Agenda – Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau

Lleoliad:	I gael rhagor o wybodaeth cysylltwch a:
Ystafell Bwyllgora 2 – y Senedd	**Naomi Stocks**
Dyddiad: Dydd Mercher, 29 Tachwedd 2017	Clerc y Pwyllgor
	0300 200 6565
Amser: 09.00	SeneddCymunedau@cynulliad.cymru

Rhag-gyfarfod (09.00 – 09.15)

1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau

2 Bil Ombwdsmon Gwasanaethau Cyhoeddus (Cymru): sesiwn dystiolaeth 1

(09.15 – 10.15) (Tudalennau 1 – 22)

Simon Thomas AC, Yr Aelod sy'n gyfrifol am y Bil

Gareth Howells, Y Gwasanaethau Cyfreithiol, Comisiwn y Cynulliad

Joanne McCarthy, Y Gwasanaeth Ymchwil, Comisiwn y Cynulliad

Bil Ombwdsmon Gwasanaethau Cyhoeddus (Cymru), fel y'i gyflwynwyd

Memorandwm Esboniadol

Egwyl (10.15 – 10.30)

3 Craffu ar adroddiad blynyddol Ombwdsmon Gwasanaethau Cyhoeddus Cymru 2016/17

(10.30 – 11.30) (Tudalennau 23 – 33)

Nick Bennett, Ombwdsmon Gwasanaethau Cyhoeddus Cymru

Chris Vinestock, Y Prif Swyddog Gweithredu a'r Cyfarwyddwr Ymchwiliadau

Katrin Shaw, Cyfarwyddwr Polisi, cyfreithiol a llywodraethu

Ombwdsmon Gwasanaethau Cyhoeddus Cymru: Adroddiad Blynyddol a Chyfrifon 2016/17

4 Papurau i'w nodi

4.1 Gwybodaeth ychwanegol gan Gymdeithas Llywodraeth Leol Cymru mewn perthynas â chyllideb ddrafft Llywodraeth Cymru 2018-19

(Tudalennau 34 - 45)

4.2 Llythyr gan Ysgrifennydd y Cabinet dros Gyllid at Gadeirydd y Pwyllgor Cyllid mewn perthynas â chyllideb ddrafft Llywodraeth Cymru 2018-19

(Tudalennau 46 - 47)

4.3 Gohebiaeth gydag Ysgrifennydd y Cabinet dros Lywodraeth Leol a Gwasanaethau Cyhoeddus, Arweinydd y Tŷ a'r Prif Chwip a'r Gweinidog Tai ac Adfywio mewn perthynas â chyllideb ddrafft Llywodraeth Cymru 2018-19

(Tudalennau 48 - 73)

4.4 Llythyr oddi wrth Gadeirydd y Pwyllgor Cyfrifon Cyhoeddus at y Gweinidog Tai ac Adfywio mewn perthynas â chyllideb ddrafft Llywodraeth Cymru 2018-19

(Tudalennau 74 - 89)

5 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o weddill y cyfarfod

6 Craffu ar adroddiad blynyddol Ombwdsmon Gwasanaethau Cyhoeddus Cymru 2016-17: ystyried y dystiolaeth a gafwyd o dan eitem 2

(11.30 - 11.35)

7 Bil Ombwdsmon Gwasanaethau Cyhoeddus Cymru 2016-17: ystyried y dystiolaeth a gafwyd o dan eitem 3

(11.35 - 11.40)

8 Craffu ar Gyllideb ddrafft Llywodraeth Cymru ar gyfer 2018-19: ystyried yr adroddiad drafft

(11.40 - 12.30) (Tudalennau 90 - 108)

Mae cyfyngiadau ar y ddogfen hon

Mae cyfyngiadau ar y ddogfen hon

Our Ref/Ein Cyf: JR/AS
Your Ref/Eich Cyf: SF/LA/3421/14
Date/Dyddiad: 6 November 2014
Please ask for/Gofynnwch am: Jon Rae
Direct line/Llinell uniongyrchol: 029 2046 8620
Email/Ebost: jon.rae@wlga.gov.uk

WLGA • CLlLC

Leighton Andrews AM
Minister for Public Services
Welsh Government
Cardiff Bay
Cardiff
CF99 1NA

Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau
Equality, Local Government and Communities Committee
ELGC(5)-34-17 Papur 1 / Paper 1

Dear Minister,

Thank you for your correspondence of 23 October on local authority reserves. It coincided with our own data collection exercise that was undertaken with the support of SOLACE and the Society of Welsh Treasurers (SWT). The attached briefing summarises that information and highlights recent studies and guidance from regulators and CIPFA. I thought it would be helpful to share it with you.

I hope this national context complements the individual responses that you receive from local authorities, including my own. I note your officials have reviewed the latest accounts and have concluded that there has been no improvement in presentation due to ambiguity in definitions. This may be down to differences in accounting treatment and guidance needs to be tightened

Like you, I think it is not unreasonable for us all to understand better, and explain better, the position on reserves. To that end, I have requested that Treasurers put this on their agenda for their December or January meeting, once officials have digested the individual authority responses.

Yours sincerely,

Councillor Aaron Shotton
WLGA Spokesperson for Finance and Resources

Steve Thomas CBE
Chief Executive
Prif Weithredwr

Welsh Local Government Association
Local Government House
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Cymdeithas Llywodraeth Leol Cymru
Tŷ Llywodraeth Leol
Rhodfa Drake
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WLGA Briefing

Society of Welsh Treasurers

Local Authority Reserves
7 November 2014

Jon Rae (jon.rae@wlga.gov.uk) 02920 468 620

Two recent Reports by the Wales Audit Office[1] and the Audit Commission[2] have emphasised the need for local authority reserves and why they may have risen in recent years. Appropriate levels of reserves are an important element prudent financial management and this is underpinned by legislation contained in various Acts. This is supplemented by guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) from its Local Authority Accounting Panel (LAAP)[3].

Like CIPFA[4], the WLGA would highlight 5 key points that are worth emphasising in the current economic context.

1. Reserves are an important component of councils' financial planning framework and are no panacea for financial problems created by austerity.

2. Judgements about reserves and to what extent they should be used or set aside to meet either specific or unforeseen future liabilities can only be made locally. Guidance on appropriate questions for members to ask is provided by the Audit Commission.

3. Local decisions should be taken by councillors having regard to clear and full information and advice provided by Chief Finance Officers (The WAO view is that there is room for improvement to make this more transparent and councils should ensure local protocols are in place).

4. Recent increases in aggregate levels of reserves reflect councils' good performance to date in coping with austerity but councils are reporting increased appropriations from reserves over the next two years.

5. The future funding outlook is such that uncertainty and risk is increasing.

Latest Data Collection

With the support of SOLACE and SWT, the WLGA has recently collected data on reserves based on information in Statements of Accounts. Data from the Whole of Government Accounts (WGA) comes from Group Accounts which includes funds held by arms-length bodies. We tried as much as possible to reconcile the two sources and there is a small residual difference of around £2m.

[1] Wales Audit Office(2012), Local Authority Reserves and Unsupported Borrowing
[2] Audit Commission (2012), Striking a Balance
[3] CIPFA (2014), LAAP Bulletin 99 Local Authority Reserves and Balances
[4] CIPFA (2012), Press Release: CIPFA Sets out position on reserves

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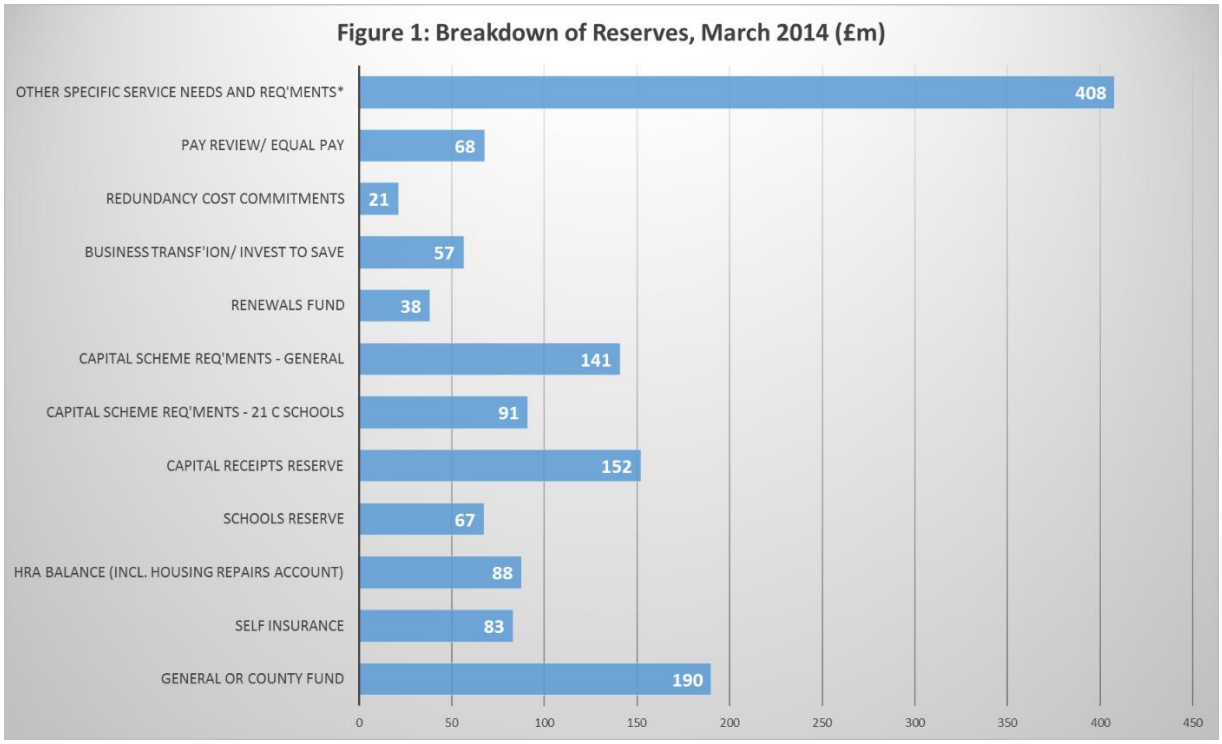
While the WGA framework is useful, the terminology can be ambiguous or misleading. The term 'Usable' does not necessarily mean that cash-backed funds are available to the local authority to spend in a way that it can determine. Some funds support national initiatives such as Welsh Housing Quality Standards and Twenty First Century Schools which are integral to the Wales Infrastructure Investment Plan. Some of categories of funds are rather technical but we have sought to break down as much as possible the 'other category'.

Despite the issue with terminology, 'Usable' reserves are held for contingent or planned purposes and they currently total £1.4bn. This figure is broken down into various elements set out figure 1 below.



General Reserves

General funds are working balance to help cushion the impact of uneven cash flows. They are a contingency to cushion the impact of unexpected events or emergencies. Around 14% of the total is held for these purposes and the remainder is for planned purposes and is earmarked.

Self-insurance

Self–insurance is a used by a number of local authorities to meet potential and contingent liabilities. They are reported as earmarked reserves where these liabilities do not meet the definition of a provision under the requirements of the Code's adoption of IAS 37 *Provisions, Contingent Assets and Liabilities*). These funds account for around 6% of the overall total.

Capital programmes & asset management

Earmarked reserves also includes funds set aside for capital investment and maintenance of assets. The Capital Receipts Reserve is money set aside from sale of property to build and maintain other property. Capital Scheme Requirements is money set aside to build roads, bridges, and schools including 21st Century Schools. Some authorities have a Renewals

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Fund to replace 'depreciating' vehicles and other assets. These account for 30% of overall total of reserves.

Business transformation and workforce planning

Earmarked Reserves are also held for transformation initiatives especially in relation to workforce or service reform where there is an invest-to-save aspect to one-off expenditure. Many local authorities operate their own Invest to Save Funds similar to that operated by the Welsh Government. There may be other funds to facilitate efficiency savings including business transformation schemes. Many transformation initiatives are a response to continuing austerity and this will impact on the workforce. Consequently, many local authorities hold funds for redundancy costs. Workforce planning also includes claims under equal pay which must be financed. These account for around 10% of the total.

Schools & HRA

Some funds are less accessible than others and their use is heavily prescribed. Schools reserves are the unspent balances of delegated school budgets. The Housing Revenue Account is currently ring-fenced which means that it is separate from other local authority income and expenditure streams. These funds account for 11% of overall useable reserves.

Other earmarked reserves

This category of reserves covers all other funds. It accounts for nearly 29% or £408m of the total. From the data returns it wasn't possible to breakdown this any further but we know from additional memorandum items in the returns that there are significant sub-categories. Most prominent among these are PFI equalisation reserves and grants unapplied. PFI funds are held to even out the funding and expenditure profiles of PFI schemes. 'Grants unapplied' (revenue and capital) is an accounting treatment for receipts held in advance of spend. From additional comments we have had back in the data collection we know that both of these funds account for about a third of the total (around £142m).

There are potentially many other funds within this category. Many reported back funds held for arm-length bodies or partnerships such as joint committees. These can be quite significant, in one authority it represented 7.5% of overall reserves. Some authorities reported back service-specific reserves that address temporary demand peaks in high-risk, high-cost services such as special education needs. Others report specific projects such as ICT and waste that are part of service continuation rather than service transformation.

Variation across authorities and movements over time

Figures 2 and 3 below show how general and overall reserves vary by authority relative to gross revenue expenditure. General reserves at March 2014 appear to reflect the range that the WAO reported for 2009, 2010 and 2011. Figure 3 shows that overall reserves show considerable variation and is likely due to capital projects in some authorities.

Figure 4 shows variations in overall reserves evening out by the end of 2015-16 and the level of usable reserves is set to fall by £342m. In times of economic uncertainly, these estimates may potentially be overstated for the reasons CIPFA recognised in England two years ago. A large fall in reserves may be offset by early in-year savings.

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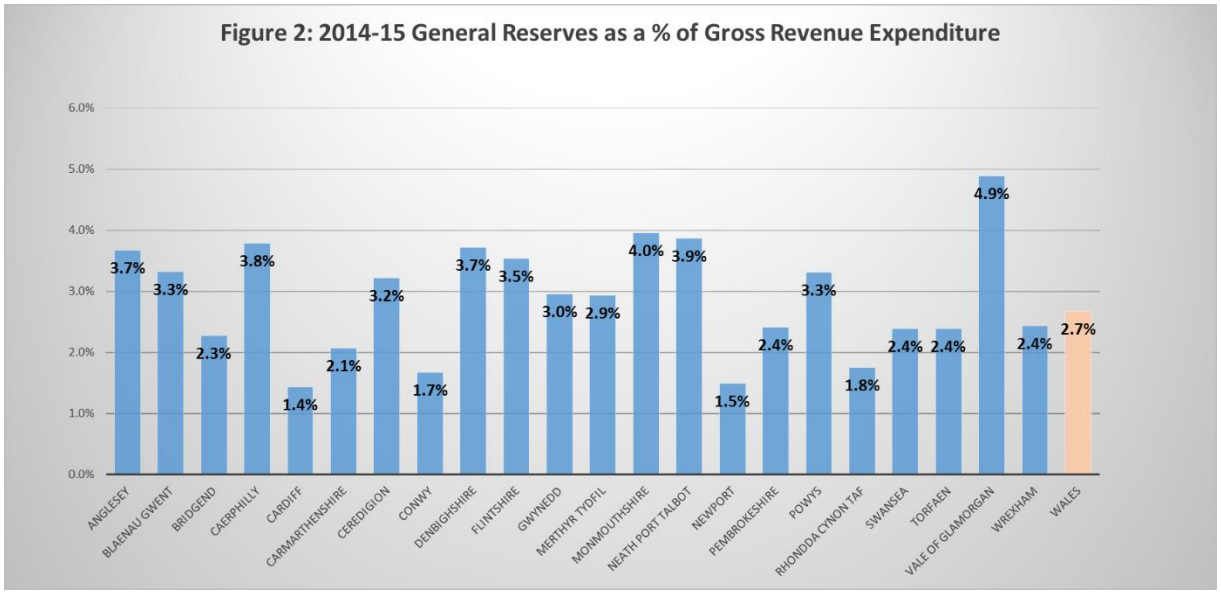

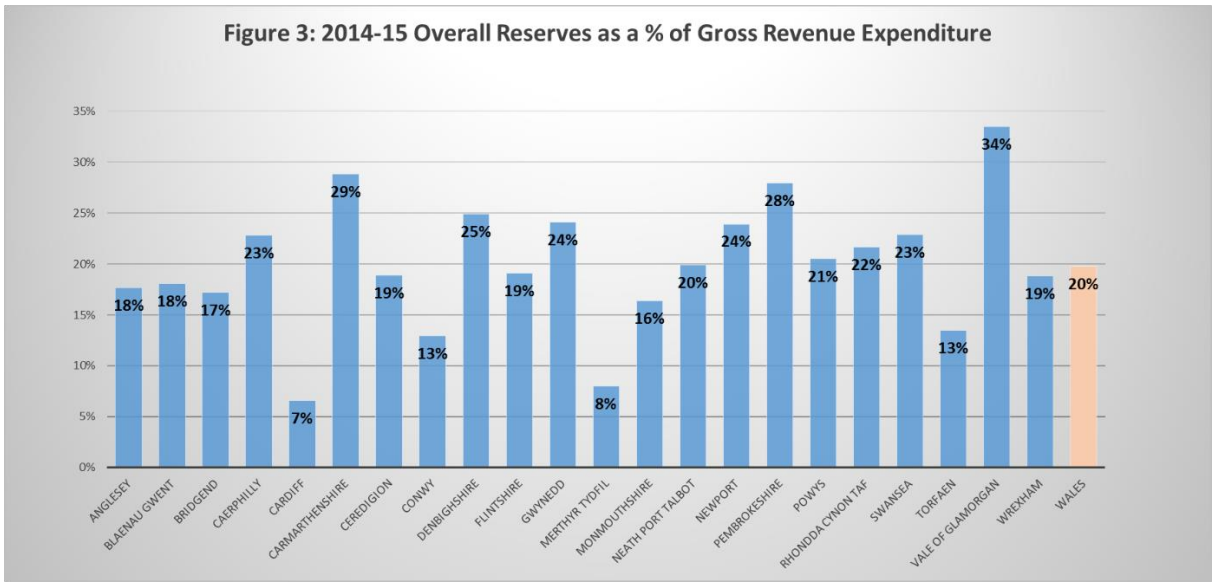

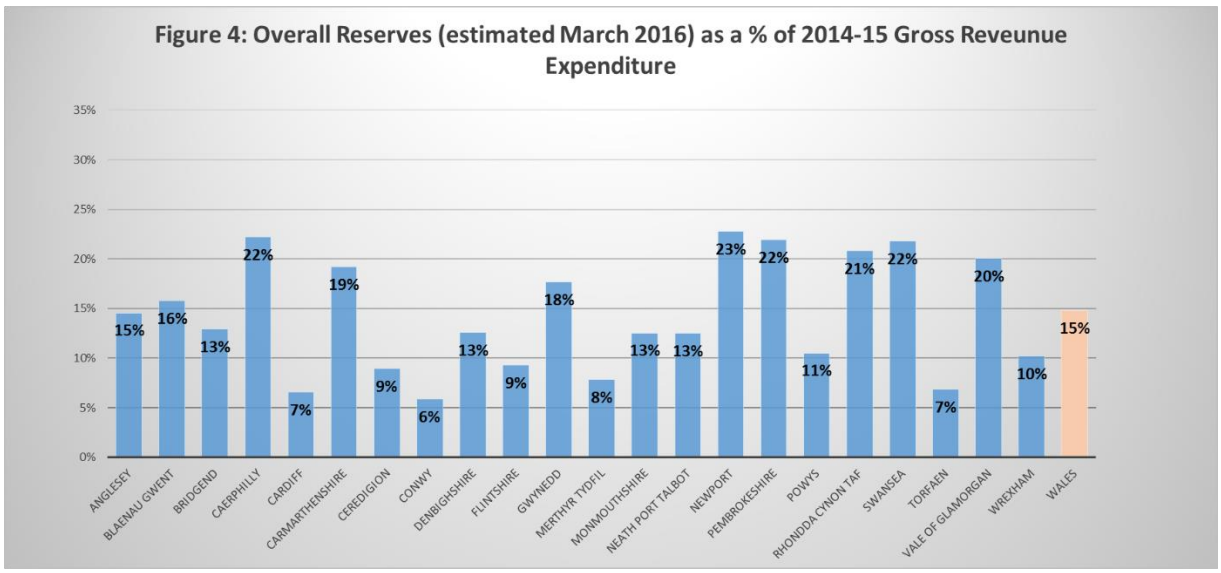

Conclusion

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It is important to emphasise the risks which arise when councils decide to draw down reserves to help fund their budgets. The nature of most council services is that they require recurring funding to meet staff and other running costs year after year.

Reserves are a one-off, finite source of funding. They can cover a shortfall in recurring funding for a specific period but, after reserves are exhausted, the underlying shortfall will still be there. This sentiment is echoed in the words of the former Chief Executive of CIPFA, Steve Freer:

> *"We have to be extremely careful about using one-off reserves to fund shortfalls in recurring funding. Reserves are not a long term solution. At best they buy time to enable service changes to be planned and implemented in an orderly way. In these circumstances it is important that councils explain clearly to the public the actions and implications for services which are expected to follow in the medium and longer term."*

The risks to local authority budgets are increasing. Late notifications and in-year reductions to grant funding are increasingly common. Exposure to demand-led spend through, for example, the Council Tax Reduction Scheme also increases risk as it is not funded as a subsidy.

Ultimately, for local authorities, services will need to be reduced to a level which is affordable within the envelope of recurring funding available.

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THE GENERAL POWER OF COMPETENCE

Purpose

1. To discuss the General Power of Competence.

Background

2. Launching the General Power of Competence in 2010, the then Community's Secretary Eric Pickles MP colourfully argued that councils would be able to do anything short of trying to "saddle up the horses, arm their citizens and invade France." [1] Separating the myth from the reality of what the GPC can achieve is crucial not least since evidence suggests Tthat current use of the power in England is limited. The reality is that GPC is playing more of a role as a catalyst especially allowing authorities to use existing powers contained in various Supply of Goods and Services Acts safe in the knowledge that a more risk based approach to provision can ultimately find a legal justification.

3. This has in turn partly accounted for a "new spirit of entrepreneurialism" in England sitting alongside other transformational programmes. The question therefore is whether the powers impact in England has been radical and if so whether its implementation in Wales will signal a similar shift in mind set and innovation in practice?

Issues

4. The General Power of Competence (GPC) is set out in Chapter 1, sections 1 to 6 of the Localism Act. The Government's declared aim is to give local authorities' in England the legal reassurance and confidence to innovate, drive down costs and deliver more efficient services. The GPC gives local authorities the power to do anything that an individual could lawfully do, anywhere, with or without charge, for any purpose, anywhere in the UK or elsewhere. However, the bill also specifies some boundaries to the power which may be imposed by statute, statutory instrument or by an order made by the Secretary of State. Such an order may apply to some or all local authorities and would have to be consulted on before being laid before Parliament. Charging for statutory services and making a profit on charged for services will not be within the GPC and such commercial services will only be able to be provided through a company. In theory the GPC replaces the common law 'ultra vires' rule under

[1] The irony that the power was contained in the Localism Act that actually kept over 140 powers back for the Secretary of State to intervene in local authorities should not however lead to a dismissal of its importance.

which local authorities can only do those things which legislation allows.

5. Although GPC is still relatively new, the Local Government Association (LGA) has said that it has given LAs the confidence to work in new ways and develop new services and partnerships. Equally, councils recognise the constraints on the use of GPC in practice, including:

   - the requirement of a company structure (precluding the use of community interest companies);
   - limitations on charges (discretionary services only, and no surplus permitted); and
   - the time taken to check for pre- and post commencement limitations (whereby a specific power may be identified anyway).

6. A survey by the magazine Local Government Lawyer and Freeth Cartwright (December 2013) found only 6% of councils said GPC had made 'a significant positive difference'. 45% said it made a 'slight' positive difference, and the remaining 49% said it made no difference. A series of case studies are set out in **Appendix A**.

7. Local authorities are able to rely upon the new general power in respect of charging and trading but certain conditions must be met. Local authorities can charge up to full cost recovery for discretionary services - that is those that they are not required to provide to a person, where that person has agreed to the services being provided. Like Section 93 of the Local Government Act 2003 there is a duty, within the Localism Act, to secure that "taking one financial year with another, the income from charges…..does not exceed the cost of provision", i.e. limited to cost recovery.

8. A substantial difference between the previous provisions under the Local Government Act 2003 and the new general power is that whilst section 93 of the 2003 Act only gives a power to charge 'where there is an existing power to provide a service' Section 3 of the Localism Act is not subject to that restriction – because councils can rely upon the general power of competence. The use of charging in this context is subject to certain provisions which are that:

   a. the service is not one which the authority is required to provide by statute;
   b. the person has agreed to its provision; and
   c. (if section 3(2)) and section 93 of the Local Government Act 2003 - "the 2003 Act" – are left out of account), the authority would not otherwise have a power to charge for the service.

Conclusion

9. Experience in England suggests that the use of the power of General Competence remains limited not least because the boundaries of that

legislation are yet to be tested by case law. Whilst it is anticipated that the new general power will reduce the number of challenges and judicial reviews (reducing the effect of the uncertainties created by the LAML judgment) the situation remains unclear in key areas (for those with an appetite for the complexities of this judgement and the application of Teckal the following link provides a useful summary). http://publicsectorblog.practicallaw.com/teckal-in-the-uk-following-the-laml-decision/

10. As a result, discussions with Monitoring Officers in Wales suggest some nervousness about initial reliance upon the new general power.

11. Mo Baines who leads on the GPC for APSE has argued further that "*the power must be seen to be in line with ordinary principles of public law. The doctrine of 'ultra vires' remains and local authorities still have a fiduciary duty to local taxpayers not to act in an irresponsible or risky way and therefore, how the new general power is exercised, will be potentially subject to challenge through judicial review. As with previous restrictions on commercial trading through a company APSE would point out that the formation of a company for these specific purposes can be time consuming and cumbersome to set up. Companies should only be considered after a full market assessment, taxation and market analysis. However local authorities could put to great effect better use of charging powers to realize additional income (in a sensible and sensitive way) for example through selling services to the public or private sector to help balance budgets, improve productivity and maximize the use of assets and human resources. The new general power should help to alleviate, for English local authorities, any previous uncertainties about the powers to charge for certain non-statutory services".*

12. The fact is that in some English authorities the GPC does seem to be playing the role of a 'comfort blanket' for those authorities that have otherwise been very cautious in their approach to innovative solutions, to take forward service transformation plans with charging as part of that service improvement strategy. The issue in Wales is to frame legislation is to learn from the English experience and put in place a legislative approach around the GPC which is more empowering and less subject to legal dispute.

13. The other issue is not to see the GPC as a "silver bullet". Case law remains unclear and as Tim Kerr QC has argued -

14. *"The usual public law constraints (rationality, relevant considerations, procedural fairness, disregard of irrelevant considerations) will be applied by the courts to exercise of the power of general competence, even though an "individual" in the private sphere is not subject to them. An individual may justify a decision not by appealing to reason but by reference to "the power of intuition, the supra-logic that cuts out all routine processes of thought and leaps straight from problem to answer".*

15. *Local authorities exercising the new general power would **not** be well advised to emulate such behaviour, nor to rely on intuition when defending any judicial review challenges. The familiar public law constraints are now so firmly embedded in the law that express words would be needed to exclude them and the equation with an "individual" is not itself sufficient to do so: an individual is not invested with heavy statutory responsibilities including stewardship of public funds".*

16. Bearing in mind these caveats it is vital that Welsh councils are given renewed confidence in their powers to continue this work to improve efficiency, for example through joint arrangements, in particular to provide back office and support services which may be defined as 'incidental' in law to their primary functions. Challenges such as climate change and energy security, changes in the make-up of the population, economic change, and technological developments, make it vital councils can take reasonable risks, and provide new services.

17. There is a welcome commitment by Welsh Government in the LG Mergers and Reform Bill to legislate to create a power of general competence for local government. It is anticipated that this would contribute to councils' confidence in their powers to tackle in new ways the challenges their communities face. It is important therefore to gain a full understanding of the limitations but also the considerable possibilities inherent in this approach.

Recommendations

18. Members are asked to:

a. Consider a national training event on using the General Power of Competence, jointly with the Welsh Government;

b. Consider what further steps might be needed to support its use across the Welsh Government and continue to lobby for limited reserve powers in its legislative roll-out.

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WLGA Chief Executive
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Appendix A

CASE STUDIES

Newark and Sherwood – Small Business Fund

Newark and Sherwood council chief executive Andrew Muter has argued that the "general power of competence provides a new stimulus to be innovative".

In his council it had become clear that small businesses were struggling to access finance for future growth. In response the council set up a £2m fund to address the problem.

The fund is managed by local people with business and financial experience who take individual lending decisions. Councillors set the lending policies and monitor the fund's performance. Since March, the fund has made three loans with more to come.

Essex County Council - Essex Cares.

Essex was the first local authority to set up a traded service focusing on social care. 850 staff moved across from the council to the new organisation, which was set up as an independent company owned by its shareholders. It offers support in the home and the community. It made a profit of £3-3.5 million last year, which was reinvested in the service and has reduced the cost of services for self-funders. It has been very successful from an organisational perspective: absenteeism is down, the turnover of staff has slowed and user satisfaction is now at 99 per cent

Breckland and South Holland – Charging for Services

Breckland has recently used the GPC (in conjunction with other legislation such as the Local Government Act 2003) to provide the legal justification for a scheme to charge for the provision of new and replacement wheeled bins. Both councils see scope for further use of the power. Breckland and South Holland District Councils have a shared management team and see increasing scope to apply the GPC. Breckland's policy to charge for the provision of new and replacement wheeled bins is intended to both help recover the costs of the service and to promote further re-cycling. They needed to design the scheme so that the council retained ownership of the bins to best manage the waste management stream whilst still securing users agreement to a discretionary service. Both councils have participated in energy switching schemes. There will be increasing scope to apply the GPC as the councils develop radical transformation plans in response to the challenging financial environment and both will continue to foster the entrepreneurial approach from members and officers that this will require.

Sevenoaks District Council - Swanley petrol station and convenience store

The council has been pouring millions of pounds into investment properties in a programme to secure self-sufficiency as RSG ends. Their latest purchase is the second major investment in Swanley.

The property, a garage and convenience store situated on the High Street, was bought for £2.45 million today and is expected to pay for itself within ten years, the council says.

The property is currently let to the Co-Operative Group on a 15 year lease.

The council claim the property will create a steady income, which they will reinvest into council services. Council leader Peter Fleming said the site was in a key position on the town's high street and the council obtained an independent valuation on the property before buying it.

"This opportunity presented as an excellent investment in our bid for self-sufficiency, with a guaranteed long term tenant. The Co-Operative group turned over £9.4 billion last year with a like for like sales growth in their convenience store business of 3.2%."

Mark Drakeford AC/AM
Ysgrifennydd y Cabinet dros Gyllid
Cabinet Secretary for Finance

Llywodraeth Cymru
Welsh Government

Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau
Equality, Local Government and Communities Committee
ELGC(5)-34-17 Papur 2 / Paper 2
Ein cyf/Our ref

Simon Thomas AC
Cadeirydd
Y Pwyllgor Cyllid
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
Caerdydd
CF99 1NA

21 Tachwedd 2017

Annwyl Simon

Cyn sesiwn graffu ar y Gyllideb yr wythnos hon yn y Pwyllgor Cyllid, roeddwn am amlinellu fy mwriad i ailstrwythuro Cyllideb ddrafft 2018-19 i gyd-fynd â'r portffolios Gweinidogol newydd ar ôl ad-drefnu'r Cabinet.

Roedd cynigion y Gyllideb ddrafft amlinellol a gyhoeddwyd ar 3 Hydref, a chynigion y Gyllideb fanwl a gyhoeddwyd ar 24 Hydref, yn adlewyrchu portffolios Gweinidogol Llywodraeth Cymru ar y pryd.

Er mwyn bod yn gwbl glir ynghylch Cyllideb Llywodraeth Cymru a'n cynlluniau gwariant, fy mwriad yw ailddatgan tablau Llinell Wariant yn y Gyllideb y Prif Grŵp Gwariant (MEG) a gyhoeddwyd yn rhan o'r cynigion gwariant manwl ar 24 Hydref, i gyd-fynd â strwythurau newydd y portffolios.

Newid gweinyddol yn unig fydd hyn i reoleiddio'r newidiadau i'r strwythurau newydd a'r portffolios Gweinidogol. Wrth ailddatgan tablau'r gyllideb, byddwn yn cysoni'r tablau a gyhoeddwyd ym mis Hydref i gyd-fynd â'r strwythurau newydd. Wrth wneud hyn, byddwn hefyd yn ailddatgan sefyllfa Cyllideb 2017-18 i gefnogi'r gwaith o graffu ar yr Ail Gyllideb Atodol yn ddiweddarach yn y flwyddyn ariannol hon.

Mae tablau diwygiedig Llinell Wariant yn y Gyllideb y Prif Grŵp Gwariant yn cael eu hadolygu ar hyn o bryd gan Ysgrifenyddion y Cabinet a'r Gweinidogion. Byddaf yn cyhoeddi'r tablau cyn y drafodaeth ar y Gyllideb ddrafft ar 5 Rhagfyr.

Bae Caerdydd • Cardiff Bay
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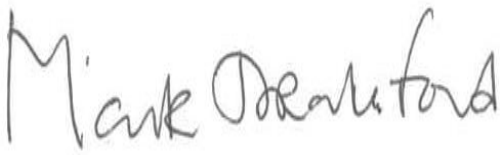
Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Rwyf yn anfon copi o'r llythyr hwn at Gadeiryddion y pwyllgorau polisi.



Mark Drakeford AC/AM
Ysgrifennydd y Cabinet dros Gyllid
Cabinet Secretary for Finance

Alun Davies AC, Ysgrifennydd y Cabinet dros
Lywodraeth Leol a Gwasanaethau Cyhoeddus;
Julie James AC, Arweinydd y Tŷ a'r Prif Chwip;
Rebecca Evans AC, y Gweinidog Tai ac Adfywio

Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau
Equality, Local Government and Communities Committee
ELGC(5)-34-17 Papur 3 / Paper 3

16 Tachwedd 2017

Annwyl Alun, Julie, Rebecca

Craffu ar gyllideb ddrafft Llywodraeth Cymru ar gyfer 2018-19

Diolch am ddod i gyfarfod y Pwyllgor ar 15 Tachwedd i roi tystiolaeth ar y gyllideb ddrafft. Yn dilyn y cyfarfod, rwy'n ysgrifennu atoch ar y materion na wnaethom eu cyrraedd yn ystod y sesiwn, i lywio ein gwaith craffu ar y gyllideb ddrafft.

Er mwyn arbed amser, rwy'n ysgrifennu un llythyr yn cynnwys yr holl gwestiynau na chawsom gyfle i'w gofyn. Byddwn yn ddiolchgar pe gallwch anfon un ateb wedi'i gydlynu.

Prif Grŵp Gwariant (MEG) Llywodraeth Leol

Arolygiaethau:

- A allech chi egluro eich penderfyniad i leihau'r dyraniad ar gyfer y tair arolygiaeth (AGGCC, AGIC ac Estyn) o fewn y MEG 2.3 y cant mewn termau arian parod yn 2018-19 a 5.4 y cant yn 2019-20?

Grantiau penodol:

- Pa ystyriaeth y gwnaethoch ei rhoi i drosglwyddo grantiau eraill sy'n eistedd y tu allan i'r RSG ar hyn o bryd?

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- A ydych chi'n ystyried dyrannu grantiau yn y RSG yn y dyfodol ar y lefel a welwyd eleni? [Mae gwerth £91.7 miliwn o grantiau wedi'u cynnwys yn y RSG ar gyfer 2018-19]

Treth Gyngor a Chynllun Lleihau Treth Gyngor (CTRS)

- A allwch chi gadarnhau y bydd cyllid ar gyfer y CTRS yn cael ei gynnal ar y lefel bresennol ar gyfer 2019-20?

Cronfeydd Wrth Gefn Llywodraeth Leol

- Beth yw eich barn am bryderon CLlLC fod y costau y gellir eu priodoli i'r gweithlu yn debygol o arwain at doriadau pellach i wasanaethau rheng flaen? [Yn ei phapur, mae CLlLC yn tynnu sylw at gostau gweithlu fel pwysau cost allweddol. Mae'n cyfeirio at y costau anorfod y gellir eu priodoli i'r gweithlu ac yn nodi y bydd y rhain, os y cânt eu gweithredu, yn arwain at doriadau anochel i wasanaethau rheng flaen.]

MEG Cymunedau

Cynhwysiant ariannol a gwasanaethau cynghori

- Sut mae'r Cynllun Cyflawni Cynhwysiant Ariannol a'r Cynllun Gweithredu Gwybodaeth a Chyngor wedi dylanwadu ar y dyraniadau cyllideb drafft?

- Faint o arian ychwanegol sydd wedi'i ddyrannu i'r Rhaglen Hawliau Lloches i fynd i'r afael â'r materion a nodwyd yn ymchwiliad y Pwyllgor mewn cysylltiad â gwelliannau i gyngor cyfreithiol, sgrinio iechyd a chymorth iechyd meddwl?

- Pryd mae disgwyl i'r darpariaethau ddod i rym sydd ym Mesur Hawliadau ac Arweiniad Ariannol Llywodraeth y DU yn ymwneud â datganoli cyllid ar gyfer cyngor am ddyledion?

Y trydydd sector:

- Mae ‘Ffyniant i Bawb’ yn cynnwys ymrwymiad i greu perthynas gynaliadwy gyda'r sector gwirfoddol yn seiliedig ar y model ariannu cywir – beth mae hynny'n ei olygu a sut caiff ei adlewyrchu yn eich dyraniadau?

Rhaglen Cyfleusterau Cymunedol

- Sut byddwch yn sicrhau bod y buddsoddiad ychwanegol yn y Rhaglen Cyfleusterau Cymunedol yn darparu gwerth am arian?

Diogelwch cymunedol

- Beth oedd amcangyfrif cost Deddf Trais yn erbyn Menywod, Cam-drin Domestig a Thrais Rhywiol (Cymru) 2015 i Lywodraeth Cymru pan gafodd ei phasio yn 2015, a faint mae wedi costio mewn gwirionedd bob blwyddyn, a pham bod unrhyw wahaniaethau?
- Beth yw eich barn ar Adolygiad Charlie Taylor o'r System Cyfiawnder Ieuenctid yng Nghymru a Lloegr, yn enwedig yr argymhelliad i gyflwyno arian ar gyfer gwasanaethau cyfiawnder ieuenctid i gyllid llywodraeth leol?

Cefnogi Pobl

- Pa gynnydd a wnaed i sicrhau bod arian ar gyfer Cefnogi Pobl yn cael ei ddosbarthu ar sail angen, a pha effaith y bydd uno grantiau yn ei chael ar hyn?

Cyflenwad a safonau tai

- Pa werthusiad a wnaed o'r Grant Cyllid Tai o ran eu gwerth am arian?

Deddfwriaeth

- O ystyried y ffaith y bydd mwy na miliwn o bobl yn cael eu heffeithio gan weithrediad Deddf Rhentu Cartrefi (Cymru) 2016, sut aseswyd y costau sy'n ofynnol i gyfathrebu'r newidiadau i'r partïon a effeithir?

Byddem yn gwerthfawrogi pe gallech ateb erbyn diwedydd y dydd, ddydd Iau 23 Tachwedd.

Yn gywir

John Griffiths AC
Cadeirydd

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Alun Davies AC/AM
Ysgrifennydd y Cabinet dros Lywodraeth Leol a Gwasanaethau Cyhoeddus
Cabinet Secretary for Local Government and Public Services

Julie James AC/AM
Arweinydd y Tŷ a'r Prif Chwip
Leader of the House and Chief Whip

Rebecca Evans AC/AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration

Llywodraeth Cymru
Welsh Government

John Griffiths AC
Cadeirydd
Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau

SeneddCommunities@assembly.wales

23 Tachwedd 2017

Annwyl John

Mewn ymateb i'ch llythyr dyddiedig 16 Tachwedd 2017, mae'n bleser gennym ddarparu'r wybodaeth ychwanegol y gwnaethoch ofyn amdani ar ôl inni fynychu cyfarfod y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau ar 15 Tachwedd 2017.

PRIF GRŴP GWARIANT (MEG) LLYWODRAETH LEOL

Arolygiaethau

A allech chi egluro eich penderfyniad i leihau'r dyraniad ar gyfer y tair arolygiaeth (AGGCC, AGIC ac Estyn) o fewn y MEG 2.3 y cant mewn termau arian parod yn 2018-19 a 5.4 y cant yn 2019-20?

Mae'r gostyngiadau ar gyfer y tair arolygiaeth yn gyson â'r gostyngiad yng nghostau rhedeg Llywodraeth Cymru. Mae'n bwysig ei gwneud yn ofynnol i'r cyrff hyn gyflawni'r un faint o arbedion effeithlonrwydd â rhannau eraill o Lywodraeth Cymru. Nid yw hyn yn tanseilio rolau pwysig y cyrff hyn.

Mae'r arolygiaethau eisoes yn cymryd camau i sicrhau arbedion ac i dargedu eu hadnoddau yn fwy effeithiol. Bydd hyn yn lleihau effaith y gostyngiadau i'r gyllideb ac yn sicrhau bod y gwasanaethau arolygu hyn yn parhau i ddatblygu'r sicrwydd angenrheidiol y rhoddir blaenoriaeth lwyr i ddiogelwch y bobl sy'n defnyddio ein gwasanaethau.

Grantiau penodol

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CF99 1NA

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Pa ystyriaeth y gwnaethoch ei rhoi i drosglwyddo grantiau eraill sy'n eistedd y tu allan i'r RSG ar hyn o bryd?

Byddaf yn annog fy nghydweithwyr yn y Cabinet i barhau i adolygu'r grantiau yn eu portffolios eu hunain. Fel Cabinet, yr ydym yn cytuno y dylid rheoli'r cyllid sydd ar gael mewn ffordd mor effeithlon â phosibl er mwyn lleihau'r costau gweinyddol a sicrhau bod cymaint â phosibl o'r cyllid yn cyrraedd gwasanaethau rheng flaen. Mae hyn yn cynnwys edrych ar y cyfleoedd i uno neu symleiddio'r grantiau perthnasol yn ogystal ag ystyried yr opsiwn i'w trosglwyddo i RSG.

O ran Cyllideb Ddrafft 2018-19, edrychodd Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol ar y pryd ar yr holl grantiau penodol ar draws pob portffolio Gweinidogol, gyda'r bwriad o geisio trosglwyddo cymaint o'r rhain â phosibl i'r setliad, fel y bo'n briodol, er mwyn rhyddhau'r cyllid sy'n cael ei ddefnyddio yn awr i weinyddu'r grantiau a chynyddu'r hyblygrwydd i awdurdodau lleol ar draws y ffrydiau ariannu.

Cyfeiriodd CLlLC yn ei thystiolaeth at amcangyfrif Swyddfa Archwilio Cymru o'r posibilrwydd y gellir arbed hyd at 10% o gostau gweinyddol drwy ddadneilltuo cyllid.

Yn ogystal â'r cyllid sy'n cael ei drosglwyddo i'r setliad, mae meysydd polisi hefyd yn cyfuno grantiau presennol gyda'r bwriad o leihau costau gweinyddol a darparu mwy o hyblygrwydd.

Ydych chi'n ystyried dyrannu grantiau yn y RSG yn y dyfodol ar y lefel a welwyd eleni? [Mae gwerth £91.7 miliwn o grantiau wedi'u cynnwys yn y RSG ar gyfer 2018-19]

Mae Llywodraeth Leol wedi gofyn yn gyson i grantiau penodol gael eu dadneilltuo ac, yn unol â'r trywydd a ddilynwyd gan Weinidogion blaenorol, byddaf yn gweithio gyda fy nghydweithwyr yn y Cabinet i drosglwyddo cyllid pellach i'r setliad yn y dyfodol. Bydd hyn yn cynnwys edrych yn fanwl ar y cyllid sy'n cael ei ddarparu ar hyn o bryd drwy grantiau penodol ac asesu'r dull cyflenwi mwyaf priodol er mwyn cyflawni'r canlyniadau a ddymunir.

Treth Gyngor a Chynllun Lleihau Treth Gyngor (CTRS)

A allwch chi gadarnhau y bydd cyllid ar gyfer y CTRS yn cael ei gynnal ar y lefel bresennol ar gyfer 2019-20?

Cyhoeddodd Ysgrifennydd y Cabinet dros Gyllid y cynlluniau i greu cynllun i leihau'r dreth gyngor ar 9 Hydref. Rydym yn bwriadu parhau â'r hawliadau llawn i gymorth ar gyfer aelwydydd cymwys yn ystod 2018-19. Nid oes unrhyw fwriad i leihau'r cymorth ar gyfer aelwydydd incwm isel. Byddwn yn edrych ar yr opsiynau ar gyfer y cynllun yn y tymor hwy, fel rhan o'r gwaith o gyflawni ein hymrwymiad i wneud y dreth gyngor yn decach.

Cronfeydd Wrth Gefn Llywodraeth Leol

Beth yw eich barn am bryderon CLlLC fod y costau y gellir eu priodoli i'r gweithlu yn debygol o arwain at doriadau pellach i wasanaethau rheng flaen? [Yn ei phapur, mae CLlLC yn tynnu sylw at gostau gweithlu fel pwysau cost allweddol. Mae'n cyfeirio at y

costau anorfod y gellir eu priodoli i'r gweithlu ac yn nodi y bydd y rhain, os cânt eu gweithredu, yn arwain at doriadau anochel i wasanaethau rheng flaen.]

Mae polisi Llywodraeth y DU ar gyflogau'r sector cyhoeddus wedi creu problemau gwirioneddol a sylweddol i staff llywodraeth leol a'u teuluoedd. Mae gan Lywodraethau ar draws y DU gyfrifoldeb i drin gweision cyhoeddus yn deg ac yn gyfartal. Mae'n rhaid i hyn gael ei ariannu gan Lywodraeth y DU.

Blaenoriaeth Llywodraeth Cymru yw parhau i ddiogelu'r gwasanaethau cyhoeddus rhag effeithiau gwaethaf cyni. Mae hyn yn cynnwys gweithio gyda llywodraeth leol i ddiogelu gwasanaethau rheng flaen hollbwysig, gan gynnwys ysgolion a gofal cymdeithasol. Fodd bynnag, mae diwygio yn hollbwysig os ydym am sicrhau bod awdurdodau lleol yn gydnerth yn ariannol ac yn gallu cynnal a gwella ansawdd eu gwasanaethau er mwyn cyflawni anghenion dinasyddion Cymru yn y dyfodol. Nid mater o arian yn unig yw hyn, mae hefyd yn golygu ffordd newydd o weithio. Rydym eisiau datblygu cydnerthedd a chefnogi'r broses o adnewyddu llywodraeth leol er mwyn sicrhau ei bod yn gynrychioliadol, yn effeithlon ac yn effeithiol, yn ddarbodus, yn gydnerth ac yn integredig.

CYMUNEDAU

Cynhwysiant ariannol a gwasanaethau cynghori

Sut mae'r Cynllun Cyflawni Cynhwysiant Ariannol a'r Cynllun Gweithredu Gwybodaeth a Chyngor wedi dylanwadu ar y dyraniadau cyllideb drafft?

Mae'r camau sydd wedi'u hamlinellu yn y Cynllun Cyflawni Cynhwysiant Ariannol a'r Cynllun Gweithredu Gwybodaeth a Chyngor (a gyhoeddwyd yn Rhagfyr 2016) yn canolbwyntio ar fynd i'r afael ag allgau ariannol a sicrhau gwasanaethau cyngor cryf sydd wedi'u hintegreiddio'n dda. Mae'r ddau gynllun wedi dylanwadu'n fawr ar ddyraniadau'r gyllideb ddrafft.

Mae Cynhwysiant Ariannol yn hollbwysig er mwyn gwella llesiant pobl sy'n byw yng Nghymru drwy, er enghraifft, roi mynediad iddynt i gyllid fforddiadwy a mynediad i wasanaethau gwybodaeth a chyngor dibynadwy ac annibynnol. Mae'r rhain yn hollbwysig er mwyn rhoi cyfle teg i bawb yng Nghymru mewn bywyd, drwy eu helpu i ddeall ac arfer eu hawliau a gwneud dewisiadau gwybodus.

Gwyddom gan Gyngor ar Bopeth ac eraill y bydd gweithredu gwasanaeth llawn y Credyd Cynhwysol yn cyflwyno heriau pellach i'n bobl sydd fwyaf agored i niwed. Efallai y bydd llawer o bobl yn canfod eu bod yn wynebu argyfwng, felly mae £1 filiwn ychwanegol wedi'i chynnwys yn y gyllideb y flwyddyn nesaf er mwyn sicrhau y gallwn barhau i gefnogi'r rhai sydd angen y cymorth hwn fwyaf.

Yn Atodiad 2 mae copi o'r llythyr a anfonwyd gan y Gweinidog Tai ac Adfywio at yr Ysgrifennydd Gwladol dros Waith a Phensiynau ar 7 Tachwedd am y Credyd Cynhwysol.

Faint o arian ychwanegol sydd wedi'i ddyrannu i'r Rhaglen Hawliau Lloches i fynd i'r afael â'r materion a nodwyd yn ymchwiliad y Pwyllgor mewn cysylltiad â gwelliannau i gyngor cyfreithiol, sgrinio iechyd a chymorth iechyd meddwl?

Mae'r Rhaglen Hawliau Lloches yn cael ei hariannu drwy Raglen Cydraddoldeb a Chynhwysiant 2017-20 Llywodraeth Cymru. Mae'r rhaglen hon yn cael ei chyflawni gan gonsortiwm sy'n cael ei arwain gan Gyngor Ffoaduriaid Cymru ac sy'n cynnwys Tros Gynnal Plant, EYST, Bawso, Asylum Justice, City of Sanctuary ac Alltudion ar Waith. Dechreuodd y gwasanaeth newydd ar 1 Ebrill 2017 am gyfnod o 3 blynedd ac mae ganddo werth dangosol o £1.065 miliwn.

Mae'r ffigur hwn yn gynnydd o £225,000 dros dair blynedd ar y swm a oedd wedi'i ddyrannu'n wreiddiol ar gyfer y rhaglen hon. Cytunwyd ar y cynnydd hwn gyda chyn Ysgrifennydd y Cabinet dros Gymunedau a Phlant yn 2016, yn dilyn ymgysylltu â rhanddeiliaid. Nid yw'r gyllideb ar gyfer y Rhaglen Hawliau Lloches wedi'i chynyddu ymhellach ar ôl cyhoeddi adroddiad y Pwyllgor. Fodd bynnag, mae'r rhaglen yn cael ei haddasu yn awr yng ngoleuni'r adroddiad hwnnw, er mwyn gwneud yn siŵr bod adnoddau'n cael eu targedu cymaint â phosibl er mwyn mynd i'r afael â'r materion a nodwyd gan y Pwyllgor, os mai'r Rhaglen Hawliau Lloches yw'r dull gorau o wneud hynny, ochr yn ochr â darpariaeth arall.

Mae rhaglen Cymru gyfan yn cwmpasu pob ceisiwr lloches a ffoadur yng Nghymru, yn ogystal â'r rhai yn y pedair ardal wasgaru (Caerdydd, Wrecsam, Casnewydd ac Abertawe). Mae'r Rhaglen Hawliau Lloches yn canolbwyntio ar gymorth ymarferol, gan gynnwys cyngor ar geisiadau am loches, helpu pobl i osgoi amddifadrwydd, mynediad i wasanaethau gofal iechyd a chwnsela, ac annog integreiddio. Mae'r dull cydgysylltiedig hwn yn helpu i wneud y gorau o gyfraniad sylweddol sefydliadau cymunedol wrth gynorthwyo ffoaduriaid a cheiswyr lloches.

Mae Llywodraeth Cymru yn gweithio gyda rhanddeiliaid gan gynnwys llywodraeth leol, gwasanaethau iechyd a Chlymblaid Ffoaduriaid Cymru i ddatblygu cynllun cyflawni newydd i ffoaduriaid a cheiswyr lloches, gan gyfeirio at adroddiad y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau, "I used to be someone." Fel rhan o'r gwaith hwnnw, mae swyddogion yn adolygu beth arall y gellir ei wneud i gefnogi ffoaduriaid a cheiswyr lloches.

Rydym yn cydnabod yr angen am gymorth ar gyfer iechyd corfforol a meddyliol ond nid y Rhaglen Hawliau Lloches yw'r dull mwyaf priodol o ddarparu hyn. Byddwn yn gweithio gyda Phractis Mynediad at Iechyd Caerdydd (CHAP), Llywodraeth y DU a'r darparwr llety lloches i sicrhau bod ceiswyr lloches yn derbyn negeseuon priodol yn eu hatgoffa am apwyntiadau iechyd.

Mae Llywodraeth Cymru wedi cyhoeddi llwybr gofal iechyd meddwl yn ddiweddar drwy Gylchlythyr Iechyd Cymru (2007) 009. Rydym wedi sicrhau bod £40,000 ar gael yn ddiweddar i gefnogi byrddau iechyd lleol i hyfforddi clinigwyr iechyd meddwl plant a'r glasoed ac oedolion ar gyfer trin plant ac oedolion sy'n ffoaduriaid a cheiswyr lloches sy'n dioddef o anhwylder straen wedi trawma, ac maent wedi cyhoeddi llwybr gofal iechyd meddwl er mwyn cefnogi diagnosis a thriniaeth fwy effeithlon ac effeithiol.

Mae Llywodraeth y DU wedi datgan yn ddiweddar ei bod yn dymuno buddsoddi mewn hyfforddiant ar y materion hyn ar gyfer staff rheng flaen mewn awdurdodau lleol, a cheisio datblygu dull gweithredu cyson ar draws y DU. Rydym yn cynnal trafodaethau gyda'r Swyddfa Gartref, Partneriaeth Ymfudo Strategol Cymru a Chymdeithas Llywodraeth Leol Cymru, o ran beth fyddai'n briodol i Gymru.

Pryd mae disgwyl i'r darpariaethau ddod i rym sydd ym Mesur Hawliadau ac Arweiniad Ariannol Llywodraeth y DU yn ymwneud â datganoli cyllid ar gyfer cyngor am ddyledion?

Disgwylir i'r cyllid wedi'i ddatganoli ar gyfer cyngor ar ddyledion ddod i rym o fis Ebrill 2019 ymlaen, ond mae'n bosibl y gallai gael ei gyflwyno'n gynharach, ar ddiwedd 2018 a dechrau 2019. Mae fy swyddogion yn parhau i weithio'n agos gyda Thrysorlys Ei Mawrhydi a swyddogion yr Adran Gwaith a Phensiynau ar hyn. Rydym wedi pwysleisio'r angen i gael ein cynnwys mewn Grwpiau Pontio cyn sefydlu'r Corff Arweiniad Ariannol Unigol.

Y trydydd sector

Mae 'Ffyniant i Bawb' yn cynnwys ymrwymiad i greu perthynas gynaliadwy gyda'r sector gwirfoddol yn seiliedig ar y model ariannu cywir - beth mae hynny'n ei olygu a sut caiff ei adlewyrchu yn eich dyraniadau?

Mae Ffyniant i Bawb yn cyfeirio at yr angen i ystyried yn ofalus pa fodel ariannu sy'n gweddu orau i ganlyniadau effeithiol, gan fod yn sensitif ar yr un pryd i'r heriau sy'n wynebu nifer o sefydliadau'r sector gwirfoddol. Mae cyllid tymor byr, rhybudd annigonol am barhad cyllid neu gyllid sy'n dod i ben yn broblemau sy'n gallu cael effaith negyddol ar gynaliadwyedd sefydliadau'r trydydd sector. Gall caffael gan y gwasanaethau cyhoeddus yn hytrach na chyllid grant hefyd gael effaith ar sefydliadau llai yn y trydydd sector.

Bydd y model ariannu cywir yn amrywio yn ôl y canlyniad a ddymunir ac mae'n bwysig bod cyllidwyr yn ystyried hyn yn ofalus. Mae'r Cod Ymarfer ar gyfer Ariannu'r Trydydd Sector yn cynnwys adrannau sy'n hyrwyddo ystyriaeth ofalus o'r model cywir.

Mae'r cyllid ar gyfer Cyngor Partneriaeth y Trydydd Sector wedi'i gynnwys yn y gyllideb ar gyfer cymorth gwirfoddoli a chymorth i'r sector gwirfoddol a byddwn yn gweithio gyda'r Cyngor a Chyngor Gweithredu Gwirfoddol Cymru i nodi'r materion cynaliadwyedd sy'n gysylltiedig ag ariannu'r trydydd sector.

Nid Llywodraeth Cymru yw'r unig rai sy'n ariannu sefydliadau'r trydydd sector ac mewn cydweithrediad â gwaith y Cyngor Partneriaeth, mae fy swyddogion yn gweithio gyda rhanddeiliaid i baratoi canllawiau ar y Compactau lleol rhwng awdurdodau lleol a sefydliadau'r trydydd sector, a fydd yn cefnogi cyllido cynaliadwy.

Rhaglen Cyfleusterau Cymunedol

Sut byddwch yn sicrhau bod y buddsoddiad ychwanegol yn y Rhaglen Cyfleusterau Cymunedol yn darparu gwerth am arian?

Fel rhan o'r broses asesu, gofynnir i ymgeiswyr ddangos tystiolaeth o'r costau amcangyfrifedig, a darparu tri dyfynbris busnes, gydag esboniad o'r rhesymau am eu dewis cyntaf. Rydym hefyd yn gofyn iddynt ddangos yr angen, cefnogaeth gymunedol, cynaliadwyedd hirdymor yn ogystal â, pan fydd hynny'n bosibl, arian cyfatebol tuag at gyfanswm costau'r prosiect arfaethedig. Drwy wneud hyn rydym yn ceisio sicrhau'r cydbwysedd rhwng cefnogi prosiectau sydd â photensial mawr i wella cyfleoedd mewn cymunedau, yn erbyn yr angen i ddiogelu pwrs y wlad.

Diogelwch cymunedol

Beth oedd <u>amcangyfrif</u> cost Deddf Trais yn erbyn Menywod, Cam-drin Domestig a Thrais Rhywiol (Cymru) 2015 i Lywodraeth Cymru pan gafodd ei phasio yn 2015, a faint mae wedi costio <u>mewn gwirionedd</u> bob blwyddyn, a pham bod unrhyw wahaniaethau?

Cyfanswm cost amcangyfrifedig Deddf Trais yn Erbyn Menywod, Cam-drin Domestig a Thrais Rhywiol (Cymru) oedd £1,406,800 ar gyfer pedair blynedd (2014-2015 to 2017-2018). Cost wirioneddol y Ddeddf, heb y costau staffio, yw tua £927,292 (sy'n cynnwys y cyllid sydd wedi'i ddyrannu ar gyfer y flwyddyn ariannol hon). Mae'r costau hyn yn cynnwys datblygu a chyflawni'r Fframwaith Hyfforddiant Cenedlaethol, Gofyn a Gweithredu, a recriwtio a rôl y Cynghorydd Cenedlaethol.

Roedd y gwariant ar y Fframwaith Hyfforddiant Cenedlaethol yn uwch na'r hyn a ragwelwyd yn 2014-2015. Manteisiwyd ar y cyfle i ddefnyddio cyllid o rannau eraill o gyllideb Trais yn Erbyn Menywod, Cam-drin Domestig a Thrais Rhywiol i gyflymu'r broses o gyflawni'r Fframwaith a dechrau ar y gwaith manwl o ddatblygu rhannau penodol ohoni.

Dechreuodd y gwaith cynnar o fabwysiadu 'Gofyn a Gweithredu' yn 2015-2016 ac mae rhaglen o gyflwyno 'Gofyn a Gweithredu' fesul cam yn genedlaethol wedi dechrau, yn hytrach na'r cyflwyniad cenedlaethol a ragwelwyd yn yr Asesiad Effaith Rheoleiddiol. Mae hyn wedi arwain at lai o wariant ar y polisi hwn fesul blwyddyn, o gymharu â'r rhagolwg. Y rheswm am gyflwyno fesul cam yw:

- er mwyn sicrhau bod yr hyn a ddysgwyd yn sgil cyflwyno'r cynllun yn gynnar yn llywio gwaith yn y dyfodol;
- cynorthwyo awdurdodau perthnasol i fabwysiadu 'Gofyn a Gweithredu' yr un pryd ag yr oeddent yn cyflawni'r gwasanaeth yn rhanbarthol;
- cynorthwyo'r awdurdodau perthnasol i addasu i ofynion y ddeddfwriaeth sy'n cael eu mabwysiadu ochr yn ochr â deddfwriaeth arall (Deddf Gwasanaethau Cymdeithasol a Llesiant a Deddf Llesiant Cenedlaethau'r Dyfodol).

Beth yw eich barn ar Adolygiad Charlie Taylor o'r System Cyfiawnder Ieuenctid yng Nghymru a Lloegr, yn enwedig yr argymhelliad i gyflwyno arian ar gyfer gwasanaethau cyfiawnder ieuenctid i gyllid llywodraeth leol?

Rydym yn parhau i ymgysylltu â'r Weinyddiaeth Gyfiawnder wrth iddi ddatblygu'r Rhaglen Diwygio Cyfiawnder Ieuenctid ar draws Cymru a Lloegr. Bydd unrhyw newid yn fformiwla ariannu'r Timau Troseddau Ieuenctid yn Lloegr yn anochel yn cael effaith ar Gymru.

O ran egwyddor, byddem yn cefnogi unrhyw argymhelliad i ddarparu mwy o hyblygrwydd i awdurdodau lleol fel sy'n cael ei gynnig yn adolygiad Charlie Taylor. Fodd bynnag, byddai angen inni ystyried yn ofalus unrhyw newid mewn polisi oherwydd ni ellir edrych ar unrhyw newid mewn cyllid ar wahân i'r polisi, yn arbennig yng nghyd-destun meysydd sydd heb eu datganoli.

Byddai angen trafodaethau penodol ynglŷn ag unrhyw newid i'r trefniadau cyllid a/neu drosglwyddo cyllid oherwydd ni ellir cymryd yn ganiataol y byddai dull a fyddai'n cael ei ddatblygu o bosibl yn Lloegr yn addas yng Nghymru. Felly, bydd swyddogion yn parhau i weithio'n agos â swyddogion y Weinyddiaeth Gyfiawnder ar bob agwedd ar ddiwygio, yn arbennig pan fydd hynny'n cael effaith ar wasanaethau datganoledig.

Cefnogi Pobl

Pa gynnydd a wnaed i sicrhau bod arian ar gyfer Cefnogi Pobl yn cael ei ddosbarthu ar sail angen, a pha effaith y bydd uno grantiau yn ei chael ar hyn?

Roedd Adolygiad Aylward yn cynnig ailddosbarthu'r cyllid ar gyfer Cefnogi Pobl ac roedd hyn yn mynd rhagddo nes i doriadau yn y gyllideb achosi i'r gwaith hwn gael ei atal. Cafodd hyn ei gynnig gan Fwrdd Cynghori Cenedlaethol Cefnogi Pobl, lle y cafodd rhanddeiliaid allweddol eu cynrychioli, a derbyniwyd hynny gan Weinidogion Cymru. Nid yw'r gyllideb Cefnogi Pobl wedi newid ers 2015-16, ac nid oes unrhyw waith wedi'i wneud ers hynny ar ailddosbarthu. Pe byddai'r cyllidebau'n cael eu huno, byddai'r swm a fyddai'n cael ei roi i bob awdurdod lleol yn gyfwerth â dyraniad eleni.

Yn 2018-19 bydd y telerau a'r amodau ar gyfer Cefnogi Pobl yn yr awdurdodau braenaru yn parhau fel y maent eleni fwy na heb; bydd Awdurdodau Lleol yn cael eu dwyn i gyfrif yn yr un ffordd a disgwylir iddynt gyflawni'r un canlyniadau.

Rydym wedi ymrwymo i weithio gyda rhanddeiliaid braenaru ac eraill i sicrhau, os penderyfnir symud i un grant cyfunol sengl, bod hynny'n cael ei gefnogi gyda thelerau, amodau ac atebolrwydd addas sy'n sicrhau bod y grant cyfunol yn parhau i gyflawni'r canlyniadau a ddymunir. Mae'r gwaith hwn gyda rhanddeiliaid eisoes wedi dechrau.

Cyflawniad a Safonau Tai

Pa werthusiad a wnaed o'r Grant Cyllid Tai o ran eu gwerth am arian?

Mae'n ofynnol i bob cynllun sy'n cael ei gymeradwyo o dan y Grant Cyllid Tai gyflawni meini prawf Llywodraeth Cymru ar werth am arian sy'n cael eu cyhoeddi yn ein Ffigurau Canllawiau Costau Derbyniol. Mae gan y Grant Cyllid Tai fesur gwerth am arian ychwanegol o ran sut mae'n cael ei gyfrifo. Defnyddir y gyfradd fenthyca ar gyfer Landlordiaid Cymdeithasol Cofrestredig unigol. Fodd bynnag, mae'r gyfradd yn cael ei

chapio gan Lywodraeth Cymru er mwyn sicrhau gwerth am arian. Dewiswyd y cap fel y pris gorau y gellir ei gyflawni yn y farchnad pan gafodd y cyllid ei sicrhau.

Deddfwriaeth

O ystyried y ffaith y bydd mwy na miliwn o bobl yn cael eu heffeithio gan weithrediad Deddf Rhentu Cartrefi (Cymru) 2016, sut aseswyd y costau sy'n ofynnol i gyfathrebu'r newidiadau i'r partïon a effeithir?

Yn unol â'r Memorandwm Esboniadol a oedd wedi'i atodi i'r Ddeddf, mae Llywodraeth Cymru wedi dyrannu cyfanswm o £160,000 i'r gost o gyfleu'r newidiadau i denantiaid, landlordiaid a rhanddeiliaid eraill. Dyrannwyd £100,000 yn 2018-19 wrth baratoi i'w weithredu, gydag £20,000 ym mhob un o'r tair blynedd ddilynol er mwyn hyrwyddo ymwybyddiaeth a dealltwriaeth.

Mae ystod eang o landlordiaid cymdeithasol a phreifat yn rhan o'n Grŵp Rhanddeiliaid Rhentu Cartrefi, yn ogystal â chynrychiolwyr tenantiaid a sefydliadau gan gynnwys Shelter Cymru a Cyngor ar Bopeth. Byddwn yn parhau i ymgysylltu'n agos â'n rhanddeiliaid o ran gweithredu, gan sicrhau trefniadau cyfathrebu cydgysylltiedig.

Pwyntiau gweithredu gan y Pwyllgor Craffu

Ar 17 Tachwedd ysgrifennodd Clerc y Gymuned atoch gyda chwe phwynt gweithredu, sef:

- Cyfanswm y symiau wrth gefn ar gyfer pob awdurdod lleol yn 2017 (gweler yr ymateb yn **Atodiad 1**);
- Dadansoddiad o gronfeydd wrth gefn awdurdodau lleol yn y blynyddoedd diwethaf (gweler yr ymateb yn **Atodiad 1**);
- Manylion telerau grantiau penodol a fydd yn canolbwyntio ar ddigartrefedd, yn y MEG cymunedau a phlant;
- Unrhyw wybodaeth bellach am y safleoedd newydd ar gyfer Sipsiwn a Theithwyr sy'n cael eu hariannu gan gyllid cyhoeddus i'w cyflawni yn 2018-19, pan fydd ar gael;
- Y canfyddiadau o'r dadansoddiad data yn y dyfodol ar bob addasiad i gartrefi, pan fydd ar gael;
- Yr arian sydd wedi'i ddyrannu ar gyfer gweithredu Rhentu Doeth Cymru ac, yn benodol, ar gyfer beth y caiff ei ddefnyddio.

Manylion telerau'r grantiau penodol a fydd yn canolbwyntio ar ddigartrefedd, yn y MEG cymunedau a phlant

Ni allwn ddarparu'r telerau manwl eto ar bob un o'r rhaglenni grant ar gyfer 2018-19 oherwydd mae'r rhain yn cael eu datblygu yn awr, fodd bynnag bydd y prif ffocws ar atal digartrefedd.

Disgwylir i'r amcanion eraill a fydd yn cael eu datblygu drwy'r cyllid ychwanegol gynnwys mireinio'r ffocws ar roi terfyn ar ddigartrefedd ymysg pobl ifanc, lleihau nifer y bobl sy'n cysgu ar y stryd, atgyfnerthu'r ymatebion iechyd meddwl a gwella mynediad i'r sector tai rhent preifat.

Unrhyw wybodaeth bellach am y safleoedd newydd i Sipsiwn a Theithwyr sy'n cael eu hariannu gan gyllid cyhoeddus i'w cyflawni yn 2018-19, pan fydd ar gael

Bob blwyddyn mae Llywodraeth Cymru yn cynnal o leiaf un rownd cynnig agored er mwyn i awdurdodau wneud cais am y Grant Cyfalaf Safleoedd Sipsiwn a Theithwyr. Cynhelir y rownd nesaf ymhen ychydig wythnosau a daw i ben ym mis Chwefror 2018. Gwneir y dyfarniadau grant ym mis Ebrill 2018 ar gyfer prosiectau sy'n dechrau yn y flwyddyn 2018-19. Byddwn yn ysgrifennu atoch ym mis Ebrill i'ch hysbysu ynghylch y prosiectau llwyddiannus.

Mae prosiect i ymestyn safle yng Ngwynedd ac adnewyddu safle mawr yn Sir Benfro eisoes wedi dechrau ar gyfer y flwyddyn ariannol 2018-19, oherwydd mae'r prosiectau hyn eisoes wedi dechrau.

Rhwng 2017-21, disgwyliwn y byddwn wedi ariannu rhwng 150-200 o leiniau newydd, gyda'r 70-120 o leiniau y nodwyd y bod eu hangen yn cael eu cyflawni gan ddatblygiadau safleoedd preifat. Gwyddom y byddai'n well gan y mwyafrif o Sipsiwn a Theithwyr ddatblygu eu safleoedd preifat eu hunain ond nid yw hyn bob amser yn fforddiadwy. Yn 2017-18 yn unig, gwyddom fod 36 o leiniau preifat wedi cael caniatâd cynllunio. Felly, rydym yn hyderus y bydd ein cyllideb arfaethedig a dyletswyddau Deddf Tai (Cymru) 2014 i gefnogi datblygiad safleoedd yn diwallu'r galw yn llwyr.

Y canfyddiadau yn sgil dadansoddi data yn y dyfodol a gesglir ar bob addasiad i gartrefi, pan fyddant ar gael

Rydym wedi derbyn swm sylweddol o adroddiadau adborth unigol ar yr addasiadau a wnaed drwy ein rhaglenni. Rydym yn gweithio yn awr i godeiddio a dadansoddi'r data cyfoethog sydd ynddynt.

Ar ôl cwblhau'r ymarfer hwn gallwn, dros amser, ddefnyddio'r wybodaeth i'ch hysbysu am ein gwaith datblygu polisi, asesu beth sy'n cyfrif fel addasiad bach, canolig neu fawr, pa mor gyflym y dylid cyflawni'r addasiad, sut y dylai'r broses weithio a, nodi a mynd i'r afael ag unrhyw dagfeydd yn y system gyflawni.

Yr arian sy'n cael ei ddyrannu i orfodi Rhentu Doeth Cymru ac, yn benodol, ar gyfer beth y bydd yn cael ei ddefnyddio.

Mae'r drefn orfodi yn erbyn achosion o ddiffyg cydymffurfiaeth â Rhentu Doeth Cymru yn cael ei ariannu, yn eu hanfod, gan y ffioedd sy'n daladwy ar gyfer cofrestru a thrwyddedu. Mae'r £275,000 a fydd ar gael yn 2018-19 yn helpu i hybu'r ddeddfwriaeth ymhellach. Bydd yr arian hwn yn cael ei wario mewn nifer o ffyrdd gwahanol. Mae rhai awdurdodau lleol yn

defnyddio'r adnoddau i dalu am hysbysebion ac ymgyrchoedd postio lleol, atgoffa asiantau a landlordiaid o'u goblygiadau a hefyd hysbysu tenantiaid am sut i sicrhau bod eu landlord a/neu eu hasiant wedi'u cofrestru a/neu eu trwyddedu'n briodol. Bydd eraill yn defnyddio'r arian i gysylltu'n uniongyrchol â landlordiaid ac asiantau naill ai drwy ymweliadau personol gan staff neu drwy gynnal fforymau landlordiaid ac asiantau.

Hyderwn fod y rhain yn esbonio'r pwyntiau ychwanegol a godwyd.

Yr eiddoch yn gywir

Alun Davies AC/AM
Ysgrifennydd y Cabinet dros Lywodraeth Leol a Gwasanaethau Cyhoeddus
Cabinet Secretary for Local Government and Public Services

Julie James AC/AM
Arweinydd y Tŷ a'r Prif Chwip
Leader of the House and Chief Whip

Rebecca Evans AC/AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration

ATODIAD 1

CRONFEYDD WRTH GEFN AWDURDODAU LLEOL

Mater

1. Darparu dadansoddiad o'r cronfeydd wrth gefn a ddelir gan awdurdodau lleol Cymru yn seiliedig ar y sefyllfa ar 31 Mawrth 2017.

Crynodeb o'r sefyllfa ddiweddaraf – Cronfeydd wrth gefn

2. Daw'r data yn bennaf o'r wybodaeth a gyflwynwyd gan awdurdodau lleol ar gyfer Cyfrifon y Llywodraeth Gyfan 2016-17 (ac eithrio'r Heddlu, Gwasanaeth Tân a Pharciau Cenedlaethol). Mae hyn yn darparu'r sefyllfa gofnodedig ar gronfeydd wrth gefn awdurdodau lleol, fel y'u hadlewyrchir yng nghyfrifon statudol archwiliedig awdurdodau lleol.

3. Roedd gan awdurdodau lleol yng Nghymru gronfeydd wrth gefn o tua £1.4 biliwn ar ddiwedd mis Mawrth 2017. O'r ffigur hwn, roedd £74 miliwn wedi'i glustnodi ar gyfer tai, roedd £180 miliwn a £56 miliwn wedi'i gyfyngu i'w ddefnyddio ar wariant cyfalaf mewn derbyniadau cyfalaf a grantiau heb eu cymhwyso, yn y drefn honno.

4. O'r £1.1 biliwn o gronfeydd wrth gefn sy'n weddill, roedd £46 miliwn yn cael eu dal gan ysgolion ac nid oeddent ar gael i'w defnyddio gan yr awdurdodau, roedd £859 miliwn yn gronfeydd wrth gefn wedi'u clustnodi ac roedd £200 miliwn yn gronfeydd wrth gefn heb eu dyrannu neu'n rhai cyffredinol.

5. O gymharu â'r flwyddyn flaenorol, mae cronfeydd wrth gefn ysgolion wedi gostwng **£18 miliwn**, mae cronfeydd wrth gefn wedi'u clustnodi **wedi gostwng £15 miliwn** ac mae cronfeydd wrth gefn heb eu dyrannu wedi gostwng **£9 miliwn.**

6. Mae ***Tabl 1*** yn darparu manylion cronfeydd wrth gefn y gellir eu defnyddio ar 31 Mawrth 2017 ar gyfer pob un o gyrff llywodraeth leol yng Nghymru (gan gynnwys yr Heddlu a'r Gwasanaeth Tân). Yn unol â threfniadau blaenorol, cyhoeddwyd hyn ar wefan Llywodraeth Cymru.

7. Y cyngor a roddir gan y Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA), y prif gorff sy'n cefnogi'r proffesiwn cyllid awdurdodau lleol, yw y dylai pob awdurdod, ar gyngor ei gyfarwyddwyr cyllid, lunio eu barn eu hunain ar faterion o'r fath, gan ystyried yr holl amgylchiadau lleol perthnasol.

8. Mae balansau a chronfeydd wrth gefn yn ddarostyngedig i ganllawiau CIPFA ac yn rhan o ystyriaethau'r awdurdodau yn nhermau pennu cyllideb a gweithredu'r system ddarbodus.

9. Mae gan bob Cyfarwyddwr Cyllid gyfrifoldeb i gynghori ei awdurdod ynglŷn â'r lefelau y dylent eu cadw. Er mwyn asesu digonolrwydd cronfeydd wrth gefn, dylai'r Cyfarwyddwr Cyllid ystyried y risgiau strategol, gweithredol ac ariannol sy'n wynebu'r awdurdod.

Cronfeydd wrth gefn wedi'u clustnodi

1. Mae cronfeydd wrth gefn sydd wedi'u clustnodi yn cael eu dyrannu ar gyfer costau mawr a nodwyd ar gyfer y dyfodol, er enghraifft, prosiect adeiladu yn y dyfodol megis ysgol newydd, rhwymedigaethau yswiriant neu achos cyfreithiol mawr. Mae'n bwysig i awdurdodau lleol sicrhau bod ganddynt brotocol clir ar gyfer pennu proses ac amserlen i adolygu'r cronfeydd wrth gefn sydd wedi'u clustnodi, i sicrhau eu bod yn parhau i fod yn berthnasol a digonol.

2. O gymharu â'r flwyddyn flaenorol, lleihaodd deuddeg awdurdod leihau eu lefelau o gronfeydd wrth gefn wedi'u clustnodi, a oedd yn swm cyfunol o £52 miliwn. O ran canran, gwelwyd y gostyngiadau mwyaf yn **Sir Benfro** a **Blaenau** Gwent, o 29% a 39% yn y drefn honno.

3. Mae hyn gyfwerth â gostyngiad o £20 miliwn yn ystod 2016-17 yn Sir Benfro, a ddefnyddiwyd yn bennaf i ariannu eu rhaglen ysgolion yr 21ain ganrif.

4. Gostyngodd cronfeydd wrth gefn wedi'u clustnodi ym Mlaenau Gwent o £4 miliwn yn ystod 2016-17 i £6.5 miliwn, sy'n cynrychioli gwariant refeniw gros o 3.7% ar gyfer 2016-17 o gymharu â chyfartaledd Cymru o 12.2%.

5. Mae **Torfaen** wedi lleihau ei gronfeydd wrth gefn wedi'u clustnodi 63% ers mis Mawrth 2012 a'i lefel bresennol o £5.3 miliwn yw'r isaf o blith yr holl gynghorau. Fodd bynnag, yn yr un cyfnod, mae eu cronfeydd wrth gefn cyffredinol wedi cynyddu i 81% sy'n cynrychioli £10.2 miliwn sy'n golygu mai hwy yw'r unig gyngor sydd â lefelau cronfeydd wrth gefn sy'n uwch na'u cronfeydd wrth gefn wedi'u clustnodi.

6. Yn yr un modd mae cronfeydd wrth gefn wedi'u clustnodi yn **Sir Fynwy** wedi gostwng 58% ers mis Mawrth 2012 ac ar £7.8 miliwn mae'n cynrychioli gwariant refeniw gros o 4.4% ar gyfer 2016-17 o gymharu â chyfartaledd Cymru o 12.2%.

7. Mae'r deg awdurdod sy'n weddill wedi cynyddu neu gynnal eu cronfeydd wrth gefn wedi'u clustnodi, o gymharu â'r flwyddyn flaenorol. Gwelwyd y cynnydd mwyaf arwyddocaol ym **Mhen-y-bont ar Ogwr** ac yn **Sir Gaerfyrddin,** o £7.5 miliwn ac £8 miliwn yn y drefn honno.

8. Gwelwyd cynnydd bach ym **Mro Morgannwg** a **Chasnewydd** o gymharu â'r flwyddyn flaenorol. Fodd bynnag, mae hyn yn dilyn patrwm o gynnydd cynyddol dros nifer o flynyddoedd ac, o'u hagregu, mae'r lefelau ers 2012 wedi cynyddu £27 miliwn ym Mro Morgannwg (66%) a £28 miliwn yng Nghasnewydd (50%). Ar 31 Mawrth 2017, roedd gan Fro Morgannwg gronfeydd wrth gefn wedi'u clustnodi o £69 miliwn, sy'n gyfwerth â 25% o wariant refeniw gros ar gyfer 2016-17 ac roedd gan

Gasnewydd gronfeydd wrth gefn o £84 miliwn, sy'n gyfwerth â 23% o wariant refeniw gros, o gymharu â chyfartaledd Cymru o 12%.

9. Mae **Rhondda Cynon Taf** wedi cynyddu ei lefel o gronfeydd wrth gefn wedi'u clustnodi ac ar £126 miliwn, dyma'r uchaf o blith yr holl gynghorau, gan gynrychioli 22% o'u gwariant refeniw gros.

Cronfeydd wrth Gefn Cyffredinol

10. Balans gweithio yw hwn er mwyn helpu i leddfu effaith ffrydiau arian parod anghyfartal er mwyn osgoi benthyca dros dro diangen a darparu cynllun wrth gefn i leddfu effaith digwyddiadau neu argyfyngau annisgwyl.

11. O gymharu â'r flwyddyn flaenorol, mae deg awdurdod wedi cynyddu eu lefelau cyffredinol o gronfeydd wrth gefn, sef swm cyfunol o £14 miliwn. Mae dau awdurdod wedi eu cynyddu fwy na 40%; cynnydd o £5.2 miliwn yng **Nghaerffili** (41%), a chynnydd o £2.3 miliwn yng **Nghonwy** (95%).

12. Gostyngodd wyth awdurdod eu lefelau gan swm cyfunol o £23 miliwn ac mae pedwar awdurdod wedi cynnal yr un lefel o gronfeydd wrth gefn â'r flwyddyn flaenorol.

13. Mae'r cronfeydd wrth gefn cyffredinol a ddelir gan awdurdodau lleol fel canran o'u gwariant refeniw gros a gyllidwyd ar gyfer 2016-17 yn amrywio o 5.7% yng **Nghastell-nedd Port Talbot** i 1.8% yng **Nghaerdydd**.

Cronfeydd wrth Gefn Ysgolion

14. O gymharu â'r flwyddyn ariannol flaenorol, gwelodd ugain awdurdod ostyngiad yn y cronfeydd wrth gefn a ddelir gan ysgolion. Gwelwyd y gostyngiadau mwyaf yn Sir Ddinbych, lle y cafwyd gostyngiad o £2.6 miliwn i falans negyddol o £1.1 filiwn ac ym Mhowys gwelwyd gostyngiad o £2.4 miliwn i lai na £10,000.

Tabl 1
Cronfeydd Wrth Gefn Awdurdodau Lleol

Cronfeydd wrth gefn

Wedi'u dwyn ymlaen ar 31 Mawrth 2017	CRONFEYDD WRTH GEFN DEFNYDDIADWY						
	Cronfeydd wrth gefn Cyffredinol neu heb eu Dyrannu	Balans y Cyfrif Refeniw Tai (HRA)	Cronfa Derbyniadau Cyfalaf	Cronfa wrth gefn Ysgolion	Cyfrif Grantiau Cyfalaf heu eu Cymhwyso	Cronfeydd eraill wedi'u clustnodi wrth gefn	CYFANSWM Y CRONFEYDD DEFNYDDIADWY WRTH GEFN
Cynghorau Sir a Chynghorau Bwrdeistref Sirol	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Ynys Môn	8.4	7.5	0.0	2.1	0.0	13.4	31.3
Gwynedd	6.2	0.0	8.4	0.5	0.5	6.5	22.1
Conwy	8.0	0.0	21.4	0.9	0.2	50.3	80.7
Sir Ddinbych	17.8	16.8	11.5	2.3	9.8	62.2	120.6
Sir y Fflint	14.3	12.5	7.2	4.2	0.0	55.1	93.3
Wrecsam	9.3	14.0	15.0	1.7	0.6	74.1	114.7
Powys	5.0	0.0	5.8	1.7	1.0	13.4	26.9
Ceredigion	4.8	0.0	2.5	3.2	1.0	13.2	24.8
Sir Benfro	7.5	2.5	4.8	-1.1	3.8	30.3	48.0
Sir Gaerfyrddin	11.2	1.6	10.7	1.6	4.0	18.8	47.8
Abertawe	6.9	0.0	2.9	2.9	1.0	43.6	57.3
Castell-nedd Port Talbot	5.2	0.0	0.0	1.0	0.0	16.1	22.2
Pen-y-bont ar Ogwr	7.1	0.0	19.2	0.3	0.0	7.8	34.3
Bro Morgannwg	19.7	0.0	5.6	2.8	7.9	28.8	64.8
Rhondda Cynon Taf	6.5	0.0	11.7	4.8	0.0	84.1	107.2
Merthyr Tudful	7.0	0.8	2.1	1.3	0.0	48.8	59.9
Caerffili	8.7	1.8	15.4	0.0	1.0	28.3	55.2
Blaenau Gwent	10.7	0.0	1.4	2.1	8.6	126.1	148.9
Tor-faen	12.4	9.8	6.1	7.6	14.9	48.2	98.9
Sir Fynwy	10.2	0.0	6.3	2.1	0.1	5.3	24.1
Casnewydd	5.9	1.0	9.8	2.3	0.7	68.5	88.2
Caerdydd	7.0	6.0	11.9	1.6	0.7	16.2	43.6
Pob Cyngor Sir a Phob Cyngor Bwrdeistref Sirol	**199.8**	**74.4**	**179.7**	**46.0**	**55.9**	**859.0**	**1,414.8**

Mae cyhoeddiadau blynyddoedd blaenorol ar gael yn
http://gov.wales/topics/localgovernment/finandfunding/whole-government-accounts/publications/whole-government-accounts-reserves/?skip=1&lang=cy

ANNEX 1

LOCAL AUTHORITY RESERVES

Issue

1. To provide an analysis of the reserves held by Welsh local authorities based on the position as at 31 March 2017.

Reserves Latest position – Summary

2. The data is sourced primarily from the local authority submissions for the Whole of Government Accounts (WGA) 2016-17 (excluding Police, Fire & National Parks). This provides the recorded position on local authority reserves as reflected in the authorities' audited statutory accounts.

3. Welsh local authorities held reserves totalling around £1.4 billion at the end of March 2017. Of this figure, £74 million was ring-fenced for use for housing purposes, £180 million and £56 million were restricted for use on capital expenditure in capital receipts and unapplied grants respectively.

4. Of the remaining £1.1 billion reserves, £46 million was held by schools and not available for general use by the authorities, £859 million was in earmarked reserves and £200 million in unallocated or general reserves.

5. Compared with the previous year, schools reserves have reduced by **£18 million**, earmarked reserves have **reduced** by **£15 million** and unallocated reserves by **£9 million.**

6. ***Table 1*** provides details of usable reserves as at 31 March 2017 for each local government body in Wales (including Police and Fire). In line with previous arrangements this is published on the Welsh Government website.

7. The advice from the Chartered Institute of Public Finance and Accounting (CIPFA), the main body supporting the local authority finance profession, advises that each local authority, on the advice of their finance directors, should make their own judgements on such matters taking into account all the relevant local circumstances.

8. Balances and reserves are the subject of CIPFA guidance and form part of authorities' consideration in terms of budget-setting and implementing the prudential system.

9. It is the responsibility of each Finance Director to advise his or her authority on the levels it should hold. In order to assess the adequacy of reserves the Finance Director should consider the strategic, operational and financial risks facing the authority.

Earmarked Reserves

1. Earmarked reserves are allocated for future identified major costs, for example, for a future construction project like a new school, insurance liabilities or a large legal case pending. It is important for local authorities to have a clear protocol setting out a process and timetable to review earmarked reserves to ensure continuing relevance and adequacy.

2. Compared to the previous year, twelve authorities reduced their levels of earmarked reserves held by a combined amount of £52 million. In percentage terms, **Pembrokeshire** and **Blaenau Gwent** saw the greatest reductions, of 29% and 39% respectively.

3. This amounts to a reduction of £20 million during 2016-17 in Pembrokeshire which has been used predominately to fund their 21st century schools programme.

4. Blaenau Gwent earmarked reserves reduced by £4 million during 2016-17 to £6.5 million representing 3.7% of gross revenue expenditure for 2016-17 compared to the Wales average of 12.2%.

5. **Torfaen** have reduced their earmarked reserves by 63% since March 2012 and at just £5.3 million are currently the lowest of all councils. However over the same period their general reserves have increased by 81% amounting to £10.2 million which makes them the only council to have levels of general reserves higher than their earmarked reserves.

6. Similarly **Monmouthshire** earmarked reserves have reduced by 58% since March 2012 and at £7.8 million represents 4.4% of gross revenue expenditure for 2016-17 compared to the Wales average of 12.2%.

7. The remaining ten authorities increased or maintained their earmarked reserves by a combined total of £37 million. The most significant increases were seen in **Bridgend** and **Carmarthenshire** of £7.5 million and £8 million respectively.

8. Modest increases were seen in the **Vale of Glamorgan** and **Newport** compared to the previous year. However this follows a pattern of incremental increases over a number of years and when aggregated, levels since 2012 have actually increased by £27 million in the Vale of Glamorgan (66%) and £28 million in Newport (50%). At 31 March 2017, Vale of Glamorgan earmarked reserves were £69 million which amounts to 25% of gross revenue expenditure for 2016-17 and Newport earmarked reserves were £84 million amounting to 23% of gross revenue expenditure, compared to the Wales average of 12%.

9. **Rhondda Cynon Taff** has increased its level of earmarked reserves and at £126 million are currently the highest of all councils representing 22% of their gross revenue expenditure.

General Reserves

10. This is a working balance to help cushion the impact of uneven cash flows to avoid unnecessary temporary borrowing and to provide a contingency to cushion the impact of unexpected events or emergencies.

11. Compared to the previous year, ten authorities increased their levels of general reserves by a combined amount of £14 million. Two authorities increased by more than 40%; **Caerphilly** by £5.2 million (41%), and **Conwy** by £2.3 million (95%).

12. Eight authorities reduced their levels by a combined amount of £23 million and four authorities, continued to maintain the same level of general reserves as the previous year.

13. General reserves held by local authorities as a percentage of their budgeted gross revenue expenditure for 2016-17 range from 5.7% in **Neath Port Talbot** to 1.8% in **Cardiff**.

Schools Reserves

14. Compared to the previous year, twenty authorities saw a reduction in the reserves held by schools. The greatest reductions were seen in Denbighshire where levels reduced by £2.6 million to a negative balance of £1.1 million and in Powys where levels reduced by £2.4 million to less than £10k.

Table 1
Local Authority Reserves

Reserves

carried forward at 31 March 2017	USABLE RESERVES						
	General or Unallocated Reserves	HRA Balance	Capital Receipts Reserve	Schools Reserve	Capital Grants Unapplied Account	Other Earmarked Reserves	TOTAL USABLE RESERVES
County & County Borough Councils	£m	£m	£m	£m	£m	£m	£m
Anglesey	8.4	7.5	0.0	2.1	0.0	13.4	31.3
Blaenau Gwent	6.2	0.0	8.4	0.5	0.5	6.5	22.1
Bridgend	8.0	0.0	21.4	0.9	0.2	50.3	80.7
Caerphilly	17.8	16.8	11.5	2.3	9.8	62.2	120.6
Cardiff	14.3	12.5	7.2	4.2	0.0	55.1	93.3
Carmarthenshire	9.3	14.0	15.0	1.7	0.6	74.1	114.7
Ceredigion	5.0	0.0	5.8	1.7	1.0	13.4	26.9
Conwy	4.8	0.0	2.5	3.2	1.0	13.2	24.8
Denbighshire	7.5	2.5	4.8	-1.1	3.8	30.3	48.0
Flintshire	11.2	1.6	10.7	1.6	4.0	18.8	47.8
Gwynedd	6.9	0.0	2.9	2.9	1.0	43.6	57.3
Merthyr Tydfil	5.2	0.0	0.0	1.0	0.0	16.1	22.2
Monmouthshire	7.1	0.0	19.2	0.3	0.0	7.8	34.3
Neath PT	19.7	0.0	5.6	2.8	7.9	28.8	64.8
Newport	6.5	0.0	11.7	4.8	0.0	84.1	107.2
Pembrokeshire	7.0	0.8	2.1	1.3	0.0	48.8	59.9
Powys	8.7	1.8	15.4	0.0	1.0	28.3	55.2
RCT	10.7	0.0	1.4	2.1	8.6	126.1	148.9
Swansea	12.4	9.8	6.1	7.6	14.9	48.2	98.9
Torfaen	10.2	0.0	6.3	2.1	0.1	5.3	24.1
Vale of Glam	5.9	1.0	9.8	2.3	0.7	68.5	88.2
Wrexham	7.0	6.0	11.9	1.6	0.7	16.2	43.6
All County & County Borough Councils	**199.8**	**74.4**	**179.7**	**46.0**	**55.9**	**859.0**	**1,415**

Source: Whole of Government Accounts 2016-17 Cycle 2 returns

Previous years publications can be found at
http://gov.wales/topics/localgovernment/finandfunding/whole-government-accounts/publications/whole-government-accounts-reserves/?lang=en

Rebecca Evans AC/AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration

Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref IM/RE/01107/17

The Rt. Hon David Gauke MP
Secretary of State for Work and Pensions
Caxton House
Tothill Street
LONDON
SW1H 9NA

Secretaryofstate@dwp.gsi.gov.uk

7 November 2017

Dear David,

Thank you for your letters of 11 October and 17 October to Carl Sargeant AM, the former Cabinet Secretary for Communities and Children, regarding the roll out of Universal Credit and your plans for supported housing, respectively. Following the Welsh Government's Ministerial changes on 3 November I now have, as part of my portfolio responsibilities, Housing and Welfare Reform. I am responding to you on these two matters.

Universal Credit

Since your letter of response to the former Cabinet Secretary for Communities and Children explaining your decision to proceed with the accelerated roll out of Universal Credit, a number of refinements have been announced including making the Universal Credit call line free from this month, which I welcome. However, I consider that there is still much more that needs to be urgently addressed in order to fix the operational problems and difficulties which many of our most vulnerable people are currently experiencing.

The National Assembly for Wales held a Plenary debate on the UK Government's Welfare Reforms and Universal Credit on 25 October. They agreed that we express our concerns to the UK Government about the roll out of Universal Credit, with emphasis on the devastating impact this is having on vulnerable families including increased anxiety, debt, homelessness and mental ill-health which in turn is putting significant pressure on our devolved public services. I therefore urge you to take note of the National Assembly for Wales' views, to reverse the UK Government's damaging cuts to welfare, to halt the Universal Credit roll-out in Wales, and to address the fundamental concerns being raised with regard to it.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400
Correspondence.Rebecca.Evans@gov.wales

I am aware of concerns raised with you by the Work and Pensions Committee on 18 October, and in their interim report published on 26 October relating to the six week waiting period for Universal Credit claimants' first payment. You explained in your response that despite early "teething problems", you were content for the roll out of Universal Credit to proceed.

However, your evidence contradicts the actual experience of some Universal Credit claimants, and does not concur with the findings of the Work and Pensions Committee, as set out in the written and verbal evidence.

I recognise that in order to help claimants while waiting for their first payment, you have provided revised guidance to your Work Coach staff in Job Centres to offer people a 50% advance, or a fast-track interim payment. My officials within the supporting people teams, and also across our National Advisory network, are relaying this message to ensure that people in need can access these advance payments. However, this cannot be considered as a permanent solution, as it is only a loan. The loan repayment has a knock on effect on a claimant's future ability to cover living expenses and this can lead to additional borrowing from elsewhere, including loan sharks.

As I understand it, there are three specific aspects to the first payment: the 7 day waiting period in which claimants are not eligible for Universal Credit; the one calendar month's assessment period, during which the claimant's income is assessed to determine their first payment; and the 7 day processing of the claim. In addition to pausing the roll out of Universal Credit, I request that you consider ways to reduce this waiting period for a claimant's first payment. I would like to see the 7 day waiting period removed completely, the assessment period reduced from one calendar month to two weeks or less, and a shorter time to process the claim.

I would also like your officials to engage urgently with my officials to ensure claimants in Wales are getting the best possible guidance in relation to their Alternative Payment Arrangements (APAs). This will allow those people most in need to elect to have fortnightly payments, and their housing costs to be paid direct to their social landlord. There appears to be a lack of consistency on how this guidance is made known to claimants within Job Centres and Service Centres. The landlord portal will go some way to helping. However, as I understand it, this will not be available to all social landlords in Wales, and is not available to private sector landlords at all, and there are no plans to address this anomaly.

Universal Credit replaces Employment Support Allowance which helps people with disabilities and health conditions. The severity of their need is determined by the Department for Work and Pensions' Work Capability Assessment (WCA). The WCA places people in receipt of Universal Credit into one of two groups: limited capability for work which means a claimant may not be able to work now but can prepare for work in the future; and limited capability for work and work-related activity which means a claimant will not be asked to look for work, or prepare for work. For both of these groups, Universal Credit is not simply about moving into work quickly, it is about moving people into work when they are ready to do so, in many cases when their health has improved. This is another reason why the roll out of Universal Credit should be paused to address these issues which are causing anxiety and additional stress for vulnerable people.

I recognise that Local Authorities have received Universal Support grant funding for 2017-2018 to assist them with the roll out of Universal Credit, and this is primarily there to provide additional Personal Budgeting Support and Digital Support for claimants transitioning to Universal Credit. The original proposal for a Local Support Services Framework to provide holistic support for claimants to help them make, and manage, Universal Credit claims, and identify and address all barriers to employment, was widely welcomed.

However, the Universal Support grant is only dealing with two of the barriers. If a claimant has other difficulties such as addiction, ill health, or crisis debts which are not addressed at the same time, their ability to safely manage their Universal Credit claim will simply not be sustained. In respect of the Digital Support, the Local Authorities where Universal Credit full-service has been rolled out have seen a significant increase in the level of support and footfall in the local drop-in centres, particularly for those people with complex needs. Many of these people do not have access to their own computer or smartphone and are relying upon the Local Authority staff to help them make and maintain their claim through the online journal system. These claimants require more than just Digital Support and should at least be receiving one to one help from their Work Coach to help them with making and maintaining their Universal Credit claim.

I have outlined above some of the operational difficulties which Universal Credit claimants are experiencing. There are other more detailed issues emerging which my officials are raising through the Universal Credit Advisory Group for Wales, and through regular contact with the DWP Partnership Managers for Wales.

There are also a number of other policy decisions that I would like to raise with you for clarification and consideration. For example, in relation to the impact of Universal Credit on claimants who are self-employed, I note from a recent report, published by the Low Incomes Tax Reform Group, that self-employed claimants in receipt of Universal Credit could be £2k a year worse off than employees with the same level of earnings who are in receipt of legacy benefits.

Analysis by the Institute of Fiscal Studies (IFS) shows that there are winners and losers within the Universal Credit system. In terms of impacts on income, working lone parents and two-earner couples are relatively likely to lose, whereas one-earner couples with children are relatively likely to gain. Although Universal Credit strengthens the incentives for couples with children to have one adult in work rather than none, it weakens the incentive for both parents to work. It also weakens the incentive for single parents to be in work.

Universal Credit Work Allowances were cut in the UK Government's Summer Budget 2015. I accept that the taper rate for Universal Credit was reduced in April 2017 from 65 pence to 63 pence for each additional pound of net earnings, however I would ask that consideration is given to re-instating these cuts to Universal Credit Work Allowances and/or a further reduction of the taper rate is implemented to incentivise work within Universal Credit.

I welcome your announcement on 25 October reversing your policy regarding the application of Local Housing Allowances to supported housing and the wider social rented sector. This decision represents a significant reduction in the risks to existing and future social housing provision and to the provision of specialist accommodation for some of our most vulnerable citizens including older people.

As you are no doubt aware the impact of the former policy position on Wales was disproportionate due to low rents in the Private Rented Sector here. I understand you intend to transfer to Wales a sum equivalent to the total costs of welfare in 'short-term' supported accommodation. Whilst I will still want to discuss how growth in demand can be properly recognised in the settlement, I welcome the avoidance of the critical problems we had anticipated as a result of integration into Universal Credit of hostels and other provision.

There are some further aspects of related welfare policy I would urge you to reconsider. For example, the Benefit Freeze has resulted in many Local Housing Allowance rates (especially for smaller accommodation) being lower than the actual 30th percentile of rents in the Private Rented Sector. It is unclear if this is UK policy intention or simply a negative unintended consequence. Either way, it is set to cause hardship to private sector landlords and tenants alike. The report by Community Housing Cymru, *Postcode lottery: The impact of applying the Local Housing Allowance rates to general needs social housing tenants in Wales,* clearly identifies the inequity in the gap between Local Housing Allowances and actual contractual rents. While the concerns for the social sector no longer remain, families in the Private Rented Sector in the same position have to find more money to top up their housing related benefits to meet local rental costs in some areas than in others.

Furthermore, it seems wrong to treat Housing Benefit tenants differently based on when they made their claim for benefit. Pre April 2008, Local Reference Rents are not included in the Benefit Freeze whereas post April 2008, Local Housing Allowance is included. If it is possible to exclude Local Reference Rents from the Benefit Freeze surely it is within your gift to exclude Local Housing Allowances.

The increases in Discretionary Housing Payment for 2017/18, although welcome, are unlikely to be adequate as demand increases as a result of the Benefit Freeze. Unfortunately, Welsh Local Authorities returned approximately £102k in the last financial year, and I am concerned that future Discretionary Housing Payment funding will be compromised as a consequence. I seek your assurance that the Discretionary Housing Payment settlements will continue to increase to reflect demand.

I am sending a copy of this letter to the Secretary of State for Wales.

Sincerely,

Rebecca

Rebecca Evans AC/AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration

Cynulliad Cenedlaethol Cymru
Y Pwyllgor Cyfrifon Cyhoeddus
National Assembly for Wales
Public Accounts Committee

Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau
Equality, Local Government and Communities Committee
ELGC(5)-34-17 Papur 4 / Paper 4

Rebecca Evans AC
Y Gweinidog Tai ac Adfywio
Llywodraeth Cymru
Parc Cathays
Caerdydd
CF10 3NQ

24 Tachwedd 2017

Rhaglen Cefnogi Pobl Llywodraeth Cymru

Annwyl Rebecca,

Yn ei gyfarfod ar 20 Tachwedd 2017, cymerodd y Pwyllgor Cyfrifon Cyhoeddus dystiolaeth gan Gartrefi Cymunedol Cymru a Chymorth Cymru am Raglen Cefnogi Pobl Llywodraeth Cymru.

Yn ystod y sesiwn dystiolaeth, dywedodd nifer o dystion fod ganddynt bryderon sylweddol ynghylch cynigion Llywodraeth Cymru ar gyfer y gyllideb, a oedd yn disgrifio roedd Llywodraeth Cymru yn ystyried creu un grant ar gyfer ymyrraeth gynnar, atal problemau a chefnogaeth yn lle'r amrywiaeth o grantiau sydd i'w cael ar hyn o bryd. Cyflwynwyd tystiolaeth gref i'r Pwyllgor o blaid parhau i neilltuo arian ar gyfer y rhaglen.

Mae'r Pwyllgor yn nodi bod Llywodraeth Cymru, yn ei chynigion ar gyfer y Gyllideb yn dweud:

Byddai un grant yn golygu bod awdurdodau lleol a phartneriaid byrddau gwasanaethau cyhoeddus yn gallu cyd-drefnu gwasanaethau yn well er mwyn cyflawni amcanion llesiant. Byddai hyn yn helpu i ailddylunio gwasanaethau yn unol ag egwyddorion ac amcanion Deddf Llesiant Cenedlaethau'r Dyfodol. Byddai un grant mwy o faint yn cael gwared â'r cyfyngiadau sy'n dod yn sgil grantiau unigol llai, a gellid defnyddio'r cyllid i gyflawni anghenion y penderfynwyd arnynt yn lleol mewn ffordd sy'n gwneud synnwyr ar lefel leol. Byddai hyn yn cael gwared â'r rhwystrau artiffisial rhag gwasanaeth effeithiol. Byddai cydgysylltu'r broses weinyddu yn fwy a'i symleiddio hefyd yn lleihau'r fiwrocratiaeth sy'n gysylltiedig â grantiau, gan helpu i sicrhau'r arbedion effeithlonrwydd o £13.4m sydd eu hangen "

Cynulliad Cenedlaethol Cymru
Bae Caerdydd, Caerdydd, CF99 1NA
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0300 200 6565

National Assembly for Wales
Cardiff Bay, Cardiff, CF99 1NA
SeneddPAC@assembly.wales
www.assembly.wales/SeneddPAC
0300 200 6565

Yn eu tystiolaeth ysgrifenedig i'r Pwyllgor Cyfrifon Cyhoeddus, dywedodd Cartrefi Cymunedol Cymru:

"Welsh Government is working, via the funding flexibilities pathfinder project, to roll Supporting People into one grant, along with other Tackling Poverty funds, across 7 LAs and in the other LAs to provide 15% flexibility between grant streams. While CHC welcomes any approach which will allow for alignment of strategic priorities and reduction in bureaucracy, we remain concerned about what this move means for the long-term protection of housing-related support in Wales."

Yn eu tystiolaeth lafar, amlinellodd Cartrefi Cymunedol Cymru a Chymorth Cymru ragor o fanylion am eu pryderon ynghylch y ffaith bod y cynigion i uno Rhaglen Cefnogi Pobl â rhaglenni Teuluoedd yn Gyntaf, Dechrau'n Deg a Chymunedau yn Gyntaf yn ystod blwyddyn 2, wedi'u gwneud heb ymgynghori â'r sector Cefnogi Pobl. Maent yn credu bod rhaglen Cefnogi Pobl yn debygol o golli ei gwerth i rai o'r grwpiau sydd wedi'u hymyleiddio fwyaf yng Nghymru os derbynnir y cynigion, a gallai'r canlyniadau i'r rhai mwyaf agored i niwed yn ein cymdeithas fod yn ddifrifol.

O ystyried pryderon cryf y tystion ynghylch dyfodol y Rhaglen, mae'r Pwyllgor yn awyddus i dynnu'ch sylw at y dystiolaeth a gawsom ac yn gofyn ichi ystyried y materion a godwyd yn ofalus yn ystod y trafodaethau i bennu'r gyllideb derfynol.

Rwy'n amgáu linc i'r trawsgrifiad o gyfarfod y Pwyllgor ar 20 Tachwedd 2017 ynghyd â chopïau o bapurau ategol y ddau sefydliad.

Yn gywir,

Nick Ramsay AC
Cadeirydd

cc: Mark Drakeford AC, Ysgrifennydd y Cabinet dros Gyllid

John Griffiths AC, Cadeirydd y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau

Simon Thomas AC, Cadeirydd y Pwyllgor Cyllid

Cartrefi Cymunedol Cymru | Community Housing Cymru

Community Housing Cymru response to the findings of the Wales Audit Office's report into The Welsh Government's Supporting People Programme

About us

Community Housing Cymru (CHC) is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our members provide over 158,000 homes and related housing services across Wales. In 2015/16, our members directly employed 9,109 people and spent nearly £2bn (directly and indirectly) in the economy, with 89% of this spend retained in Wales. Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

Our objectives are to:

- Be the leading voice of the social housing sector.
- Promote the social housing sector in Wales.
- Promote the relief of financial hardship through the sector's provision of low cost social housing.
- Provide services, education, training, information, advice and support to members.
- Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

Please note, this is a brief response ahead of our full response to the public accounts committee's forthcoming consultation, in which we anticipate examining some of the key issues in greater depth.

Community Housing Cymru's members deliver support to all of the variety of groups that the report mentions, using Supporting People funding to pay, fully or in part, for this support. These services range from housing associations working with support providers to find housing solutions for armed services veterans and people with long-term learning disabilities to working directly to keep elderly people in safe, secure accommodation with appropriate levels of assistance. Without this programme, our members would be unable to provide crucial services, which benefit not only housing association tenants but wider society, with research indicating that every £1 invested in Supporting People services delivers £2.30 of savings to housing, health, social care and community safety, thus reducing pressure on a range of other public services. The programme helps over 60,000 of the most vulnerable and marginalised people to avoid homelessness and live independently in their communities. This includes older people, vulnerable young people, care leavers,

families fleeing domestic abuse, people with mental health problems, people with learning disabilities, people with substance misuse problems and more. Often those in receipt of support have multiple needs.

The Wales Audit Office report raises some points around governance and measurement that need exploring. However, it is vital that this fund is protected due to the positive impact it has on people and services, and also because it encourages people to engage with education, training and employment opportunities.

CHC's response to the committee's inquiry must be considered in the context of the expected changes to the Supporting People programme. Welsh Government is working, via the funding flexibilities pathfinder project, to roll Supporting People into one grant, along with other Tackling Poverty funds, across 7 LAs and in the other LAs to provide 15% flexibility between grant streams. While CHC welcomes any approach which will allow for alignment of strategic priorities and reduction in bureaucracy, we remain concerned about what this move means for the long-term protection of funding for housing-related support in Wales. The report notes (2.43) "We found near unanimous support for the Welsh Government's decision to retain the ring-fencing" and we agree that this reflects the outlook of our members. Following the release of the Detailed Draft Budget Proposals 2018-19, CHC understands that Welsh Government proposes to remove the budget ring fence for Supporting People in April 2019. Whatever form the Supporting People Programme takes in the future, Welsh housing associations need commitment that the services they provide to support vulnerable people will receive sufficient funding in the long-term and a sustainment of the ring-fence is the surest way to guarantee that commitment.

The context in which response to the WAO report is considered also includes a change in the manner in which funding for supported housing is delivered. The new funding model aims to secure supply of supported housing now and into the future; Welsh Government must ensure that the services, currently funded by SP, which are so often responsible for enabling people to move on from short-term supported accommodation, are appropriately funded in the long-term.

We are broadly supportive of the report's findings and recommendations, within the context noted above, and have responded below to the points we feel are most relevant to the work of our members.

We share the Auditor General's concerns (page 10, paragraph 10) as to the lack of explicit reference to prevention of homelessness in the programme's stated purpose and aims, though we are clear as to the transformative effect that Supporting People funded services have on enabling people to live independently and retain tenancies. The programme is unique among tackling poverty grants for its housing-related focus

and we call for this specialist focus on enabling people to access and maintain housing to be retained in future.

On the Auditor General's concerns about the RCC system (page 10, paragraph 13) we feel that these groups provide mixed outcomes from the perspective of housing representatives and we share the concerns about their impact. While there are examples of positive practice (see, for example the Gwent RCC's service user website), fundamentally the housing representatives on RCCs have limited powers to challenge the decisions made by local authorities. Although our members' input into RCCs has resulted in some examples of collaborative decision making, there are also instances we are aware of when the RCC has had no impact at all (or indeed not even been consulted) on local authority decision making with regard to SP procurement. As an example, Neath Port Talbot County Borough Council cut Tenant Support Scheme funding for three of CHC's members by 50% in January 2016 without any reference to the RCC; without going into the detail of this decision, the fact that they felt comfortable doing so without reference to the RCC is indicative of the level of consideration that some LAs give to the RCCs.

To address the points made about outcomes (page 11, paragraphs 14 and 15), we agree that developing a solid understanding of the impact of the programme is vital and has been a weakness, to date. However, we feel that the SAIL data linkage study demonstrated some initially very positive findings as to the impact that SP services have on reducing usage of health services. CHC would welcome further investment in similar data linkage research into the impact of the programme on other statutory services. We are concerned that the Welsh Government's decisions about the future of the SP programme, with regard to the funding flexibilities pilots, will be made without consideration of the outcomes of the full, four-year study into the programme's impact on health services.

Members report detrimental effects on staff of the heavy burden of monitoring which is currently expected of them. While we are firmly in favour of effective monitoring, which demonstrates the impact that SP funded support is having, given that the report states that it is still "difficult to form a comprehensive judgment of the success of the Programme" then we would be supportive of any work which enables easier collation of monitoring evidence 'in the field'.

On the points raised about the ring-fence and concerns as to the impact of budget reduction (page 11, paragraph 16), we welcome the ring-fencing of the budget over the next two years, but our members need longer-term assurance to enable the delivery of efficient and effective services. The fact that the size of the fund has been frozen once again, means that as costs go up, providers of services will continue to have to find efficiencies. Our members have noted concerns, previously, as to the limited size of the fund leading to procurement teams moving from prioritising quality of service to cost of service, which ultimately risk reducing the programme's impact.

Another area of concern is how our members can meet the rising cost of the Living Wage from a frozen grant fund.

Response to the Report's Recommendations

Recommendation 1

As with the local authorities (page 11, paragraph 18) CHC's members would welcome longer term indicative budgets, to enable our members to better plan services and provide certainty to investment decisions. This situation would remain the case in light of any new arrangement for funding of what are currently SP services. We thus welcome the Auditor General's first recommendation of indicative 3-year allocations being provided at the earliest opportunity and the suggested introduction of 3-year rolling LA spend plans.

Recommendation 2

We agree with the second recommendation of the report, that Welsh Government review whether the Regional Collaborative Committee arrangements remain fit for purpose in the context of other collaborative governance arrangements, such as the new statutory public service boards. In future, we would like to see Public Service Boards placing housing at the centre of their strategies, with a focus on how this results in better quality health and patient care and we feel that a report as to the lessons learned through the experience of the RCCs (and of the data linkage study) would be of significant benefit to the future of the Public Service Boards.

Recommendation 3

We agree that Recommendation 3, regarding the new formula for distribution of funds, should take into account the shifting political priorities, which affect the programme. Particularly, the fund's role in preventing homelessness must be considered in this redistribution, with specific weight placed on addressing areas of significant homelessness need. The role of current SP projects' in preventing homelessness also needs to be taken into account when considering the distribution formula as effective current projects will already be reducing homelessness need in their area of operation.

However, the shifting of funds to areas of greater need should be considered cautiously: concentrating services in high-need areas may attract people with those needs to locations with high support provision, creating pockets of mental ill health, substance dependency etc. We need clarity on how this calculation will be carried out as well as long-term certainty for both providers and service users.

Welsh Government should demonstrate clearly, if funds are redistributed, that all alternative approaches have been considered; aligning current SP services with new

strategic objectives may be more effective than redistributing funds across geographical areas, for example. This can be agreed by amending a project's SLA. The sector's response to the 2010 Aylward Review demonstrates that this is achievable.

Finally, we are clear that our members' views must be considered, whether via SPNAB or the RCCs, in any work that is done on this issue.

Recommendation 4

We support recommendation 4, on re-tendering and the need to minimise any uncertainty on the part of either contract holder or tendering authority. Clarity on the reasons for re-tendering and the legitimacy of such decisions is crucial for our members.

There is concern from our members that unnecessary re-tendering can lead to the diminution of providers' ability to effectively deliver support, with procurement teams, in some cases, not looking beyond reduced up-front cost to the long-term cost savings of providing sufficiently well-resourced support, which will result in fewer costs to the public purse further down the line. We are thus clear that the reasons for any such decisions to be made by local authorities must be transparent and that RCCs should be consulted on them. Welsh Government guidance should be updated to consider sustainable procurement of services which are sufficiently resourced to deliver effective service and have sufficiently long contracts to affect meaningful change, in tandem with other, related services.

Recommendation 5

We are supportive of recommendation 5, that the Welsh Government should identify and clearly communicate the implications of major policy reforms for the programme. As noted, the future of the programme hangs in the balance and we need urgent clarity as to the long-term role it plays in Welsh Government's plans, with regard to tackling homelessness and enabling vulnerable members of society to maintain secure accommodation.

The forthcoming changes to the manner in which supported housing is funded are of clear interest in the context of SP and we would welcome confirmation from Welsh Government that the fund will continue to be ring-fenced in light of these changes.

Recommendation 6

Regarding recommendation 6, which addresses the issue of variety of cost between similar services, we urge a cautious approach when reviewing and comparing services; no two services are identical and due to the complex needs of service users the support provided is often tailored to the individual, so comparison of like

with like is difficult. Factors that will result in varied costs, such as location (in rural areas, a support worker spends more time travelling, for instance so delivery of the same level of support as an urban equivalent takes longer), should be taken into account when making any such comparison. Transparency on costs is important, however, and though disparities may be understood as being appropriate, they should be explained in an open manner which ultimately demonstrates value for money.

Recommendation 7

On the point made in the report about the introduction of the new outcomes framework, we re-state the point made earlier in our response: the current monitoring requirements are burdensome and apparently not providing sufficiently high quality data to emphatically demonstrate the worth of the programme (although we are in absolutely no doubt as to its effectiveness, nor its transformational impact on the lives of vulnerable people). In line with our earlier call for the programme's governing documents to explicitly reference SP's impact on homelessness we would value Welsh Government consideration of how SP is used to support the homelessness prevention agenda. While we have no doubt that this is the case, we are concerned that the fact that homelessness data collection focusses on the 56 day window of prevention noted in the legislation means that SP's vital contribution is missed. We absolutely agree that WG should work with partners to embed and clarify any new arrangements. We are clear that Housing Associations need to be fully consulted on proposed changes.

Recommendation 8

Regarding the concerns raised about the issues of eligibility for support of (and disparities in the level of support provided to) some people with learning disabilities, we are in agreement that RCCs should ensure that SP funded services are being appropriately used. If this is found not to be the case we would expect that RCCs work with Welsh Government, as appropriate, to ensure that suitable services are delivered instead.

National Assembly for Wales
Public Accounts Committee
The Welsh Government's Supporting People Programme

8 November 2017

Dear members of the Public Accounts Committee,

Thank you for the invitation to give evidence before the committee on 20 November 2017. Please see below for supporting information in advance of the committee session.

1. About Cymorth Cymru

1.1 Cymorth Cymru is the umbrella body for providers of homelessness and housing-related support services in Wales. We have over 100 members, including charities, registered social landlords and local authorities who support people to avoid homelessness and live independently in their communities. Cymorth Cymru acts as the 'voice of the sector', influencing the development and implementation of policy and legislation that affects our members and the people they support. We work in partnership with members and other stakeholders to prevent and reduce homelessness and improve the quality of life for people who are marginalised or at risk of housing crisis across Wales.

2. Cymorth Cymru's initial response to WAO report

2.1 On 31 August 2017 Cymorth Cymru provided an initial response to the publication of the Wales Audit Office report about the Welsh Government's management of the Supporting People Programme:

> "We are pleased that the Auditor General recognises that the Supporting People Programme 'provides important support to those who need it the most'. As the Welsh Government develops its budget for 2018/19, we urge Ministers to show leadership and protect SP funding so that it can continue to transform the lives of 60,000 vulnerable people each year.
>
> "We welcome the report's recommendation that the Welsh Government should re-introduce indicative three year funding allocations, as the current annual funding cycle results in uncertainty and instability, limiting both local authorities and providers' ability to plan for the long term. Although we recognise the financial constraints on Ministers, we believe that supporting vulnerable people to avoid homelessness and live independently should be a priority and given longer term assurances."
>
> "It is important to recognise that this report does not criticise the services provided by the many dedicated staff across Wales, but makes a series of points about the governance and management of the programme.
>
> "We welcome recommendations to provide more clarity, consistency and certainty about government priorities, procurement processes and data collection. I frequently speak to people using these services and know that it transforms and saves lives. We are committed to working with our members and the Welsh Government to demonstrate this impact.
>
> "The Wales Audit Office is right to recognise the ongoing threats of welfare reform, particularly the UK Government's plans to apply the Local Housing Allowance rate to supported accommodation. We urge the UK Government to abandon these plans, which put the viability of supported accommodation projects at risk."

3. WAO recommendations

3.1 **Recommendation 1:** In recent years, the Welsh Government has provided local authorities with annual budget allocations for the financial year ahead, without providing any indicative budgets for future years. Reflecting the recommendations that we have made in some of our previous reports, and while recognising the uncertainties facing the Welsh Government's own revenues, we recommend that:

- the Welsh Government re-introduce indicative three-year Supporting People funding allocations at the earliest opportunity to assist local authorities in their planning; and
- at the same time, consider the merits of moving to three-year annual rolling local authority spend plans, to assist local authorities in planning services and to allow greater scrutiny by Regional Collaborative Committees.

3.1.1 We strongly agree with this recommendation. Annual funding allocations create huge uncertainty for a sector that is responsible for providing support to 60,000 of the most vulnerable people in Wales. Each year, local authority teams, support providers and landlords wait to hear whether they will receive the funding they need to continue running these services. This can hinder long term, strategic planning for all stakeholders at a time when welfare reform, homelessness and increasingly complex needs pose significant challenges to the most vulnerable people in Wales.

3.1.2 The uncertainty associated with annual budgets also has a negative impact on the wellbeing of frontline staff. This can result in skilled and committed support workers, team leaders and senior managers leaving the sector for employment that gives them and their families more certainty. Additionally, this uncertainty can impact directly on the people using services, as it increases the likelihood of changes to the service and their support workers. This was reflected by people at our service user engagement events in January 2017, who spoke of concerns about funding cuts and losing staff members with whom they had built trusting relationships. Given that stability can be vital to a person's recovery, the increased certainty offered by three year indicative funding and spend plans could also be beneficial to the people these services support.

3.1.3 While we appreciate that the Welsh block grant is dependent on UK Government allocations, we believe Ministers could and should give longer term assurances to Programmes such as Supporting People. This would provide more certainty and stability, enabling longer term strategic planning by both commissioners and providers, which could deliver better outcomes for vulnerable people.

3.2 **Recommendation 2:** The Welsh Government is proposing greater regional planning and delivery of services as part of its reforming local government policy. However, the Supporting People Regional Collaborative Committees have struggled to deliver at the scale and pace the Welsh Government would have liked. We recommend that the Welsh Government:

- identify and apply lessons learned from the experience of the Regional Collaborative Committees to inform its proposals for local government reform; and
- review whether the Regional Collaborative Committee arrangements remain fit for purpose in the context of other collaborative governance arrangements, such as the new statutory public service boards and its wider plans for regional working in local government.

3.2.1 We recognise that some Regional Collaborative Committees (RCCs) operate more effectively than others, but believe that the existing structure is of value and should be strengthened rather than removed altogether. With the UK Government proposals to devolve housing benefit funding for supported accommodation, and Welsh Government plans for further regionalisation, this may be the appropriate time to consider strengthening the powers and responsibility of RCCs to plan and commission the support and rent elements of Supporting People services on a regional basis. Strengthening the powers and responsibilities of RCCs may also help them to become more effective in their efforts to facilitate regional planning and commissioning.

3.2.2 **Housing expertise:** Retaining housing and homelessness expertise in the regional planning and commissioning of Supporting People services is absolutely essential, especially when homelessness is becoming an increasing challenge throughout the UK. Although RCCs vary in effectiveness, it is recognised that the housing expertise within their membership is a key strength.

3.2.3 **Links with Public Service Boards:** We would value stronger links between Regional Collaborative Committees and Public Service Boards (PSBs) and would also welcome an increased focus on housing by PSBs. However, PSBs have very broad ranging responsibilities and we therefore believe that the planning and commissioning of SP services must remain firmly rooted in bodies/structures dedicated to housing and homelessness. Another challenge is that the Public Service Boards are currently set up along local authority boundaries – this seems entirely out of step with the Welsh Government's regional agenda. If PSBs were regional, there could be a stronger link between RCCs and PSBs; RCCs could even report to PSBs in the future.

3.3 Recommendation 3: The Supporting People National Advisory Board has recognised the need for a new formula to help redistribute Programme funds to geographical areas of greatest need. The Welsh Government is also consulting on the strategic objectives for the Programme. We recommend that, once it has finalised the new strategic objectives for the Programme, the Welsh Government prioritise developing a new funding formula to redistribute funding in a way that most effectively delivers those objectives. In doing so, we recommend the Welsh Government give consideration to any transitional arrangements and wider policy developments that may impact on the Programme.

3.3.1 We believe that funding should be distributed to areas of greatest need, and that this should be based on robust needs assessment rather than historical spend. It should also ensure that client groups which are less 'politically popular' receive the support services

they need. We understand and appreciate the Welsh Government's decision to pause redistribution during a period of cuts, as this would have led to some areas facing a 'double whammy' of cuts. However, it can also be argued that the delay in redistribution means that other areas continue to face funding shortages that impact on their ability to meet vulnerable people's needs.

3.3.2 Any change to the funding formula must be done in collaboration with the sector and should be mindful of any unintended consequences such as the sudden removal of services for particular client groups. At a time when welfare reform and a lack of housing is resulting in increased homelessness, it would be preferable for redistribution to take place within the context of increased SP funding. This would enable more preventative service to be funded without decreasing existing service provision.

3.4 Recommendation 4: The Welsh Government's current and draft revised guidance on the procurement of Supporting People services is potentially misleading as it implies that retendering need only take place where a service review has found the service to be deficient. We recommend that:

- the Welsh Government's ongoing reviews of local authorities' management of the Programme should examine whether contracts are being extended in accordance with Public Contract Regulations; and
- in revising its Programme guidance, the Welsh Government redraft its advice on contract procurement to avoid the scope for any misinterpretation about when to retender for services, and to clearly articulate the rules around contract extensions.

3.4.1 We would welcome clear guidance on the issue of commissioning and procurement that clarifies the legal requirements of Supporting People commissioners but also encourages good practice. Reviewing and recommissioning schemes is an essential part of local authorities' responsibilities, and we know that they are under pressure. However, our members have shared concerns over recent years about some examples of:

a) Prioritising cost over quality in tender evaluation processes. This risks a race to the bottom which compromises quality and outcomes for people using services.

b) The trend towards commissioning fewer, much larger contracts, which inevitably results in the loss of some providers - and therefore skills and expertise. Where local authorities have chosen to award a single, large contract there is a risk that any problems encountered by the service will affect all clients and - other providers may no longer exist or be capable of stepping in to provide support.

c) A lack of engagement with providers about what services are needed and what is possible/viable in advance of procurement. This can lead to the wrong services being commissioned or inadequate funds being available to deliver the service.

d) A lack of meaningful involvement of people who use services.

e) A lack of clarity about TUPE processes and the impact on existing staff when contracts are awarded to different providers.

3.4.2 Supporting People services are delivered to some of the most vulnerable people in Wales and the unintended consequences of some practices need to be considered.

3.5 Recommendation 5: There have been a number of notable policy changes in recent years that affect the Programme. However, we have identified concerns about the scale of change and the way it has been communicated. In addition, other developments will have an impact on the Programme, for example, the Welsh Government's plans for local government reform and UK government reform of housing benefit. We recommend that the Welsh Government should identify and clearly communicate the implications of such reforms for the Programme.

3.5.1 **Welfare reform:** The UK Government's plans for the funding of supported accommodation have been a significant concern for the sector over the past two years. However, the Welsh Government has been extremely collaborative in their approach to dealing with the possible consequences for Wales and has actively involved representatives from the sector in their policy development process. Cymorth Cymru, Community Housing Cymru and the Welsh Local Government Association are key members of the Welsh Government's stakeholder steering group, along with additional representatives of local authorities, support providers, landlords, older people's provision and domestic abuse refuge providers. Welsh Government officials have engaged positively with events run by Cymorth Cymru and been very receptive to the issues and concerns raised by people working in the supported accommodation sector. The Welsh Government has also been engaged in conversation with the sector about other welfare reforms, such as the UK Government's plans to reduce housing benefit to people under the age of 35.

3.5.2 **Local Government reorganisation:** The lack of clarity regarding local government reorganisation continues to pose challenges to organisations working across a variety of sectors in Wales. The Welsh Government has been discussing this issue for many years, encouraging regional working and voluntary mergers - but very little progress appears to have been made. Our members often feel frustrated by the lack of clarity resulting from different approaches by different Ministers. It is not our place to specify whether the Welsh Government should force local authorities to merge or not – but it would be useful if they could make more progress than they have over the last few years. Our members who operate in several local authority areas often express frustration about the variation in process and practice between different local authorities and would welcome more consistency.

3.5.3 **Other Welsh Government policy and legislation:** With regards to changes in Welsh Government policy and legislation, this is actively discussed by Welsh Government officials and the sector on a frequent basis. The Cabinet Secretary/Minister responsible for SP addresses the Supporting People National Advisory Board (SPNAB) on an annual

basis and outlines his or her intentions for the sector in the context of Welsh Government policy and legislation. The implications of policy and legislation such as local government re-organisation, the Social Services and Wellbeing (Wales) Act, the Wellbeing of Future Generations (Wales) Act and welfare reform are frequently discussed at SPNAB, the Strategic Finance and Research Group and the Regional Collaborative Committees. Cymorth Cymru also runs a series of events throughout the year which include active participation from Welsh Government officials during presentations, discussions and workshops on Welsh policy and legislation such as the Housing Wales Act, Social Services Act, Adverse Childhood Experiences and welfare reform.

3.6 **Recommendation 6:** While the Welsh Government has identified that there are widespread variations in overall service costs, further analysis is required to understand the reasons for that variation. We recommend that the Welsh Government work with local authorities to examine in more detail whether there are significant variations in the costs of delivering Supporting People services of a similar type and duration.

3.6.1 It is essential that all stakeholders ensure value for money in the delivery of the most effective services to people who need them. However, it is important that the Welsh Government examines why there are variations in costs. Supporting People services vary considerably in order to meet the needs of a variety of client groups, which often include people with needs that vary in complexity and severity. A multi-faceted, flexible and responsive approach is one of the strengths, but this means that costs will vary within and across client groups. Any examination of cost variations must take this into account.

3.7 **Recommendation 7:** There remain concerns about data quality in the current Outcomes Framework, but with revised data collection arrangements being proposed. We recommend that the Welsh Government work with its partners to ensure that, once introduced, any new arrangements are clearly understood by providers and embedded as part of contractual arrangements.

3.7.1 We are acutely aware of the positive impact that Supporting People services have on people's lives. We often visit projects across Wales and see first-hand how these schemes change and save lives.

3.7.2 For the past few years we have organised service user engagement events on behalf of the Supporting People National Advisory Board. In January 2017 we spoke to approximately 175 people in Newport, Rhyl and Carmarthen about their experiences of Supporting People services. When asked 'Where do you think you'd be if you hadn't been able to access the SP service?' many replied that they would be dead, homeless, sectioned or suicidal. You can read the short report about these engagement events here.

3.7.3 However, we agree that formal data collection to evidence the impact of Supporting People services needs to improve. Our members see the positive impact of their services every day, but are concerned that this is not evidenced clearly. Delays in consulting on

the new outcomes framework has frustrated providers, who are keen to demonstrate the impact of their schemes on people's lives and public services.

3.7.4 **Homelessness prevention:** In particular, we need to better evidence the impact of Supporting People services on the prevention of homelessness in Wales. The very nature of the Programme – supporting people experiencing homelessness or in need of housing-related support – means that it has a considerable impact on this area. For example, we know that every supported accommodation scheme puts a roof over people's heads and supports them to either remain in those communities, or move on to independent living with their own tenancy. We also know that floating support prevents people from losing their tenancy, or helps them to access a new tenancy. If the Programme is supporting approximately 60,000 people every year, then it would be reasonable to make the assumption that it is preventing homelessness for many thousands of people. However, the extent of SP's contribution to homelessness prevention is not captured in the Welsh Government's official statistics. Data collection varies between different teams in local authorities and many SP interventions happen in advance of the 56 day statutory duty to help prevent homelessness – on which the homelessness prevention statistics are based.

3.7.5 **Impact on health services:** Despite concerns about data collection, the SAIL data linkage project has provided some very interesting data about the impact of Supporting People interventions on the use of health services in Wales. The feasibility study indicated that interaction with Supporting People services resulted in a reduction in the use of GP services, A&E and emergency hospital admissions. The subsequent project is currently gathering and analysing data on a much greater scale from every local authority in Wales. The sector has welcomed the Welsh Government's commitment to this work.

3.8 Recommendation 8: Welsh Government reviews, and more detailed work at a regional level by two of the Regional Collaborative Committees, have highlighted some issues with the eligibility of support for people with learning disabilities and differences in the level of support provided. We recommend that the Welsh Government encourage all Regional Collaborative Committees to review arrangements for support for people with learning disabilities through the Programme and work with the committees to manage any potential negative consequences for service provision.

3.8.1 The Supporting People Programme should be funding housing-related support services. It is therefore absolutely right that the Welsh Government, Regional Collaborative Committees and local authorities do all they can to ensure that this funding is spent as intended. However, if any existing services for vulnerable people are found to be receiving SP funding for non-housing related support, the Welsh Government must ensure that that the appropriate funder steps in to fund the service. Vulnerable people must continue to get the support and care they need to live independently in their communities. At a time when all budgets are under pressure, providers are concerned that any removal of SP funding may not be replaced.

4. Welsh budget: Supporting People funding

4.1 Although this inquiry is focused on the WAO report and not the draft budget, we feel it is important to raise our concerns about the possible future funding of the Supporting People Programme.

4.2 We are deeply concerned that the Supporting People budget line has disappeared from the Welsh draft budget for 2019/20 and appears to have been merged with funding streams that have no direct link to homelessness and housing-related support. The removal of the ring-fence has had a disastrous impact on many Supporting People services in England and we fear that over time, this could happen in Wales. It removes all accountably from Ministers about the amount they spend on housing-related support and risks the loss of vital services that support some of the most vulnerable people in Wales.

4.3 It is likely that the resulting merged grant will sit outside of the housing directorate of Welsh Government and housing departments of local authorities, resulting in the loss of housing expertise at a time when homelessness is an increasing challenge and concern. The focus on this issue will be diluted and the funding for SP client groups (particularly those who are less 'politically popular') could be lost, resulting in increased homelessness, particularly for people with the most complex needs.

4.4 In addition, the anticipated devolution of housing benefit funding for supported accommodation means that this is the wrong time to remove the ring-fence around the Supporting People budget and dismantle the mechanisms for distributing the support element of supported accommodation funding. Supported housing is in a state of flux and it is vital that Supporting People funding is maintained alongside the housing benefit element to ensure stability for landlords and lenders.

4.5 An alternative solution: While we understand the Welsh Government's intention to rationalise grant funding streams, we believe that placing Supporting People in a budget line with non-housing programmes is a huge mistake. However, we have made it clear to Welsh Government Ministers and officials that we are happy to engage constructively and discuss grant alignment in the context of other homelessness and housing-related support funding streams, such as the homelessness prevention grant and the devolution of housing benefit funding for supported accommodation. We believe that this is a much more sensible and appropriate approach to grant alignment within the context of housing and homelessness.

We look forward to seeing you on 20 November,

Katie Dalton
Director, Cymorth Cymru

Rhian Stone
Chair, Cymorth Cymru

Mae cyfyngiadau ar y ddogfen hon