

Report To: CABINET

Date of Meeting: 4th September, 2012

Lead Cabinet Member: Councillor Bobby Feeley, Lead Member for Social Care and Children's Services

Lead Officer: Sally Ellis, Director of Modernisation and Wellbeing

Title: Changes to the Supporting People programme

1 What is the report about?

The report describes recent developments in the proposed arrangements for the Supporting People Programme and seeks Cabinet agreement to Lead Member representation on the Regional Collaborative Committee.

2 What is the reason for making this report?

Following a long process of consultation and negotiation, key changes to the administration of the Supporting People programme are taking place across Wales. These include the beginnings of moves to a new funding distribution formula, and transfer of contracting responsibilities for some services from Welsh Government to local authorities from 1st August, 2012. In addition, new governance arrangements, including Regional Collaborative Committees, with key responsibilities for the Supporting People Programme, are being established across Wales. Cabinet needs to understand the range of issues involved and decide on participation in the North Wales Regional Collaborative Committee.

3 What are the Recommendations?

Cabinet is recommended to

3.1 nominate the Lead Member for Social Care and Children' Services to be Denbighshire County Council's elected member representative on the North Wales Supporting People Regional Collaborative Committee, with the Director of Modernisation and Wellbeing as the delegated official in her absence.

3.2 refer the impact of the new Supporting People arrangements on the delivery and funding of Supporting People services in Denbighshire, for in-depth consideration as part of Scrutiny Work Programmes

4 Report details

Background

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 and non financial benefits.

4.2 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.

Aylward Review

4.3 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, subsequently accepted by WG.

4.4 The review of the supporting people arrangements included the following key recommendations:

- Creation of a single funding stream (SPG & 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 ,
- Introduction of regional collaborative, multi-sectorial committees (RCC) with specific roles in the overall governance of the programme
- 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.

Implications for Denbighshire

4.5 Each of the key recommendations above has implications for Denbighshire. The most notable are that

- 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, beginning in 12/13. Denbighshire has prepared for how it will approach mitigating this loss, but it remains a very substantial loss of funding, with particular impact likely on adult social care services
- the development of a single funding stream involves the transfer, to a very tight timescale, of significant additional financial and contracting responsibilities to Denbighshire, previously carried out by WG.
- the establishment of Regional Collaborative Committees and the Ministerial Advisory Board reduces the role that the Council has previously had, through a local collaborative committee, on administration of the programme. New guidance and changes to grant terms and conditions are also reducing flexibility.

Implementation of the changes

- 4.6** The changes proposed have been controversial in many respects. Local government has been particularly uneasy about the requirement to collaborate regionally while responsibility and accountability for grant money continues to be held at individual local authority level. However, following a lengthy process of consultation and negotiation, Welsh Government have made some amendments to guidance, particularly around the role of the RCC. The WLGA have indicated that as a result of these changes they would be supportive of the new arrangements. Welsh Government have made a commitment that the arrangements outlined in the guidance will be reviewed within the transition year ie in 2013/14 and, with these undertakings in place, WG have moved ahead to implement their proposed changes.
- 4.7** All regions were asked to demonstrate, by 1st August, their “readiness” to establish Regional Collaborative Committees. North Wales has met the criteria set down by WG. Each local authority was asked to indicate that they could administer payments to the providers where contracting responsibilities were transferring from WG. In return for assurances on both counts, WG would maintain payment of grant. Local authorities were further asked to agree, by 14th August, their acceptance of the new grant terms and conditions and the new guidance. Denbighshire has done this though has outstanding concerns which have been formally logged with WG.

The new delivery structure

- 4.8** The main components of the new delivery structure, as set out in the final guidance recently received, is set out in Appendix I. This includes the proposed role for the Regional Collaborative Committee and the “Co-ordinating Local Authority”- which has been agreed as Conwy, for North Wales. It also includes how the individual local authority role is envisaged as fitting with the regional structure- see paras 2.52 to 2.56 attached. The first meeting of the Regional Collaborative Committee has been arranged for 14th September.
- 4.9** There are many unknowns about how the new delivery structure will operate. While Supporting People lead officers have collaborated across the region for some time, no similar multi-sector body, including both commissioners and providers, has existed previously so there is no track record of relationships and trust on which to base collaboration. All stakeholders believe that there are benefits to be gained from cross border working, especially where there are specialized needs. However, there is potential for disagreement about how the new arrangements and guidance are interpreted and the proposed arrangements for delivering consensus and escalation are untried. While Regional Collaborative Committees “do not have executive powers or functions” and are “advisory”, they clearly can exercise considerable power through the way their roles are discharged. This has the potential to expose grant holding bodies to risk in addition to that from reduced funding due to redistribution. This

is particularly so in North Wales as all North Wales authorities stand to lose under redistribution.

4.10 The recommendations to Cabinet set out in paras 3.1 and 3.2 reflect the view that, despite the risks, Denbighshire should participate in the new arrangements and aim to influence delivery from “inside the tent.” The risks are such, however, that the impact of the new arrangements does need careful scrutiny, especially over the next 12 months, as the major changes are introduced.

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 need to ensure final arrangements for RCCs do achieve this effectively.

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 are has undertaken extensive consultation on the Draft SP guidance which included the first proposals for RCC’s, and a second consultation exercise which closed on 12th June 2012 Welsh Government planned review of the new Guidance/arrangements will include an assessment of how the Programme is meeting the requirements of the Welsh Government Single Equality Scheme and action plan.

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.

There is also a lack of clarity in Welsh Government guidance about what is eligible expenditure eg administration costs of the programme are currently funded by the grant, but the new guidance does not make it clear how they should be dealt with in future.

And while the Welsh Government requires 3 year plans to be submitted it will only agree funding on a year by year basis making proper planning difficult.

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

The main risks are referred to in paragraphs 4.4 to 4.8 viz redistribution of grant which will lead to a reduction of funding for Denbighshire, lack of clarity in some aspects of the guidance, continuing lack of clarity in some aspects of governance, and the untried nature of the new delivery structure

The Council has established a reserve to help mitigate the impact of loss of SP funding. It has also formally sought reassurance from WG on specific points of guidance so as to reduce potential risks. WG have committed to review the arrangements set out in guidance within the transition year ie in 2013/14.

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).