

Housing

National report

October 2005

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Supporting People

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Summary

- 1 This report reviews the current state of the Supporting People programme, which was launched in April 2003 to provide a better quality of life for 1.2 million vulnerable people and to help them live more independently. The programme provides housing-related support to prevent problems that can lead to hospitalisation, institutional care or homelessness. It also helps to protect tenancies and aims to assist the transition to independent living for those leaving an institutionalised environment.

Key findings

- Services have improved.
- There needs to be a long-term commitment and a financial framework to underpin minimum standards.
- Delivery on the ground is not consistently good.

Background

- 2 The programme is delivered locally by administering authorities through an estimated 37,000 services with over 6,000 private, voluntary sector, housing association and local authority providers.
- 3 The Supporting People programme has brought major changes to the planning and delivery of housing-related support services. These changes have resulted in improved services, particularly in the best local authorities, for many vulnerable people:
 - Users are more involved in the services they receive and in planning wider service provision.
 - The regulation, quality and accountability of existing services have demonstrably improved. Where gaps have been identified, new services have been commissioned to fill them.
 - Local partnerships between health, probation and housing and social care bodies have improved.
- 4 The government intends to review Supporting People and an outline strategic paper is expected shortly. It is important that this review acknowledges, maintains and builds on the successes of the programme.
- 5 Many service providers have welcomed aspects of the quality assurance system (where this has been well managed) and the challenge represented by effective service reviews. These providers believe the reviews have raised standards. In the best authorities:

- eligibility criteria are agreed locally and ineligible elements of services are transferred to appropriate health, housing management or social care budgets;
- value for money is carefully monitored and, where standards are poor, services may be closed or improvement plans agreed; and
- innovative approaches to service delivery are encouraged and supported.

However, where these approaches have not been implemented the nationally prescribed system has yet to prove its full value.

- 6 Supporting People brought together a variety of funding sources, covering several government departments. A budget of £1.4 billion was agreed in December 2002 for 2003/04. Actual programme costs were £1.8 billion for 2003/04 and 2004/05. Subsequently the annual budget for the programme was reduced to £1.72 billion for the current year. This poor financial forecasting has led to budget and operational uncertainty at local level.¹
- 7 Given this, the Supporting People programme is not yet backed by a long-term funding framework. While the government is considering moving to a needs-related formula for grant distribution to administering authorities, no date has been set for any change. Authorities are still funded according to historic grant arrangements and there are no planned transitional arrangements in place for authorities whose grant allocations will vary if funding moves to a needs-based formula.
- 8 There is currently no clear national strategy and vision for the future of Supporting People shared across government departments and there are limited connections with the Department of Health (DH) agenda. This makes it difficult for administering authorities and local partners to work effectively to deliver local programmes and to determine who should receive the grant, especially when working with individuals who need integrated housing, health and social care support.
- 9 There are local variations in applying Supporting People, in terms of quality and type of provision and eligibility. There is no national minimum standard of provision for different service types.

¹ There were significant increases in estimates for the Supporting People programme before the start of the programme in 2003 – see Appendix.

- 10 These implementation difficulties, combined with grant reductions caused by the budgetary problems, have produced local uncertainty that constrains long-term planning and investment by commissioners and providers. This is made worse by the lack of performance incentives, both for administering authorities and service providers.
- 11 Authorities that fail to implement properly their Supporting People responsibilities face continuing problems, such as a lack of ownership of the programme; inadequate information for local users; too much focus on inputs at the expense of value for money and outcomes; duplicated assessment of service providers and inconsistent reviews of services due to weak application of the passporting rules; and inadequate quality assurance of service reviews.
- 12 The Commission has found little enthusiasm among stakeholders for radical change. Any major shift, such as recreating the multiple pre-2003 funding and monitoring arrangements, would create serious disruption. All agencies involved in Supporting People have worked hard over the last five years to introduce the new system. If they were required to start again there would be a severe loss of goodwill and engagement, with many of the service improvements produced by Supporting People dissipated. It would also put at risk services for vulnerable people, particularly those that receive support from outside their local area.
- 13 The Audit Commission recommends that government, in its review of the Supporting People programme, should:
 - link Supporting People policies, programmes and performance management frameworks across all relevant government departments;
 - contain a long-term financial framework to underpin planning and investment by providers and local partnerships;
 - ensure that implementation of any grant redistribution takes account of the difficulties involved in reshaping provision;
 - establish who should benefit by enabling minimum provision and outcome requirements for all areas, utilising local area agreements where there are effective partnerships to reinforce the delivery of Supporting People strategies;
 - set out the connections between national, regional and local policy development, administration and regulation;
 - provide a clear framework for allocating and linking capital and revenue budgets for new schemes, making explicit the role of regional housing boards in future planning; and

- identify which agencies are responsible for assisting individuals who need cross-boundary support, including establishing collaboration at a regional or sub-regional level, backed by the necessary funds and monitoring.
- 14 The refreshed strategy should also take action to promote a healthy provider market, including:
- ensuring that appropriate consideration is given to special needs housing and housing-related support in regional housing strategies; and
 - working with the Housing Corporation and regional housing and planning boards to ensure appropriate regional capital allocations for special needs housing, with clear bidding arrangements that connect capital and revenue budgets where necessary.
- 15 National commitment must be matched by local ownership. Members of local partnerships should treat the Supporting People grant as complementary to their wider health, social care, housing and criminal justice funds and policies. The Commission recommends that administering authorities:
- develop and maintain clear local agreements on eligibility within any national framework, coupled with joint budgeting and commissioning arrangements where these best fit the needs of individuals;
 - ensure that local working practices involve local strategic partnerships to produce integrated and seamless service provision;
 - support greater involvement by service users and their carers;
 - promote a better understanding of provider risk by involving providers in the development of local services; and
 - maintain a continual focus on improving value for money, including joint work at regional and local levels to deliver economies of scale for both commissioning bodies and providers.
- 16 The Commission will seek to improve the regulation of local commissioners and providers with government and partners in the Local Services Inspectorate Forum to reduce and rationalise demands through:
- a review of the current regulatory framework for Supporting People;
 - a review of the value of detailed performance information returns;
 - more automatic passporting arrangements for providers operating in more than one authority, linked to an effective moderation system; and
 - better integration of local performance management frameworks.

1

Introduction

What is Supporting People?

- 17 The Supporting People programme was launched in April 2003 to provide a better quality of life for vulnerable people and help them to live more independently. The programme includes housing-related support to prevent problems that can lead to hospitalisation, institutional care or homelessness. It also helps to protect tenancies and aims to assist the transition to independent living for those leaving an institutionalised environment (Box 1).
- 18 Supporting People has changed the way that housing-related support is planned, commissioned, funded and monitored. In England it funds or part-funds services to more than 1.2 million vulnerable people at a current annual cost of £1.72 billion.
- 19 The programme is delivered locally through an estimated 37,000 services with over 6,000 private, voluntary sector, housing association and local authority providers. The programme involves every local authority, primary care trust (PCT) and local probation board. Responsibility for identifying local needs, prioritising them and entering into contracts lies with 150 local commissioning bodies. These are partnerships of social services and housing authorities, probation boards and PCTs, based on unitary or county council boundaries. It is these unitary or county councils, known as administering authorities, that implement the decisions made by the commissioning bodies and are accountable for the Supporting People grant including ensuring grant conditions are met.
- 20 Supporting People brought together a variety of funding sources, covering several government departments. Grant conditions limit spending to relevant housing-related support services or, in the case of authorities considered excellent under Comprehensive Performance Assessment (CPA), to welfare services as defined by the Local Government Act 2000.

Box 1

Who should benefit from Supporting People services?

Supporting People services aim to help maintain vulnerable people in their own homes and communities. They help to settle or resettle those who find it difficult to establish secure homes unaided. Much support and care provision is informal, provided by friends, families, neighbours or, where individuals have funds, support that is privately arranged and paid for. Supporting People services can supplement or, where necessary, replace this.

The main groups that authorities are expected to cover in their strategies are listed below. There is considerable overlap between many of the groups. Demand, need and supply vary across the country. There is, as yet, no data to identify the number in each group that may need local help or information on the best local methods of support.

Main groups	Examples of provision
Older people: frail elderly, older people with mental health, dementia or other support needs	Sheltered homes
People with mental health problems	Home improvement agencies
People with learning difficulties	Unattached warden services
Women at risk of domestic violence	Alarm services
People with physical or sensory disability	Specialist supported units
Homeless families with support needs	Floating support services (where workers support people in a range of different types of accommodation)
Refugees	Refuges
People with HIV/AIDS	Short-term resettlement support (to help people establish a new home)
People with drug or alcohol problems	Starter accommodation with support
Single homeless people with support needs	
Offenders, or people at risk of offending; mentally disordered offenders	
Teenage parents, young people at risk and young people leaving care	
Travellers	

Source: Audit Commission

The aims and structure of this report

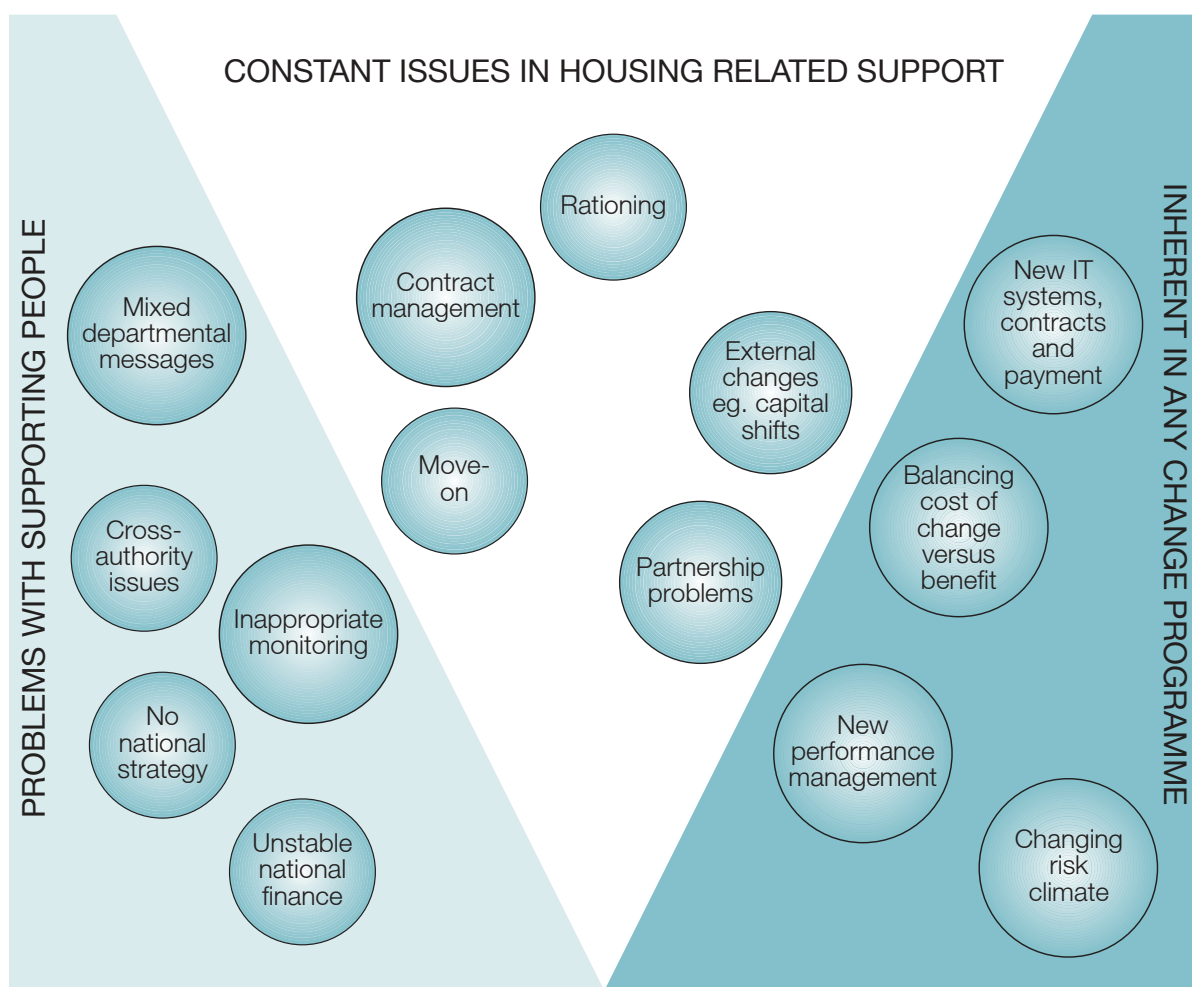
- 21 This report reviews the current state of the Supporting People programme. It looks at stakeholder concerns about the programme and at the future of housing-related support. The aim is to identify whether change is needed at a national, regional or local level to support future improvement. It balances the advantages of change against the associated risks of uncertainty, loss of goodwill and opportunity costs. It also highlights areas where a lack of change is likely have an adverse effect on some users. The conclusion and summary suggest priorities for national action by the government and for local improvement by administering authorities and their partners.
- 22 Despite justifiable concerns and criticisms, most stakeholders believe that the programme has delivered improvements. Our local inspections confirm this at a scheme and administering authority level in many areas. These successes are summarised at the beginning of chapter two. Any future changes should recognise and build on these.
- 23 In some areas, local partnerships have been less successful and administering authorities have not introduced the new programme well or failed to address local problems. The differences between the best and weakest authorities are summarised in the second part of chapter two. More detailed information on local problems and examples of local solutions drawn from inspections can be found on the Audit Commission website.
- 24 Alongside implementation difficulties and the uncertainties that any major change programme brings, there are other continuing concerns (Figure 1, overleaf). Chapter three focuses on the more widespread or fundamental concerns that may need national attention. Some are the unintended consequences of other government programmes or of wider economic, demographic or social trends that impact on housing markets. In these cases, both the programme and other policies may need to be amended. Other concerns include unresolved financial and eligibility issues and uncertainty over the long-term strategic, financial and organisational future of the programme.

- 25 Some concerns reflect underlying tensions about housing-related support that would exist under any arrangements. One example is the difficulty in ensuring timely and appropriate move-on accommodation for service users who want to move from a hostel or other supported accommodation to a more independent home. The report comments on how these problems are being addressed within the current framework. Where relevant, the differences between the best and weaker local area approaches are included. However, the focus is on national and regional issues.
- 26 This report does not cover all the issues raised by stakeholders. In particular, it does not look in detail at implementation difficulties during the move from transitional housing benefit to the Supporting People grant and associated monitoring and review programme. Many of these difficulties are now historic. Some were linked to the inevitable uncertainties, disruption and short-term work that any major change programme brings. Implementation mistakes are discussed only where they are directly linked to current concerns.
- 27 The report does not cover all specialist issues or particular local concerns, as many are the result of local history and local agency performance:
 - The services funded by the Supporting People grant are delivered to a wide range of individuals with very different needs so, inevitably, there are specialist issues regarding particular services and client groups.
 - The pattern of provision inherited by administering authorities in April 2003 had grown up without nationally consistent planning and with limited regard to local authority administrative boundaries. So the sources of previous funding, the provision and providers involved and the total amount of funding coming into any local area at April 2003 varied significantly. This means that different areas have different local priorities.

Figure 1

Concerns about the programme

Alongside implementation difficulties, and the uncertainties that any major change programme brings, there are other continuing concerns.



Source: Audit Commission

Methodology

- 28 This report is based on existing published data and on the Audit Commission's inspections of administering authorities, together with other Commission inspections of providers – housing associations, council housing departments and arm's length management organisations. Supporting People inspections began in September 2003 and 63 were published between 1 December 2003 and 1 September 2005. The inspections completed to date cover a wide geographic area and include all types of administering authorities: county councils, metropolitan and unitary authorities as well as London boroughs. Additional interviews were conducted with stakeholders, including providers such as housing associations, district councils, advocacy groups, probation staff and PCT representatives. We also held focus groups with a number of authorities administering the programme. Her Majesty's Inspectorate of Probation and the Commission for Social Care Inspection (CSCI) have contributed ideas and specialist knowledge, but the conclusions and recommendations are the responsibility of the Audit Commission alone.

2

Improvements linked to the Supporting People programme

- 29 The Supporting People programme has delivered major improvements to the number and quality of housing-related support services available for vulnerable people. While the extent and pace of improvement varies by area, inspections show that overall it has led to:
- a greater focus on users and carers;
 - more attention to value for money;
 - improvements to service quality and the range of local services;
 - a new impetus to tackling some long-standing concerns; and
 - local partners working together more effectively, with a better understanding of local needs.

Despite increased, and sometimes unnecessary, administrative burdens associated with national review and monitoring requirements, the quality assessment framework (QAF) has improved accountability and contributed to service improvement. The first section of this chapter summarises improvements in these five areas; the second part looks at why improvements have been greater in some localities than others.

A greater focus on users and carers

- 30 Inspections and administering authority feedback show that there is increasing focus on user needs, choice and involvement, and on outcomes at an individual, scheme and, in the best authorities, strategic level. User views are demonstrably affecting design and delivery.
- 31 As part of the service review process, providers have to show how they involve service users on a regular basis. They must give service users who are funded through Supporting People a personal support plan. Inspection evidence shows that most now do. Some plans are not yet used effectively, but plans are helping to strengthen a more user-centred approach. Service users are involved, sometimes for the first time, in reviews of their own and other services. For example, in one authority, mental health service users were trained to assist in reviews of other services for their client group.

- 32 Administering authorities also involve users and their carers in wider planning and development: for example, in one authority, a user jointly chairs the local consultative group; in another, a service-user panel reviews, amends and approves all policies and associated public documents; in a third, joint provider and commissioner arrangements allow a focus on developing proposals for each particular client group and involve carers in the planning process.

Better value for money from an improved range of services

- 33 Many providers have always delivered good-quality, cost-effective services: but prior to Supporting People, the monitoring of services was not consistent, nor was accountability for public money always clear. Decisions on cost and quality trade-offs were often left to providers and projects were looked at in isolation. Before 2003, there was limited available information on comparative costs and outcomes for the wide range of supported housing and non-accommodation-based housing-related support schemes. An independent report published in 2004 (Ref. 1) considered that services in existence prior to the establishment of Supporting People were not all delivering value for money.
- 34 Administering authorities have used the service review programme and new contractual system to challenge and improve quality, cost and outcomes:
- benchmarking has improved;
 - inappropriate use of grant has been reduced;
 - where standards are not acceptable, services have been decommissioned or subjected to monitored improvement planning;
 - existing services have been reshaped and new ones created to reduce costs, better meet identified and prioritised local needs and link existing services more effectively; and
 - innovative approaches to service delivery have been encouraged and secured.

- 35 Financial benchmarks from early data provided by the Office of the Deputy Prime Minister (ODPM) in 2003 provided a starting point for questioning service costs. There are now a number of more detailed, accurate and locally appropriate comparisons within and between authorities. These are being used to challenge provider costs. Examples include comparative work between district councils within county areas, comparisons across core cities and a regional benchmarking project across Yorkshire and Humberside (Case study 1). More sophisticated benchmarking is developing, including a voluntary provider-led service supported by the ODPM.

Case study 1

The Yorkshire and Humberside regional benchmarking exercise covers 15 authorities and is conducted on a primary client group basis. The information is being publicised on the spk website (Ref. 2) as each client group is completed. Comparisons focus on weekly unit cost, support hours per unit per week and cost per hour of service.

To try to compare like-for-like provision, services are broken down into 9 different support types, ranging from 24-hour cover with waking night staff through to an alarm/on-call system only.

The exercise allows individual authorities and service providers to make more locally tailored comparisons of cost and staff hours between services of a similar type, both within and across client groups.

Source: Audit Commission

- 36 Administering authorities have found savings and maintained services despite an absolute reduction in the grant in 2004/05 and 2005/6 and a real reduction of 17 per cent over the two years. Nationally, a slight grant underspend is predicted for 2005/06.

There is no national data linking savings to specific changes. Inspections have found that many of the more significant savings made have been unique occurrences linked to process changes and challenges to inappropriate use of grant funds. They include:

- underspends of grant carried forward from previous years, for example, late opening of pipeline schemes¹ or planned schemes not progressing; and

¹ The ODPM agreed to put relevant extra sums into local Supporting People grants to pay for some new schemes that were not yet fully operational in April 2003. These are known as pipeline schemes.

- ceasing to fund care homes previously in receipt of revenue subsidy from the Housing Corporation and moving the funding responsibility to other public budgets. While this may result in a saving to the Supporting People budget it can mean additional cost pressures on other public budgets and, in some cases, that costs are moved between budgets without any improvement in value for money from the services concerned.
- 37 Government milestone reports (Ref. 3) and inspections show that the most common inappropriate funding has been to use housing-related support grant to fund care services, especially those provided for people with learning difficulties. Some authorities still have significant funding that needs to be reallocated to meet current grant conditions.
- 38 Efficiency savings can be made by renegotiating with providers where interim contracts are not being fulfilled, for example, providers not delivering on occupancy levels or amounts of support. Some reviews have a more efficient use of staffing resources. Challenges have been made to the necessity for 24-hour cover, especially for sleep-in support. Inappropriate management charges loaded on supported housing services have been identified and addressed.
- 39 The grant from government to authorities did not include an inflation element in 2004/05 or 2005/06, and most authorities have responded by not increasing their payments to providers for two years. Most providers have so far managed to maintain their services by finding alternative funding or efficiency savings.
- 40 Savings have allowed the best authorities to fill some gaps in local services and trial more innovative approaches. Better coordination of local providers and referrers has helped to improve value for money by matching clients and support more effectively. Examples include access panels and single advice and assessment and referral services for homeless clients. Innovative schemes include imaginative approaches to supporting vulnerable people, for example offering women fleeing domestic violence a combination of floating support (Box 1) and security measures in existing homes, or supporting young, unaccompanied refugees in their transition from looked-after status to independent living.

A new impetus to addressing old problems

- 41 A number of problems linked to housing-related support did not receive adequate attention prior to the introduction of Supporting People. New impetus has been given to addressing three in particular. There is more local clarity and consistency over eligible costs. Partners are looking critically at issues such as the role of sheltered housing in enabling independent living for vulnerable older people, or how to ensure timely access to move-on accommodation for other vulnerable people.

Eligibility

- 42 One aim of Supporting People was the creation of a flexible grant to pay for support services which were neither part of the social care framework nor covered by rent or housing benefit. While service users are not concerned about which public budgets pay for the services they need, providers and funders do need clarity so that appropriate packages can be put together. Under transitional housing benefit there was a more liberal interpretation of eligibility in some areas than others (Refs. 1 and 4). There are still problems associated with eligibility, which are detailed in the next section, but local inconsistencies are being reduced. Eligibility criteria had been agreed by three-quarters of local commissioning bodies by May 2005 (Ref. 3). Returns to the ODPM and inspections show that ineligible elements of services are being identified and redirected to appropriate budgets across health, housing management and social care.
- 43 In addition, a recent legal case has clarified the differences between residential homes and supported housing (Ref. 5). This is an important distinction for service users as well as for authorities and providers. Homes are more closely monitored, as residents are considered to be more vulnerable, and are funded through different routes. For users and carers, a home is more regulated and relatively less of a risk; but residents have different eligibility for benefits, less personal control over the money involved and much less personal independence.

Sheltered housing and alarms

- 44 Sheltered housing, associated wardens and alarm schemes are a major resource, but in too many areas there is no clear strategy about how best to use either the buildings and equipment or the associated staff to meet current and future needs. The advent of Supporting People has prompted local reviews that look at these issues as part of wider strategies for supporting older people's independence across all tenures, rather than just as an issue for a housing landlord. Because the reviews are linked to Supporting People, the option of re-using buildings that are unsuitable or unpopular for older people or for other vulnerable client groups is also better considered.

Move-on accommodation

- 45 For some service users, initial support is linked to specific accommodation. This is especially true for socially-excluded groups such as young people at risk (including care leavers and teenage parents); users who are homeless or inadequately housed and who receive initial support in hostels or shared houses; some categories of offenders who need supervision; and some people with mental health difficulties or drug or alcohol addiction problems, who receive intensive treatment in a hospital or other health setting and who need an appropriate home to move on to once their initial treatment is over.
- 46 Many will want to move on from temporary hostels or short-term, high-support placements to more independent homes; others may need more specialist or long-term supported accommodation. Both providers and commissioners want people who can move on to do so as quickly as possible so that high-cost supported placements can be offered to others. However, finding move-on accommodation is not easy, especially if some support is still needed. A lack of move-on accommodation is consistently cited as a major concern by providers and commissioners (Ref. 6).
- 47 Supporting People has brought a fresh impetus to the development of move-on strategies. The best authorities are now looking at the whole system of support needed by vulnerable individuals, from first access to services (including emergency housing) to long-term homes. Good practice includes:
- coordinating access arrangements so that users are more likely to enter the most appropriate local accommodation first;

- filling identified gaps in the spectrum of local provision, so that high-support places do not need to be filled by individuals with substantial, but lower, support needs, and vice versa;
- reviewing and amending allocation policies. For example, more vulnerable individuals often need additional support to use choice-based lettings systems (Ref. 7);
- including a wider range of housing providers in protocols for particularly difficult cases. These include the multi-agency public protection arrangements (MAPPA) that apply to some probation service clients;
- identifying and challenging overt and covert exclusion policies in the allocation of social rented housing by housing associations or local authorities; and
- using private rented homes as well as social housing as longer-term options. Targeted rent deposit schemes and packages of floating support attached to private tenancies are proving effective at persuading private landlords to let suitable accommodation, either directly or via a managing agent.

48 The options available locally will vary. The increasing use of the private sector is especially important, given the pressures on social rented homes in many areas. It requires a major shift in approach for many of those working in this area.

Better local partnerships, improved local equity

49 In many areas, statutory and voluntary service providers are working effectively within the Supporting People partnership framework to improve identification of needs, determine local priorities and agree strategies for the future. Commissioning body members regularly report increased understanding and more effective joint work between statutory partners and with providers, though with more limited improvement in terms of PCT involvement. Inspections have reflected the view from authorities that there is often a closer policy fit and improved understanding between housing and social services, especially in some county areas where this is the result of effective partnerships with the district council housing authorities.

- 50 Partnerships have promoted greater service consistency and equity of access. For example, home improvement agencies have been reorganised and expanded to cover all the districts within counties and to offer similar services to all areas. Local information on provision, needs and options has improved considerably. This has fed into five-year strategies in 2005, many of which show a greater understanding and a more strategic approach to housing-related support than the draft strategies of 2002. It has also led to better information for service users, their carers and frontline staff across partner agencies, which is important in ensuring fairer and more appropriate access to available services.
- 51 There are still problems with joint working, but these are inherent in much partnership working and not unique to Supporting People. Auditors report that a third of their public sector clients have some problems associated with the partnerships they are involved in (Ref. 8).

Improved accountability including quality assurance

- 52 The Supporting People grant and the funding streams that it replaced are public money and as such should be subject to scrutiny, with clear responsibility and accountability for the funds involved (Ref. 8). Accountability and quality assurance were fragmented in the past, with some providers reliant on standard and then transitional housing benefit funding, subject to no external public monitoring. The Supporting People programme provides a consistent framework for local quality assurance and accountability.
- 53 Supporting People strategies are a public statement of local priorities against which the members of commissioning bodies can be held to account. The accountable officer and Supporting People team can be scrutinised by directly elected members of the administering authority. Local partnerships also have to report to providers, users and other stakeholders on their local strategy and operational matters.
- 54 Individual providers are all now subject to external quality assurance and review. The QAF expects them to reach a minimum acceptable level against a national set of core quality

- 56 Some weaker authorities did not adequately prepare for their new role before 2003. They failed to recognise the ways that the programme could contribute to greater life chances for some of the most vulnerable people in their communities. Some still lack adequate information on local needs, while others have failed to analyse the information available. Some have weak financial and operational monitoring systems. They may have poor and confrontational relationships with local providers. Many are not involving service users effectively. Staff may be too junior or inappropriately skilled and experienced for the work they are asked to do, especially around quality assurance and review, and can focus too much on process and inputs. Some have not yet given sufficient attention to setting up effective partnerships or to integrating their new responsibilities with their other services and strategies.
- 57 At worst, some authorities are making the savings necessitated by grant reductions in ways that risk damaging the best local provision:
- making repeated, across-the-board cuts, regardless of provider efficiency, capacity or local importance;
 - failing to liaise well with those responsible for wider social care, health and housing provision, with inadequate contingency arrangements where services are found to be ineligible for future grant, but are still seen as important; and
 - not coordinating overlapping performance and contract monitoring arrangements, with unnecessary double monitoring in some cases and inadequate checks on both value for money and the appropriateness of services provided to vulnerable individuals in others.
- 58 These are all issues that should be addressed locally and should concern those involved in strategy and scrutiny, including relevant executive and scrutiny members in local authorities; members of PCTs and probation boards; local commissioners for Supporting People and other relevant senior managers. They need to assess current performance, be clear about how it affects wider strategic outcomes and identify where they may need to focus local improvement effort. In authorities that have not yet been inspected, self-assessment can be carried out using the key lines of enquiry and other material that we update regularly and that is available on our website (Ref. 9).

- 59 Weak authorities can learn from the best. Good authorities are delivering improvements despite financial constraints and are tackling issues of cost, quality and local relevance that previous fragmented regimes failed to address. They have already set about reshaping and targeting local services and improving access arrangements so that they better match local needs and give better local value for money. Inspections show that in these well-run authorities:
- the programme is owned by, and integrated with, wider council activities and partner strategies, for example, those covering homelessness, drug and alcohol harm reduction, sustainable hospital discharge and community safety;
 - there is a shared vision of the future between partners, who understand how Supporting People services help all partner agencies to achieve targets across the linked fields of health and social care, offender support and housing. In some cases, joint outcome targets are being identified;
 - there is active leadership and support through a committed accountable officer and commissioning body, which jointly provide direction and ensure strategic integration;
 - staff skills and resources to support the programme are being reviewed and changed appropriately as the programme develops;
 - there is an open and inclusive approach that recognises and draws on the experience and skills of service providers and the experiences and views of existing and potential service users, their carers and relevant frontline staff in housing, social care, probation, community safety and health services; and
 - local value for money is being improved through an effective review programme, appropriate contract management and some commissioning of new services to fill critical local gaps.
- 60 In these areas, Supporting People is already a mainstream service, contributing to, influencing, and being influenced by, other council and partner aims and strategies. Strategy and budgets are looked at alongside other local budgets, especially those for social care, relevant aspects of healthcare and housing management and homelessness.

Conclusion

- 61 In many areas, the current programme has improved value for money and delivered improved local services. The framework allows the best authorities and their partners to work well together. However, inspection scores show that improvements are not evident in all areas. In too many local areas there is a need to improve but there are still concerns over whether any improvement will occur.
- 62 While some of the problems that remain can be addressed locally, others are related to national concerns. Many stakeholders also believe that some of the local gains made are in danger of being lost because of uncertainty about future responsibilities and funding and the lack of incentives for authorities and providers that perform well. These concerns, and others that may need national attention, are addressed in the next section.

3

Reviewing the programme – critical questions for the future

- 63 While aspects of the programme have been criticised, housing-related support services themselves remain popular with users and agencies. User views are well represented in the recently published summary of the Supporting People baseline user survey (Ref. 10). Such services make an important contribution to social inclusion and to a number of high-profile government policies. There are local debates about eligibility and who should fund what, but there is no evidence that there are large numbers of people receiving unnecessary support. New five-year strategies prepared by the administering authorities have identified unmet local need; the existence of unmet need was also recognised by an independent report (Ref. 1). Given the number of potential demands, rationing is inevitable. Debate needs to focus on the best framework within which to shape and deliver housing-related support services locally.
- 64 The first part of this chapter looks at the current rationing systems and their effect. It looks at:
- who services are for, which services can be funded, what trends are emerging and the changes that may be needed as a result;
 - the effectiveness of the partnerships that are shaping priorities and making rationing decisions at a national and local level, and changes that may be needed, including more focus on the regional level and the involvement of appropriate specialists and service users; and
 - how services are paid for and to what extent individuals can be expected to contribute their own funds to pay for the services they receive.
- 65 The programme also needs to encourage a vibrant provider market so that good-quality services are available, with incentives for investment and innovation to deliver improvements. And, as with any system involving public funding and vulnerable individuals, there needs to be an appropriate degree of regulation. The impact of the programme on the provider market and the programme's approach to regulation are addressed in the second part of this chapter.

Who services are for – deciding what services can be funded

- 66 Housing-related support services grew up piecemeal. They did not develop against clear criteria from the outset, and were not usually planned strategically before the introduction of Supporting People. But some local authorities had begun to coordinate local approaches to meeting the housing support needs of their communities prior to the creation of the programme. So there is no standard local interpretation of housing-related support and no standard set of services or supporting resources available in every area.
- 67 Housing-related support is also not clearly defined at a national level and so different authorities and providers still interpret the services in very different ways. The messages from different government departments are not consistent. The DH's concept of independent living includes people with a long-term, high-level need for care and support. The ODPM approach focuses more on support that maintains existing independence or that allows individuals to move on to total independence or lower levels of support.
- 68 Although there is a national list of vulnerable groups that should be covered in local needs mapping and considered in strategies (Box 1), there are no minimum requirements for service provision. As long as grant is used for services that qualify under current grant conditions, it is up to commissioning bodies to determine local priorities for existing and new services. Neither individual users nor named groups have any statutory right to a housing-related support service. Where a right to support exists under health or social care legislation, grant conditions require that this is funded through health or social care budgets, although there is evidence that these grant conditions are not always applied. Supporting People should not be funding services where the recipient has a statutory right to the service. But Supporting People can, and does, provide additional housing-related support to complement statutory services.
- 69 This lack of a protective statutory framework concerns many stakeholders. There are widespread fears that, if grant conditions were relaxed or removed by the Secretary of State with responsibility for the programme, there would be an erosion of housing-related support services. Priority would be given to statutory rather than discretionary services, especially in those authorities that have not yet integrated Supporting People into their wider strategies.

- 70 Many housing-related support services overlap with other health and/or social care services, with work carried out to reduce offending or rehabilitate offenders or with good housing management by landlords. The boundaries between these areas, and therefore agreement about who should fund the services involved, are not always clear. This has led to misinterpretation, with housing-related support funding picking up costs that should have been borne by housing management, health or social care budgets. The most common questions relate to the overlap between housing-related support and personal care. For example, helping an individual to learn to shop, clean and cook, or familiarise themselves with a new area can be an appropriate part of a housing support worker's role and can be defined as housing-related support.
- 71 There are also overlaps with housing management. For example, a housing manager and a housing-related support worker might both give advice on benefits in order to prevent arrears, or be involved in mediation between neighbours; while general chasing of rent arrears, or collecting evidence and processing legal notices, is a housing management function.
- 72 These problems of definition and local inconsistencies are not new. The Supporting People programme has not caused these problems but it has highlighted the issues. Guidance from the ODPM allows some flexibility and so allows the funding of key tasks previously unfunded due to inflexible definitions. Major misinterpretations are on the whole being addressed through the service review programme¹, although realigning budgets will take time. The amount of inappropriate allocation is over 20 per cent of the total grant in some authorities and can be several million pounds, so finding alternative funds to continue providing services is not easy.

Who services are for – emerging trends

- 73 The wide range of groups covered and services that can be included means that very different groups are currently receiving services in different areas. This is likely to continue unless there is more direction from the government. The current position is causing confusion for cross-authority providers and for users as they face different definitions and eligibility criteria.

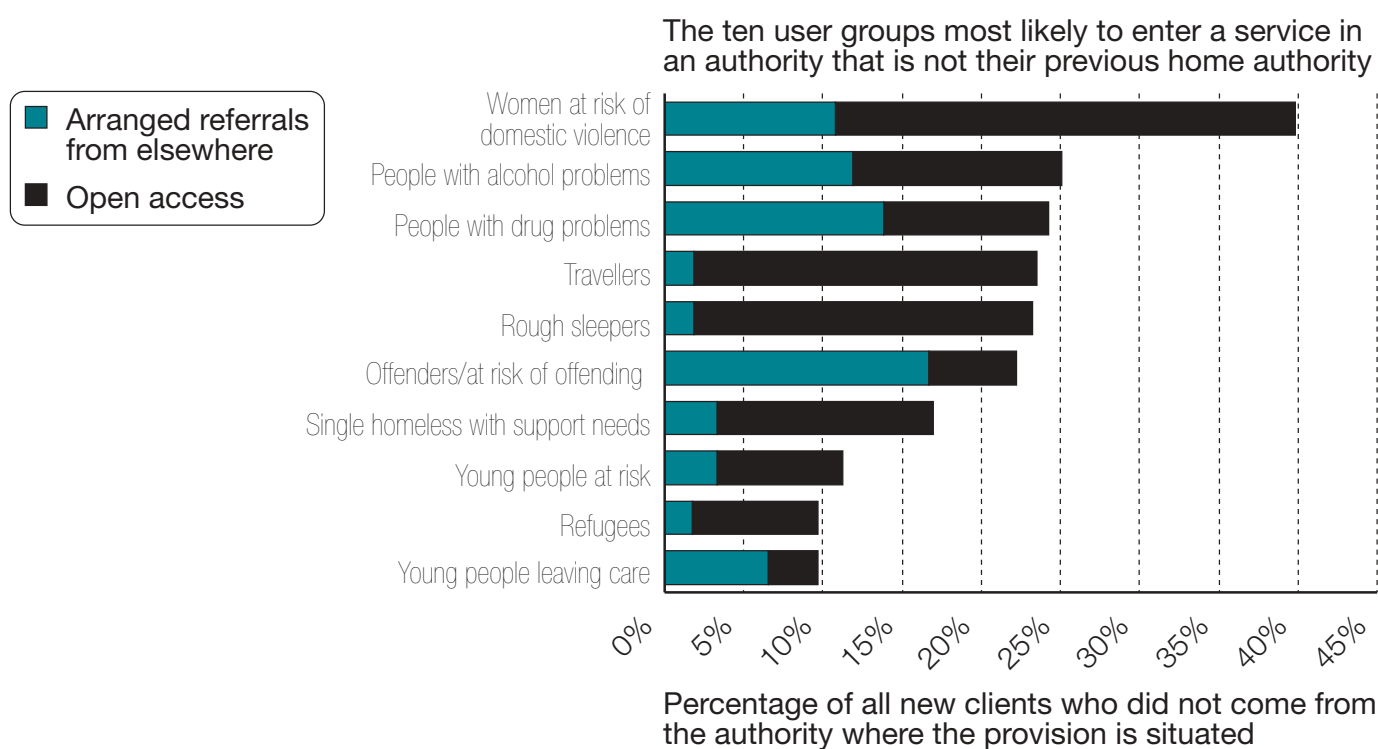
¹ Authority milestone reports to government show that a high percentage of services decommissioned after reviews are ones found not eligible for Supporting People grant. They are not necessarily being closed but instead transferred to other budgets. They include many higher-cost learning disability services.

- 74 Service gaps identified in draft strategies produced in 2002 have often not been addressed or, in some of the five-year strategies produced in 2005, even prioritised. Common gaps include appropriate services for particularly socially excluded groups, such as refugees and travellers. Another group often underprovided for is vulnerable owner-occupiers or their dependents, because historic funding arrangements have led to a bias towards the social housing rented sector. However, there has been an increase in floating support services that can support people across all tenures.
- 75 Grant reductions and proposed grant reallocations¹ mean that, even with efficiency savings, some areas have limited opportunities to free up money to rebalance existing local provision. Cross-authority referral data and inspection reports identify trends that will directly disadvantage certain vulnerable groups if they are not addressed. There is limited scope for commissioning bodies to quickly rebalance their services by identifying replacement social or healthcare funds. Preventative services aimed at transient and socially excluded individuals are therefore likely to lose out.
- 76 Early records on new service users identify those who crossed administrative boundaries to receive support (Figure 3, overleaf). This group of people is made up of individuals who can be defined as socially excluded – a particular priority for central government. The group includes high proportions of those fleeing domestic violence, young people at risk, people with drug or alcohol addiction, ex-offenders with support needs and travellers. Some people will have crossed boundaries to access specific services concentrated in cities or town centres (for example, direct-access hostels). Some individuals deliberately leave their home to escape unhappiness or violence or because they want a new start. For travellers, any support is rare. These groups who are more likely to cross boundaries also have relatively high levels of self-referral (Figure 4, overleaf) indicating that they are less likely to be picked up by agencies through other channels and may be missing from any formal local needs surveys.

¹ There are proposals under consideration by government to re-allocate the current Supporting People grant to administering authorities based on a needs-related formula.

Figure 3

The ten groups that cross boundaries most to receive services
 Because the programme is now locally driven, these groups are at particular risk of service loss, as areas look to rationing to meet budget reductions and unmet local priorities.



Source: Client record database of all new clients, April to December 2004 (ODPM)

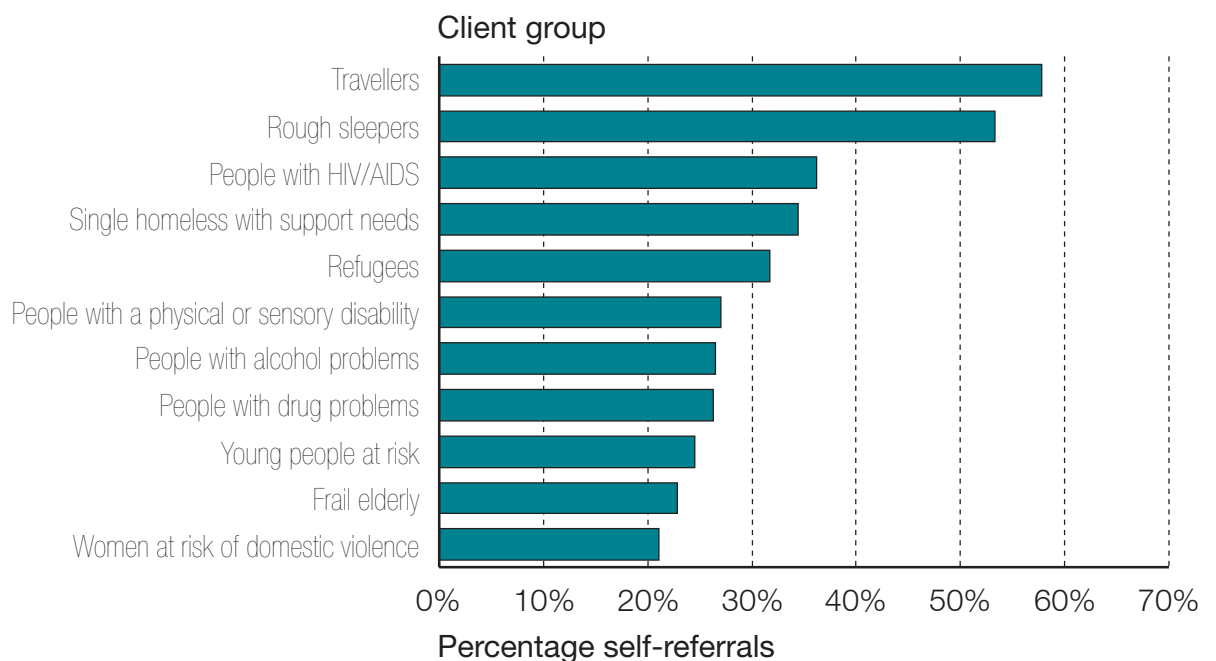
77 Because the programme is locally driven, these groups are at particular risk of service loss, as areas look to rationing to meet budget reductions and identifiable unmet local priorities. Commissioning bodies funding provision significantly used by clients from other areas have concerns about the loss of funding to local service users and the need to provide move-on options for out-of-area cases. There is emerging evidence throughout England of a tightening of local eligibility criteria and widespread fears among stakeholders of further restrictions in service provision as commissioning bodies concentrate on their locality. In July 2005, 35 per cent of authorities reported formally restricting certain types of local provision to those with local connections (Ref. 3).

The ODPM has written to all administrating authorities expressing concern on this matter. Other developments include explicit or proposed changes to contracts and changes to nomination rights that give administering authorities greater control, often designed to have the same effect as formal restrictions.

Figure 4

The 11 groups that are most likely to self-refer

The need to self-refer indicates that groups are less often picked up by agencies through other channels, and may well be missing from formal local needs surveys.



Source: Client record database of all new clients, April to December 2004 (ODPM)

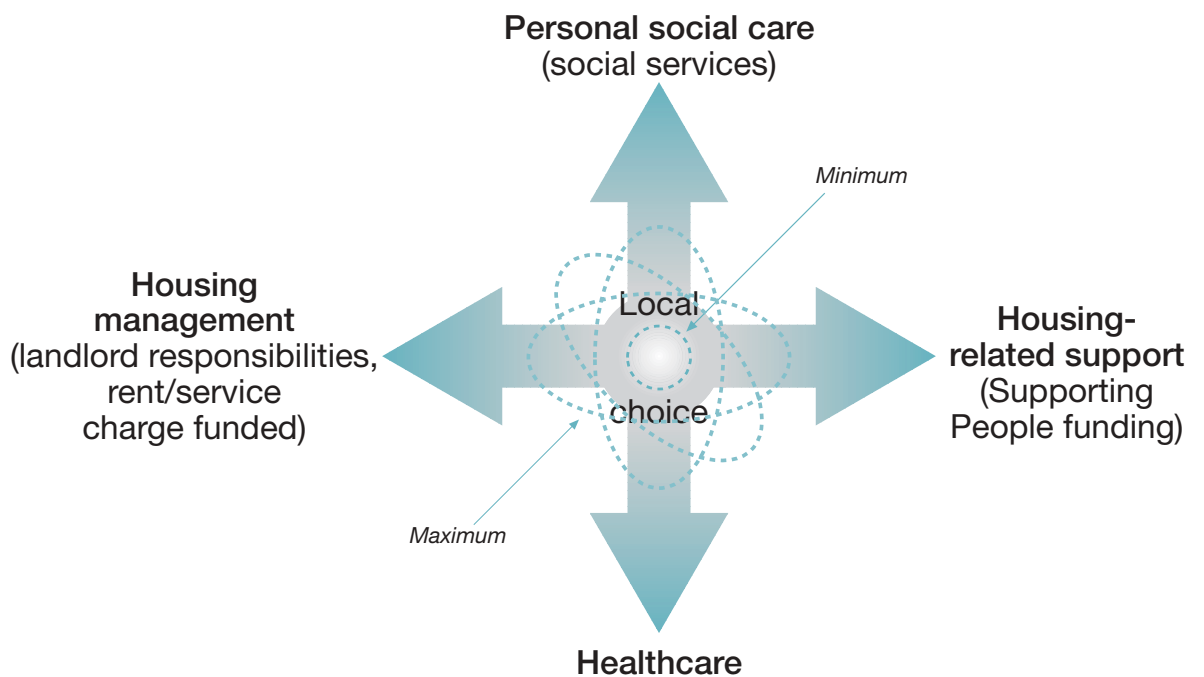
- 78 Locally variable provision and the lack of minimum expectations are also confusing for vulnerable people themselves and for their advocates and carers. Although there is strong support for user involvement by the ODPM, the best local providers and the best authorities, no one has an automatic right to a service. Many are not in a position to push for their needs against those of others. Advocacy and pressure groups find it difficult to act on behalf of vulnerable people when faced by the complexities of the current system and the lack of any statutory or other minimum provision requirements. This confusion is often made worse by the lack of information about the programme and the services it funds.

Who services are for – possible changes

- 79 To keep the programme focused on protecting services for lower-level housing-related support and on the range of vulnerable groups for whom it was originally intended, some changes are needed. These could include the introduction of minimum provision requirements (Figure 5). This would lead to greater consistency between areas and make it easier for more people to understand and hence access at least some services. Minimum requirements would not prevent local priorities. The government already expects provision to be made for teenage parents; minimum requirements could be established for other client groups such as people fleeing domestic violence or with drug addictions. Requirements could be met by supporting provision outside local boundaries. Government could establish these minimum requirements or there could be an expectation that Supporting People strategies should set out each administrative authority's minimum requirements. Future Supporting People grant could be, in part, linked to the establishment and achievement of minimum requirements in a particular locality. However, grant reductions will make the introduction of minimum requirements a slow process in some areas. Any such changes will also need phased introduction because of the risks involved, both to individuals currently receiving support and to providers delivering a service that fills an important gap in the local social and healthcare economy and needs ongoing funding.
- 80 To ensure that those who cross boundaries to receive appropriate services do not lose out disproportionately, the ODPM may also need to allocate responsibility and resources for maintaining or securing appropriate support and associated move-on accommodation. There is a current gap in responsibility, which is discussed later in the report.

Figure 5**Possible boundaries to eligibility**

Minimum provision requirements would lead to greater national consistency and make it easier for more people to understand and hence access at least some services.



Source: Audit Commission

Shaping and determining priorities and making rationing decisions

- 81 Historically, housing-related support was driven by providers or by agencies with a specific remit; for example, the National Probation Service had its own probation accommodation grants. However, much housing-related support is essentially a cross-cutting service. It has benefits for local health, social care and criminal justice services as well as for housing authorities, landlords and the neighbours of some vulnerable individuals (summaries of existing research can be found in a Matrix report on benefits produced for the ODPM in 2004) (Ref. 11). It is therefore appropriate that priorities should be determined and shaped by partnerships at both a national and local level, rather than

by individual providers or isolated agencies (Figure 6). However, those partnerships need to take appropriate account of the experience and expertise of specialist providers and those previously responsible for specialist commissioning. They also need to involve service users. The next section looks at the current partnerships and their commissioning arrangements, at the gap between national and local partnerships, at the involvement of specialist expertise and at service user involvement.

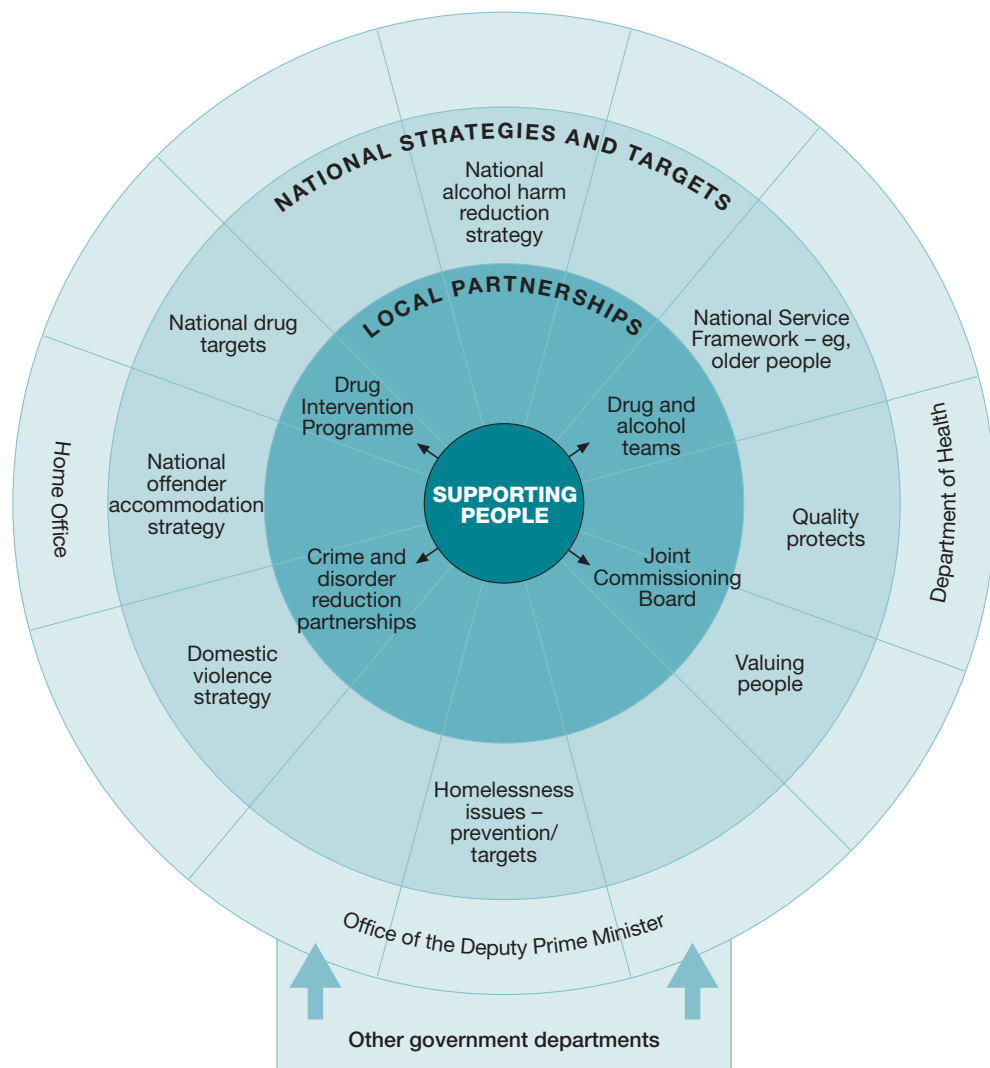
Existing national partnerships

- 82 Those who depend most on housing-related support are from the most socially excluded groups in society. Supporting People has the potential to join up health, housing and criminal justice areas and allow imaginative collaboration where these major services connect (Figure 7, overleaf). However, many stakeholders believe that, in reality, there is limited cross-departmental partnership or coordination at national government level over current and future finances, policies, responsibilities or performance monitoring requirements.
- 83 Many national policies directly require or assume housing-related support services, including:
- the Home Office Sunrise proposals for personal support workers for asylum seekers who are granted leave to remain;
 - the DH's Valuing People and Teenage Pregnancy strategies;
 - proposals on the future of adult social services, with a heavy focus on prevention (Ref. 12);
 - ODPM expectations on support for homeless families, prevention of homelessness and reductions in rough sleeping (Ref. 13);
 - the National Offender Management Service (NOMS) targets regarding offender housing; and
 - the Home Office Prolific and other Priority Offender Scheme.
- 84 These policies are not consistently linked with Supporting People in national debates and guidance, and attention is not always given to links with joint commissioning arrangements and agreed strategic priorities, or to the impact on local Supporting People budgets.

Figure 6

Cross-cutting links

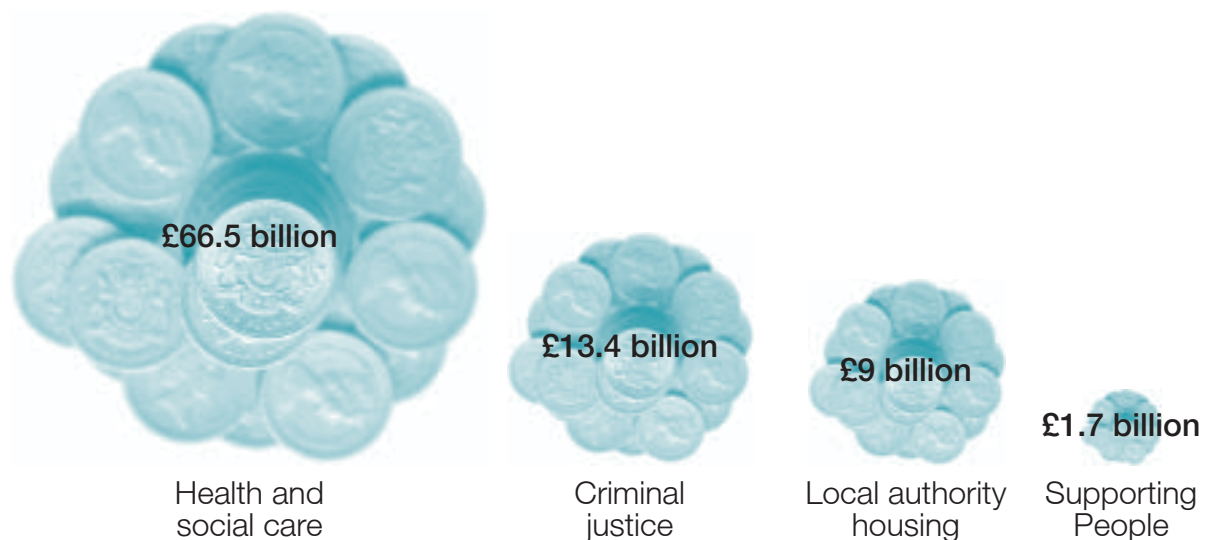
Housing-related support is a cross-cutting service that benefits local health, social care and criminal justice sectors as well as housing authorities.



Source: Audit Commission

Figure 7**Comparative budgets of standing members of commissioning bodies for Supporting People**

Supporting People has the potential to join up the larger health, housing and criminal justice sectors and to allow imaginative collaboration where these major services connect.



Source: Audit Commission, based on PCT programme budgets (DH); CIPFA and PSS estimates for Social Care and Housing and police, prison, probation and court service estimates from the Home Office. Where necessary, costs have been apportioned to England on the basis of population.

- 85 National policies introduced without associated funding, for example Valuing People, and requirements to provide support for teenage parents, have increased the demands on Supporting People budgets. But there is no coordinated national review of cross-departmental priorities or guidance. Local staff say that they often have to be proactive and make the connections locally, explaining the possibilities of housing-related support and joining up government policies without the benefit of national guidance to staff in mainstream health, housing and social care. Individual government departments sometimes provide separate specific grants to support their own housing-related support initiatives, fed not through Supporting People partnerships but to local agencies more closely controlled by the departments concerned. (For example, funds given to drug and alcohol action teams, or capital to health and social services authorities for extra care

housing.) This approach can negate local work on priorities and joined-up strategies. There is a danger that government departments are recreating the complex pre-1999 framework by funding housing-related services outside the Supporting People quality and accountability framework. Separate funding streams can also simply mean a further round of cost shunting, with new grants picking up existing services previously funded by, but now ineligible for, transitional housing benefit, rather than actually expanding local options.

- 86 This failure to link policies at a national level is also seen in performance indicators, which are neither joint nor linked across departments. For example, a key government policy is to encourage services that allow older people to remain in their own homes for longer. Housing-related support services can make a major contribution here. But achievement against this policy is measured through best value indicators 53 and 54 that specifically exclude schemes that are funded through Supporting People. Only interventions funded by social services and over a certain number of hours and visits per week are counted. This in effect creates a disincentive to use a Supporting People service which may reduce social services' contribution to below the levels required for indicator recording.
- 87 A more joined-up approach to policy, guidance and funding is needed at a national level in order to produce the full benefits of joined-up working that housing-related support and the Supporting People programme can offer.

Existing local partnerships

- 88 As noted earlier, local partnerships have worked better in some areas than others. Most stakeholders wish to maintain a joint approach locally and, in most cases, there are clearly better links in this area between statutory partners than existed before 2003. There are, however, local concerns around risk management, the capacity of all partners to contribute, different cultural approaches and priorities and the growth of meetings at the expense of action. Recent research by the Commission on partnerships (Ref. 8) suggests that these concerns are common to many partnerships and are not unique to Supporting People. Inspections show that addressing them is a priority for some areas, but our partnership study does not identify a partnership model that consistently performs better¹. So work needs to focus on local barriers rather than partnership membership or structures.

¹ Some aspects of the Supporting People model are useful; for example, the research found that partnerships with one accountable body tend to have better financial systems and controls.

- 89 PCTs and the probation service do not represent the entire health and criminal justice sectors in a local administrative area. A range of other key representatives are involved in the best partnerships. These may include strategic health authorities, hospital trusts, specialist providers and mental health trusts. For the criminal justice system, there are implications for drug and alcohol action teams, youth offending teams, and crime reduction/community safety initiatives and partnerships. These groups also have expertise that can be harnessed for service reviews and commissioning.
- 90 Partners tend to focus most on specific user groups for whom they have direct responsibility. Inspections have found this tendency across social services departments, PCTs and probation services. In contrast, housing departments often have a broader perspective on the contribution that effective housing-related support can make to enabling a range of vulnerable individuals to acquire the skills that sustain independent living. However, they lack the expertise to assess the needs of people with complex and long-term needs. So the interests and skills of the statutory partners complement each other well in the best partnerships.
- 91 While there are individual PCT representatives who play a major role, PCTs are the weakest statutory partners¹. This is in part because PCTs did not contribute any money to the Supporting People grant stream, and there are no key performance measures to force this policy area up the list of PCT priorities. In many administering areas, there are several PCTs, adding an additional complication, as arrangements for cascading information and gaining agreement are needed. The pressures of establishing structures, building capacity and preparing for further re-structuring are also quoted by PCTs as contributing factors in their lack of engagement.
- 92 While the current system does not guarantee a strong partnership, authorities in general say that their health partners have made a difference to local approaches and that links are slowly improving. In some areas, weak involvement spreads to other parts of the local health sector, such as drug and alcohol action teams, although this is an area where the overlaps with housing-related support should be strongest and one that can work particularly well in areas of stronger partnership working.

¹ In February 2005, administering authorities reported that in one-fifth of cases there were still no PCT representatives at commissioning body meetings.

- 93 Probation staff are, in general, more involved and more positive about the benefits of local partnerships (Ref. 14). This commitment stems partly from the absence of other dedicated funding sources for the provision of housing-related support services for offenders following the transfer of previous funding through the probation accommodation grants to the Supporting People budget in April 2003. It is also because of an increasing understanding of the importance of appropriate accommodation in reducing re-offending and assuring (with some ex-offenders) public safety (Ref. 15). This has led the new NOMS to introduce specific accommodation-linked targets. Probation partners also bring a type of expertise that local authorities do not possess. Specific guidance has been produced to support local probation staff involved in Supporting People (Ref. 16).
- 94 There have been some problems due to a lack of capacity within core local probation services. There are only 42 probation areas compared to 150 administering authorities, which means that senior staff have to cover wider areas than their local authority counterparts. Administering authorities have not always helped; better authorities make sure that arrangements take account of the more limited resources of their partners, for example, by structuring agendas appropriately, liaising over the timing of meetings with neighbouring administering authorities and involving other criminal justice agencies where relevant, rather than relying on one probation representative to cover the wider criminal justice system. The same capacity issue applies to many district council representatives in counties, where Supporting People is usually an additional role for a housing strategy or other staff member.
- 95 Sometimes local partnerships fail to involve providers. They can also fail to recognise and deal fairly with the conflicts of interest that can occur when local authority or health members of the commissioning body are also providers.
- 96 Overall, inspections show that appropriate improvements to local partnerships can be achieved locally without the need for changes to the nationally-set framework. In some cases, additional flexibilities might allow more locally appropriate arrangements and a reduction in bureaucracy, but the best authorities have found that they can customise arrangements within the current framework. Flexible arrangements are possible in excellent authorities, but few have taken advantage of them, with some expressing satisfaction with the national framework. The freedom to agree local alternatives has not demonstrably improved partnerships in those excellent authorities inspected so far. Poor partnerships need to focus on improving outcomes and work to coordinate priorities and agendas.

- 97 Local area agreements offer a new way for effective local partnerships to agree on certain joint priorities and receive specific additional flexibilities and funding (Ref. 8). But among existing local stakeholders, the current concern is that relaxation of grant conditions where partnerships are weak and ineffective will result in more money being switched into statutory health and social care, rather than preventative housing-related support. Withholding local area agreement status in respect of Supporting People until a track record on partnership working has been established would be one way of tackling poor performance in this area.

The gap between individual authority partnerships and the national picture

- 98 Local partnerships shape local area priorities within a framework established by national policies set out by government. However, there is no specific budget or planning mechanism for ensuring agreement across administering authorities:
- Voluntary agreements and encouragement have delivered only limited results in two and a half years.
 - Regional housing boards have not taken on a clear lead role.
 - Cross-authority provision is inadequately protected by current arrangements.
 - Funding shifts may result in the loss of properties and specialist providers and staff that will be difficult and expensive to replace.
 - There is as yet no standard mechanism to link future capital and revenue commitments.
- 99 Most cross-authority and sub-regional groups are mainly networking groups for officers. A few have developed joint strategies and policies; for example, the West London Partnership has an effective shared accreditation system and Yorkshire and Humberside jointly fund a post to work on cross-authority matters. The first partnership has a long history of joint work; in the second, the Regional Housing Board took a sub-regional approach from the beginning, which may have encouraged other developments. So far only one cross-authority group has jointly commissioned a new service.

- 100 Regional housing boards have not developed clear or enforceable regional Supporting People frameworks. This is in part because of the lack of needs data before the five-year Supporting People strategies were drawn up in spring 2005 but also because of revenue uncertainty and a lack of connection between capital and revenue planning. So references in strategies are often still at the level of concerns about funding or hopes for the future and do not suggest solutions (Ref. 17). More apparently developed strategies, such as those in London (Ref. 18), are still mainly agreements in principle about possible future actions, and dependent on goodwill from individual authorities.
- 101 This gap is likely to affect the future prospects of certain users, including those already identified in Figures 3 and 4 as being most in danger of losing out locally, and others whose needs may be specific or complex but whose numbers are not necessarily high enough to give them priority in any one local area. There are also particular problems for those local authorities historically dependent on provision in neighbouring areas and those who have traditionally taken in large numbers of clients from neighbours. Importing authorities are currently receiving some additional funding because this is still linked to provision in existence prior to the establishment of Supporting People. But that funding does not cover additional resource demands associated with moving on clients. Given the current pressures on social housing this is a major concern for many. In addition, some current importers will lose considerable funding under current proposals to change the way grant is allocated to areas (see paragraph 75). The proposed grant formula does not include funding for all the additional costs of maintaining services that are essentially sub-regional.
- 102 Current exporting authorities may eventually receive increases in their funding under the rebalancing proposed. However, there is no timetable for the change, and current proposals limit annual gains in grant to a maximum of 10 per cent. There are no arrangements for transferring contracts for services between authorities in parallel with grant shifts and buildings remain with their owner and do not transfer with revenue.
- 103 Maintaining existing effective provision will often be cheaper overall and less disruptive for users than closure and redevelopment, especially where skilled staff and well-located properties are involved. Once these are lost, cost pressures and local resident opposition can make them very difficult to replace. But current arrangements mean that some closures and loss of buildings and staff resources will happen before replacement arrangements are agreed.

- 104 Services currently offering open access to people from outside their host authority may not be seen as a strategic priority by that authority. All existing domestic violence services and 200 other services have been designated as cross-authority by the ODPM, but there are other services taking people from across authority boundaries. Designation gives only limited protection as it does not prevent changes to access arrangements or ensure adequate move-on provision. A stronger mechanism is needed. Sub-regional or similar funding arrangements may be the most appropriate, although the exact arrangements will need to fit local pressures and needs. For example, arrangements for inner London may need to be different from those for large counties. Arrangements need to include a formal mechanism that allows service providers and authorities to nominate certain services to be considered as cross-authority to a relevant clearing house or joint body. And adequate finance needs to be available to support relevant users and providers – a system that merely prevents existing host authorities from decommissioning will simply perpetuate inequity by reducing the funds available for other user groups in those host authorities.
- 105 Capital for supported housing developments was previously allocated by local authorities through local social housing grant or by the Housing Corporation with full local authority agreement. Authorities and providers could link plans for capital investment with local decisions on revenue or make joint bids for Housing Corporation revenue support funding. Since 2003/04, capital has been allocated through regional housing boards but revenue through the Supporting People grant. So decisions on revenue and capital commitments are now split. There has been a significant drop in both bids for and the allocation of capital for special needs schemes since 2003. Providers, particularly housing associations, and administering authorities say that this is because of future uncertainty over revenue. Authorities would not make the long-term revenue commitments required by the Housing Corporation in the first two years of the programme. Subsequently the Housing Corporation has helpfully amended its criteria for social housing grant for supported schemes. This no longer requires assurance on future revenue, as long as schemes are so designed that they can revert to general needs housing if necessary. This is a step in the right direction, but providers will still need assurances on revenue before investing time, effort and resources, and authorities need to know how supported housing is to be resourced through the regional framework. Otherwise, future capital and development decisions may not take proper account of housing-related support needs, with future communities providing less well for vulnerable individuals and being less sustainable as a result.

Appropriate involvement of specialist expertise in local partnership decisions

- 106 In some cases the move from a provider-led to a commissioner-led system of determining priorities is not working well. This may be because of the attitudes of both parties. One problem is inadequate commissioner expertise and a tendency among some authority staff to concentrate on the details of process at the expense of, or even instead of, more critical strategic and operational issues.
- 107 Some providers complain of a lack of understanding of the needs of some groups among review staff. For example, there are concerns about inappropriate referrals of clients with complex needs to services designed for lower-level support. The result is stretched services, lower staff morale and poorer outcomes. There is evidence from inspections to support some of these concerns in some authorities, especially of reviewers with inadequate knowledge. This is often linked to poor training and to a failure to use more appropriate expertise from elsewhere, either in the authority or held by partners.
- 108 Conversely, authorities need flexibility and inevitably want to ensure that those with more complex needs are helped, even if the match is not perfect. Some consider that providers will pick easier clients and provide support for longer than absolutely necessary if allowed to select their own clients and timescales. Equally, providers that do not have the same responsibilities for rationing between different groups can refuse to recognise that a different quality/cost trade-off to their own historic approach may be acceptable.
- 109 These tensions are part of the process of change. Where local partnerships are strong, partners are working together to identify gaps in local services that will require new developments and to review access arrangements and appropriate nominations to existing services, for example, via relevant jointly serviced access panels. Providers are training workers to be more multi-skilled, restructuring their services and improving their liaison with authorities and other stakeholders. Costs and cost benchmarking have become more important and are receiving more attention. Experienced and appropriately skilled individuals are being used by authorities to review or commission services as part of a programme to improve procurement arrangements (Case study 2).

Case study 2

Probation staff can be involved in both offender-specific and more generic reviews to ensure that offender needs are covered. In good authorities, reviews draw on the expertise of a variety of staff internally and externally, according to service type and need. For example in one council:

- the drug and alcohol coordinator helped with reviews of services for single homeless people, going with the review team on visits and providing expert advice and training, especially around appropriate drug policies and the law;
- the joint commissioning manager for learning difficulties took an active role in relevant reviews, as did a voluntary advocacy group, who consulted service users;
- the legal department is regularly involved in drawing up default notices and variations to Supporting People contracts following reviews; and
- the translation unit translates documents used in reviews and provides interpreters to interview service users.

Source: Audit Commission

- 110 There are examples of effective re-commissioning, including moves to merge or link agencies to increase flexibility and consistency. Early examples have often covered floating support and home improvement agencies. The ODPM is supporting a number of pilot improvement projects in this area.
- 111 Overall the evidence from inspections is that the change to a locally strategic, commissioner-led system can deliver better local results. The best authorities can, and do, involve specialists where necessary. However, many authorities need to pay considerably more attention to specialist skills and to good procurement. If they do not, then there is a danger that skills will leave the sector and good services will be lost or downgraded because of sub-optimal contracting based on lowest unit cost rather than value for money.

The role of service users in shaping partnership priorities

- 112 A move to a more user-focused approach is high on national and local government policy priorities. But on the ground it is not always clear what role service users play in determining and shaping local priorities around housing-related support. The formation of a partnership will not automatically improve contact with hard-to-reach communities. Audit Commission work on partnerships (Ref. 8) shows that wider involvement requires clarity about the role of user representatives and investment in individuals to empower them and allow them to contribute confidently. This is not straightforward to arrange, but in the best authorities users are now more involved than before and inspection reports show that models of involvement appropriate to different localities (for example, rural counties need different arrangements from urban areas) are evolving.
- 113 It is not clear how Supporting People grant-funded services can be reshaped to meet the shift to individual budgets and choice-based packages, set out as the ideal in the recent Adult Care Green Paper (Ref. 12). It would be useful if the DH, ODPM, some providers and administering authorities could jointly consider practical problems and opportunities, with the objective of developing future contract arrangements that fit with individual budgets. The ODPM intends to pilot individual budgets in a number of authorities in autumn 2005, and this may produce answers.

Funding services

- 114 Effective long-term strategies require a relatively stable and predictable funding framework, with a reasonable match between funding and required provision. Such a framework is currently still lacking and this gap is causing increasing local drift and stakeholder concern. Three years into programme implementation, future funding is still unclear and, in real terms, all authority grants are still being reduced year on year. The funding focus is on cutting costs rather than on quality or long-term planning. Overall, stakeholders believe that this uncertainty is the biggest barrier to progress. The current approach does not contain incentives for providers or authorities. At an individual user level it also means that some users may be partly charged for services, even when they are receiving benefits that would normally cover all charges and when their authority is opposed to such charges. This section looks at national grant allocation, local budget contributions, links between savings and budgets, financial incentives for authorities and providers and service user charges.

Funding – allocating national grant

- 115 Debate on the total amount of Supporting People grant and the way it should be allocated is still dominated by history instead of being linked to known need; to outcomes required by relevant government policies; to the need to protect existing efficient and effective provision through any period of resource shift and to the potential cost benefit of appropriate housing-related support.
- 116 Total scheme funding required in April 2003 exceeded final forecasts by £0.4 billion – a 29 per cent increase only four months after final estimations of a total that itself was above Treasury expectations. Government concern to understand this figure, and a view that it could be possible to retrieve the money without major service losses, has dominated all subsequent discussions on the financial future of Supporting People.
- 117 Government concern about this level of funding led to the commissioning of two reports (Refs 1 and 4) that took an overview of value for money and identified reasons for the unexpected increase in costs (Appendix). Partly as a result of these reports, there was no inflation uplift in 2004, and the 2004 Comprehensive Spending Review set a reduced budget of £1.72 billion for the current year, and £1.7 billion for the next two years, a further real reduction of 7 per cent. This has meant that cost cutting now dominates the agenda in most areas. Many authorities are risk averse and wary of committing savings to new services when further cuts are possible. Overall projections show that authorities are likely to underspend this year's grant, with some deliberately building up significant reserves.
- 118 There is currently no indication of when or whether the annual real grant reduction will end, or on what basis future national settlements will be made. There is no three- or five-year grant projection to link to the five-year strategies that had to be completed by administering authorities for April 2005. As a result, very few authorities have yet taken the risk of agreeing many long-term (often referred to as steady state) contracts with providers. The situation is not helped by delay in confirming when or how grant redistribution will be achieved. Current redistribution proposals will mean significant reductions for some authorities, but these are still under discussion and there is no confirmed phased implementation plan.

119 Alongside this downward national pressure on costs is national pressure for, and expectations of, service increase. A series of government policy initiatives requires housing-related support services. Such initiatives include Valuing People, preventing repeat homelessness, extending choice for vulnerable older people to enable them to remain at home, addressing drug and alcohol misuse and providing housing-related support for substance abusers, ex-offenders and specific types of offenders who are considered a risk. However, there is no national picture of the resources needed to meet these combined departmental expectations. It is left to local partnerships to make the rationing decisions within historic and reducing local budgets. It is unlikely that efficiencies alone will bridge the gap between expectations and resources in all areas. Inevitably, some existing or prospective service users will lose out.

Funding – local budget contributions

- 120 The departmental rather than cross-cutting approach apparent at government level can be replicated by some local partnerships. Some take a narrow view of the Supporting People budget, seeing it as the only funding available for housing-related support rather than looking at the wider health, social care and criminal justice economies when prioritising services and identifying savings.
- 121 However, the grant is relatively small when compared to wider public spending on health, social care, criminal justice and housing (Figure 7). Too often it is wrongly considered as a budget that cannot be added to, with services put into boxes labelled as Supporting People, social services or health, making joint funding difficult. But while grant conditions restrict this grant to housing-related support, there is nothing to stop partners adding funds, or agreeing to individually (or collectively) fund new or existing housing-related support services from other local funds. Priorities should be reviewed against those in wider budgets if relevant.
- 122 There are elements of Supporting People services and, in a small number of cases, whole services that are clearly ineligible under grant conditions. In most cases these are care services previously funded through health and social services, although there are elements of services where housing management tasks are also being inappropriately charged to Supporting People. This ineligible funding is largely the result of ineffective gatekeeping in some local authorities following the introduction of the transitional housing benefits system, that preceded Supporting People, by the then Department of Social Security (now the Department for Work and Pensions).

123 There is a lack of will in some authorities to address this issue through the current programme of service reviews. The burden of any transfer of ineligible funding to its appropriate budget will impact most heavily on health and social services. The tensions caused by this are impacting on productive, open and transparent partnership working and the lack of corrective action is preventing the development of new services to meet identified needs, often for the most marginalised vulnerable people.

Funding – linking savings with costs at national and local level

124 Research into the outcomes of housing-related support services shows that it does allow more independent living and can be cost effective for virtually all user groups¹. It can contribute to desired outcomes across policy areas, including:

- supporting older people and other people with a need for support to remain at home rather than move;
- increasing the numbers of problem drug users entering and successfully completing treatment; and
- for mental health trusts, reducing unplanned psychiatric readmissions.

125 However, the cost savings accrue to landlords, local authority homelessness services, those delivering social, health or criminal justice services and/or families and society in general and not necessarily to housing-related support budgets (Figure 8). Direct relationships can be difficult to attribute and so savings are rarely returned for reinvestment in additional housing-related support.

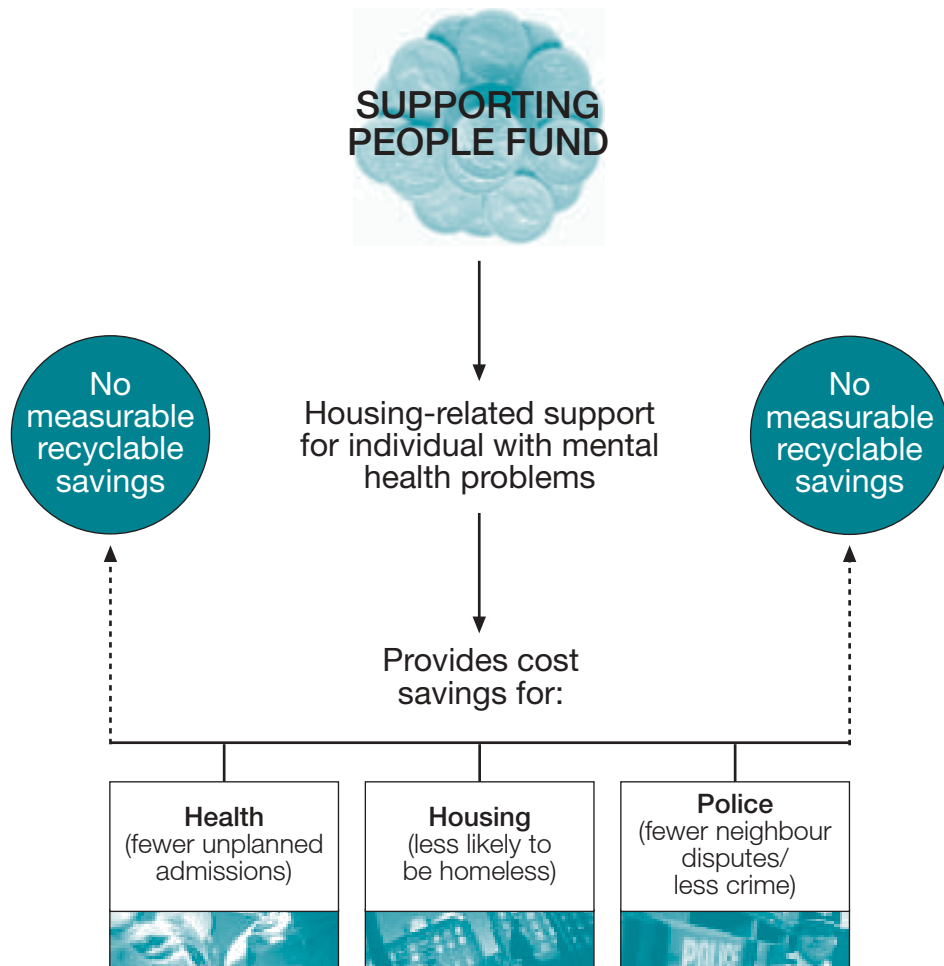
126 The greatest incentive for continual investment is directly linked savings; so close ties with mainstream health, criminal justice, social care and landlord/local authority housing staff and budgets are important. These links are better understood and managed in some areas than others and tend to be linked to the effectiveness of partnerships. It is important that all partnerships develop some local outcome measures that can serve as proxies for the savings that services may be making to other budgets. In the longer term this is most likely to prompt local partners to recycle some of the savings into appropriate housing-related support.

¹ Benefits realisation work for the ODPM (Ref. 11) reviewed all research in this area. The only user group where overall cost benefits to the public purse or economy as a whole could not be estimated was people with learning difficulties; for this group, housing-related support services are often essential to produce the value outcomes set out in Valuing People.

Figure 8

Linking savings directly to costs is rarely easy

Cost savings accrue to landlords, local authority homelessness services, those delivering social, health or criminal justice services and families and society in general, not to housing-related support budgets.



Source: Audit Commission

Funding – incentives for good performance

- 127 The current system provides limited incentives for administering authorities or individual providers. So far, authorities have been allowed to carry forward savings made within a year, but this is discretionary. In addition, authorities and providers complain that there are positive disincentives to perform because:
- authorities that are on track with reviews received no reward, while many of those who admitted to being behind in their review programmes were granted additional funds to catch up in 2005; and
 - authorities that kept close control over housing benefit costs and eligibility issues in the run up to 2003 feel that they are being penalised by the failure of the government to address some of the resulting discrepancies in local grant.
- 128 There are as yet no specific rewards linked to Supporting People inspection scores. Because the timetable for inspections does not match that for CPA, inspection scores have not yet fed into that overall assessment of an authority, because not all authorities will have had a relevant inspection. Equally, no incentives exist to encourage cross-authority commissioning or sub-regional work, except those associated with possible economies of scale; and given the risks to authorities of agreeing long-term contracts in the current climate of financial uncertainty, that incentive, where it exists, has not proved sufficient.
- 129 A common complaint from providers is that, even when reviews are favourable, cuts to costs and therefore services are still required. Many authorities apply cuts across the board to the grants they make to providers equivalent to their overall grant cut, irrespective of the efficiency or quality of the service. On this basis there is little incentive for providers to invest.

Funding – service user contributions

- 130 Individual users may be required to pay for the services they receive if these are not short term. Authorities are required to have a clear charging policy under the fair-charging arrangements, linked to entitlement for benefits and charges for other local services (Ref. 19). However, some providers are levying additional top-up charges where the grant income they receive does not match their expenditure. Between May 2004 and May 2005, authorities reported an increase of 12 per cent in this charging, with more than 34,000 individuals required to make an extra payment because the provider decided that the amount per user paid by the local administrative authority was inadequate. No specific benefit is available to those who are charged extra. The providers involved so far are overwhelmingly sheltered housing providers. Such additional charging is not illegal, though some authorities have agreed contracts that can forbid it.
- 131 The government has not yet taken steps to prevent additional charging, although there is national control over many associated charges and benefits through fair-charging requirements, rent convergence, housing benefit payments and service charge restrictions. Unless there is national action it seems likely that additional charges will increase. Inevitably this will affect some individual service users more than others, and will add another layer to the complexity of the system for potential users and their carers.

The impact of the current programme on the provider market

The changed role of providers

- 132 Prior to Supporting People, providers made many more of the decisions about the development of housing-related support services. Even where they worked closely with individual authorities they would often receive finance from elsewhere: for example, the local authority might select a provider for a scheme, but the provider would subsequently receive revenue directly from the Housing Corporation or the probation service. For many, Supporting People has reduced their ability to make independent decisions and set development priorities, increased their administrative burden and costs and made medium-term planning more difficult. Approaches to clients and service provision – built up over years of internal discussion and debate – are being challenged, sometimes by individuals with no apparent understanding of a client group's particular needs. In this atmosphere it is not surprising that many providers are unhappy with some of these changes.

- 133 Many do accept that there are benefits to the new approach. Where there are effective local partnerships, providers can now influence strategies and provision for all members of a client group in their area rather than just helping those they can offer a direct service to. Joint client assessment may become easier. The quality assessment framework process has promoted effective self-review, with improvements for staff and service users. Monitoring offers opportunities for quality benchmarking and comparisons. And between 2000 and 2003/04 a large number of new services were funded through transitional housing benefit and pipeline funding, so that the sector overall experienced growth, with associated opportunities for providers.
- 134 However, the enthusiasm and commitment that the best authorities have generated over the past few years is in danger of being lost as the continuing uncertainty over future funding and contractual arrangements undermines progress. Constant cuts undermine staff morale while benefits can seem increasingly outweighed by the problems associated with loss of independence, over-bureaucratic review and monitoring arrangements. Downward pressure on budgets, focusing solely on cost, can mean that rounded value for money considerations are lost.

Barriers to market development

- 135 For many housing-related support services there is only one buyer – a local public agency, through a Supporting People or other similar contract. The biggest barrier to the continuing development of a vibrant and effective provider market is therefore the uncertainty and drift that characterises the future of national policy and funding. This makes it difficult to plan long term. Further difficulties are created by revenue and capital problems, cross-authority gaps in planning, a lack of incentives for provider efficiency, the absence of a level playing field with internal providers in some areas, disagreements about the support and services needed by clients and poor procurement practice by too many authorities:
- Funding uncertainty means that many administering authorities will not take the risk of agreeing to long-term contracts except for a limited number of services; money set aside to develop new services is left unused as a hedge against further cuts. This leaves providers less able to plan for the future and does not attract new suppliers into the market.

- The divergence of responsibility for revenue and capital funding makes it hard for providers to apply for funding for major modernisation work to existing properties, as well as reducing new bids. And while it may be appropriate to increase the number of floating support services to people across all tenures, this is not always the best or most cost-effective form of provision.
- There are particular planning problems for providers whose current provision and referral pattern does not fit local administering authority boundaries. They may run both individual and linked projects, developed with one set of funders, or with support from a group of funders, to meet a wider area need. These may be considered a lower priority for the individual authority within which they were developed. There are particular concerns in central London, where provision for groups such as rough sleepers or young people at risk were not all developed on a borough boundary basis and may be threatened by localised strategies.
- Private providers expect some profit, and many housing associations expect to make small surpluses to act as a provision against potential losses, while associations and voluntary organisations want some profit to fund new initiatives. The incentive for providers to look for savings and their willingness to take risks in trialling imaginative alternatives will be limited unless an element of the efficiencies found can be kept and reinvested. However, providers comment that even if they get an excellent quality assessment and a good service review they are likely to be asked to cut costs because the overwhelming drive is for short-term savings. They also say that authorities often take the view that any profit is unacceptable.
- While providers will often seek to maintain existing services even if they have doubts about cost reductions, they are unlikely to take the risk of developing new specialist services that they consider are inadequately planned and funded.
- Providers with satisfactory reviews now expect negotiated three-year contracts; without such security, planning will remain hand to mouth and providers will have no incentives to make any long-term investment.
- Providers are concerned that few administering authorities appreciate or understand the risks faced by providers and therefore the potential threat to service sustainability.

- 136 Good providers want a relationship that acknowledges their expertise and is based on a real understanding of cost and quality. From a business perspective, there is frustration at approaches that focus on inputs rather than outcomes, or on fixed views about overheads rather than negotiations about total prices. Many authorities are neither applying the full-cost-recovery approach called for in the compact with the voluntary sector (Refs 20 and 21) nor a market-based approach around a negotiated price. Some authorities apply arbitrary average unit costs, whatever the complexities of a particular client group. There is an urgent need for improvements in procurement skills.
- 137 Specialists are also concerned at wholesale moves to generic floating support rather than to a spectrum that includes lower support, second stage accommodation and specialist workers. Many believe that much of this is budget-driven and does not take account of client needs or the long-term outcomes required. There are also concerns that authorities' staff do not understand the need for transitional options for individuals moving from 24-hour support hostels to independent living.

How might the market develop over the next few years?

- 138 A vibrant market is a two-way partnership and, as some authorities are much better than others at procurement and joint working, local developments will vary. However, in most areas the uncertainty over funding, as well as a view that cross-tenure support is underdeveloped, mean that more generic and floating support is likely to be the main area of growth. Given this and the ongoing grant reductions, a realignment of the provider market is likely.
- 139 Left undirected this may initially result in a cheaper and more focused sector, but it may not provide better long-term value for money. Many current providers are voluntary organisations and charities, often without financial reserves. Some may not survive many more years of cuts and uncertainty. Some of these providers are low cost because they use volunteers and supplement their income from charitable sources and because they own buildings with costs that do not have to be accounted for in ongoing service provision. If these are lost, replacements may eventually cost more. The shift to local authority boundary-based strategies inevitably means that some good projects may be lost because of their geographical location rather than their actual value to vulnerable people.

- 140 Some general needs providers are already looking at leaving the sector. There are plenty of other development opportunities for housing associations associated with the Communities Plan; many do not have to focus on supported housing or are continuing to manage housing-related support schemes. While other providers may fill some of the resulting gaps, where a particular housing association is a major provider of local socially rented accommodation (for example, in areas of stock transfer) there may be difficulties for the local administering authority.
- 141 Wider area strategies that replace individual landlord or sub-area schemes are likely to mean fewer but larger contracts overall, especially for floating support. This may lead to larger providers or to consortia with lead provider arrangements. Such a shift should allow for greater economies of scale, a relative reduction in monitoring requirements and more flexibility to deal with the variety of needs many users have.

The monitoring framework – the balance between costs and benefits

- 142 The monitoring arrangements for the Supporting People programme involve a national system that is locally applied. They include a requirement for all providers to be accredited, and for services to be evaluated against a self-assessed, but externally validated, quality assurance framework. The arrangements also require that all services are reviewed by April 2006 before the interim contracts agreed in 2003 can be replaced by a so-called local steady state contract, and that regular monitoring information is submitted that covers costs, staffing and client information using a nationally-designed electronic workbook.
- 143 Providers accept that some monitoring is necessary and that a national system has the potential to reduce the workload involved – but they feel that the balance between cost and benefit is not right, and that unnecessary work and the majority of risk is consistently pushed onto the providers. All providers claim to spend more time now than before on monitoring and many can identify specific posts that have been created or expanded to deal with the paperwork linked to accreditation, reviews, performance monitoring and contract negotiation. There is a general frustration at:
- authorities' failure to take up the many opportunities for passporting;
 - unnecessary variations in detailed requests and approaches between authorities;
 - a failure by many to follow up validation visits or service reviews with useful action plans;

- an absence of proportionality, with high levels of administrative requirements for low value contracts;
- inconsistent QAF and review assessments between authorities;
- some poor-quality and long-drawn-out reviews, with inadequately skilled staff and a focus on inputs and process instead of on outcomes and value for money;
- a failure to move on to lighter-touch, longer-term monitoring once the initial accreditation and review are complete;
- providers still being subject to multiple regulatory regimes that do not take into account Supporting People accreditation and review decisions; and
- a lack of useful feedback from the performance information submitted.

- 144 Most stakeholders accept the idea of accrediting providers and few dispute the relevance of the five criteria involved; that provider organisations must be financially viable; have competent administrative procedures that are properly able to handle and account for Supporting People grant; have effective employment policies to cover staff development, staff supervision and the health and safety of both staff and service users; have sufficiently robust management procedures to provide Supporting People services; and be able to demonstrate a track record or competence to deliver services.
- 145 Concerns centre on the way the process has been applied locally and the unwillingness of authorities to accept other external validation as a partial or total passport. Organisations that are already subject to a national regulator understandably dislike repetitive accreditation. Housing associations that are given a green light on their finances and business plans by the Housing Corporation are annoyed, for example, at being asked for detailed proof of financial stability by some individual authorities for every local project. Only a minority of authorities made effective joint arrangements early enough to be useful for the majority of their providers. This has cost both authorities and providers considerable time and money in duplicate validation.
- 146 There is still significant inconsistency between authorities, which is time consuming, expensive and often illogical and confusing for providers and users. For example, some authorities refuse to give any quality assurance framework score higher than the minimum acceptable 'C' grade, which is not fair to providers and does not encourage or reward high performance. There is no requirement to have a quality assurance system in place for reviews to ensure consistency in the application of process and, more importantly, outcomes.

- 147 Most authorities have also failed to develop timely and consistent cross-authority review arrangements, even where providers are shared. There are no agreed skill sets for reviewers and, again, no official moderation arrangements. Cross-authority arrangements have not always been made to ensure independence in reviewing.
- 148 Many of these concerns about accreditation and review are now, or soon will be, mainly historical, as the review programme is due to be completed by April 2006 and the majority of authorities are likely to achieve that deadline. However, there is now an opportunity for grant givers and the ODPM to make decisions on post-review monitoring that minimise unnecessary detail, focus on outcomes and are applied across appropriate sub-regional or wider areas.
- 149 A second area where the balance between cost and benefit of the regulatory arrangements needs attention is where Supporting People overlaps with other performance and regulation systems, for individuals and providers:
- At an individual level a user may have a care plan from social services and health, which needs to be consistent with the personal support plan for any service funded by Supporting People.
 - At a service level, a provider may be reviewed by an administering authority and yet also have to respond to the Housing Corporation, or the Audit Commission or the Commission for Social Care Inspection. The Local Services Inspectorate Forum has not yet reviewed organisations that are multiply-regulated in this way. Such a review could also inform arrangements after March 2006.
- 150 There is considerable scepticism among providers about the future usefulness of the detailed national performance data currently collected. So far, little data has been analysed or published and few providers can see any future value from the exercise. The system collects only partial-cost data, as it relates only to the Supporting People grant, which means that it will not be possible to benchmark service costs where providers are jointly funded. In other words, the system focuses on inputs not outcomes. In addition, a significant minority of administering authorities and providers has not submitted any information, further reducing the value of the system.
- 151 Given that some data is likely to be published this autumn, decisions on usefulness can wait. But a review should subsequently take place to consider whether the data is useful to service users, providers and funders.

4

Conclusion and recommendations

- 152 There have been many improvements to housing-related support services over the past five years and it is important that these improvements, and the strong local partnerships that often underpin them, are not lost. There are also acknowledged weaknesses at both national and local level in the way changes have been introduced and in current activity.
- 153 There is little evidence, though, that further wholesale structural changes are needed, except at a cross-authority and regional or sub-regional level. There is already change fatigue among many stakeholders, with a desire for stability to allow locally-agreed strategies, which are often developed with considerable input from providers, service users and carers, a chance to work. There are many best practice examples of good local partnerships that demonstrate how to get much of the existing system to work well.
- 154 The recommendations that follow are therefore evolutionary not revolutionary. They focus on the need for nationally-led change, underpinned by a refreshed national vision and strategy that is linked at a national level, linking policies, programmes and performance requirements across all relevant government departments. It should set out how long-term funding will work, so that providers and local commissioners have the confidence to invest for the future.
- 155 The cross-cutting nature of the services means that relevant national regulators should look at the current balance between risk and regulation and at better streamlining their requirements and activities. This is also reflected in the recommendations that follow, which include actions for government, local partnerships (both commissioning bodies and administering authorities) and relevant regulators, including the Commission.
- 156 The Supporting People programme needs to move forward quickly if the gains achieved so far are not to be lost. The Audit Commission recommends that government, in its review of the Supporting People programme, should develop a refreshed national vision and associated strategy.

This should:

- link Supporting People policies, programmes and performance management frameworks across all relevant government departments;
- contain a long-term financial framework to underpin planning and investment by providers and local partnerships;

- ensure that implementation of any grant redistribution takes account of the difficulties involved in reshaping provision;
- establish who should benefit by enabling minimum provision and outcome requirements for all areas, utilising local area agreements where there are effective partnerships to reinforce the delivery of Supporting People strategies ;
- set out the connections between national, regional and local policy development, administration and regulation;
- provide a clear framework for allocating and linking capital and revenue budgets for new schemes, making explicit the role of regional housing boards in future planning; and
- identify which agencies are responsible for assisting individuals who need cross-boundary support, including establishing collaboration at a regional or sub-regional level, backed by the necessary funds and monitoring.

157 The refreshed strategy should also take action to promote a healthy provider market, including:

- ensuring that appropriate consideration is given to special needs housing and housing-related support in regional housing strategies; and
- working with the Housing Corporation and regional housing and planning boards to ensure appropriate regional capital allocations for special needs housing, with clear bidding arrangements that connect capital and revenue budgets where necessary.

158 National commitment must be matched by local ownership. Members of local partnerships should treat the Supporting People grant as complementary to their wider health, social care, housing and criminal justice funds and policies. The Commission recommends that administering authorities:

- develop and maintain clear local agreements on eligibility within any national framework, coupled with joint budgeting and commissioning arrangements where these best fit the needs of individuals;
- ensure that local working practices involve local strategic partnerships to produce integrated and seamless service provision;
- support greater involvement by service users and their carers;
- promote a better understanding of provider risk by involving providers in the development of local services; and

- maintain a continual focus on improving value for money, including joint work at regional and local levels to deliver economies of scale for both commissioning bodies and providers.

159 The Commission will seek to improve the regulation of local commissioners and providers with government and partners in the Local Services Inspectorate Forum to reduce and rationalise demands through:

- a review of the current regulatory framework for Supporting People;
- a review of the value of detailed performance information returns;
- more automatic passporting arrangements for providers operating in more than one authority, linked to an effective moderation system; and
- better integration of local performance management frameworks.

Appendix: Why was the programme cost in March 2003 higher than predicted?

- 160 Between 1999 and 2003 a number of attempts were made to estimate the total amount of money (subsequently referred to as the national 'pot') that was being used to fund housing-related support. This was complex, partly because there was no separate identification available in statistics on rent and service charges, and partly because providers did not always know which of their costs should be counted as rent, care, or housing-related support.
- 161 There are no reliable estimates of what was being spent on housing-related support prior to the introduction of transitional housing benefit, and no reliable estimates of transitional housing benefit prior to March 2003. The merged national pot was estimated at £1.4 billion in December 2002, already well above earlier estimates. However, research for the ODPM (Ref. 4) showed that earlier cost estimates were known to be considerable underestimates, and many involved in the programme knew that services to meet new demands were being rapidly developed while transitional housing benefit was available. In such circumstances the final £1.8 billion cost of transitional housing benefit should not have been a particular surprise.
- 162 Four interlinked reasons were identified for the cost increases:
- Much of the increase was new provision developed to meet the needs of new policies: for example, homelessness prevention and support, teenage pregnancy/children looked after strategies and the implementation of Valuing People.
 - The Department of Social Security and, subsequently, the Department for Work and Pensions did not seek to control transitional housing benefit increases, which they considered a locally determined and demand led benefit. The budget transferred to the ODPM in 2003.
- (This combination of demand without control was described in the independent report (Ref. 1) as 'unfunded policies chasing uncapped budgets'.)

- Housing associations were encouraged to look harder at their internal cost allocations. The result was a significant increase in support costs compared to service charges and rents. This may have been because of more correct budget divisions, or increases in staff and quality of service; but it meant that the average unit cost of services that transferred over to the Supporting People budget was higher than would have been expected from the budgets for those same services in 1989.
- Finally, there was some shifting of previous health, income support, social care and housing management costs into Supporting People, also identified in the independent report (Ref. 1):
 - Some of this was justifiable within the rule of transitional housing benefit. For example, where landlords had previously funded tenancy support workers for vulnerable tenants, transitional housing benefit sometimes picked up the costs without rents having to be reduced, leading to windfalls to landlord accounts.
 - Some was associated with changes of provision type, as some home providers cancelled their registration and claimed, not always with justification, to be delivering independent living with housing-related support rather than residential home care.
 - In some cases, local authority housing benefit staff did not closely scrutinise or challenge provider claims. In others, social services staff were asked to comment on the appropriateness of provision before claims were agreed, but there was no concurrent scrutiny on eligibility, so that some care costs were transferred to transitional housing benefits.

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