

Report To: Partnerships Scrutiny Committee

Date of Meeting: 31st May 2012

Lead Officer: Corporate Director

Report Author: Supporting People Manager

Title: Regional and National Supporting People Programme Changes

1. What is the report about?

This report is one of a series of reports to keep members informed of proposed changes to the Supporting People Programme in Wales.

The purpose of this report is also to consult with members on the revised interim proposals for the establishment of a Regional Collaborative Committee (RCC) for Supporting People (SP) Services, (appendix 1 pages 4-13).

2. What is the reason for making this report?

To update members on the revised interim arrangements proposed by the Welsh Government for the establishment of an RCC in North Wales and to seek comments to inform Denbighshire's consultation response.

3. What are the Recommendations?

That the Committee notes the current proposed arrangements and provides comments to inform Denbighshire's consultation response.

4. Report details.

4.1 Supporting People is a significant programme providing "housing" related" support services to a wide range of vulnerable groups, including people who are homeless, people with mental health needs, learning disabilities, the young & vulnerable, people with substance misuse need, ex-offenders, people fleeing domestic violence and older people. The aim is to enable them to maintain secure housing while developing other aspects of their lives promoting independence. The Supporting People Programme has been evaluated at national level and shown to deliver very positive financial benefits which equate to £1.68 for every £1 invested in addition to non-financial benefits such as:-

- improved quality of life for the individual including greater independence;

- improved health;
- lessened dependence on relatives and carers;
- independent living, including a greater choice for individuals around accommodation,
- lifestyle and the provision of skills to enable this choice;
- increased ability to participate in the community. Including reduced isolation or social exclusion, and greater stability for people with chaotic lives;
- decreased fear of crime; and,
- easier access to appropriate services..

In 2011/12, Denbighshire received £6.9m of funding via the Supporting People Programme which funded approximately 2404 units of support (maximum capacity including older people warden services) at any one time, across a range of intensities of interventions.

- 4.2 An independent review of the Supporting People programme was commissioned by the Welsh Government (WG) and reported in November 2010. This report made 25 recommendations, including a specific recommendation to introduce regional collaborative, multi-sectorial committees (RCC). The WG subsequently accepted all 25 recommendations.
- 4.3 The review of the supporting people arrangements included the following key recommendations:
- Creation of a single funding stream (Supporting People Grant (SPG) & Supporting People Revenue Grant (SPRG)) to be paid to local authorities which should continue to be ring fenced (to be called the Supporting People Programme Grant or SPPG)
 - Administration of the grant by a local collaborative committee which would include representatives of key stakeholders including providers, probation, health etc. This should be an interim measure prior to a cross boundary approach at a later date
 - Distribution of funding via a needs based distribution formula with the Review Team proposing an interim formula
 - A Ministerial Advisory Board (Supporting People National Advisory Board) to be established to advise the Minister.

Though this report does not focus on the specific financial aspects of the programme, implementation of the needs based distribution formula referred to above, is anticipated to lead to funding reductions of £1.5m in Denbighshire over a 5 year period.

- 4.4 The Welsh Government subsequently established a cross sector Steering Group and a number of national workstreams to take forward the implementation of the recommendations. These groups include representatives from local government (Supporting People officers, Welsh Local Government Association (WLGA), Finance Directors)

Welsh Government and the provider representative bodies Cymorth and Community Housing Cymru.

- 4.5 At an early stage in the implementation discussions, Huw Lewis AM, Minister for Housing, Regeneration and Heritage decided that Regional Collaborative Committees (RCCs) should be established from the start of the new arrangements, with an initial target date for implementation of June 2012. This requirement was subsequently incorporated within the Compact for Change.
- 4.6 Throughout the implementation discussions the WLGA and local authority representatives have raised concerns about the proposed role for the RCCs, the governance arrangements and the potential for this to increase bureaucracy.
- 4.7. Current Position
Following the formal consultation, the Welsh Government decided to proceed with a model for the RCC which took budget accountability from local authorities as the grant recipient and accountable body and gave responsibility for spending decisions to the Regional Collaborative Committee. As planned, Regional Collaborative Committees would be non statutory committees and include providers of services. The WLGA raised concerns about the legality of the proposed model, particularly in reference to the statutory role of the Section 151 Officer. This view is now shared by both Welsh Government lawyers and the Wales Audit Office (WAO). As a consequence of this advice, the Welsh Government has decided not to proceed with this governance model and has proposed an alternative.
- 4.8 The new proposed interim model gives the RCC responsibility under four broad areas set out as: oversight; Ministerial advice; planning and administration. While many of the roles of the Committee have not changed from the original model, the substantial and significant difference is that the RCC would make recommendations on local and regional spend to the Minister who would then make the resource decision.
- 4.9 The model proposes that the Minister would be involved in decisions on:
- Local and regional spend on Supporting People services
 - Virement of SPPG between service user groups within the local and regional SP plan within the region
- 4.10 This second model has also raised concerns. It appears to run counter to the principles which were agreed following the “Essex Review” which recognised the need for Welsh Government (WG) to set strategic direction and local authorities to determine local priorities and deliver appropriate services. Secondly, the proposal seems to run counter to the findings of the Review of current supporting people arrangements which stressed the need to reduce complexity and bureaucracy and

avoid the delays created by Ministers making decisions about local services.

- 4.11 WG has decided that transfer of SPRG will not occur until the RCCs have been appropriately established and August 2012 is currently being used as a working date for this to happen.
- 4.12 The WLGA has suggested to WG officials that given the continuing delays, confusion, and lack of consensus about an appropriate way forward that any changes are delayed until April 2013 and the current year is used to build and consolidate regional collaboration and to explore options for the governance arrangements of the RCCs. We understand that this proposal has to date been rejected.
- 4.13 At this point there is no clear way forward that is supported by all stakeholders who have been involved in discussions on implementing the recommendations of the Review.
- 4.14 What remains important is to deliver good services to vulnerable people and to manage a reduction in resources in as effective a way as possible, including through collaboration. A thought through change management process, as promoted by the WLGA, would seem to offer the best chance of achieving this.
- 4.15 **Consultation questions**
- Is the proposal workable as an interim solution?
 - Are there any improvements to the interim proposal which maintain the collaboration recommended by the Aylward¹ report?
 - Are there any amendments required to the grant allocation process and spend proforma? (largely technical points see appendix 1 pages 14-23)

5. How does the decision contribute to the Corporate Priorities?

Regional collaboration and a regional strategy for commissioning and delivering services will contribute towards managing the downsizing of the grant and the protection of front-line services. However we should ensure final arrangements for RCCs are the right ones to achieve this.

¹ The 'Independent Review of the Supporting People Programme in Wales: Final Report' (the Aylward Report) can be found on the Welsh Government's website by following the link below:
<http://wales.gov.uk/topics/housingandcommunity/housing/supportingpeople/publications/finalreport/?jsessionid=qTQpP6VDGJByQIXyQD8yFdLdgVm2DyJfMXKQLr1qv6XFBGV7Dwd!1596389751?lang=en>

6. What will it cost and how will it affect other services?

The estimated reduction in SP grant over the next 5 years is projected to be approximately £1.5m for Denbighshire.

7. What consultations have been carried out?

The Welsh Government has undertaken extensive consultation on the Draft SP guidance which included the first proposals for RCCs, which were subsequently rejected.

The WG is now consulting widely on the revised interim arrangements for RCCs. This second consultation exercise closes on 12th June 2012

8. Chief Finance Officer Statement

The Council has been prudent in establishing a reserve to help mitigate the impact of the forthcoming cuts to the Supporting People grant and the implications about the eligibility of some services currently funded that may not be under the new arrangements. The latest proposal in relation to the powers of the regional committees do seem to be contrary to the Review by removing local decision making and introducing overly complicated monitoring and approval procedures. A delay until April 2013 would appear to be a sensible option.

9. What risks are there and is there anything we can do to reduce them?

The main risks are referred to in paragraphs 4.7 and 4.10:-

- removal of resource decision-making from local government while they would retain accountability for grant
- lack of clarity about other aspects of governance
- high levels of bureaucracy in administration of the programme
- drift and delay in decision-making
- setting a precedent for other service areas

10. Power to make the Decision

To determine the content of any plan, strategy or other policy document requires approval by the Lead Cabinet Member in accordance with Statutory Instrument 2001 No. 2291 (W,179) Regulation 4 (3)(c) + (d).

Section 21 of the Local Government Act 2000 and Article 6 of the Council's Constitution sets out Scrutiny's powers and role

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