

Agenda item:

**[No.]**

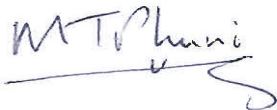
**Lead Member Report – Councillor Dogus**

**On 24<sup>th</sup> May 2011**

Report Title: Report to Approve and Implement the recommendations from the completed consultation on Adult and Community Services (ACS) Department specific criteria to assess funding for community, voluntary and independent sector (and the private sector where appropriate), and actual funding for 2011-12.

Report of: **Mun Thong Phung, Director, Adult and Housing Services**

Signed:



Contact Officer: Lisa Redfern, Deputy Director, Adult and Community Services

Wards(s) affected: **All**

Report for: **KEY DECISION**

**1. Purpose of the report (That is, the decision required)**

- 1.1. The purpose of this report is to implement the final funding decisions in relation to the budget reductions to voluntary sector organisations within Adult and Community Services (ACS).
- 1.2. The Cabinet Member for Adult and Community Services (ACS) agreed criteria for future funding in relation to adult services for 2011/12. These criteria were subject to consultation and this report seeks to confirm approval of the criteria as attached at Appendix 1.
- 1.3. These criteria were provisionally applied to assess the future commissioning of services and these provisional decisions were subject to consultation. Following appropriate consideration of the responses to this consultation and having had due regard to the Council's equality duties as set out in the Equality Act 2010 (and attached at Appendix 6 to this report), this report seeks Lead Member approval to implement final funding decisions for 2011/12 arising from the application of these criteria.

## **2. Introduction by Cabinet Member (if necessary)**

- 2.1. The funding cuts from Central Government have meant that all areas of support and budget commitment be reviewed. Adult and Community Services have carefully reviewed the funding to the voluntary sector, with a view to prioritising resources to the most vulnerable residents. This will allow for savings to be made to contribute to the Council's savings plan.
- 2.2. A Cabinet decision on the 8<sup>th</sup> February (Item 9. Medium Term Financial Planning 2011/12 – 2013/14) gave authority to the appropriate Cabinet Member to take the final decisions in relation to proposed reductions or cessations of funding to third sector (and private sector where relevant) organisations that were provisionally identified as part of the Council's budget setting process for 2011/12. As part of this decision, Council wide over-arching funding criteria were agreed by Cabinet and are attached at Appendix 5.
- 2.3. In February 2011, the Cabinet Member for Adult & Community Services agreed criteria for future funding in relation to services in ACS for 2011/12. The Cabinet Member also approved a delegation to the Director of Adult and Housing Services to provisionally apply these criteria and make in principle decisions in relation to funding reductions to services, subject to consultation and equalities impact assessments.
- 2.4. Consultation with users and providers on the proposals has been carried out. A consultation report is attached to this report at Appendix 2. Equality impact assessments (EQIAs) have been carried out and are attached at Appendix 3 and Appendix 4.
- 2.5. Following consideration of the consultation responses, and having regard to the Council's equality duties under the Equality Act 2010, ACS have finalised their proposals for future funding of voluntary sector organisations and this report seeks to implement those decisions.

## **3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1. [Council Plan](#) priority – A Thriving Haringey: encouraging lifetime well-being at home, work, play and learning;
- 3.2. [Council Plan](#) priority – A Caring Haringey: promoting independent living while supporting adults and children in need;
- 3.3. [Council Plan](#) priority – Driving Change, Improving Quality: delivering excellent customer focused cost effective services;
- 3.4. [Sustainable Community Strategy](#) outcome – Healthier people with a better quality of life; and
- 3.5. [Well-being Strategic Framework](#): encompasses the seven *Our Health, Our Care, Our Say* (OHOCOS) outcomes. The Framework recognises that promoting well-being and prevention requires creative and integrated solutions beyond the traditional health and social care agenda. The Framework is currently being

reviewed to focus on the new policy agendas of personalisation, safeguarding vulnerable adults and addressing health inequalities.

#### **4. Recommendations**

- 4.1. It is recommended that the criteria attached at Appendix 1 for the future funding of services by Adult and Community Services is confirmed in order for final decisions on funding of individual services to be made.
- 4.2. It is recommended that approval be granted for the recommendations as set out in Appendix A of this report to implement the funding changes to individual services resulting from the application of these criteria.
- 4.3. It is recommended that approval be granted for a waiver of the Council's Contract Standing Orders (CSOs) as allowable under the Council's Constitution (Part 3, Section D paragraph 2.2 (D)), of the Council's requirement for tendering of contracts under CSO 6.05. The contracts for which the waiver is sought are detailed in Appendix A of this report.

#### **5. Reason for recommendation(s)**

- 5.1. In order to make informed and equitable decisions regarding proposed reductions, criteria were developed to assist in making decisions on future funding of organisations by Adult and Community Services. The criteria is based on the Eligibility Guidance published by the Department of Health and puts greater emphasis on meeting the needs of individuals who would be considered as having critical or substantial needs, as this is where the Council's eligibility threshold is set and where the statutory duties lie. Various comments were received in consultation on the criteria and a summary can be found under the heading "Comments on the Criteria Used" of the consultation report attached at Appendix 2.
- 5.2. Some considered that use of the Department of Health Eligibility Guidance (commonly still referred to as Fair Access to Care Criteria or "FACS") was unfair, particularly where the users of their services were not in receipt of statutory social care services. Some said that it is difficult to separate ACS funding from other funding streams, many of which were also being cut.
- 5.3. Several others queried, as they perceived it, the arbitrary nature of ACS's scoring system for determining the impact of stopping a service, and made a case for additional points to be awarded (evidence provided) under the system. Reviewing the award of points did see many projects' provisional scoring increase, although for only about five did this result in the organisation achieving sufficient points to retain their 2010/11 funding at either the same or reduced level.
- 5.4. Notwithstanding, it is recommended that the criteria as set out at Appendix 1 are approved.

5.5. Currently ACS commissions approximately £1.5million from voluntary sector organisations to support the delivery of social care services to vulnerable adults in the borough.

5.6. The detailed breakdown of the proposed reduction in funding to the voluntary sector can be found at Appendix A to this report. Adult and Community Services can be separated into client care groups. Information on each sector is provided below.

5.7. **Older People:**

The proposals in relation to the Older People's sector are as follows:

Original contract value	£375,700
Initial proposed reduction	£100,000
Recommended reduction	£100,000
Revised contracts value	£275,700

No change is proposed to the original in principle funding decisions for services who work primarily with older people. The criteria prioritised those services that work to increase and maintain independent living in the community and reduce isolation, such as stroke club and drop-in services. Services that are being recommended to cease are primarily concerned with benefits maximisation and befriending. In terms of benefits maximisation, ACS will mitigate this loss of service through increased partnership working with key agencies such as the Job Centre Plus. Links are already established with the Job Centre Plus Haringey Partnerships Manager, and for people eligible for personal budgets, the financial assessment team completes an income maximisation assessment with service users. In terms of the befriending service, it is expected to mitigate the loss of this service through the neighbourhood networks pilot.

5.8. **Learning Disability**

The proposals in relation to the Learning Disability sector are as follows:

Original contract value	£250,157
Initial proposed reduction	£45,747
Recommended reduction	£45,747
Revised contracts value	£204,410

No change is proposed to the original in principle funding decisions for services who work primarily with people with Learning Disabilities. There are two services mainly affected, arts/drama sessions, which is available through other organisations; and an employment project, with mitigation anticipated through the expansion of access to personal assistants for people with learning disabilities.

### 5.9. **Mental Health**

The proposals in relation to the Mental Health Sector are as follows:

Original contract value	£108,000
Initial proposed reduction	£35,000
Recommended reduction	£25,550
Revised contracts value	£82,450

Following feedback from the consultation process, and in completing the equalities impact assessment, the original in principle funding proposal has been reduced, with less savings now proposed to be sought from mental health. As a direct result of consultation analysis, it is now recommended to retain services such as advocacy, specialist floating support for a hard to reach community group community, and the provision of an appropriate adult service. The one service that it is recommended to cease is a scheme to train volunteers as appropriate adults, mitigation for which is to work with the current appropriate adult service in remodelling their current service model. A counselling and psychotherapy service was originally assessed for cessation under the criteria, and as a direct result of the consultation process and analysis which highlighted the vulnerability of users, including care leavers, the Council is working with the provider to agree a remodelled service.

### 5.10. **Alcohol misuse**

The proposals in relation to the Alcohol misuse sector are as follows:

Original contract value	£366,258
Initial proposed reduction	£78,249
Recommended reduction	£49,599
Revised contracts value	£316,659

The original in principle proposed savings included a reduction to services to people who misuse alcohol, including street-drinkers. Reductions to this sector are also being sought by the Supporting People programme and by Children & Young Peoples Service. Feedback through the consultation process included highlighting the importance of access to services at 'unsocial' hours as well as out of normal office hours. As a direct result of consultation analysis some services originally proposed for cessation are now being recommended to continue at full or reduced levels. The result will be a re-modelling of the alcohol service supplementing the existing pathway model, with some savings still to be achieved.

### 5.11. Carers

The proposals in relation to services to the Informal Carers sector are as follows:

Original contract value	£230,000
Initial proposed reduction	£75,250
Recommended reduction	£53,250
Revised contracts value	£176,750

The original in principle proposed savings included a reduction in services to Carers, as well as terminating some services. The original proposals for funding reductions sought to retain key services that met the needs of the most vulnerable carers across BME groups and client groups.

Following the consultation process and equalities impact assessment, a proposal has been reached to reduce the savings required. The services which are still recommended to be decommissioned include benefits advice and a support group, which included some provision for an annual conference. As with the benefits advice service in the Older People's sector, the loss will be mitigated through increased partnership working with key agencies such as the Job Centre Plus. The Job Centre Plus Partnerships Manager is a member of the Carers Partnership Board and within Jobcentre Plus local offices there are "Carer Lead Champions" who provide support to carers to enable them to get back into employment. This can include replacement care and benefits advice.

One of the carers services that is being recommended for retention will be reviewed in 2011 with the review of the Council's Core Grants Programme, pending the implementation of the commissioning and funding framework for the voluntary sector.

### 5.12. General Services

The proposals relating to services available more generally are as follows. They include services that provide some infrastructure support to voluntary and community groups, and include supporting and facilitating engagement and participation on strategic boards and forums.

Original contract value	£148,300
Initial proposed reduction	£144,000
Recommended reduction	£114,000
Revised contracts value	£34,300

The original in principle proposals included a funding reduction to most of these services. Following the period of consultation, it has been highlighted that there remains a strong need to retain some of the services that support voluntary and

community groups. One key provider was concerned about the use of adult and community services criteria to the more generic services provided. This is acknowledged with the revised proposal, with continued funding now recommended.

## **6. Other options considered**

- 6.1. Officers have considered all options but due to budgetary constraints on the Council it is necessary to find this level of savings within the Adult and Community Services commissioning budget. This necessitates decommissioning and redesign of several services to meet these budgetary demands.

## **7. Summary**

- 7.1. The Government's Comprehensive Spending Review (20<sup>th</sup> October 2010) has placed an enormous challenge on local authorities and other public services to reduce spending over the next few years. Many grants have been trimmed or cut completely, which includes grants that made up the Area Based Grant (ABG). As a result the ABG no longer exists – it ceased on the 31<sup>st</sup> March 2011. There have also been significant changes in the way councils receive their funding from 1<sup>st</sup> April 2011, which has created additional financial pressures on the Council.
- 7.2. Overarching indicative criteria, based on Audit Commission criteria, were approved at Cabinet on 8th February. These overarching criteria applied Council wide, and are attached as Appendix 5 to this report. Adult and Community Services went on to develop detailed criteria based on the overarching criteria that correspond with the priorities and frameworks of the Directorate, approved by the Director and Cabinet Member Adult Culture and Community Services on the 16<sup>th</sup> and 21<sup>st</sup> February.
- 7.3. The criteria has been set out in two parts. Firstly, the service was assessed using the Eligibility Criteria guidance published by the Department of Health and given a numerical score weighted towards giving those with critical and substantial needs a higher score (the 'needs' score).
- (i) Services for people that primarily have critical needs
  - (ii) Services for people that primarily have substantial needs
  - (iii) Services for people that primarily have moderate needs
  - (iv) Services for people that primarily have low needs
  - (v) General population; Early intervention and prevention
- 7.4. The second part of the criteria consisted of an assessment of each service in terms of 'Financial impact on other services'; 'Service not available elsewhere'; 'Service affects a large percentage of the service user group'; 'Value for money' and 'Other Significant Factor'. This produced a multiplier for the needs score and a final score was calculated for each service. According to the score, a decision was proposed from three possible outcomes:

- (i) end on 31 March 2011 or at a subsequent agreed date
- (ii) continue at a reduced contract value
- (iii) continue at the existing contract value

Organisations were advised that they needed to meet a minimum score of 16 out of a total of 25 to be eligible for any potential funding. The organisations were informed of the scoring and the provisional decisions relating to funding for 2011/12 on 17<sup>th</sup> February. As part of the formal consultation process, the organisations were invited to respond to the provisional scores and decisions, comment on the criteria being used, provide details on impacts on equalities groups from these provisional decisions and provide general representations on the provisional decisions.

- 7.5. The consultation period was initially from 17<sup>th</sup> February to 17<sup>th</sup> March. It was recognised that the timescales were challenging for the organisations concerned, and the residents who use their services. The consultation period therefore was extended to 31 March for organisations to respond to how the ASC criteria and judgements in respect of their organisations that had been applied and also extended to 8 April with service users. A consultation report on responses received is attached as Appendix 2 and equalities impact assessments on the proposals are set out at Appendix 3 and Appendix 4. The final recommendations for services, having considered the responses to consultation and conducted equalities impact assessments, can be found at Appendix A.
- 7.6. The retained services will be subject to further review in 2011/12 following the implementation of the Commissioning & Funding Framework for the Voluntary Sector, currently proposed for July 2011.

## **8. Chief Financial Officer Comments**

- 8.1. On 8<sup>th</sup> February 2011 Cabinet agreed in principle to a reduction in the expenditure on voluntary sector services of £1.3m.
- 8.2. Adults and Community Services (ACS) commissions approximately £1.5million from voluntary sector organisations to support the delivery of social care services to vulnerable adults in the borough. With the reduction in funding a commensurate reduction in spending must be achieved. Of the total area based grant saving to be achieved in 2011/12 of £1.3million, the voluntary sector reductions for services commissioned by ACS equate to approximately one third, with the balance coming from funding provided to NHS Haringey and Council's internal services.
- 8.3. The recommendations within this report will enable ASC to achieve the required savings. However, should there be any delay in implementation then the savings shortfall must be met from within existing resources.

## **9. Head of Legal Services Comments**

- 9.1. The decisions by the Cabinet Member concerning the recommendations set out in the report must be informed by and take into account the outcome of the consultation with service users and providers, which is set out in Appendix 2 to this report.
- 9.2. In reaching their decisions the Cabinet Member must also have due regard to the authority's public sector equality duty and thus should take into account the attached full equality impact assessments included at Appendix 3 and Appendix 4 to the report. The extent of the public sector equality duty on the Council, enforced by the Equality Act 2010, is set out in Appendix 6 to this report.
- 9.3 This report is seeking a waiver of tendering requirements under Contract Standing Order (CSO) 6.05 in respect of numerous contracts for services, details of which are outlined in Appendix A. Power for the Cabinet Member to waive the rule at CSO 6.05 and enter into these contracts is contained within the Council's Constitution (Part 3, Section D paragraph 2.2 (d) which provides that the Leader of the Council can decide which decisions can be taken by an individual Cabinet Member).
- 9.4 The Council in exercising these powers needs to take into account the views and opinions of users, providers and other stakeholders and to have carried out extensive consultation on these proposals. The results of the consultation process are reflected in the final recommendations in this report. The revised proposals are as reasonable and as fair as can be expected. Further legal comments are contained in paragraphs 6.1 - 6.9 of the exempt information report attached at Appendix A.

## **10. Head of Procurement Comments – [Required for Procurement Committee]**

- 10.1. N/A

## **11. Equalities & Community Cohesion Comments**

- 11.1. Two equalities impact assessments (EQIAs) have been completed for all services that have been subject to the proposals for funding reductions to the voluntary sector by ACS :
- Assessing the impact of the proposed criteria for ACS (attached in Appendix 3).
  - Assessing the impact of the funding proposals (attached in Appendix 4).
- 11.2. The adoption and implementation of the criteria for funding for community, voluntary and independent sector (and the private sector where appropriate) services is likely to increase barriers for service users from groups with protected characteristics.

- 11.3. The key findings from the EQIA on the funding proposals are as follows:
1. **Alcohol misuse** - There will be a disproportionate impact on people of working age, men and white Irish people.
  2. **Carers** - There will be a disproportionate impact on Asian/Asian British people and women.
  3. **General** - There will be adverse impact on younger adults (who may also be from BME communities), although no detailed equalities data is available.
  4. **Learning disabilities** - There will be adverse impact on men, and a small adverse impact on users from Asian/Asian British and Black/Black British backgrounds, loss of services to support with employment will have an adverse impact.
  5. **Mental health** - There will be adverse impact on people from Black & Minority Ethnic Groups in particular Black/Black British backgrounds; Gay Men and Lesbians will be disproportionately affected by loss of counselling service. There will also be a disproportionate impact on people under 25.
  6. **Older people** - There will be adverse impact on people from Black/Black British backgrounds and older women.

11.4. To mitigate these impacts Adult and Community Services will:

Issue raised	Mitigating Actions
Loss of service to people who misuse alcohol because of proposed funding cuts across ACS, CYPS and Supporting People	Commissioners to work with provider in remodelling of service, to maximise needs that can be met within resources available, to minimise the impact on people who use the service, including people of working age, men and White Irish people
Access to benefits advice to maximise income for older people and informal carers (and other groups)	Strengthen partnership arrangements with Job Centre Plus Care Partnerships manager.  Training and support to front line social care staff (including Personal Budget Support Service) to ensure good knowledge of benefits  Ensure information is available in appropriate community languages
Loss of volunteering and befriending schemes, with risk of increasing isolation of vulnerable groups.	Develop Neighbourhood Networks, utilising social media opportunities and the development of community hubs in Libraries, to engage adults within communities around volunteering and befriending opportunities. Consider how to engage younger adults and those from BME communities, to ensure access to services that support them for example into employment
Review infrastructure model for community and voluntary groups	Finalise commissioning and funding framework for the voluntary sector.

	Strengthen data collection about equalities protected characteristics – survey of community groups to improve information available about equalities to ensure future funding arrangements are targeted at the most vulnerable.
Loss of employment and training support and opportunities in learning disabilities and for people who misuse alcohol.	Review use of personal budgets in learning disabilities and across other services in terms of support plan outcomes about 'being employed'.  Market development – development of personal assistant role to ensure user supported in accessing opportunities particularly for men and people from BME communities who have learning disabilities.
Training	All Officers involved in creating future funding proposals to VCS and, where appropriate, some private organisations, to receive up to date, full, equalities training.

11.5. It is advised that Adult and Community Services should:

- Ensure that equalities information continues to be collected by providers and analysed
- Continue to monitor the impact of the changed services to maintain good quality of provision and outcomes for all service users.
- Review the equalities information required from providers within the contract and specification documentation, to increase the level of equalities information provided to the Council.

## 12. Consultation

12.1. **8 February 2011:** High level criteria for the funding of Council services developed by Council Officers and agreed by Legal Services, agreed at Cabinet.

12.2. The Cabinet Member for Adult and Community Services agreed criteria for future funding in relation to Adult and Communities Service for 2011/12. The criteria are provisionally applied to organisations and in principle decisions are notified to providers to commence consultation. Consultation period to end on 17 March 2011.

12.3. **25<sup>th</sup> March 2011:** It is decided to extend the deadline for consultation responses to enable greater analysis to be undertaken. Letters were sent out to all service providers advising of the temporary extension of funding based on the provisional decisions, pending final decisions. This letter also advised that the consultation period was being extended to 31<sup>st</sup> March 2011 for organisations and 8<sup>th</sup> April 2011 for service users.

- 12.4. 17<sup>th</sup> February to 31<sup>st</sup> March 2011: Consultation took place between the 17<sup>th</sup> February and 31<sup>st</sup> March 2011. Questionnaires were provided to organisations to be given to users of services. Users responses were analysed following the close of user consultation on 8<sup>th</sup> April 2011. This analysis of the responses and a summary of responses can be seen in the consultation section of the EQIA's (Appendix 3 and 4), and also a separate consultation report (Appendix 2).
- 12.5. The Council received 541 responses from service users, carers and family members and providers, and one petition. The findings have directly influenced the final recommendations within this report. The findings can be found in the consultation report attached at Appendix 2, with equalities analysis reflected in Appendix 3 and Appendix 4.

### **13. Service Financial Comments**

- 13.1. ACS was required to find £1.3million in savings resulting from the loss of the Area Based Grant (ABG).
- 13.2. Whilst the loss of ABG was the key driver for identifying savings, a review of all services commissioned (regardless of source) by ACS was undertaken.
- 13.3. In 2010/11, ACS commissioned or grant funded approximately £1.5million from the voluntary sector, across all client groups.
- 13.4. Savings of £400k are proposed here, to help meet the savings funding gap for the Council. This includes some provision for 'slippage' to ensure the full savings target is met
- 13.5. Efficiencies - further efficiencies may need to be identified in 2011/12, which will be achieved through a further review of voluntary sector funding.

### **14. Use of appendices /Tables and photographs**

- 14.1. Appendix 1: Criteria agreed by Cabinet Member for Adult, Culture and Community Services
- 14.2. Appendix 2: Consultation Report
- 14.3. Appendix 3: Equality Impact Assessment – criteria
- 14.4. Appendix 4: Equality Impact Assessment – funding proposals
- 14.5. Appendix 5: Council's overarching criteria
- 14.6. Appendix 6: The public sector single equality duty
- 14.7. Appendix A: Exempt Information - **not for publication**

**15. Local Government (Access to Information) Act 1985**

15.1. This report contains exempt and non-exempt information. Exempt information is contained in Appendix A and is **not for publication**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972 (3) Information relating to the financial or business affairs of any particular person (including the Authority holding that information)