

Audit Committee – 14th December 2018
Supporting People Programme Grant Update

Introduction

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

General Issues affecting SPPG

Since the last update report there have been a number of developments in the proposals for the future of SPPG and other grants that are managed by the local authority that focus on tackling poverty.

On 3rd October 2018, the Cabinet Secretary for Finance at the Welsh Assembly Government announced as part of the Draft Budget proposals for 2019/20, the creation of a Homelessness and Support Grant which brings together the Supporting People Programme Grant, Homelessness Prevention Grant and the Rent Smart Wales Enforcement Grant. It is understood that there will be new Terms and Conditions attached to this Grant that will come into being on the 1st April 2019. This Grant replaces the original proposal that there would be an Early Intervention and Prevention Support Grant that brought together 10 grants.

It has been stated by Welsh Government Officials that they will be considering the recommendations made in the Welsh Assembly Public Accounts Committee report and that changes will be made to the Guidance that is to be published to accompany the new Grant early in 2019.

The above hopefully gives some context to the environment that the Supporting People Team is working in at present and how this seems to be constantly changing.

Updates on issues raised in Internal Audit Reports

The Internal Audit review of the SPPG for 2017/18 was undertaken in July August 2018. It was pleasing to note that the improvements in the grant administration policies and practices made by the Supporting People Team have resulted in an increase in the Post Review Assurance Level to Acceptable. There follows a brief synopsis of the issues identified in the 2017/18 review and an update of the work that has been undertaken to date to remedy these.

1. Monitoring and validation procedures have improved since the previous audit and this has resulted in improved accuracy of the data. Continued improvements should now be made including reminding Partners that their reported outcomes should be properly evidenced.
 - An updated monitoring procedure has now been drafted as per the recommendation. The Supporting People Team will ensure that this is appropriate through consultation with Internal Audit.

2. 9 of the 10 contracts sampled were not signed until after the service commencement date.
 - This has been noted and future contracts will be signed before the commencement of the service.
3. The Audit Certificate requires certification that 'management charges for services are below 10%. From a sample of 10 contracts there was no information regarding management charges for 4 of them.

It is acknowledged that Welsh Government introduced the 10% requirement in 2015 and many contracts are older than this.

- As services are retendered, evidence will be required from bidders that management fees do not exceed 10%.
4. Testing identified incorrect contract values detailed on the Contracts Database.
 - The contract database has now been brought up to date

Procurement of SPPG Services

In response to the specific question that was asked about the procurement of SPPG funded services, it can be confirmed that all SPPG funded services have been procured appropriately and are compliant with the Contract Procedure Rules laid down by Carmarthenshire County Council.

The SPPG Guidance that was issued in June 2013 by Welsh Government states that:

“New services should be subject to normal procurement practice and regulation, but provided that a robust and regular review regime is practised, it would not be anticipated that SP services would be re-tendered on a routine basis and any re-tendering exercises would normally only take place following a service review.”

There are a number of internal services, 7, that are subject to Memoranda of Understanding that are signed by both commissioner and service provider. The majority of contracts however, 23, are with external service providers. Some of these cover a number of services.

Some contracts were inherited from Welsh Government in 2013. A number of these services have been retendered since then. In 2016, a procurement exercise was undertaken resulting in services that replaced a number of the previously existing floating support contracts. There remain 8 contracts that were inherited that have not yet been retendered. Exceptions have been sought from the Section 151 and Monitoring Officer to the Contract Procedure Rules to provide these services with contracts to enable services to be evaluated. Evaluations would provide a decision as to whether the services are strategically relevant and should be retained and retendered or decommissioned if they are found no longer to be strategically relevant.

The Supporting People Team has sometimes been frustrated in its attempt to retender support services by the implementation of new strategies. This has meant that procurement activities have had to be paused to ensure compliance with the strategy and that planned services contribute to the achievement of corporate goals.

Each year as a part of the audit certification process required by Welsh Government, Internal Audit undertake random sample testing of SPPG payments following these back to the invoice and ultimately to the contract documentation. During the last 3 years it has been noted that contract compliance has improved in each review report.

Conclusion

It is hoped that in the above report, the progress of the Supporting People Team in improving its administration and management of the SPPG has been evidenced. It is also hoped that the query regarding the procurement and contracting of SPPG funded services has been answered.

The Supporting People Team are continuing to work hard to further improve systems and processes to ensure compliance as the SPPG changes into the Housing Support Grant.