



Submission to the CLG Committee Inquiry into localism

September 2010

Summary

- Sitra is a voluntary sector charity that represents the views of providers and commissioners of housing, support and care services. We are best placed to comment on the provision of housing related support services to people who are experiencing disadvantage.
- Our submission concentrates on localism, with reference to the experiences of providers and commissioners prior to, and post the removal of the ring fence for Supporting People and inclusion of the monies in the Area Based Grant.
- During the period of mainstreaming housing related support within localities Sitra ran a Local Strategic Engagement Project (LSEP) which researched the impact of localism on the provision of services for people experiencing disadvantage.
- Sitra and its members are concerned about the extent to which localism leads to effective public service delivery for people experiencing disadvantage. We believe there is a need for national and improved accountability for housing related support services.
- Sitra is concerned that without national strategy and direction, the Government will not be able to keep David Cameron's pledge to protect the poor, elderly and the disadvantaged.
- The acceleration of the localism agenda coupled with the current climate of cuts in public services is resulting in local authorities being pressurised to make decisions that may result in short terms savings but lead to more costly interventions being required in the future.
- The speed at which both agendas are being implemented means that valuable services are at risk of being lost and there is limited scope for localities to make strategic judgements.
- In summary Sitra is recommending that the CLG Select Committee advise the CLG:
 - To develop national strategy and direction in meeting the needs of people experiencing disadvantage
 - To put in place protective measures that ensure nationally raised monies for the expenditure on local services for people experiencing disadvantage is spent on those services.
 - To ensure that localities are accountable both nationally and locally in meeting the needs of people experiencing disadvantage
 - To support the role of the voluntary sector both as an equal partner in the provision of public services and a community facilitator who can contribute to place based budgeting.

Sitra

Sitra is the umbrella organisation committed to raising standards in the housing, care and support sector. We are a membership organisation and a registered charity with over 25 years experience of offering practitioners a range of affordable policy, training, consultancy, information, conference and capacity building services.

Our membership comprises almost 700 practitioner organisations in the field of housing with care and support. The membership elects the committee. Members are drawn from both providers and commissioners, and from the statutory, voluntary and private sectors. We operate throughout England, and have offices in London, Bristol, Newcastle and Birmingham. Our work covers all aspects of supported housing, together with associated activities such as human resources and staffing issues, financial management, and community care.

We are recognised, funded and consulted by government departments and other bodies as representatives of providers of supported housing. We work with them on issues of national strategic significance for the sector. For example we have been working with CLG on developing the transition programme which supports organisations through the changes resulting from the removal of the ring fence, and with the Department of Health on taking forward the personalisation of housing related support services (Right to Control).

The monthly *Sitra bulletin* is widely recognised as a key source of technical information and policy development news throughout the supported housing sector. With a circulation of around 5000, it is the most widely distributed specialist publication within the supported housing sector. We supplement the *bulletin* with regular briefings on matters relating to supported housing and its related fields. Sitra is also known as a leading training provider. Each year we train over 4,000 individuals across the country, either on our general programme or on tailor made inhouse courses for members and clients. We also provide a range of seminars and conferences on supported housing related themes. Over 2,000 people attend such a Sitra event each year.

We are therefore in a unique position of combining a detailed knowledge of the housing related support sector on the ground with an understanding of and engagement with developing national policy.

Our submission is based in part on our general knowledge of the sector derived from our day to day work but also from a number of specific consultation and engagement exercises. These are:

- A round table event was held on the 17 September 2010 with ACEVO which invited voluntary sector providers to consider the questions raised by the inquiry. The event was attended by a range of local and national providers who provide a diversity of services to people who experience disadvantage
- In 2009-10 Sitra's Local Strategic Engagement Project (LSEP) specifically supported providers and commissioners in understanding, engaging with and influencing local strategic decision makers. The LSEP conducted research on the impact of localism on the provision of services for people experiencing disadvantage. This research comprised of :
 - Web survey undertaken by 23 providers and commissioners,
 - Detailed provider questionnaire responded to by 68 providers,
 - In-depth interviews with 11 local authorities officers,
 - Attending and consulting with commissioner forums in 6 regions

- Attending and consulting with 23 local provider forums
- Joint seminar held in 2010 with the Local Government Information Unit attended by statutory and voluntary sector representatives
- Meetings and telephone contact with voluntary sector providers.
- The research culminated in an event on localism in July of this year during which 50 commissioners, voluntary sector providers and policy makers debated the impact of localism on the delivery of housing related support services.
- A series of national “round table” events organised in partnership with the CLG during January and February of 2009 and repeated in 2010. These were attended by a total of 1000 people, including local commissioners, providers and other stakeholders. This significant national debate among stakeholders considered localism within the context of the removal of the supporting people ringfence.
- In a questionnaire to members, which elucidated 91 detailed responses the potential impact of localism in relation to housing related support was explored. A specific set of questions to commissioners about commissioning structures, which elicited 39 responses.
- Regional consultation events in the London, South West, West Midlands and North East regions, attended by 75 people.

The views presented in this submission are therefore based on a solid body of evidence drawn from research in the housing with care and support sector on the impact of localism and the potential impact of further decentralisation.

Sitra response to the questions highlighted

As the submission should be no more than 5,000 word in length Sitra has concentrated on the questions we feel best qualified to contribute to.

The extent to which decentralisation leads to more effective public service delivery; and what the limits are, or should be, of localism;

Sitra's submission is that decentralisation has not led to more effective public service delivery of housing related support. It is our contention that those groups of people who are in receipt of non-statutory services are significantly worse off as these services are being reduced or cut in order for local authorities to make savings. We believe without a national strategy and process of accountability - groups such as those who misuse substances, from an offending background and those with multiple and complex needs will not receive the services they need. Those who experience multiple disadvantage are not in a position to hold the local authority to account as they form a relatively small part of the electorate, the rest of the electorate often do not perceive meeting their needs as necessary. These groups also do not have the advantage of seeking legal recourse against the Local Authority for reductions in the services they receive as those services have no statutory footing. In the round table events in 2009 and 2010 highlighted the views that the least popular groups would lose out as services are reduced. The LSEP 2010 provider questionnaire found that over 70 percent of those who responded they were concerned that new arrangements under localism presented more challenges to services for particular client groups - for example those with multiple/complex needs, substance misuse and offenders.

The LSEP web survey found that the voice of people in localities who experienced disadvantage and were in receipt of preventative services was moving further away from decision making processes. Nearly half of respondents stated the needs of disadvantaged people within Local Strategic Partnership structures were given a low priority. The importance of this should not be underrated, as it is of note that the largest component of the Area Based Grant is made up of Supporting People monies which represents 34.5 percent of the grant nationally and in some areas e.g. Bournemouth over 50 percent. At the recent round table event providers were concerned that those people experiencing disadvantage had little or no influence over how the monies raised and allocated nationally to meet their needs was being used by Local Authorities. This appears to be counter to the Governments policy of local democracy and its directions of putting power in the hands of local communities and people. Sitra believes that it is right that officers with appropriate expertise are making recommendations, however, decisions about services should be made in a governance framework that ensures that elected members play their full part in scrutiny and oversight and there is accountability to the full electorate.

A significant number of services are provided locally with funds that have been identified nationally by a Government who has indicated its responsibility at the helm of a civilised society is to take care of those who are frail in terms of age, disability and those simply unable to look after themselves. All providers at the September 2010 round table highlighted that David Cameron pledged the Government would look after the poor elderly and disadvantaged. We believe that national strategy best addresses the direction of travel for groups who experience disadvantage. The responsibility in meeting their needs spans Government departments and investments made by one department result in savings or benefits for another.

Although services for those who are disadvantaged are best commissioned and provided locally, at that level it requires national direction to ensure that investment meets the Governments national objectives. National direction recognises that those who experience disadvantage need solutions that transcend local authority boundaries but in times of austerity local authorities will be under considerable pressure only to invest in services that benefit those with a local connection. In the 2009 questionnaire respondents expressed concern about this, particularly those providing services to women fleeing domestic violence, services where people need to move for their own welfare (e.g. young people seeking an exit from gang culture, sex workers trying to get away from their pimp/ dealer) or more mobile social groups (gypsies and travellers, rough sleepers). It will be apparent that these are some of the most socially excluded and many fall into groups which some local councillors would be only too pleased to exclude from their area. The issue of the understanding of social inclusion is a serious one in the context of many local groupings of residents.

The initial survey of members in 2009 found a limited appetite for the flexibility in the sector it was hoped that localism would bring. Some respondents suggested that the removal of the eligibility criteria would enable more holistic service provision, a more honest distinction between care and support (rather than one made to chase available funding criteria), and services that are designed to meet needs, rather than funding rules. Joint commissioning can lead to more streamlined and focused services. One respondent suggested that more flexible funding would enable the design of services based round communities rather than individuals. The round table and LSEP research however indicated that some providers experience is that this flexibility had only resulted in Local Authorities using the money to meet other priorities, continuing to keep contract conditions that prevented more holistic/innovative services being provided. Although it was recognised that the current climate of public sector cuts means that commissioner have perhaps not had the time and opportunity to be more innovative and creative.

One of the overriding concerns regarding localism is the uncertainty of the shape of the landscape, and the place that those who experience disadvantage occupy in the landscape. Some providers have commented that the move towards localism is to be welcomed, as for many years' local authorities having insufficient flexibility to respond to local need. The current acceleration however is too fast and too extreme; it would be more helpful to have a better balance between national direction and local provision. There was a belief at the recent round table that within this agenda voluntary sector providers have played the part of community facilitators. Under the Supporting People programme they have invested in structures both within local authorities, their own organisations and communities to ensure that services users had influence over decisions that were being made. Providers report the dismantling of these structures along with a lack of transparency in the decisions made by local authorities, prevent providers as community facilitators and their service users from the opportunity to shape their landscape. As one provider commented *we should not just consider how far power should be devolved but the shape of that.*

The impact of decentralisation on the achievement of savings in the cost of local public services and the effective targeting of cuts to those services;

Housing related support services have seen disproportionate cuts in investment as local authorities struggle to implement the budget reductions required in the current climate. Housing related support services have identified that investment in preventative services relieves spending on more costly statutory services and prevents the need for more expensive intensive services. The Cap Gemini research (carried out in 2006 and updated in 2009) demonstrated that a national investment of £1.6 billion prevented £3.44 billion being spent from the public purse. Spending on preventative housing related support is in tune with

the coalition Governments desire to keep people at home and in the community and empowered to have control over their lives rather than entering more expensive provision such as residential care. The cost benefit tool has been adapted for local data, but members report limited take up. Where the tool has been applied commissioners of housing related support have found little appetite amongst those responsible for making local strategic decisions to utilise the research. The overriding reasons for this are believed to be as follows

- That the investment in preventative service produce saving for the public purse or other statutory agencies and not the local authority
- Current Investment in preventative services results in future savings however local authorities are experiencing pressure to make cuts now.

In simple terms local authorities are being pressurised into realising short term gains through cutting investment in preventative and non-statutory services at the risk of increasing expenditure on more costly interventions in the future. The concern is that this short-sighted – albeit understandable – position in the current climate bears more than simply financial cost to central and local government. It is the human cost to those whose aspirations have not been fulfilled, and who have spiralled into a positions where they need more intrusive services and have less control over their lives. The families and carers who struggle with the consequences of caring for those whose needs are not being met and communities who experience lack of quality environment. At the recent round table event there was evidence that local authorities are not making strategic decisions about cost savings and simply indicating the monies for services for people experiencing disadvantage will be cut. In some cases this cut are already posited at 25 - 40 percent, with local authorities indicating if the national allocation experiences a reduction that will be simply added on. Sitra's concern that pressure on public spending will lead to funds being diverted from support and prevention to other priorities including deficits, has been realised.

Sitra has seen a loss of specialist commissioning for preventative services as Supporting People teams and commissioning and governance structures are dismantled. The LSEP research demonstrated that statutory partners and stakeholders in localities were not aware of the use and availability of housing related support to meet need and avoid more costly services. Sitra believe there was a missed opportunity for localities to include housing related support needs in the Joint Strategic Needs Assessment (JSNA) in the LSEP research the majority of local authorities indicated that their JSNA did not include needs for housing related support. The potential impact of this is when statutory and other partners come together to commission services to meet the needs in a locality based on the JSNA, the provision of housing related support is likely to be overlooked resulting in more expensive, intensive and possibly intrusive services being provided.

The voluntary sector's expertise in pulling together statutory and other forms of funding to provide services for groups experiencing disadvantage has resulted in innovative services that meet holistic needs. Services that are subject to cuts in statutory funding report that, loss of statutory funding could mean the loss of the whole service, including specialist housing provision. The impact of competitive tendering and the lack of investment in the voluntary sector has already seen a number of providers closing down, and a lack of choice for those who require services in particular smaller specialist organisations. The LSEP research demonstrated that the national compact and its principles are not being adhered to at a local level and that this results in an unequal partnership between the voluntary sector and local government.

Some providers thought the Government should consider a radical view of decentralisation placing the power into the hands of the community. Some views put forward were to bypass Local Authorities and for Central Government place the resources for meeting the needs of

people experiencing disadvantage in the control of voluntary organisations as community facilitators, however this would bring its own requirement for accountability and scrutiny.

The lessons for decentralisation from Total Place, and the potential to build on the work done under that initiative, particularly through place-based budgeting;

Sitra believe that the voluntary sector has a role to play in contributing to place based budgeting. The voluntary sector has had a strong history in working with a plethora of statutory agencies, the private sector and communities to meet the needs of people experiencing disadvantage. Many voluntary sector organisations have their roots in philanthropy which epitomises a total society response to protecting the poor elderly and disadvantaged – indeed - what we understand to be the Big Society. The voluntary sector could be instrumental in taking the lead in Place Based commissioning, as one participant stated at the recent round table *taking statutory agencies by the hand and explaining to them it is not dangerous to collaborate and we will look after them*. Another provider commented that the ‘right to bid’ could be used in line with place based commissioning by the voluntary sector who are *well versed in putting pieces of funding together* to meet local need.

In order to do this there needs to be a robust voluntary sector that is treated as an equal partner within the Place Based commissioning process. There are some positive examples of voluntary sector organisations coming together to decide on a vision of what a city or community needs and achieving this using social enterprise

The role of local government in a decentralised model of local public service delivery, and the extent to which localism can and should extend to other local agents;

Voluntary sector providers play an important role as community facilitators. Large and small voluntary sector providers have been providing services which place choice and control in the hands of service user, promoting community engagement and developing their role as place shapers. There are many examples of Housing Associations involving communities in regenerating their environment and smaller local agencies bringing communities together to improve their landscape. The cuts in public services are posing challenges to this work not least in that local authorities also deliver public services for example services for older people, people with learning disabilities etc.

Providers have reported that they believe that they are not competing on a level playing field and that the scrutiny and monitoring of the cost effectiveness of local authority provided support services should be the same as the voluntary sector. This would ensure that commissioning decisions were made fairly.

What, if any, arrangements for the oversight of local authority performance will be necessary to ensure effective local public service delivery;

The removal of the Supporting People ring fence has been a valuable exercise in appreciating the impact of local authorities having the freedom and flexibility to meet local need with national investment. However as stated before this has left funding for disadvantaged people particularly vulnerable at a time when local authorities are under pressure to make cuts in expenditure and as highlighted above are looking to make immediate savings even where this may result in increased spending in the future. The flexibility of the mainstreaming of funding originally specifically for housing related support has been reported to Sitra as resulting in cuts in this provision as Local Authorities divert this

to other priorities. When the ring fence was removed the Select Committee inquiry highlighted the need for the Comprehensive Area Assessment to ensure that the needs of vulnerable people were being met and were concerned about the relative maturity of the Local Strategic Partnerships. The committee also recommended that CLG should have a more ambassadorial role. It is our understanding that this has not been the direction of the department.

Sitra remain concerned that Local Strategic Partnerships are not mature enough to hold Local Authorities to account for spend on services for disadvantaged people, despite the biggest component of the Area Based Grant comprises monies originally for this purpose. It is not sufficient that accountability for spend on services for the poor, elderly and disadvantaged should rest with the electorate, when their only recourse is to vote every 4 years. At the recent round table providers believed that if power is truly to sit with local people and the community accountability to them and their inclusion has to have a statutory basis. The local community should have statutory powers and duties. The LINK initiative was cited as a model of local accountability as there are statutory requirements for the oversight and scrutiny committee to respond to issues within defined timescales.

Since the removal of the Comprehensive Area Assessment it is difficult to see how local authorities are held to account on meeting the needs of disadvantaged people especially are providers are reporting a lack of transparency in local authority decision making. Providers have highlighted the need for local authorities to be more accountable to communities including voluntary organisations in their role as community facilitators. In addition to this there is a role for national Government though the development of national strategy including a mechanism for monitoring and compelling local authority adherence.

How effective and appropriate accountability can be achieved for expenditure on the delivery of local services, especially for that voted by Parliament rather than raised locally.

Sitra believe that the Supporting People programme could be used as a blue print for effective and appropriate accountability for monies raised nationally. The programme was expected to be accountable nationally by reporting against National Indicators. Indeed many localities chose the specific indicators relating to vulnerable people and information was gathered nationally by CLG on spend on people experiencing disadvantage. The governance, commissioning and procurement of services was also accountable at a local level with structures set up that ensured that service users had a voice in decision made. The usefulness of these structures was apparent as the LSEP research found that they were still in place despite the monies being mainstreamed and included in ABG. More recent contact with providers and commissioners has indicated that this picture is changing and structures are being dismantled and expertise lost as saving efficiencies take priority. In this event it is untenable that the accountability for national monies is simply devolved to the local electorate. National Government has a responsibility to the tax payer who is part of their electorate that monies paid for the delivery of public service locally are spent wisely and effectively. In the recent round table providers, as members of the national electorate and tax payers, believed that Government also has a responsibility to the electorate to make good their pledges in this case looking after the poor, elderly and disadvantaged. In order to do so they must have mechanisms in place to ensure that local spend of national money meets the intended purpose.

Recommendations

General recommendations

- That the Government develops a national strategy on meeting the needs of people experiencing disadvantage and need the provision of housing related support or preventative services and this should be the responsibility of Communities and Local Government Department. That the strategy places obligations on local authorities in meeting the needs of those disadvantaged in their locality
- There needs to be national investment in role of the voluntary sector particularly if the Government is referring to this sector as the first sector. The Compact Commissioner should have powers to enforce adherence to the compact at a local level
- Commissioning decisions made by a local authority between local authority or voluntary sector provision of services made by a local authority are subject to scrutiny by national Government.
- The voluntary sector use their expertise to play a lead role in place based budgeting
- Central Government should ensure that local authorities are obliged to have representation from the voluntary sector organisations both as providers or services and community facilitators in place based budgeting

Specific recommendations linked to Localism and Housing Related Support. Sitra would like to propose that the Select Committee recommend that the CLG

- Consider investing real time in exploring whether to reinstate the ring fence for the monies formerly known as Supporting People with grant conditions that require the spend to be on housing related support.

If the Select Committee are not minded to recommend the above Sitra would like the propose that the Select Committee recommend that the CLG

- Explore the potential of ring fencing the proportion of the housing related support that is currently being spent on preventative services for those groups who are not in receipt of statutory services and who have been identified earlier in this submission as most vulnerable to experience loss or reduction in services.

In addition, Sitra would like to propose that the CLG develop a number of protective measures.

- Enabling service users to ask for a judicial review of a decision to withdraw funding for housing related support services
- CLG to have clear responsibility for leading and ensuring delivery nationally of a strategy for responsive client orientated housing related support services.
- That local authorities are required to consult on and publish and regularly update a needs-based strategy detailing how they will meet the housing related support needs of vulnerable and socially excluded people in their borough. This to include how decisions will be made on the provisions of housing related support services and stakeholders including how people experiencing disadvantage will be engaged.
- That in each local authority there is a mandatory named officer with responsibility for ensuring delivery of the strategy and maintaining the necessary levels of expertise.

- Where local authorities are decommissioning services for people experiencing disadvantage they have to publicise this on their web site and what provisions are replacing these services to those in receipt of services
- That the CLG devise a mechanism to ensure that that LSPs are both nationally accountable and accountable to their communities on how well they are meeting the needs of those people experiencing disadvantage.
- In any forthcoming review or replacement to the National Indicator set – an outcome focussed measure is designed which encourage local authorities and LSPs to make housing related support a priority demonstrates the quality of services delivered and outcomes. Consideration should be given to making this mandatory.
- That the value of early intervention and preventative services is recognised and that the cost benefits realisation model for supported housing is regularly updated at a national and local level and that local results from the model are collated centrally to inform the national picture.
- The CLG continues to publish the amount of ABG allocated to local authorities and what proportion of this comprises of nationally allocated monies for housing related support.
- That the GLC consider a formal structure and statutory duty for local authorities to be held to account by and engage with their electorate and those who represent their electorate.