

St Mungo's

Response to:

**Communities and Local Government Committee Inquiry and
Call for Evidence: Supporting People**

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About St Mungo's

We are London's largest homelessness agency. We provide over 100 accommodation and support services day in and day out.

We run **emergency services** – including street outreach and emergency shelter. We support homeless people in their **recovery** – opening the door to safe housing, health care and work. We help more homeless people into lasting new homes, training and employment than any other charity.

We also **prevent homelessness** through our complex needs housing and support teams for people at real risk.

By opening our doors, and our support services, we enable 1,000s of homeless and vulnerable people to change their lives for good every year.

Introduction

St Mungo's appreciates the opportunity to contribute our experience and perspective to the inquiry into the Government's "Supporting People" programme and we are very pleased to make this written submission. Should it be helpful we would be happy to discuss our points further.

We will comment both on our experiences to date and the hopes and anxieties we have as the Supporting People (SP) ring-fence is removed.

Summary of key points

1. There is a danger that too strong a focus on local delivery and leadership can bypass the needs of vulnerable groups, like rough sleepers. They are a minority group representing an expression of intense deprivation, geographically dispersed and by definition not tied to a locality. Their needs are best met, and costs for this shouldered, at a regional level.
2. Government must reaffirm the importance and role of 'partnership' to set the tone for relations between the statutory and voluntary sector.
3. There is a lack of a shared mission across local authority boundaries which could be reaffirmed by a greater emphasis on national standards.
4. Bureaucracy and inefficiency are still major obstacles to realising the full potential of the Supporting People programme. Excessive regulation, duplication of services and associated bureaucracy and inconsistent local authority procurement practices can stymie the delivery of services.
5. It is too early to know the full implications of the removal of the ring-fence, but there is a fear that local political priorities which drive area-based grants will tend towards prioritising mainstream services over specialist interventions focused on a minority 'problem' population.
6. The removal of the ring-fence could provide an opportunity to reconceptualise how SP can design and deliver effective responses. Currently, there is an explicit service user focus on housing related support, which implies helping those groups who are in contact with services and are settled. Rough sleepers by definition are service avoiders and unsettled and we need to be more sophisticated about how to engage them.
7. 'Housing-related support' has been taken too narrowly to apply to housing management, rather than more broadly also offering health and vocational support, which are necessary to truly promote 'independent living'. PCTs and DWP/DIUS should be required to address the needs of all supported housing tenants.

St Mungo's response

I. **The extent to which the Government has, so far, delivered on the commitments it made in *Independence and Opportunity: Our Strategy for Supporting People*.**

1. **Keeping service users at the heart of the programme and of the local delivery of the service.**

1.1. The Supporting People (SP) Programme, and the Quality Assessment Framework which underpins it, has been to an extent successful in sharpening delivery and focusing it on outcomes. It has resulted in some bad services being remodelled or decommissioned, and it has helped focus more attention on the promotion of independence.

Implications of localism

1.2. Localising delivery has had some unintended consequences. In London, specialist services that had a cross-borough remit before SP increasingly admit only people who have a local connection rather than allowing access on a purely needs basis. This has dismembered some such essential services or necessitated wasteful duplication of the same services in different boroughs, where one that could be accessed from different boroughs would suffice.

1.3. Central Government has appeared unwilling or unable to take a lead on creating regional mechanisms that would ensure all needs in London are met in London, and broaden access to specialist services for those who would benefit the most. St Mungo's would advocate a clearer strategy for linking provision, which some councils, in London at least, do rather well at a local level – the key question is whether there is a will to do this on a regional level.

1.4. The benefits of central commissioning should not be overlooked – the Government commissioned the Rough Sleeping Initiatives and the Homeless Mentally Ill Initiative, which had a strong service user orientation and strategic framework for local delivery. It is important to note that being service user orientated is different to being orientated on needs on the streets – arguably, rough sleepers are not users of services to begin with. When considering local commissioning, councils are reasonably good at taking account of service users' needs, but poor at taking any responsibility for those who either refuse or avoid services, or are barred by them.

The drive to lower costs

1.5. As the years have gone by under SP, cost cutting has been the increasingly central focus. Service providers are increasingly tending to win contracts by being the cheapest bidder, and there should be a concern in the long run that this drive towards commissioning by narrow efficiency may increasingly undermine the quality of services and communities. It results in endless churn, with broadly the same providers losing or gaining some contracts to each other – a costly exercise to providers, which has spawned a costly bureaucracy to supervise.

1.6. To minimise costs, increasingly floating support is preferred to accommodation-based services, which has implications for client choice. A significant minority of vulnerable people choose to live with other people, as most of us do, and for more than an arbitrary 2-year period; for ideological and financial reasons such choices are not respected under the SP regime, and that is a great shame, which undermines a truly user-focussed approach.

First principles of Supporting People and 'housing related support'

1.7. A key "promise" of SP was that it would (a) map services; (b) project need; and (c) commission accordingly. With some honourable exceptions e.g. Camden's Hostel Pathway model, mapping has been rudimentary, and projecting virtually non-existent. Despite the narrowness of their evidence base, many local commissioners convey great certainty; to the extent that provider knowledge or user group say are actually diminished.

1.8. Indeed, St Mungo's believes that there has been confusion from the outset about the definition of the Supporting People Programme providing 'housing related support'. This is defined as 'support which is provided for any person for the purpose of developing that person's capacity to live independently in accommodation or sustaining his capacity to do so' (Supporting People, Directions and Grant Conditions, ODPM, 2004). Theoretically therefore, housing related support was constructed to provide support in areas like health and work as well as housing.

1.9. However, there isn't enough funding to meet these broad aspirations, and thus SP spend has generally been limited to the housing element. Many local authorities have adopted a narrow reading of housing related support and confined resource allocation and service commissioning to the management of housing.

1.10. Housing supply, management and choice cover only one aspect of support that can promote independence. To be effective, support has to be multidimensional. The role of health and vocational support should be recognised as contributing to an individual's ability to participate fully in the social and economic life of their communities. These types of support are currently addressed through other funding streams that don't explicitly promote independent living. This lack of agreed clarity and consistency over the scope of the remit of SP is the source of much frustration on the part of care providers, and baffling to service users. To meet the needs of vulnerable people targeted by the SP programme more effectively, PCTs and DWP/DIUS should be required to address the needs of all supported housing tenants.

2. Enhancing partnership with the Third Sector

Rationalisation of the provider base

2.1. SP has rationalised the number of providers. This cleaning up of the provision maze has been in some respects helpful for service users, who under pre-SP arrangements faced navigating a bewildering array of services that were poorly coordinated, and for commissioners.

2.2. There have been some positive adaptations to this underlying dynamic. For example, St Mungo's has shared its training resources with community based groups and otherwise built their capacity, and we are committed to using them as delivery partners when commissioning allows that. Many, mainly smaller, organisations have, however, gone to the wall, some usefully so, others that had a valuable contribution to make but couldn't handle the bureaucracy of SP.

The need to reaffirm importance of partnership

2.3. The reality under narrow localism is that administering authorities have increasingly sought to exercise control over who 'independent' third sector organisations work with and how they work to an insidious level. St Mungo's has seen an exponential increase in the number of referrals we are expected to take

directly from administering authorities and their micro interventions in the detail of our work, to the extent that we sometimes feel as if our expertise, built up over 40 years, and charitable objects as a Third Sector provider are denigrated.

2.4. St Mungo's believes the value of true partnership between the statutory and voluntary sector needs to be more explicitly recognised and underpin interactions. Government should reiterate the importance, and definition of partnership, as referred to in the Compact, as based on trust and mutual respect. Too often authorities see 'partners' as supine subcontractors, and impose their role aggressively and without imagination. This is contrary to the vision and aims of the Compact, which we would like to see more explicitly setting the tone for relations between the statutory and voluntary sector.

3. Delivering in the New Local Government Landscape

Local priorities vs. national standards

3.1. In London, St Mungo's core client group is transient and not geographically located by definition, and this lack of overall shared mission across administering authority boundaries has an implication for how quickly homeless people can be moved through the support system from being on the streets into independence. For some people under SP it's become too much about borough lottery and not enough about meeting their needs.

3.2. The new local government landscape has the appearance of being more accountable but little of the substance. Government funk is legitimising local fiefdoms. Central Government seems unwilling or unable to call administering authorities to proper account. They are at best notionally accountable locally, but not to any central authority.

3.3. There is a need to distinguish between a 'line of command' accountability and an accountability which means that people can be questioned or decisions appealed against. In essence, too much has been ceded to politicians – a greater emphasis needs to be placed on national standards. This would enable the needs of the minority vulnerable people to be more reliably met within the community setting, the latter being shaped primarily by local political priorities.

4. Increasing efficiency and reducing bureaucracy

4.1. There have been some real gains – every provider has had to 'up their game' and some delivery developments have been both innovative and efficient. It is unlikely that they would have been achieved at the same pace without the imperative of SP.

The need for more of a 'light touch'

4.2. However, promised lighter touch arrangements under mature SP have never materialised; the freedoms and flexibilities that administering authorities get for being 'excellent' are not afforded to providers, even excellent ones, and this is an area that we would strongly encourage your forward focus on. There should be a system of provider reward e.g. if you get straight A quality assessments as a number of our services have been doing, that should be rewarded – by less interference at least.

4.3. Monitoring requirements are still too complicated and this is a particular burden on smaller organizations. Significant capacity is required on behalf of the provider to

meet these. There has been a serious balance in the extent to which administering authorities and providers have been resourced to handle the bureaucracy of SP; the provider experience has been of increased cribbing about overhead costs despite an escalation in monitoring and reporting expectations.

4.4. Central government has recognised the extra costs associated with the extra admin involved in delivering effective partnership and has subsidised accordingly with £138m of financial support to local government. Yet there has been no correlating support for the third sector. £500k for capacity building is paltry and does not reflect the extra costs taken on by the third sector in dealing with the extra bureaucracy involved in creating partnerships and competitive tendering.

The persistence of duplication

4.5. Due to borough boundary issues, services that could be shared are duplicated. Duplication persists throughout the system, and is a real obstacle to efficiency. It occurs not just in the case of services that are commissioned in parallel by different boroughs, but also the accompanying bureaucracy. There is no reason why every local authority should have a commissioning body – reducing the number of these would make for more efficient use of resources and would concentrate expertise.

The inefficiency of procurement practices

4.6. The Third Sector Review Final Report (Cabinet Office, 2008) produced scathing results about local authority procurement practices, and revealed the depths of dissatisfaction on behalf of the voluntary sector about the competency and consistency of local authority procurement practices.

4.7. The crushing burden of tendering and the extent to which it takes away providers' focus from delivery should not be in any sense under-estimated. Seemingly under pressure from Central Government to more regularly test the market, all administering authorities, to a greater or lesser extent, transfer that pressure directly to providers. Tendering takes up huge and seemingly escalating amounts of time and services suffer in consequence, as they can be prone to changing hands between providers every three years.

4.8. Particularly as TUPE applies when services are re-tendered, staffing gets disrupted and can often lead to unplanned expenses which fall to the provider. This is an example of a genuine case in which a provider was left with unplanned staffing costs as a result of the disruption caused by losing a contract three years after winning it.

4.9. Provider A wins a local authority contract and staff who are in the LA pension scheme are TUPE'd over it. These are the only staff from that LA that they have on their payroll. Three years on the contract is tendered again and Provider A loses it. Staff are all TUPE'd to the new Provider B: now Provider A has no staff in the LA pension scheme on its payroll. Because of this there is a cessation and any under-funding of the scheme crystallises.

4.10. Provider A receives a bill for £200k from the people who run the LA scheme. Although they still have staff who TUPE'd across from other councils they don't count because each Local Authority's membership is seen as a separate scheme within the main scheme. Needless to say Provider A didn't build this £200k into their tender for the original contract and are left with a rather large deficit on their dealings with this local authority.

The need for more consistency

4.11. There are systematic inefficiencies within the system which allow multiple different approaches to the same issue. From the point of view of the provider this can often seem counter-productive: it is quite common for different boroughs to give Cs and As for the same practice.

4.12. Therefore St Mungo's has concerns over the lack of national consistency across the SP programme, which is hard to achieve without an agreed standard of good practice to guide priorities locally. By devolving so much to local authority level, central government has actually made it more difficult for local authorities to discharge their responsibilities. A more effective system would have a regional remit and employ fewer people, concentrating expertise and setting a high standard of practice. There should be a London-wide system at least for monitoring quality.

II. The implications of the removal of the ring-fence, what needs to be done to ensure that the successes of the programme so far are not lost, or services cut, following the change; and what opportunities this change in the funding mechanism will offer for innovation and improvement in the delivery of housing-related support services.

5.1. We hold the hope that housing, health and work priorities, which inextricably intermesh in practice, will be picked up more efficiently and creatively through new Area Based Grant arrangements, with agencies like Jobcentre Plus and the Learning and Skills Council playing a more active and integral role.

Early indications show need for further scrutiny of developments

5.2. We don't yet know how all boroughs will respond to the removal of the ring fence. Our initial experience across a number has not been immediately adverse, but it is fair to assume that different boroughs will respond in different ways. Some are already stripping out Adult Social Care costs e.g., in respect of Sheltered Housing Schemes and transferring those cost burdens to SP services. There needs to be clear scrutiny maintained as the situation develops and a particular focus on whether 'unpopular' groups are systematically disadvantaged.

Fears over financial implications

5.3. It is too early to judge the financial impact, but as area-based grants are driven by local political priorities and therefore must surely prioritise mainstream services and those accessed by broad sections of the community, for example families. It is not clear where support for vulnerable single adults, for example high support mental health projects, fit within an agenda that is determined locally and potentially prone to nimbyism.

5.4. Therefore there is a real concern that with local authorities considering their actions in the climate of local elections, their priority for funding will inevitably be the majority mainstream services over interventions focused on a minority problem population. It's our early view that some authorities appear to be choosing National Indicators that they feel they can meet or ones that have political added value rather than genuinely innovative or needs-based ones.

5.5. There has already been leakage from homelessness of all the grants that went into SP originally, and we must prepare for a similar trend as a result of the removal of the ring-fence. Preventative services are perhaps also more vulnerable to cuts as it is easier to remove these services without instant knock-on effects.

5.6. There are some potential positives. For example in some authorities under SP there was a requirement to find a 5% year on year reduction in spending. These

strict limits may be relaxed as budgets are pooled, and there is the hope that a progressive authority could spend more on homelessness services, for example, if it chose to.

The opportunity of the removal of the ring-fence: re-conceptualising the support that is offered to vulnerable adults

5.7. St Mungo's would like to make the case that the removal of the ring-fence provides an important opportunity to re-conceptualise the support offered to vulnerable adults to live independently, and clarify where the responsibility for funding and provision of this should rest. This is a potential opportunity to take the SP programme back to 'first principles' and address the broader reading of the definition of 'housing related support' alluded to in the first section, which seeks measures beyond housing management to promote independent living.

5.8. SP funds support that exists up to the boundary of care and sometimes over. The dividing line between SP, Adult Social Care (ASC) and health boundaries and funding streams is often blurred and porous. PCT and ASC funding often goes into the pot, but is secondary to the SP contribution.

5.9. The prospect of reductions in SP allocations should not lead to cuts in services for those who are dependent on them and which are making genuine changes in peoples' lives. The de-ringfencing could provide an opportunity for ASC and PCT funding streams pulling more weight in terms of funding services that support vulnerable adults to live independently. Therefore the prospect of cuts should be deemed a separate issue to the prospect of re-balancing how services are funded. For this to be realised, clear cross-departmental objectives must be set nationally, and achieved locally.

5.10. St Mungo's believes that the SP programme is better conceived as resources to support what is best for society rather than specific geographic communities and localities. Street homelessness is an expression of dispersed pockets of deprivation and intense need, which are significant within the context of a city the size of London, but not in most localities. St Mungo's client group often don't feature on the radar for resource allocation and needs assessments by local authorities and PCTs, which are carried out on a borough or ward level. Street homelessness is therefore better conceived of as a regional issue, and responses devised and funded at this level would be more appropriate.

5.11. Hostels provide the most effective strategic opportunity to deliver the range of interventions and support that homeless individuals need – across housing, health and vocational policy areas. Yet the dispersed nature of London's homeless population and the tendency to gravitate centrally means that some local authorities, namely Camden and Westminster, carry the burden for providing a response that doesn't relate to their locality. For example, Westminster have stated that only 8% of rough sleepers in their borough originate from there., but using origination as the legitimising trigger for accessing services is old-fashioned. If this is the thinking that is informing Local Authority responses to what support they should prioritise, it is clear we need to reconceptualise where support should come from. Indeed, it is an accident of history and geography that there is a concentration of homeless provision in these boroughs. Whilst responsibility for supporting transient and unsettled homeless men and women should be directed at a regional level, the response should be conceived of as emergency provision, and the resources shared city-wide.

5.12. In this context, SP can be considered the right funding pot for people who are living in settled accommodation, but for those who are unsettled a separate regional

funding stream would more efficiently allocate resources based on and directed at an effective mapping of need. This regional strategy would need to ensure that the views not just of service users, but also service avoiders like rough sleepers, are taken into account. Hostels to an extent distort the commissioning market – as well as being an easy target for when savings are required, they deflect commissioners' attention from how more mainstream services should hang together. A regional strategy would be based explicitly on the needs of vulnerable Londoners, and the services London must provide to meet these – covering housing, health, vocational support.

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