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Llywodraeth Cymru  
Welsh Government

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

15 January 2019

Dear Mr Ramsay

### Welsh Government's Supporting People Programme

I am writing in response to the questions raised during my appearance before the Committee on 3<sup>rd</sup> December and the Committee's subsequent letter of 13<sup>th</sup> December.

#### Evaluation of the Flexible Funding Programme

The budget for the current evaluation contract, awarded to Wavehill in April 2018, is between £90,000 - £100,000 (exc. VAT). Whilst the specific focus of the final phase of evaluation work will be agreed early in 2019, it is likely to consider:

- reviewing pathfinder delivery against their plans and the factors that have contributed to success (and/or failure) to learn lessons for future programme roll-out;
- further consideration of the efficacy of the two-grant option;
- assessing how appropriate specialisms around the most complex needs might be maintained amongst staff as they move into potentially more generalist roles;
- reviewing impacts and outcomes of further roll-out of the programme for local authorities and their staff, stakeholder and partner organisations (strategic and delivery), regional structures and PSBs, and particularly whether service users are beginning to see impacts from service redesign; and
- Further work to consider an outcomes framework approach aligned to Welsh Government work assessing outcomes across existing grants.



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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

The ongoing evaluation will provide helpful and valuable information to support the introduction of new grant arrangements. In line with your advice on ensuring the final report is as clear as possible in highlighting good practice, we will ask Wavehill to consider how this might be achieved as part of our ongoing discussions.

### Quantifying efficiencies

We will continue to work with the Society of Welsh Treasurers to see how we might quantify efficiencies and savings made from aligning programmes and reducing administration. A key part of facilitating these savings will be the design of the grant mechanisms and the extent to which they ensure accountability and effective administration. The very clear co-productive approach we are taking to the development of both grants is intended to achieve just this result.

### Progress against outstanding Committee recommendations

Annex B sets out progress against the outstanding Committee recommendations. Specifically in relation to Recommendation 10 it is worth highlighting the challenges created by making any changes to the allocation formula and that this could impact on the delivery of services to vulnerable individuals. Given the impact could be quite severe, we are committed to a very engaged process to developing a way forward. We anticipate completing our analysis and developing proposals for consultation by the autumn of 2019. This will also include consideration of the necessary timescales for a phased implementation.

### Regional Working

We have begun the work with Regional Collaborative Committees to consider what the best governance arrangements for the Housing Support Grant might be. How to ensure a positive set of relationships, reporting mechanisms and accountability to other structures such as Regional Partnership Boards will form a large part of our discussion with stakeholders on this matter.

In respect to our wider work on regional arrangements, the Local Government Working Group has asked for some work to be done to consider overlap between different regional structures and scope for rationalisation. This work will be presented to the Working Group in the New Year and they may wish to make recommendations for change. Our mapping work will illustrate the overlap and distinctiveness visually. Any recommendations will need to be considered by the relevant Ministers and Welsh Government collectively, as well as through discussion with local government colleagues.

I can confirm our intention to discuss re-tendering with the Auditor General. Any necessary clarification will be included in guidance for the new Housing Support Grant.

We expect the development of guidance for the Housing Support Grant and Children and Communities Grant to be a two-stage process. Local authorities will use the current programme guidance, with supplementary guidance being provided at the end of January 2019. This will set out any departures from the existing guidance designed to streamline administrative process. Our intention is to provide more substantive guidance for 2020/21. The co-productive approach we are taking requires extensive engagement with stakeholders and a longer period to develop.

### Grant arrangements for 2019-20

Indicative grant offer letters were issued before Christmas and a final grant award letter will be issued in March 2019. As previously, the Housing Support Grant will require local authorities to submit Spend and Delivery Plans before the end of January 2019.

As for the Outcomes framework, the Interim Evaluation Report outlined proposals for an outcomes framework. Further consideration of the framework will form part of the next phase of the evaluation in early 2019. This will be an iterative process and will involve specific consultation with stakeholders. It will also take into account the internal work already undertaken on developing a framework that has involved two of the Pathfinder local authorities.

There were a number of additional matters you wanted clarification on and I have set these out below.

### Overall Budget

The draft budget in 2019-20 appeared less than previously published as three programmes were included in the original EIPS budget line but did not form part of the 10 grant pathfinder. These were:

- Violence Against Women and Domestic Abuse grant (£2.438m);
- Equality and Inclusion (£360k); and
- Advocacy grants (£550k).

These three grants total £3.348m and account for the difference between the 2018-19 budget line of £265.553m and the 2019-20 budget line of £262.205m.

These three grants now sit in different Main Expenditure Groups (MEGs).

In total we are restoring £13.4m to the programmes supporting early intervention, prevention. This £13.4m is made up of £5m previously earmarked for the childcare offer, and allocating an extra £8.4m from reserves.

The Flexible Funding Grant for 2018-19 consists of the following programmes:

Promoting Positive Engagement for Young People at Risk of Offending
Childcare and Play
St David's Day Fund
Legacy Fund
Families First
Flying Start
Communities for Work Plus
Supporting People
Homelessness Prevention
Rent Smart Wales Enforcement

A full list of grants and budget allocations for 2019-20 can be found at **Annex A**.



### Children and Communities Grant Budget (CCG) 2019-20

The published CCG budget is £135.442m, an additional £1m has been agreed to be transferred from Homelessness Prevention to St David's Day Fund which will form part of the Children and Communities Grant funding. Therefore, the budget available is now £136.442m for 2019-20.

### Housing Support Grant (HSG) Budget 2019-20

The budget for the Housing Support Grant is £126.763m, which is made up of Supporting People (£123.688), Homelessness Prevention (£2.8m) and Rent Smart Wales enforcement (£275k).

For 2018-19 and 2019-20, in line with the Budget agreement with Plaid Cymru, local authorities are expected to allocate funding to the Supporting People (SP) programmes at least at the level of the SP allocation, unless they can demonstrate that they are delivering the same, or improved, services for less money as a result of efficiencies.

### Feedback on the judgement of local authorities arising from the interim evaluation and communication to local authorities

Local authorities have been provided with the interim evaluation to assist them in understanding how to manage the change programme that lies behind our grant structure decisions.

This change management programme is about creating a new, integrated approach to for the planning and delivery of services for vulnerable people, where needs often extend beyond the traditional structures of our grant mechanisms. To this end, we have provided opportunities through regional meetings for authorities to come together and share learning. In particular, the learning that pathfinder authorities can offer to non-pathfinders has been at the core of the design of these meetings and a number of links/buddying relationships have been established through the engagement we have made so far.

### Reflect and discuss with the evaluators about whether the seven local authorities involved in the pilot can be named to enable non-pathfinder local authorities to discuss the approaches taken.

This was conducted as an independent evaluation. Our aim was to ensure that the work carried out ensured information given to us was rich and purposeful. Our evaluators, Wavehill, agreed the following with interviewees.

*Any comments that you make will be confidential and the information you provide will only be used for research and evaluation purposes. Comments that you make will not be attributed to you, or your organisation. This means it will be impossible for anyone to identify you from any published reports because information will be anonymised.*

*It is also important to note that the team undertaking the evaluation does not work for the Welsh Government, your employer or any of the organisations that are involved in the delivery or funding of this project.*

On this basis, we are unable to provide further details on the seven pathfinder local authorities, as the integrity of this rider is seen as an important part of a robust methodology by researchers. We would understand less if we could not make this commitment. However, as with the previous question we have created regional opportunities for authorities to come together and share learning and in those regional meetings the pathfinders have shared their lessons learned with non-pathfinders.

Preparations undertaken regarding the impact of assessment Brexit may have on the Supporting People Programme.

The risks relating to EU Exit have been considered within the Senior Management Team planning of the Housing and Regeneration Directorate. A broad set of risks have been identified across the Group, although none exclusive to the Supporting People Programme.

The identified risks for the Group as a whole are in areas such as resilience, budgets, legislation, workforce, housing supply and digital infrastructure. The situation regarding EU Exit, of course, remains unclear. However, the mitigating actions currently in place include:

- Clear governance arrangements including the establishment of the European Transition Group.
- Additional EU Exit posts secured within Welsh Government.
- Active engagement in the European Transition Officials Group as the situation develops. Work with the Cabinet Office and Home Office to ensure we share a consistent approach to risk assessment.

I believe I have addressed all of the issues raised with me during the evidence session and in your follow-up letter, but if you require any further information or clarification, please do let me know.

Yours sincerely



Tracey Burke

## ANNEX A

### List of all the grants involved in the two-grants together with the budget allocated for 2019-20

#### Housing Support Grant

<b>Programme</b>	<b>£m</b>	<b>Description</b>
Supporting People	123.688	Enable vulnerable people, at risk of homelessness, to live as independently as possible, by providing housing-related support services
Homelessness Prevention	2.800	Fund services and research that alleviate homelessness and rootlessness by either:  a. Assisting homeless, potentially homeless people to prevent them losing their homes;  b. Providing specialist housing, advice, support and/or accommodation not readily available elsewhere.
Rent Smart Wales Enforcement (formerly Independent Living)	0.275	This grant provides support to local authorities to help them raise awareness and enforce Rent Smart Wales – the landlords and agents licensing scheme.

#### Children and Communities Grant, 2019-20, budget allocations

<b>Programme</b>	<b>£m</b>	<b>Description</b>
Flying Start	73.772	A prescriptive programme, based on international evidence of what works, Flying Start is targeted at 0-3 year olds in Wales most disadvantaged communities
Families First	35.978	Designed to improve outcomes for children, young people and families, with an emphasis on early intervention, prevention and providing support for whole families, rather than individuals.

Legacy Fund	6.000	The aim of the fund is to maintain the most effective aspects of the Communities First programme to support the development of resilient communities.
Communities for Work Plus (formerly Employability Grant)	11.967	The grant is one of the mitigating measures following the decision to phase out CF. It principally will fund the infrastructure (including revenue for key community buildings) to enable the ongoing delivery of Communities for Work. In addition the grant provides greater flexibility to meet local priorities and ensure that employment support is provided to all individuals at risk of poverty, not just those eligible for ESF funds.
Promoting Positive Engagement for Young People at Risk of Reoffending	4.425	Reduction and prevention of youth crime.
Childcare and Play	2.300	Offering sufficient out of school childcare and play opportunities within a local authority area.
St David's Day Fund	2.000	Supporting young people who are or have been in local authority care. An additional £1m from Homelessness Prevention has been recently added to CCG and won't yet be shown in the published budget.

## ANNEX B PAC Recommendations Update

No.	Recommendation	Status – December 2018 update
1	We recommend the Welsh Government publish revised guidance for the Programme quickly to provide the required clarity on the overall Programme aims and objectives. At the very least this guidance could be provided short-term, in the context of the proposals for a new integrated grant and the implications of the UK Government's Supported Accommodation Review	<p><b>Completed</b></p> <p>Guidance published on 30<sup>th</sup> July 2018</p> <p><a href="https://gov.wales/topics/housing-and-regeneration/services-and-support/supporting-people/publications/sppgguide/?lang=en">https://gov.wales/topics/housing-and-regeneration/services-and-support/supporting-people/publications/sppgguide/?lang=en</a></p>
2	We recommend that the Welsh Government engages closely with key stakeholder organisations in evaluating the impact of the flexible funding pilots and to determine the scope and timing of any further grant integration affecting the Supporting People Programme beyond 2018-19	<p><b>Completed</b></p> <p>The Ministerial statement of 3 October 2018 set out the two grant decision and the basis on which it was formulated.</p> <p>The statement can be found here;</p> <p><a href="https://gov.wales/topics/people-and-communities/communities/flexible-funding-programme/?lang=en">https://gov.wales/topics/people-and-communities/communities/flexible-funding-programme/?lang=en</a></p>
3	<b>Recommendation 3</b> - We recommend that the Welsh Government pause and reflect on its approach to evaluating the feasibility of an integrated grant proposal. We recommend that the Welsh Government considers extending the timescale of the flexible funding pilot project to ensure that a thorough and detailed examination of their impact can take place.	<p><b>Rejected</b></p>
4	We recommend that, as part of its evaluation work, the Welsh Government identifies clearly the extent to which individual local authorities have taken	<p><b>Ongoing</b></p> <p>The interim evaluation demonstrated the potential for improved</p>



No.	Recommendation	Status – December 2018 update
	<p>advantage of the funding flexibility provided and how this has supported better outcomes.</p>	<p>outcomes arising from better integrated services and highlighted a variety of opportunities for alignment between the grants included in the pathfinder arrangements. After carefully reviewing the findings of the evaluation and considering the views of stakeholders, Ministers decided that the Early Intervention and Prevention Grant should be split into two, separating the housing-related grants from non-housing elements.</p>
5	<p>We recommend that the Welsh Government report back to the Committee on the outcomes of work to facilitate comparable outcomes monitoring for different client groups. The Committee would also like to hear about the outcomes of the Welsh Government's wider evaluation work and recommend the findings are reported back to us on a formal basis.</p>	<p><b>Ongoing</b></p> <p>On 3 October 2018, the interim evaluation report into the flexible funding pathfinder work was published.</p> <p><a href="https://gov.wales/statistics-and-research/evaluation-flexible-funding-programme/?lang=en">https://gov.wales/statistics-and-research/evaluation-flexible-funding-programme/?lang=en</a></p> <p><u>Outcomes work</u> Wavehill will further consider an outcomes framework approach as part of the next phase of the evaluation and will provide recommendations. This work will involve input from local authorities and other interested parties, as part of our continuing co-production approach.</p>
6	<p>We recommend that the Welsh Government reconsider the grants it proposes to include in an integrated funding stream, and particularly considers, as part of future development, the relative merits of integrating Supporting People solely with housing and homelessness grants.</p>	<p><b>Completed</b></p> <p>On 3 October 2018, the Cabinet Secretary for Local Government and Public Services and Minister for Housing and Regeneration made a Written Statement (link below) announcing the publication of the interim evaluation report into the flexible funding pathfinder work and also setting out their decision on future funding arrangements.</p> <p><a href="https://beta.gov.wales/written-statement-early-intervention-">https://beta.gov.wales/written-statement-early-intervention-</a></p>

No.	Recommendation	Status – December 2018 update
		<u>prevention-and-support-grant</u>
7	<b>Recommendation 7</b> – We recommend that the Welsh Government clearly quantifies the extent of the financial savings that can be accrued through reduced administration costs and more efficient delivery of services through its integrated grant proposals. This evaluation should include assurances that efficiency savings that may be delivered in the Pathfinder areas can be delivered elsewhere.	<b>Rejected</b>
8	We recommend that Welsh Government clarifies the role of Regional Collaborative Committees in the context of the flexible funding pilot projects and in the event of any future rollout of an integrated grant	<p><b>Completed</b></p> <p>The guidance relating to the single grant that was issued to the pathfinder local authorities states that local authorities should “continue to engage with Regional Collaborative Committees in the same way as at present”. We expect that local authorities should continue to submit their assessments and plans to the RCCs and take part in the joint arrangements with other authorities as they have been doing to date.</p> <p>The independent evaluation has included RCCs in the survey work to ensure their views are captured.</p> <p>A SPNAB Development day held on 3 December 2018, which included Chairs and Vice Chairs of RCCs, provided the opportunity for RCCs to input/provide feedback on the development of the Housing Support Grant.</p> <p>We will continue to work with RCCs to ensure we identify best</p>

No.	Recommendation	Status – December 2018 update
		practice that can contribute positively within any new grant arrangements.
9	Alongside its evaluation of the flexible funding pilot projects, we recommend that the Welsh Government carries out an urgent review to explore whether commissioners are struggling to attract bids for Supporting People services due to funding uncertainties.	<p><b>Completed</b></p> <p>Local authorities' Supporting People teams have been contacted for their experiences. The exercise did not highlight any significant cause for concern in attracting bidders due to funding uncertainties</p>
10	We recommend that the Welsh Government provide the Committee with an update on its response to the Auditor General's recommendation on the funding formula to clarify its intent. This update should include details of how the Welsh Government intends to allocate the overall budget to local authorities for any integrated grant while also ensuring that it is needs based	<p><b>Ongoing</b></p> <p>We anticipate having completed our analysis and to have developed proposals for consultation by the autumn of 2019 and that these will include consideration of the necessary timescales for a phased implementation.</p>
11	We recommend that the Welsh Government confirms its commitment to the actions that it set out previously in response to the Auditor General's recommendations about learning disability services and benchmarking of service costs.	<p><b>Ongoing</b></p> <p>We are happy to confirm this commitment and the timescales.</p> <p>Welsh Government will work with Regional Collaborative Committees to review Learning Disability services as part of the project to deliver the Housing Support Grant. This will facilitate decisions about the future arrangements for this funding by April 2020.</p>
12	We also recommend that the Welsh Government looks in a similar way at the issue of the variation between local authorities in Supporting People	<p><b>Ongoing</b></p> <p>The ongoing work to develop the Housing Support Grant</p>

No.	Recommendation	Status – December 2018 update
	provision for other specific groups, including any obvious differences in the types of support i.e. fixed or floating	<p>includes a work-stream to consider the distribution issues within Supporting People and now the wider set of grants given the decision to suspend application of the 'Aylward formula' in 2015.</p> <p>This work will be completed by the Autumn of 2019 in order to allow clarity to be established for implementation from April 2020.</p>
13	We recommend that the Welsh Government provides comprehensive guidance and training to ensure any revised outcomes framework, for the Supporting People Programme, or for any new integrated grant, is clearly understood and used consistently across wales from the outset	<p><b>Ongoing</b></p> <p>We recognise the importance of achieving consistent and accurate use of the framework and will support commissioners and providers to deliver this with guidance and training. The improvements we seek to make to the funding of support and preventative services are predicated on improving the focus of all on the outcomes achieved and it is essential that we are able to use outcomes frameworks to hold parties properly to account through robust and credible information. The development and implementation of the framework will be designed to achieve this.</p> <p>The Interim Evaluation Report produced by Wavehill and published in October 2018 outlined their proposals for an outcomes framework. Further consideration of an outcomes framework approach will form part of the next phase of the evaluation in early 2019. This will be an iterative process and will involve further consultation with stakeholders. It will also take into account the internal work undertaken on developing the framework such as the internal workshop (involving two local authorities) that took place in October.</p>