



## **Community Housing Cymru response to the findings of the Wales Audit Office's report into The Welsh Government's Supporting People Programme**

### **About us**

Community Housing Cymru (CHC) is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our members provide over 158,000 homes and related housing services across Wales. In 2015/16, our members directly employed 9,109 people and spent nearly £2bn (directly and indirectly) in the economy, with 89% of this spend retained in Wales. Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

Our objectives are to:

- Be the leading voice of the social housing sector.
- Promote the social housing sector in Wales.
- Promote the relief of financial hardship through the sector's provision of low cost social housing.
- Provide services, education, training, information, advice and support to members.
- Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

Please note, this is a brief response ahead of our full response to the public accounts committee's forthcoming consultation, in which we anticipate examining some of the key issues in greater depth.

Community Housing Cymru's members deliver support to all of the variety of groups that the report mentions, using Supporting People funding to pay, fully or in part, for this support. These services range from housing associations working with support providers to find housing solutions for armed services veterans and people with long-term learning disabilities to working directly to keep elderly people in safe, secure accommodation with appropriate levels of assistance. Without this programme, our members would be unable to provide crucial services, which benefit not only housing association tenants but wider society, with research indicating that every £1 invested in Supporting People services delivers £2.30 of savings to housing, health, social care and community safety, thus reducing pressure on a range of other public services. The programme helps over 60,000 of the most vulnerable and marginalised people to avoid homelessness and live independently in their communities. This includes older people, vulnerable young people, care leavers,



families fleeing domestic abuse, people with mental health problems, people with learning disabilities, people with substance misuse problems and more. Often those in receipt of support have multiple needs.

The Wales Audit Office report raises some points around governance and measurement that need exploring. However, it is vital that this fund is protected due to the positive impact it has on people and services, and also because it encourages people to engage with education, training and employment opportunities.

CHC's response to the committee's inquiry must be considered in the context of the expected changes to the Supporting People programme. Welsh Government is working, via the funding flexibilities pathfinder project, to roll Supporting People into one grant, along with other Tackling Poverty funds, across 7 LAs and in the other LAs to provide 15% flexibility between grant streams. While CHC welcomes any approach which will allow for alignment of strategic priorities and reduction in bureaucracy, we remain concerned about what this move means for the long-term protection of funding for housing-related support in Wales. The report notes (2.43) "We found near unanimous support for the Welsh Government's decision to retain the ring-fencing" and we agree that this reflects the outlook of our members. Following the release of the Detailed Draft Budget Proposals 2018-19, CHC understands that Welsh Government proposes to remove the budget ring fence for Supporting People in April 2019. Whatever form the Supporting People Programme takes in the future, Welsh housing associations need commitment that the services they provide to support vulnerable people will receive sufficient funding in the long-term and a sustainment of the ring-fence is the surest way to guarantee that commitment.

The context in which response to the WAO report is considered also includes a change in the manner in which funding for supported housing is delivered. The new funding model aims to secure supply of supported housing now and into the future; Welsh Government must ensure that the services, currently funded by SP, which are so often responsible for enabling people to move on from short-term supported accommodation, are appropriately funded in the long-term.

We are broadly supportive of the report's findings and recommendations, within the context noted above, and have responded below to the points we feel are most relevant to the work of our members.

We share the Auditor General's concerns (page 10, paragraph 10) as to the lack of explicit reference to prevention of homelessness in the programme's stated purpose and aims, though we are clear as to the transformative effect that Supporting People funded services have on enabling people to live independently and retain tenancies. The programme is unique among tackling poverty grants for its housing-related focus



and we call for this specialist focus on enabling people to access and maintain housing to be retained in future.

On the Auditor General's concerns about the RCC system (page 10, paragraph 13) we feel that these groups provide mixed outcomes from the perspective of housing representatives and we share the concerns about their impact. While there are examples of positive practice (see, for example the Gwent RCC's service user website), fundamentally the housing representatives on RCCs have limited powers to challenge the decisions made by local authorities. Although our members' input into RCCs has resulted in some examples of collaborative decision making, there are also instances we are aware of when the RCC has had no impact at all (or indeed not even been consulted) on local authority decision making with regard to SP procurement. As an example, Neath Port Talbot County Borough Council cut Tenant Support Scheme funding for three of CHC's members by 50% in January 2016 without any reference to the RCC; without going into the detail of this decision, the fact that they felt comfortable doing so without reference to the RCC is indicative of the level of consideration that some LAs give to the RCCs.

To address the points made about outcomes (page 11, paragraphs 14 and 15), we agree that developing a solid understanding of the impact of the programme is vital and has been a weakness, to date. However, we feel that the SAIL data linkage study demonstrated some initially very positive findings as to the impact that SP services have on reducing usage of health services. CHC would welcome further investment in similar data linkage research into the impact of the programme on other statutory services. We are concerned that the Welsh Government's decisions about the future of the SP programme, with regard to the funding flexibilities pilots, will be made without consideration of the outcomes of the full, four-year study into the programme's impact on health services.

Members report detrimental effects on staff of the heavy burden of monitoring which is currently expected of them. While we are firmly in favour of effective monitoring, which demonstrates the impact that SP funded support is having, given that the report states that it is still "difficult to form a comprehensive judgment of the success of the Programme" then we would be supportive of any work which enables easier collation of monitoring evidence 'in the field'.

On the points raised about the ring-fence and concerns as to the impact of budget reduction (page 11, paragraph 16), we welcome the ring-fencing of the budget over the next two years, but our members need longer-term assurance to enable the delivery of efficient and effective services. The fact that the size of the fund has been frozen once again, means that as costs go up, providers of services will continue to have to find efficiencies. Our members have noted concerns, previously, as to the limited size of the fund leading to procurement teams moving from prioritising quality of service to cost of service, which ultimately risk reducing the programme's impact.



Another area of concern is how our members can meet the rising cost of the Living Wage from a frozen grant fund.

## **Response to the Report's Recommendations**

### **Recommendation 1**

As with the local authorities (page 11, paragraph 18) CHC's members would welcome longer term indicative budgets, to enable our members to better plan services and provide certainty to investment decisions. This situation would remain the case in light of any new arrangement for funding of what are currently SP services. We thus welcome the Auditor General's first recommendation of indicative 3-year allocations being provided at the earliest opportunity and the suggested introduction of 3-year rolling LA spend plans.

### **Recommendation 2**

We agree with the second recommendation of the report, that Welsh Government review whether the Regional Collaborative Committee arrangements remain fit for purpose in the context of other collaborative governance arrangements, such as the new statutory public service boards. In future, we would like to see Public Service Boards placing housing at the centre of their strategies, with a focus on how this results in better quality health and patient care and we feel that a report as to the lessons learned through the experience of the RCCs (and of the data linkage study) would be of significant benefit to the future of the Public Service Boards.

### **Recommendation 3**

We agree that Recommendation 3, regarding the new formula for distribution of funds, should take into account the shifting political priorities, which affect the programme. Particularly, the fund's role in preventing homelessness must be considered in this redistribution, with specific weight placed on addressing areas of significant homelessness need. The role of current SP projects' in preventing homelessness also needs to be taken into account when considering the distribution formula as effective current projects will already be reducing homelessness need in their area of operation.

However, the shifting of funds to areas of greater need should be considered cautiously: concentrating services in high-need areas may attract people with those needs to locations with high support provision, creating pockets of mental ill health, substance dependency etc. We need clarity on how this calculation will be carried out as well as long-term certainty for both providers and service users.

Welsh Government should demonstrate clearly, if funds are redistributed, that all alternative approaches have been considered; aligning current SP services with new



strategic objectives may be more effective than redistributing funds across geographical areas, for example. This can be agreed by amending a project's SLA. The sector's response to the 2010 Aylward Review demonstrates that this is achievable.

Finally, we are clear that our members' views must be considered, whether via SPNAB or the RCCs, in any work that is done on this issue.

#### **Recommendation 4**

We support recommendation 4, on re-tendering and the need to minimise any uncertainty on the part of either contract holder or tendering authority. Clarity on the reasons for re-tendering and the legitimacy of such decisions is crucial for our members.

There is concern from our members that unnecessary re-tendering can lead to the diminution of providers' ability to effectively deliver support, with procurement teams, in some cases, not looking beyond reduced up-front cost to the long-term cost savings of providing sufficiently well-resourced support, which will result in fewer costs to the public purse further down the line. We are thus clear that the reasons for any such decisions to be made by local authorities must be transparent and that RCCs should be consulted on them. Welsh Government guidance should be updated to consider sustainable procurement of services which are sufficiently resourced to deliver effective service and have sufficiently long contracts to affect meaningful change, in tandem with other, related services.

#### **Recommendation 5**

We are supportive of recommendation 5, that the Welsh Government should identify and clearly communicate the implications of major policy reforms for the programme. As noted, the future of the programme hangs in the balance and we need urgent clarity as to the long-term role it plays in Welsh Government's plans, with regard to tackling homelessness and enabling vulnerable members of society to maintain secure accommodation.

The forthcoming changes to the manner in which supported housing is funded are of clear interest in the context of SP and we would welcome confirmation from Welsh Government that the fund will continue to be ring-fenced in light of these changes.

#### **Recommendation 6**

Regarding recommendation 6, which addresses the issue of variety of cost between similar services, we urge a cautious approach when reviewing and comparing services; no two services are identical and due to the complex needs of service users the support provided is often tailored to the individual, so comparison of like



with like is difficult. Factors that will result in varied costs, such as location (in rural areas, a support worker spends more time travelling, for instance so delivery of the same level of support as an urban equivalent takes longer), should be taken into account when making any such comparison. Transparency on costs is important, however, and though disparities may be understood as being appropriate, they should be explained in an open manner which ultimately demonstrates value for money.

### **Recommendation 7**

On the point made in the report about the introduction of the new outcomes framework, we re-state the point made earlier in our response: the current monitoring requirements are burdensome and apparently not providing sufficiently high quality data to emphatically demonstrate the worth of the programme (although we are in absolutely no doubt as to its effectiveness, nor its transformational impact on the lives of vulnerable people). In line with our earlier call for the programme's governing documents to explicitly reference SP's impact on homelessness we would value Welsh Government consideration of how SP is used to support the homelessness prevention agenda. While we have no doubt that this is the case, we are concerned that the fact that homelessness data collection focusses on the 56 day window of prevention noted in the legislation means that SP's vital contribution is missed. We absolutely agree that WG should work with partners to embed and clarify any new arrangements. We are clear that Housing Associations need to be fully consulted on proposed changes.

### **Recommendation 8**

Regarding the concerns raised about the issues of eligibility for support of (and disparities in the level of support provided to) some people with learning disabilities, we are in agreement that RCCs should ensure that SP funded services are being appropriately used. If this is found not to be the case we would expect that RCCs work with Welsh Government, as appropriate, to ensure that suitable services are delivered instead.