

Pwyllgor Cymunedau, Cydraddoldeb a
Llywodraeth Leol

Communities, Equality and Local Government
Committee



Lesley Griffiths AM
Minister for Communities and Tackling
Poverty

Bae Caerdydd / Cardiff Bay
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24 October 2014

Dear Minister

Welsh Government draft budget proposals, 2015-16

Thank you for attending the Committee on 9 October 2014 to answer questions on the Welsh Government's draft budget proposals for 2015-16.

The Committee would like to draw your attention to the matters set out below, and looks forward to receiving your response, where appropriate, as soon as possible.

We note that the Finance Committee's consideration of the draft budget is structured around the four financial scrutiny objectives of affordability; prioritisation; value for money; and budget processes. We have applied these objectives to our considerations, where appropriate. A copy of this letter goes to the Finance Committee to inform its overarching consideration of the draft budget and it will also be published on our website.

Tackling poverty

We believe it is important to see clear links between budget allocations and the Tackling Poverty Action Plan (TPAP). We note your assertion that "the contribution to Tackling Poverty was an explicit factor in deciding the changes to be made between the indicative budget for 2015-16 and the draft budget" and that, "budgets have been protected for the programmes that contribute to that [anti-poverty] agenda as much as possible". While we welcome this, we are aware of reductions in budget allocations across Ministerial portfolios that could potentially

impact on the delivery of the TPAP. The most notable of these is the reduction in funding for Communities First, which is a key programme within the TPAP.

We are aware that there is an annual report on the progress of the delivery of the TPAP. We hope this will prove useful as a means of helping to monitor the impact of budgetary decisions on progress and we intend to monitor this through in-year scrutiny.

Communities First

The Committee was keen to see a demonstrable link between investment in the Communities First programme and clear, measurable outcomes so that value for money can be demonstrated.

The need for effective monitoring of how funding for the Communities First programme is spent, and for clear, measurable outcomes has been a continuing theme in our considerations of the programme. This is central in the context of existing financial constraints, when it is increasingly important to demonstrate value for money.

We are aware that the Outcomes Framework and performance measures have been agreed and are currently being used to measure progress. Your predecessor previously provided us with performance information based on the volume of interventions. However, we are unclear about how this data is used to measure the effectiveness of the programme. As such, we would welcome further clarification of how the programme is monitored, not only in terms of volume of interventions but quality of outcomes.

You told us that of the 100 performance indicators for the programme there are 20 key indicators that “measure the hardest outcomes” and that Communities First clusters have been asked to focus in these. You agreed to provide us with these key indicators when available.

You also told us that monitoring is being further refined to align performance measures across Communities First, Families First and Flying Start. We would like you to report back on the outcome of this work.

Following on from our consideration of last year’s budget when we raised concerns with your predecessor about the lack of monitoring and evaluation of the programme, we were told that an evaluation report on the reshaped Communities First programme would be available in July 2014. We would like information on the outcome of this evaluation as soon as possible.

Supporting people and homelessness

We are concerned about the overall reduction of £10 million for the Supporting People Programme, in particular the impact that this reduction in preventative spend could have on homelessness. This coincides with an increase in the Homelessness budget allocation, which includes £4.9 million to support the

implementation of the homelessness provisions in the Housing (Wales) Act 2014. We note your official's assertion that prioritising homelessness prevention in this way "would generate long-term benefits that were worth taking that short-term hit [...] on the budget more generally". Nonetheless, we remain concerned that the reduction in what is a key area of preventative spend could negate any potential benefit resulting from the increase in funding for homelessness prevention. We note that both local authorities and the Supporting People National Advisory Board are preparing to deal with consequences of the budget reduction. We welcome your commitment to publish information relating to the individual audits of Supporting People services and on the Supporting People longitudinal survey looking at the longer term impacts of the programme. We would like you to provide us with this information in due course.

Housing Supply

The Committee welcomed the review of Social Housing Grant which has just commenced should improve efficiency of the grant process. The Committee see capital investment in housing as an opportunity, not only to deliver more affordable homes, but to achieve substantial community benefits, and noted the use of the Value Wales tool to measure this. More generally, the Committee sees an opportunity to integrate housing and community regeneration work with the Vibrant and Viable Places regeneration programme.

The Committee noted the regular monitoring information received on the Help to Buy Wales scheme, and the annual audit as well as a planned external evaluation.

Houses into Homes

We welcome the success of the Houses into Homes scheme and the significant progress that has been made to date towards the target of bringing 5,000 empty properties back into use. We also welcome the additional £10 million for the scheme in 2015-16, which you told us was being made available to meet the increase in demand for loans as a result of the success of the scheme.

Your official reported that an evaluation of the scheme was underway. We welcome the intention to include in the evaluation consideration of whether landlords of rental properties that have benefited from the scheme should be required to charge an affordable rent. We would like details of the outcome of the evaluation as soon as they become available.

We note that the scheme is not available to owner occupiers. We believe that there could be merit in extending the scheme to owner occupiers in certain circumstances. We welcome your commitment to consider this issue and ask that you report back to us on the outcome of your consideration at the first available opportunity.

Home Adaptations and repairs

We, and our predecessors, have taken a close interest in home adaptations over a number of years, most recently in our July 2013 report. We note that the Welsh Government's own review is about to report shortly and that you stated any minor changes to the adaptations system will be absorbed through your departmental budget as no specific allocation has been made for this purpose. We await the findings of the review to see whether there are any financial implications.

We also noted with interest the pilot Home Improvement Loan scheme which will be targeted at vulnerable people, including older people, who need assistance with repairs.

We intend to monitor both of the above areas closely to ensure value for money is being achieved.

Yours sincerely

A handwritten signature in black ink that reads "Christine Chapman". The signature is written in a cursive style with a period at the end.

Christine Chapman AC / AM
Cadeirydd / Chair

Cc. Jocelyn Davies AM, Chair, Finance Committee