

**Response to the Report of the National Assembly for Wales Public Accounts Committee Report on: The Welsh Government's Supporting People Programme**

We welcome the findings of the report and offer the following detailed response to the thirteen recommendations contained within it.

**Recommendation 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

**Accept** – We agree that the Supporting People sector would benefit from revised guidance with a clearer statement of the core purposes of the programme. Revised guidance has been developed and is in the process of being translated and prepared for publication. Plans to publish sooner were put on hold to avoid undue confusion as we moved forward with flexible funding pathfinders, but we are now committed to publishing as quickly as possible and no later than the end of August of this year.

**Recommendation 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

**Accept** – Our proposal for a new integrated Early Intervention, Prevention and Support Grant responds to local authorities' request to reduce the complexities created by the existing grant structures to enable them to re-design the way they deliver services with the longer term aim of improving outcomes for the most vulnerable in society.

We are engaging extensively with all stakeholders who are potentially affected by the proposal:

- Officials meet monthly with the Pathfinder Working Group consisting of the seven pathfinder local authorities, the WCVA, WLGA and Cymorth, with members representing their wider organisations and sectors.
- Engagement events, focussed solely on ensuring a fuller understanding of the flexible funding proposals, have taken place with all other local authorities and further events will continue throughout 2018-19. At these events local authorities have the opportunity to hear about progress from the pathfinders and share their own experiences and proposals for redesigning the way they deliver services as outlined in the delivery plans produced in advance of 2018-19.
- Officials have engaged with a number of interested stakeholder groups including the Supporting People National Advisory Board, the Supporting People Information Network, Youth Offending teams, the Families First Coordinators Network, Out of School Care project managers, the Distribution Sub Group, Cymorth conference attendees, St David's Day Fund local authority leads.

An independent evaluation has been commissioned and the contract has been let through the Welsh Government procurement service, with the successful tender submitted by Wavehill.

The overall aim of the evaluation is to provide information on the implementation of a single grant, in order to understand how its delivery might affect the achievement of outcomes in the longer term. It will seek to maximise learning from the full flexibility pathfinders and the extended flexibility non-pathfinders in 2018/19, and feed into effective implementation of a single EIPS Grant in 2019/20, should that decision be made.

More specifically, the evaluation will serve the following aims:

- a) To further develop the theory of change and logic model for the project and test whether the assumptions about how the project would work have proved to be correct.
- b) To assess how effective the implementation of the single grant has been, considering what changes have been made by local authorities and Cwm Taf Public Service Board in response to the project; whether efficiencies have been realised, and how this compares to what was expected. This is to provide a detailed overview of the progress of the project so far.
- c) To assess the effectiveness of the grant's current monitoring system and its suitability going forward. Linked to this will be the development of an outcomes framework, identifying potential future outcomes, a method for measuring these, and recommendations for future evaluation.
- d) To learn lessons from the first year on what worked well or less well and why, and to compare this to the aims and objectives. This will feed into recommendations to inform future grant development.

The specification made clear the expectation that a range of stakeholders, in local government and the third sector, are engaged by the contractor during the evaluation.

**Recommendation 3** – 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.

**Reject** – Our approach to evaluating the proposed Early Intervention, Prevention and Support Grant is comprehensive. As outlined in response to Recommendation 2, we have commissioned an independent evaluation by Wavehill. In addition to this formal evaluation our ongoing engagement with stakeholders provides real-time information and intelligence on the process of implementation in pathfinder local authorities. In addition, we have commissioned the Society of Welsh Treasurers to provide an analysis of the possible administrative and service efficiencies that might be generated by working differently, to complement the independent evaluation.

Naturally, if we establish that there is insufficient evidence to support full implementation at this stage, we will review the position.

Our independent evaluation has been structured in such a way that it will provide ongoing evidence to inform our assessment of implementation. Our action research based approach means we have regular discussions with the evaluators who are providing ongoing feedback on their emerging findings and a first report is expected in September. A final report is expected in May 2019 which will summarise the experience of the pathfinder local authorities and the changes in working arrangements and service delivery that can be attributed to the integrated grant arrangements. We expect as a result of the multiple strands that make up our evaluation strategy, we will have gained a good appreciation of these impacts ahead of the final report of the independent evaluation being submitted.

In introducing a single grant we expect to see a number of changes in how pathfinder local authorities plan, commission and deliver services for vulnerable people. Our evaluation will provide evidence of whether such changes are occurring. We will be looking in particular for evidence that:

- Local authorities are taking a more joined up approach to identification of need, enabling them to identify gaps in provision and any potential duplication;
- They are able to use this needs analysis to jointly plan and commission services across traditional departmental boundaries;
- There is better information sharing across services to aid planning and delivery;
- Planning of services across the 10 constituent programmes is increasingly aligned with the single set of outcomes; and
- Administrative arrangements have been reviewed and opportunities for reallocation of staff resources have been considered as a way of reducing the overheads associated with grant administration.

The Early Intervention, Prevention and Support Grant is predicated on a set of outcomes which reflect the aims and objectives of the 10 constituent programmes. We are continuing to collect a range of performance and management information relevant to each of the constituent programmes and this will enable us to assess any changes in delivery.

This comprehensive range of information, evidence and data will, we believe, enable us to undertake a thorough and detailed examination of the implementation of the single grant. As stated above, should this information, evidence and data prove insufficient, we would of course consider whether it would be appropriate to extend the pathfinders.

**Recommendation 4** – We recommend that, as part of its evaluation work, the Welsh Government identifies clearly the extent to which individual local authorities have taken advantage of the funding flexibility provided and how this has supported better outcomes.

**Accept** – It is our intention, through the various strands of work that comprise our evaluation strategy, to identify how local authorities have taken advantage of the funding flexibilities provided.

Pathfinder local authorities were required, as part of the Early Intervention, Prevention and Support Grant application process, to set out how they intended to re-organise and re-configure service delivery. The delivery plans submitted to Welsh Government in advance of financial year 2018-19 set out local authorities' initial proposals for new approaches to service delivery. For example - pooling resources to deliver a single coordinated and more strategic approach to providing services for survivors of domestic abuse and sexual violence. In another local authority they are taking the opportunity to develop a single data base with one view of the individual to better monitor outcomes. This data will help identify any gaps or duplication in services and measure the success of interventions more robustly. Local authorities are also considering how to streamline the administration and monitoring arrangements under the existing grant schemes, and work is progressing to understand the range and scale of activity and number of roles currently undertaking this work. The monthly pathfinder meetings focus on the different opportunities being taken by pathfinders to maximise sharing and learning.

Generally, we will be considering whether pathfinders have used the opportunity of the new single grant to improve administration, reduce bureaucracy and drive improvements and efficiencies within their own organisations. Most importantly, we will want to understand how these arrangements will enable them to innovate and change service delivery with the aim of improving outcomes for vulnerable groups who are the focus of the constituent programmes. We will also seek to understand how the pathfinders are using the governance and accountability arrangements in local government to scrutinise the decisions they make to ensure services respond to local needs.

Our aim in taking forward the pathfinders is to explore the scope and opportunity for greater creativity and innovation to better serve citizens.

The aims of the independent evaluation being undertaken by Wavehill include assessing how effective the implementation has been, considering what changes have been made by local authorities and considering whether efficiencies can be realised. It will also assess the effectiveness of the current monitoring system and its suitability going forward.

Our monthly meetings with the pathfinder local authorities are focussed on the implementation of new ways of working enabled by the single grant arrangements. For example, local authorities have shared with us their experiences of implementing new arrangements for supporting survivors of domestic abuse and developing more integrated employment support services.

Assessing the impact of service changes on outcomes for citizens is complex. Establishing causality and isolating the effects of one change in the context of many others is very challenging. For example, many of the vulnerable groups we seek to support have been and will continue to be affected by welfare reform changes and the roll out of universal credit. It is worth noting the contractual nature of some of the services being delivered as part of this programme, may inhibit rapid changes on the ground.

**Recommendation 5** – 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.

**Accept** – Throughout 2018-19 we will continue to collect performance data across the 10 programmes included in the Early Intervention, Prevention and Support Grant on the same basis as previous years for both pathfinder and non-pathfinder local authorities. This will enable us to make comparisons and monitor any trends. The findings of the independent review being conducted by Wavehill on behalf of Welsh Government is being taken forward in line with Government Social Research protocols and will, in line with best practice, be published once finalised and we are happy to share this, and the interim report, with the Committee.

**Recommendation 6** – 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.

**Accept** – Our initial work in developing a more integrated approach to supporting vulnerable people, which dates back to 2015, focussed on four programmes primarily aimed at tackling poverty – Supporting People, Families First, Flying Start and Communities First. In response to the ongoing dialogue that we established with local authorities we were asked to consider whether a wider range of programmes could be brought within scope owing to the potential synergies in terms of aims and outcomes being sought. Consequently the current 10 programmes have been included in the Early Intervention, Prevention and Support Grant being taken forward in pathfinder local authorities.

As part of our continuing dialogue with stakeholders, and as we reflect on the emerging evaluation evidence, we will reconsider whether these, or other, programmes represent the right mix of early intervention, prevention and support services and the synergies between them. Over time, we may also want to consider if other programmes could additionally be included to allow local authorities to provide more holistic support for citizens.

Our primary consideration will be whether pathfinders have used the opportunity of the new single grant to improve administration, reduce bureaucracy and drive improvements and efficiencies within their own organisations. Most importantly we want to understand how these arrangements will enable them to innovate and change service delivery with the aim of improving outcomes for vulnerable groups who are the focus of the constituent programmes. As part of this we will seek to understand how a separate grant focussing only on housing-related services could also seek to meet the integrated aims indicated.

**Recommendation 7** – 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.

**Reject** – Following previous work by the WAO and views expressed consistently by Welsh Local Government, there is a case that integrating grants should reduce the level of administrative overhead and increase flexibility in the use of the funding. We will assess the opportunities for these efficiency gains as part of our evaluation. However the extent of the savings, the reductions in costs and, critically, the reinvestment of gains can only be fully accounted for by the pathfinder authorities themselves using their own detailed internal budget information. We have therefore asked the Society of Welsh Treasurers to provide an assessment of the opportunities that might be generated by working differently. We believe that this recommendation should be made jointly with Local Government.

The approach we are taking with the pathfinder local authorities is focussed on gaining a better understanding of best practice and the improvements to service delivery that can be achieved through greater integration and a focus on citizen centred services. We will continue to develop mechanisms for sharing learning from these pathfinders with non-pathfinder authorities.

The draft budget showed a total combined budget for 'early intervention prevention and support grant' in 2019-20 is 5% less than the total of individual grants in 2018-19. This reflected the need to realise savings across the range of Welsh Government activities. As part of the ongoing budget process, we will continue to review the amount needed to deliver the required outcomes during the planning for the 2019-20 budget.

Reflecting the protection agreed by Ministers for the Supporting People Programme in 2018-19 and 2019-20 the flexible funding guidance makes clear our expectation that 'Local Authorities must allocate funding to the Supporting People programme at least at the level of the SP allocation unless the authority can demonstrate they can be sure of delivering the same, or improved, services for less money as a result of efficiencies'.

**Recommendation 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

**Accept** – The proposed Early Intervention, Prevention and Support Grant is made up of a number of programmes, there are different regional working arrangements in place across these. Local authorities were asked to provide details of their approaches to regional working as part of their delivery plans. Regional working in relation to Supporting People has made mixed progress. Nevertheless we are keen to build on any progress to date.

Officials have already met with Chairs and Vice-chairs of Regional Collaborative Committees (RCCs) as well as the Regional Development Co-ordinators to discuss how they can work with Pathfinder and non-Pathfinder authorities. As part of this work a survey is being conducted of how existing relationships between the RCCs and Regional Partnership Boards and Public Service Boards are working. This will

allow us to assess what are the barriers and enablers to effective regional working and will facilitate consideration of how regional arrangements might be developed in any new grant arrangements. We intend to retain regional working as a key part of but acknowledge that it may need to adapt to reflect any new arrangements.

**Recommendation 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.

**Accept** – We will commission a piece of work with commissioners to understand their experience. Where necessary, we will follow-up this piece of work with potential bidders to understand what barriers may exist and the effect of uncertainty on their position. This will be completed by Autumn 2018.

**Recommendation 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.

**Accept** – In our response to the Auditor General we were clear about the impact of any redistribution on local authorities and services.

With the introduction of grant integration proposals there is now an added dimension of the effect of distribution issues within other grants to be considered. This uncertainty is further complicated by the revised timetable for the Supported Accommodation Review (SAR) of April 2020 which will bring additional, and related, resources from the Welfare system to Welsh budgets. As yet we are unclear about the distribution affect of the SAR money.

As a result any attempt to solve anomalies in the distribution of Supporting People monies in isolation would be likely to lead to the destabilising affects of redistribution being experienced twice as it could leave other key elements with distributions that are not needs based and which would need to be addressed later.

With this in mind we do not intend to progress redistribution work within the original timescale which was for an April 2020 implementation. Whilst it remains our ambition to achieve a distribution which more accurately reflects needs, we believe it would be better to take a holistic approach to this work once all of the relevant factors can be understood. In the meantime we would anticipate distributing any integrated grant initially on the basis of the legacy funding levels of the relevant grants and this has been the basis of allocations under Funding Flexibility.

**Recommendation 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.

**Accept** – We are happy to confirm this commitment and the timescale for the work to review the Supporting People Spend Plan information by April 2019.

**Recommendation 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 provision for other specific groups, including any obvious differences in the types of support i.e. fixed or floating

**Accept** – We have the information necessary to do this within the monitoring information that is collected as part of our current grant terms and conditions and we will undertake an analysis of the level of variation. However, it is important to be clear that strategic planning for the delivery of Supporting People services takes place at the local authority level within the context of partnership working through RCCs. Variation can be a proper reflection of the nature of local needs and local approaches and does not, in itself, indicate a problem exists. However, we will consider how we can share information on variances with local authorities in a way that allows them to benchmark themselves and assure themselves that local approaches remain the most effective way at delivering the best outcomes by April 2019 in line with other work on variances.

**Recommendation 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.

**Accept** – Whether the future framework is specific to Supporting People or encompasses a wider set of outcomes appropriate to an integrated grant mechanism, 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. Work is now commencing, building on existing work across all 10 grant streams, in partnership with key stakeholders to begin to develop the framework. We recognise that moving to a truly outcomes focussed approach will take time and require collaborative working with partners and stakeholders.