

**Audit Committee 15<sup>th</sup> December 2017**  
**Supporting People Programme Grant Update**

**Introduction**

A six-monthly update has been requested by the Audit Committee detailing the progress of the improvements to the administration of the Supporting People Programme Grant (SPPG) as identified by Internal Audit in their annual reviews.

The last update produced for the July 2017 meeting was based on the Internal Audit review of SPPG for 2015/16. Since the last meeting, there has been an Audit of 2016/17 and, therefore, this report will comment on the issues raised in both reports.

It is worth noting that the SPPG is monitored quarterly by the Supporting People Operational Group where the Supporting People work plan and its projects are presented for scrutiny and comment.

**Update on issues raised in 2015/16 and 2016/17 reports**

**Outcomes**

**Issue: Accurate collection and verification of outcomes**

In May 2017, Welsh Government issued a consultation document for the Supporting People Programme. This included a revised guidance document regarding the administration of the Programme and a revised outcomes framework. The proposed outcomes framework appeared as a radical overhaul of the current process which will change the process for both service providers and Supporting People Teams. The consultation ended on 4<sup>th</sup> August 2017 since when no date has yet been agreed for the implementation of the new framework. In the interim, the Supporting People Team has improved the current collection process to minimise the possibility of errors being input at source.

The SNAP survey that is used to collect the information has been improved to lessen the possibility of erroneous information being submitted. While difficult to eradicate inputting errors entirely, the amended survey contains new safeguards to ensure that the submission is as correct as possible. The amended survey will be introduced for the collection period starting 1<sup>st</sup> January 2018.

**Management Charges**

**Issue: Management charges should be no more than 10%**

Work has been undertaken across a number of SPPG funded services to ensure that Management Charges are under 10%. As noted previously, the 2016 tendering exercise for the locality based floating support services was based on charges being 10% or less. This has had a knock-on effect on the temporary supported accommodation projects that were affected by this change. Revised costings for these were also based on charges being 10% or less.

An exercise has been undertaken to establish a common hourly rate for supported living projects. A number of these have a SPPG contribution. The calculated hourly

rate for care and support is predicated on a management charge of less than 10%. This has been discussed and agreed by the five main supported living providers. The new hourly rate was introduced for these services on 1<sup>st</sup> October 2017.

The internal services that are funded by SPPG do not claim a management charge for delivering the service. SPPG funds the staffing costs of delivering the service and the associated charges but does not pay a separate management charge as claimed by external service providers.

There remain a small number of services where the management charges are an issue either because they have remained under tariff funding or are older people's alarm services where the service provider subcontracts with an alarm provider. It is proposed that the services that are tariff funded will be re-tendered with tenders expected to demonstrate management charges of 10% or less.

With regards to the older people's alarm service subsidy payments, a report detailing a number of options for this has been re-presented to Departmental Management Team (DMT) for discussion. Further information was requested which has been collected and this will be reported back to DMT for discussion in the next meeting.

### **Budget Monitoring**

**Issue: a requirement for regular and systematic investigation of the budget to reduce any likely underspend and to take early steps, as far as practicable, to reallocate funds.**

The 2016/17 Audit report detailed an under spend of £257,539. While unsatisfactory, it was as a consequence of efficiencies being made and an inability to reallocate in the time permitted.

(The under spend figure that had accrued was mostly made up of a reduction in Careline charges for 2016/17 and also the introduction of the locality based floating support service in October 2017. A submission was made to Welsh Government to carry forward this money and allocate to specific projects considered in line with the anti-poverty strategy but this was declined by Welsh Government.)

For a large part of 2016/17, it was anticipated that there would likely be a cut in the SPPG for 2017/18 as the budget for the previous year had been held at a stand-still. Given the Welsh Government provides confirmation of the SPPG for one year only, and often as late as December, this leaves limited opportunity to reallocate on eligible SP services.

The new process for budget monitoring that was introduced in October 2016 following the 2015/16 Internal Audit report (received September 2016) did identify the potential underspend and work was undertaken with strategic leads within the local authority and service providers to identify short-term projects to spend the money in the remaining months of 2016/17 but as noted above it was not possible to allocate this amount fully.

Processes have been put in place to try to resolve this in 2017/18 with funds being identified at the start of the financial year for new developments. A number of new

projects have been considered during the year with a further number being developed and funded during the year.

The difficulty that the Supporting People Team face is that the indicative SPPG funding has not (at the time of writing) been confirmed for 2018/19 and therefore it is not yet known whether the SPPG will be the same as the current year. Unofficial indications from Welsh Government suggest that there will be a further stand-still year in 2018/19 but until this is confirmed these projects will be short-term pilots until 31<sup>st</sup> March 2018.

## **Conclusion**

It is noted that the administration and management of the SPPG has significantly improved. The Supporting People team is confident that it has addressed the main issues raised by Internal Audit and is progress other remaining issues.

It is also worth noting that the Welsh Audit Office review of the Supporting People Programme highlighted a number of issues that could be improved in the Welsh Government's administration of the programme. These improvements, notably communication with local authorities, will lead to greater understanding of Welsh Government requirements by Supporting People teams, service providers and auditors.