At this level of responsibility in the Welsh Government what I have been looking for is candidates who have a sound awareness of the importance of digital, and the role it plays in delivery of services, and the innovation and flexibility to see and to encourage opportunities to use digital to its maximum effect. At the time of writing, the interviews for both posts have been completed and I expect to be making an announcement shortly. I was very pleased to have had an excellent field for these posts and I know that awareness of, and enthusiasm for, digital issues and opportunities will be among a wide range of approaches, skills and knowledge which the successful candidates will bring to bear in these critical roles.



I hope that the Committee has found this update useful. I would be happy to provide the Committee with further updates if required.

Yours,

Shan Morgan

Shan Morgan

Ysgrifennydd Parhaol/ Permanent Secretary
Llywodraeth Cymru/ Welsh Government



Agenda Item 2.5



Llywodraeth Cymru
Welsh Government

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary

Nick Ramsay AM
Public Accounts Committee Chair
National Assembly for Wales
Cardiff Bay
CF99 1NA

21 November 2017

Dear Mr Ramsay,

I'm delighted to announce the outcome of the open competition for the roles of Director General, Education and Public Services and Director General, Economy, Skills and Natural Resources in the Welsh Government.

There was a very strong field of internal and external candidates who all gave an excellent performance in a rigorous recruitment process, culminating in a panel chaired by a Civil Service Commissioner. The job description clearly set out the Additional Accounting Officer responsibilities for these roles, and these were explored and tested thoroughly at interview.

With the agreement of the First Minister and Sir Jeremy Heywood, I have offered the posts to:

Tracey Burke, Director General, Education and Public Services.

Andrew Slade, Director General, Economy, Skills and Natural Resources.

They have accepted, and I look forward very much to them joining the Welsh Government's senior team to drive forward the delivery of the Welsh Government's strategy, *Prosperity for All*.



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CF10 3NQ Gwefan • Website: www.gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding

Tracey will start in her new role immediately, and Andrew will take over when James Price leaves the Welsh Government on secondment in January 2018. I will issue Additional Accounting Officer letters to both Tracey and Andrew in due course and will provide copies to you.

I'm sure you will join me in welcoming Tracey and Andrew to their new roles.

Yours

A handwritten signature in black ink that reads "Shan Morgan". The signature is written in a cursive style with a long horizontal line extending to the right.

Shan Morgan

Ysgrifennydd Parhaol/ Permanent Secretary
Llywodraeth Cymru/ Welsh Government



Ken Skates AC/AM

**Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Cabinet Secretary for Economy and Transport**



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA-P-KS-3899-17

Nick Ramsay AM
Chair – Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

06 November 2017

Dear Nick

**UPDATE ON THE PUBLIC ACCOUNT COMMITTEE REPORT WELSH GOVERNMENT
ACQUISITION OF CARDIFF AIRPORT**

The Committee was last updated about the recommendations in the Public Accounts Committee Report, Welsh Government Acquisition of Cardiff Airport, on 19 September 2016.

Good progress was noted on some of the recommendations. However, it was recommended the Committee be updated on further progress by 10 November 2017. I am enclosing that update.

The Welsh Government considers that, as a result of the actions taken; only recommendation 5 remains open.

Yours sincerely,

Ken Skates AC/AM

**Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Cabinet Secretary for Economy and Transport**

Bae Caerdydd • Cardiff Bay
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

PAC UPDATE – Acquisition and Ownership of Cardiff Airport

November 2017

The Welsh Government’s acquisition and ownership of Cardiff Airport	
Date of Update: November 2017 Responsible Director: Simon Jones	
1	We recommend that the Welsh Government regularly review the businesses it has designated as anchor companies and regionally important companies. (Page 14)
<p>The Welsh Government reviewed the businesses it has designated as anchor companies and regionally important companies in spring 2017. This resulted in the then Cabinet Secretary for Economy and Infrastructure agreeing in June 2017 to include a wider cohort of stakeholders and businesses in the Anchor Company network. The rationale for this is to strengthen links between a wider range of businesses, academia and other key stakeholders and reflects the cross government approach as outlined in “Prosperity for All: the National Strategy”.</p>	
2	We recommend that the Welsh Government consider engaging with Transport Scotland to understand the different approach they have taken to membership of their holding company, how conflicts of interest are managed within the Scottish model and to consider the merits of such an approach alongside the work currently being undertaken to consider the composition of the CIAL and Holdco boards. (Page 35)
<p>Welsh Government senior officials have engaged with Transport Scotland and the Glasgow Prestwick management team to understand the different approach they have taken. The merits of how Glasgow Prestwick is managed under the Scottish model have been considered, including a discussion with CIAL, and it has been concluded that the arrangements would not offer the degree of independence the Welsh Government believes is required in Wales.</p> <p>WGC Holdco will apply the relevant lessons learned in regard to the composition of the CIAL and WGC Holdco boards (see recommendations 3, 4 & 5).</p>	
3	We recommend that Holdco encourage the CIAL Board to consider expanding its Membership to include wider aviation and/or airline experience. (Page 35)
<p>CIAL have appointed an additional board member with experience in all areas of conducting airport business in an international environment. CIAL is also recruiting an additional member to the executive team who will be responsible for airport planning and development.</p>	

4	<p>With regard to the composition of the Holdco Board we recommend that the Welsh Government give consideration to extending its membership to include a civil servant from outside the Directorate that has responsibility for economy, skills and natural resources to minimise the potential for conflicts of interest to arise. (Page 35)</p>
<p>The WGC Holdco board has considered its membership and the need to balance skills, current areas of responsibility and independence with the need to maintain an efficient approach. The Welsh Government has also given consideration to having an additional senior civil servant from outside of the Directorate on the WGC Holdco board and felt that appointing a non Welsh Government person to the Board (in line with recommendation 5) would add greater benefit and minimise the potential for conflict of interest.</p>	
5	<p>We endorse the recommendation of the Auditor General’s report and previously that of the Welsh Government’s Internal Audit Services that Holdco should appoint a board member from outside of Welsh Government with appropriate business experience. (Page 35)</p>
<p>Following a Public Appointments process the then Cabinet Secretary for Economy and Infrastructure has appointed an independent Non Executive Director to the WGC HoldCo board. At the time of drafting this update their appointment had not formally commenced and as such it is not possible to share the individuals name and biography at this time.</p> <p>We will provide a further update to the Committee once the appointment has formally commenced</p>	
6	<p>We recognise the uncertainty of longer term business planning and that Holdco may wish to formally approve actions on a two year outlook. However, we recommend that Holdco should also require medium and longer term financial projections as part of its review of the airport’s business plans. (Page 45)</p>
<p>The Welsh Government has agreed Cardiff International Airport Limited’s Business Plan for 2017/18. It covers the next two years, with a five year financial forecast, and a twenty year indicative financial plan.</p>	
7	<p>The Committee recommends an update is provided by the Welsh Government following completion of the financial health review and whether this has resulted in any change in terms of the commercial loans and that the Committee is kept updated on any additional loan finance that is agreed. (Page 46)</p>
<p>The Financial Due Diligence that was undertaken by Deloitte prior to the Cardiff Airport loan being agreed considered both the financial position of the airport and the terms of the loan with regard to Market Economy Operator Principle. The advice provided by Deloitte during this Financial Health Review was reflected in the terms of the loan agreed with the Airport.</p> <p>The Welsh Government will keep the Committee updated on any additional loan finance that is agreed.</p>	

8	<p>In order to measure the benefits to Wales of passengers coming through the airport we recommend that CIAL and the Welsh Government work together to collect this data. (Page 52)</p>
<p>CIAL has advised that onward destination data can be difficult to collect because it is not required as part of the booking process. However, we will be able to collect the data through voluntary passenger feedback questionnaires (along with other information). It should be recognised though that such questionnaires typically record a relatively low response rate.</p>	
9	<p>Given our observations regarding signage with regard to the Airport Express bus service the Committee recommends that CIAL work with the Welsh Government to ensure signage is improved with specific consideration to making more user friendly for foreign travellers. (Page 52)</p>
<p>Improvements have been made to public transport signage at the Airport during the last twelve months, with a particular focus on the T9 Airport shuttle. This work will be kept under regular review.</p>	
10	<p>With regards to discussions between Cardiff Airport and Arriva Trains Wales to improve rail links to the airport, we recommend that the Welsh Government work with both parties to encourage dialogue to improve the rail links to the airport. (Page 52)</p>
<p>We are currently procuring an operator and development partner for the rail service. The Invitation to Submit Final Tenders asks bidders to outline proposals to deliver a range of rail integrated transport outcomes, including Cardiff Airport. We continue to progress these discussions with the airport to keep them fully informed of developments.</p>	

Document is Restricted

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.

PAC(5)-30-17 Paper 3 - 27 November 2017

Gwent Regional Collaborative Committee (RCC)

Evidence of the work of the Gwent RCC within the Supporting People Programme: Public Accounts Committee Report, November 2017

Since the new governance arrangements were introduced in 2012 the Gwent Regional Collaborative Committee (RCC) has been committed to working positively and co-productively, with a focus on jointly engaging stakeholders, ensuring positive outcomes for service users, and sharing valuable skills, expertise and resource, the Gwent RCC has made significant progress over the past five years in shaping an improved regional context for the Supporting People Programme across Gwent and beyond.

Some initial quotes from members from the first year of the newly introduced governance arrangements 2012-2013 are provided here: *“There is increased communication and multi-agency interaction across sectors, as well as between providers.”*

“There is more consistent information flow for all, rather than this being dependent on the individual relationships those providers may / may not have had with other agencies via feedback and Providers Forums etc.”

“Being a member of the Gwent RCC has meant that we are now more aware of the work the Supporting Peoples agencies do on behalf of and directly with their clients. This has enabled us to identify strategic and opportunistic vehicles for improving this population’s health”.

“Working in partnership with colleagues in the Gwent RCC has provided us with appropriate and useful opportunities to help us in the production of the Health Needs Assessment for the homeless population in Gwent.”

Challenges since inception have been embraced by the Gwent RCC and changes to legislation unique to Wales in relation to the Well-Being of Future Generations (Wales) Act 2015, Housing (Wales) Act 2014, the Social Care and Well Being (Wales) Act 2014, and the Violence Against Women, Sexual Violence and Domestic Abuse (Wales) Act 2015 have been promoted via the current governance arrangements. Members of the RCC have been able to collectively learn, develop, consult and inform upon the wide range of Welsh policy matters relating to the Supporting People Programme, and the Committee has shown how we are able to work together with partners to proactively shape local and regional service provision, whilst also informing, influencing and advising upon national policy matters.

The Gwent RCC has been well represented in these governance arrangements, at a national, regional and local level; members have embraced and proactively exercised the opportunity to have a voice and two-way communication with the SPNAB and with Ministers, through the variety of Supporting People work streams and fora. As a result of this constructive dialogue, the RCC, Provider Forum and stakeholders across Gwent have been kept abreast of Programme changes, the direction of travel in Wales, and have been kept up to date and prepared for changes to policy and resource implications.

The Gwent RCC has undertaken as part of its work plan scrutiny of client categories and to date has undertaken a review of Older Peoples services introducing a timeline for

services to be tenure neutral; it has reviewed services for people with a learning disability establishing eight recommendations collectively agreed with Heads of Social Services across all Gwent Local Authorities to be worked towards and the introduction of a timeline to implement the recommendations across the region. Undertaking this piece of work also included a refresh of the “Gwent Allowable Activities” document, a guidance booklet that assists agencies and individuals to manage expectation and understand the purpose, scope and boundaries of housing related support.

Services for People with Mental Health issues were reviewed during 2016 -2017 and close links through this piece of work have been established with the Regional Learning Disabilities and Mental Health Partnership Board. Currently services for Young People aged 16-24 and Young People who are Care Leavers are prioritised for review along with services available for people across the region sleeping rough.

Other key areas of focus for the Gwent Regional Collaborative Committee have been on promoting and securing ongoing Welsh Government Supporting People Programme Grant funding for the region. The ‘Improving Lives; Preventing Costs’ booklet (mentioned later in this report), is testament to ensuring that service user stories are heard by local, regional and national decision-makers, alongside the cost benefits of the Programme. The booklet was developed and issued by the Committee to Ministers across Welsh Government departments prior to Welsh Government budget setting in 2015, providing evidence of the successful outcomes and cost benefits of the Supporting People Programme across Gwent, as requested by the Minister for Communities and Tackling Poverty.

We have maintained a proactive approach to promoting and evidencing the benefits of the Supporting People Programme in Gwent, linking the Programme to associated Welsh Government strategies and cross cutting initiatives including recently the Tackling Poverty and Adverse Childhood Experiences (ACEs) agendas

Citizen’s views, involvement and engagement continue to be central to our work programme, with our website development and launch providing improved methods of communicating with citizens, with agreement through the RCC that these should be firmly established as part of our annual stakeholder engagement programme. The twitter feed enables service users and stakeholders to stay up to date and the development of an annual on-line survey provides extended reach and opportunity to engage. Branding and marketing have been central to us raising the profile of the Programme and this is considered in all aspects of our work.

The Profile of the Supporting People Programme in Gwent continues to be raised through the work of the Gwent RCC. The Programmes cross cutting policy framework and its links to the wide range of national, regional and local priorities and strategies, have been recognised. Understanding of the Programmes objectives continues to increase; as further links are made with the established and recently introduced regional and local strategic boards. Examples of key pieces of work undertaken by the Gwent Regional Collaborative Committee and evidenced each year through the annual reviews are provided through the rest of the document.

Case Study Example June 2017: Launch of the Gwent Supporting People Service User Engagement Website



The Gwent Supporting People Regional Collaborative Committee (RCC) set up in 2012; is responsible for making sure that housing related support services are delivering the right results for people using them across Gwent. Since inception the RCC has recognised the importance of being able to engage with a wide range of service users, past and present enabling them to have influence and a voice at the Committees strategic level.

The Regional Collaborative Committee and local Supporting People teams have been working closely with Service Users of Supporting People funded services over the past few years to further develop the range of engagement and consultation opportunities available to them.

The **Gwent Supporting People Service User website** is the culmination of several years of co-produced engagement work and now adds to the already well developed engagement activities that are available across the Gwent region.

On June 20th 2017 the **Gwent Supporting People Service User Engagement website** *the first in Wales* was formally launched by the Deputy Leader of Torfaen Council, Richard Clark and Councillor David Daniels, Executive Member for Communities, Housing and Anti Poverty at the **Gwent Service User Needs Planning Event**..

This was the first regional Service User event held by the Gwent RCC and Supporting People teams. Ninety nine Service Users attended from twenty three organisations delivering projects across some or all Gwent local authority areas.

At the event Service Users had the opportunity to complete the annual survey which they could access on-line through the website, browse the provider stalls and meet their RCC Members. Some comments from the day are included here:

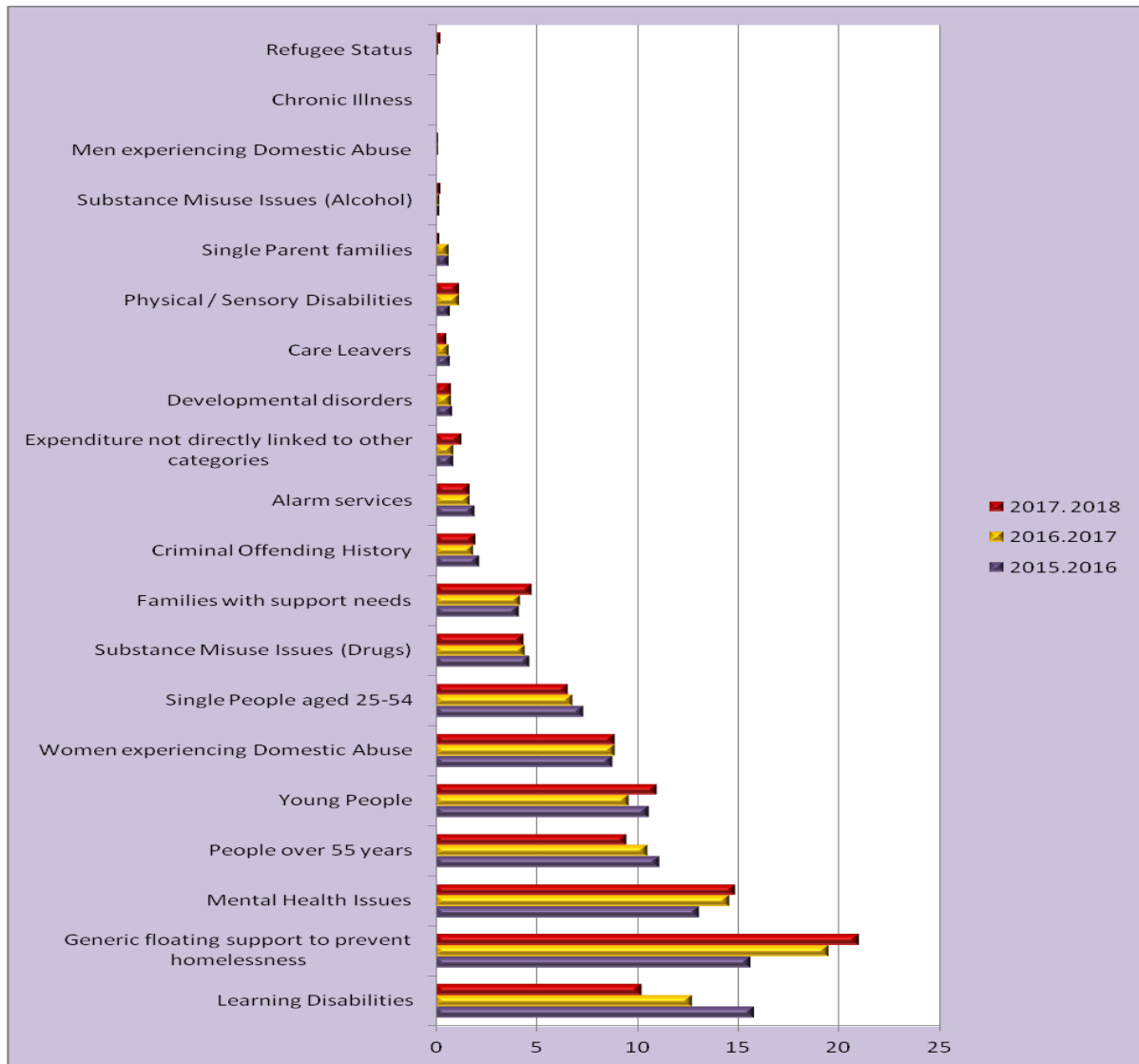
“Fantastic Event” “Having a fab time” “Brilliant day” “Well attended”
“Successful Launch” “Great effort”



Launch Event
Evaluation Report

Spend Comparison

The following chart provides an overview of how spend was allocated against each of the Supporting People client categories in the 2017/2018 spend plan and provides a comparison to the 2016/2017 and 2015/2016 spend plan.



The graph highlights that over 20% (£4,328,998.47) of the total Supporting People budget for Gwent is now spent on generic floating support services to prevent homelessness and the movement of spend across the other top three client categories. The recently introduced new legislation is determining the future direction and delivery of the Supporting People Programme in Gwent; the Supporting People teams, RCC and Local Planning Groups are continuing to develop services that are increasingly preventative in nature in order to meet their requirements to deliver under the Housing (Wales) Act 2014 and Social Services & Well-being (Wales) Act 2014.

Supporting People budget

The Gwent RCC and Supporting People Local Planning Groups continue to consider how potential cuts to the Supporting People budget in future years can be best managed across the region to ensure cost effective quality services continue to be delivered to best meet the needs of citizens in Gwent. The Regional Strategic Plan sets the strategic direction for the Supporting People Programme in Gwent; highlighting the regional priorities and the direction of travel for the Supporting People Programme. This can be viewed on the Gwent RCC pages: <http://www.blaenau-gwent.gov.uk/resident/health-wellbeing-social-care/getting-the-help-you-need/supporting-people/gwent-regional-collaborative-committee/> (ctrl/click)

The following table provides an overview of funding received by Supporting People teams since the new Supporting People Programme grant was introduced in 2013.

The figures highlight a fluctuating and more recently a static but uncertain budget that is extremely difficult to strategically plan and commission against. Current advice is that the Supporting People budget is protected for two years, but there is uncertainty of how this will look beyond 2019/2020 if Supporting People grant is included within a new Early Intervention and Prevention fund and in Newport and Torfaen with pilot 100% funding flexibility due to begin from April 2018.

Local Authority	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018 (indicative)
Blaenau Gwent	£2,617,930	£2,699,341	£2,552,176	£2,552,176	£2,552,176
Caerphilly	£6,542,558	£6,592,001	£6,232,790	£6,232,790	£6,232,790
Monmouthshire	£2,171,631	£2,156,785	£2,039,174	£2,039,175	£2,039,175
Newport	£6,670,273	£6,734,211	£6,367,255	£6,367,256	£6,367,256
Torfaen	£3,650,868	£3,636,022	£3,437,833	£3,437,834	£3,437,834
Gwent	£21,653,260	£21,818,360	£20,629,230	£20,629,231	£20,629,231
Wales	£136,333,000	£134,359,000	£124,409,000	£124,409,000	£124,409,000

The following overarching Gwent principles agreed by the RCC in 2014 for managing cuts to the Supporting People budget are still in place and considered as part of the local and regional strategic planning process:

- *Each Gwent Local Authority will consider their local strategic priorities.*
- *Each Gwent Local Authority will identify potential savings following service evaluations.*
- *Each Gwent Local Authority will identify savings from pilot schemes which are due to end.*

Case Study Examples Annual Review April 2015 – March 2016

Example: To continue the programme of client category and service scrutiny

The Gwent RCC has continued with its programmed review of client categories during 2016 – 2017, providing members with information of services and activity which take place under the Supporting People client categories. At the RCC development day in May 2016 it was agreed that services for People with Mental Health Issues and Young Peoples services would be priorities for the Gwent RCCs 2016 -2017 work plan.

A detailed desktop review of services for People with Mental Health issues was undertaken during 2016 -2017 by the Supporting People Local Authority Planning Officers, with a further workshop organised with both the Supporting People Lead Officers and Planning Officers during February 2017. A detailed report was finalised in March 2017 and presented to the RCC at their April 2017 meeting.

The report provided the RCC with a detailed overview of the range of services currently commissioned for People with Mental Health Issues, an overview of the information collated from the strategic and inclusive needs planning framework during 2016 and some suggested recommendations and actions for the RCC to consider.

The RCC established a Young Peoples Task and Finish Group during this reporting period and the first meeting of the group took place during September 2016. The group recognised that Adverse Childhood Experiences (ACEs) were a priority for the Welsh Government and had been highlighted by the Cabinet Secretary as one of his main priorities. The Gwent Regional Collaborative Committee through their Young Peoples Task and Finish group considered the Welsh Adverse Childhood Experiences Study and agreed that it was important to understand how many of these experiences the Gwent Supporting People population may have had personal exposure to.

The group agreed that raising the profile of the Supporting People Programme at a time of uncertainty over the Supporting People budget and highlighting the important work the Programme does to support adults who have had Adverse Childhood Experiences would be the initial piece of work to be undertaken by the group.

It was agreed that a snapshot mapping exercise would be undertaken to map people currently being supported by the Programme to gain an increased understanding of the numbers who may have experienced Adverse Childhood Experiences.

A questionnaire was designed and circulated to all support providers across Gwent. It asked support workers to review their case loads as a snap shot on September 30th 2016 and to complete the questionnaire based on the knowledge they had of the person they were supporting. There were limitations to this exercise including a reliance on support workers having this detailed knowledge of the person they are

supporting and whether someone receiving support had disclosed their earlier Adverse Childhood Experiences to their support worker; it raises the question whether Supporting People should be routinely asking about ACEs and if we did how might this influence or change the support intervention that is then delivered.

Analysis of the data highlighted that some populations within the overarching Gwent Supporting People population have experienced a significantly higher amount of Adverse Childhood Experiences than the national average and these experiences may be continuing to impact on their health and wellbeing and their ability to manage and cope during their adult lives. The analysis also provided a snapshot of the number of care leavers currently receiving support.

A briefing was drafted and along with an info graph data and three case studies, this was circulated widely across the region and nationally; with the intention that the results from the mapping exercise would provide senior officials and stakeholders with further evidence and a greater understanding that projects funded under the Supporting People Programme are providing essential and vital services; delivering support to some of our most vulnerable citizens within our communities, preventing and helping to reduce pressure on statutory services such as health and social services.

Collaborative working between the RCCs Young Persons task and finish group with support providers across Gwent, who encouraged their support workers to complete the questionnaire, resulted in 2459 questionnaires being returned. Blaenau Gwent Performance Team Officers helped draft and design the spreadsheet questionnaire and provided support to complete the analysis which enabled this project to be a success. To view the documents please visit the Gwent RCC web pages:

<http://www.blaenau-gwent.gov.uk/resident/health-wellbeing-social-care/getting-the-help-you-need/supporting-people/gwent-regional-collaborative-committee/> (ctrl/click)

The client categories; People with Learning Disabilities and Older People Services which were reviewed during the previous reporting period have continued to be reported against on a six monthly basis to the RCC meetings. At the 13th October 2016 RCC meeting it was agreed that reporting against these client categories would form part of the formal local authority quarterly update report, with a section added to the local authority reports to incorporate these updates, providing RCC members with ongoing updates against any recommendations previously agreed.

The main challenges experienced with all the client category reviews is the time needed to complete and draft the detailed overview required for a comprehensive report. What works well is that once signed off by the RCC the reports are circulated to relevant regional planning boards to feed into their planning processes whilst also raising the profile of the Supporting People Programme with other forums and strategic boards across Gwent. Additionally these reports have provided leverage for local authorities to progress the report recommendations within their local authority area.

Case Study Examples Annual Review April 2015 – March 2016

Example 1: Gwent Supporting People case study booklet: *Improving Lives. Preventing Costs*



The Gwent Regional Collaborative Committee recognised during 2014 that coordinating its communications (to ensure that the benefits of the Supporting People Programme continue to be recognised and understood by all stakeholders), was a priority for the Committee.

It was agreed at the Sept 2014 development day that a RCC Communications task and finish group would be established and tasked with co-ordinating its communications and raising the profile of the Gwent Supporting People Programme.

The Communications task and finish group agreed to develop a case study booklet that focused on the stories of people receiving services and the wide range of SP services provided, as well as highlighting

some of the potential cost benefit savings to other statutory stakeholders.

The task and finish group met on regular basis throughout 2015 and from these meetings a case study template was drafted; research was undertaken by the group on cost benefit toolkits and the database that would be used to evidence the costs saved was agreed. This information was then circulated to the Regional Provider Forum (RPF) for information and comment. The RPF provided feedback and suggestions for the template and agreed that all Gwent case studies should be submitted using this template going forward.

Case studies were then requested from support providers across Gwent and a total of 31 were received during the period from across a wide range of Supporting People funded services working in each Gwent Local Authority.

A Support Providers communications team designed and drafted the final glossy layout for the booklet and also provided it in an on-line html format making it easy to circulate on social media and across networks. This formatting also ensured that the booklet was presented in an easily accessible and readable format that encourages greater understanding of the types of services funded by the Supporting People Programme to a wider range of stakeholders.

Once finalised, it was published and circulated to Ministers with Cymorth Cymru's Supporting People Ministerial briefing which made reference to the case study booklet. The booklet was circulated widely across regional and local authority networks to forums, strategic boards, local authority Cabinet members, Councilors and senior management teams and to other interested stakeholders such as Health

and Probation. It was widely promoted on the Gwent Supporting People Twitter account and featured as an article within the SP News in Gwent newsletter. It was further publicised on Community Housing Cymru, Cymorth Cymru's, Gwent RCC and the Local Authority website pages.

The booklet **“Supporting People: Improving Lives, Preventing Costs”** is available to view through this link <http://online.fliphtml5.com/jtyt/ssff/> (ctrl/click) and through the on-line Gwent Supporting People publication library links: <http://fliphtml5.com/homepage/ezex> (ctrl/click)

Example 2: Learning Disabilities Services Review

Supporting People services delivered to people with learning disabilities were historically provided based on legacy funding decisions which may in some cases now be considered to be out of date and not in line with the direction of service development that the programme will need to deliver in the future.

The Gwent Supporting People teams and the Gwent Regional Collaborative Committee (RCC) recognised that the review and remodelling of services provided to this client group may deliver savings and efficiencies that could be used to mitigate future cuts to the Supporting People budget, whilst also ensuring that services commissioned meet the priorities of the newly introduced legislation and increased expectations placed on the Programme. It is recognised that by undertaking scrutiny, review and remodelling of services by the RCC to this client category; services will be developed that are of the best quality, preventative in nature, enabling access and offering choice to create a wider range of housing options to people with a learning disability now and in the future.

The Learning Disabilities client group was prioritised for review by the Gwent RCC after the March development day in 2014; a task and finish group was convened to undertake a review of services provided to this client category and it was agreed that they would draft a set of recommendations, that each LA could work towards and report against.

At the initial meeting it was agreed that the “Gwent Allowable Activities” document would need to be reviewed and updated as part of this process; as the original 2007 document, which contained outdated information about the types of support that could be delivered by Supporting People funded projects was still in circulation and being used as a reference document. Contracts Officers from the SP teams met to review and update the document; and once agreed the updated “Gwent Allowable Activities 2015” document was re-launched and circulated widely to stakeholders.

A desktop literature review was undertaken to review best practice for delivery of housing related support services to this client group. Data and statistics from the Gwent Needs Mapping Exercise (GNME) and the regional supply map of services were analysed and collated and relevant information was incorporated within the report; SP teams were able to provide data relating to delivery of services to this client group dating back to 2003 which enabled some detailed comparisons to be made reflecting change in service delivery over the years. Information collated allowed for national, regional and local comparisons to be made and with the

information collated into one document the task and finish group were able to consider the contents and draft some outline principles that could be considered and consulted on.

The document was considered by the RCC and by senior officers from each of the Social Services departments across Gwent, comments and suggestions from these groups were incorporated into the final report.

What went well?

- Working in collaboration to share data and information across the Supporting People teams.
- Collating information into one document for this client category enabled detailed analysis and comparisons to be made.
- Working closely with Heads of Social Services departments across all Gwent local authorities to agree realistic recommendations for future service delivery.
- Scrutiny of this client group was timely and in line with national policy direction being driven from the introduction of the Social Services & Well-being (Wales) Act 2014

What was achieved?

- Recognition across all LAs that service delivery will need to change to this client group in order to be able to meet future needs is clearly evident from the report.
- A recognition that some current models of service delivery within some Gwent LAs are based on historical funding which may no longer fully meet the eligibility criteria for Supporting People funding.
- Eight recommendations for future service delivery have been agreed by the RCC and by all Gwent Social Services departments, which should enable consistency in service delivery to be achieved across Gwent LAs in the future
- A timeline of April 2016 – March 2018 has been established by the RCC to implement the recommendations contained within the report.
- An up to date “Gwent Allowable Activities” document re-launched and providing clarity to all stakeholders of the types of support that are eligible for funding as part of the terms and conditions of the Supporting People Programme Grant.



Learning Disabilities
Services Review

Case Study Examples Annual Review October 2013 – March 2015

Example 1: Development Day: 19th March 2014

The Gwent RCC recognised during 2013 that the formal RCC business meetings did not allow the group enough time to consider specific areas of the Supporting People Programme in the detail that was needed by the Committee.

The first development day was organised for January 2014 and during this annual reporting period further development days were arranged for the Committee during March 2014, Sept 2014 and March 2015. Each session focussed on particular areas of the programme; which enabled RCC Members to further develop their skills and understanding of the programme and gave the time and opportunity to focus, scrutinise and progress various pieces of work during this annual reporting period.

The focus of the development day in March 2014 was to agree and draft the Gwent RCC work plan. Committee members were provided with several papers prior to the meeting:

- An overview of the Gwent Supporting People Planning processes and cycle.
- A detailed overview of funding across local authority areas and the region by client group and provider.
- A client category “fact sheet” providing detailed information on the distribution of funding within each client category.
- An overview of papers from the January development session with information gained from the Co-production session and Debono Six Hats exercise that was undertaken by the group.
- A draft work plan to be updated and amended.

Example 2: Service User Involvement

The importance of engaging with the people receiving services funded by the Supporting People Programme Grant has been fully recognised by all Committee members since the inception of the Gwent RCC and as part of the requirements of the Supporting People Programme Grant guidance.

Prior to this annual reporting period questionnaires and meetings were held with Service Users across Gwent and the information gathered was used to begin to develop the Gwent Service User Involvement Plan.

It was recognised early on by the Committee that the requirements to engage with the people who use Supporting People services as set out in the Supporting People Programme Grant guidance would be very difficult to achieve; and for one person to be the representative voice of 20,000 plus service users with very diverse needs and requirements risked diluting the current engagement opportunities and of becoming tokenistic and unsustainable.

Members have been committed to ensuring that further development of Service User engagement continues to provide people receiving Supporting People services a wide variety of opportunities to get involved; without losing sight of the many already well developed engagement opportunities that already exist across providers and Supporting People teams.

What went well?

- During this reporting period Planning Officers from each of the Gwent local authorities met and considered a wide variety of Service User Involvement frameworks from across the U.K.
- The group formally reported to the RCC recommending that a Co-production model is adopted and this was considered further at the 23rd January 2014 development session which was attended by Co-production Training who delivered a further co-production training session to the Committee.
- It was then agreed at the January 2014 RCC business meeting that Co-production would be the model used to develop service user involvement and engagement activities across Gwent.
- A task and finish group was established and has met during this reporting period on three occasions, two of these meetings were held with a number of people who are receiving SP services and the group also included representatives from Public Health, LA Planning Officers, SP Leads, RCC Support Provider Reps and the RDC.
- The group considered the following documents: Gwent Service User Strategy, The Gwent Service User Involvement Principles, previous questionnaire results and the mapping exercise of current opportunities for involvement across Supporting People teams and providers.
- The following actions were agreed by the group and reported to the April 2014 RCC business meeting:
 - Produce a **short easy read** Gwent RCC service user framework.
 - Offer a **range of involvement methods/options** for people to get involved.
 - Develop a range of **communication methods** to raise the RCC profile and encourage service users to get involved inc leaflets, small info cards; Facebook; Twitter; SP newsletter etc.
 - Develop a **rewards strategy** including qualifications for those involved.
 - Ensure there is a **feedback loop** to update people on the impact of their input and **to thank them for their involvement.**
- Engaging with people through the mechanisms of social media has been progressed during the reporting period and agreement to fund the service user web site using Supporting People Programme grant was agreed by Welsh Government, which has enabled further progress to be made.



Service User
Involvement Plan

Document is Restricted