

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**15 March 2016**

**Report of the Strategic Director for Adult Care**

**GRANT FUNDING IN 2016-17  
NON- STATUTORY SERVICE PRIORITIES**

**ADULT SOCIAL CARE**

**1. Purpose of the Report**

To seek Cabinet approval to:

- Commence a process of formal consultation with local Voluntary and Community Sector (VCS) providers, service users and other stakeholders on proposals to identify a sustainable funding model for strategically relevant services provided by the VCS in Derbyshire.
- Continue payments to voluntary and community sector organisations for services listed in this paper for a six month period from 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016 (to include notice period) whilst the outcome of the consultation is considered by Cabinet.

**2. Information and Analysis**

The Comprehensive Spending Review and associated Local Government Finance Settlement, announced in December 2015, provide clear indications of likely levels of Government support up to 2019-20.

The ability of the Council to fund services is influenced by a number of factors, one of the most significant of which is the availability of support from Government in the form of Revenue Support Grant (RSG). Throughout the current period of cuts in public sector spending, since the global financial crisis in 2008, the Government has consistently reduced its support to local authorities and by 2019-20 it is forecast by the Department for Communities and Local Government that the Council's support through RSG will have fallen to around £13m and the Council is expecting this support to end in totality in

the following year (2020-21). By way of comparison the Council received £98.050m of RSG in 2015-16.

This will bring to an end decades of support to local authorities through the allocation of a large non-ring-fenced Government grant; other, less significant, grant streams are also expected to reduce and some to end over the forthcoming five years. By 2021-22 it is envisaged the vast majority of the Council's funding will come from Council Tax and Business Rates, topped up by direct charges for services where appropriate.

The reduction in Government grants is only part of the problem faced by the Council; there are significant pressures, particularly in Adult Care, which require the Council to allocate approximately £20m to that service alone in each of the next five years and probably around £15m a year thereafter. The pressures in Adult Care are a combination of additional cost arising from the Chancellor of the Exchequer's announcement about the introduction of a National Living Wage and increasing numbers of clients requiring support and the increasingly complex needs of those clients.

In mitigation, the Government have announced that councils will be able to increase their Council Tax by an additional 2% per annum in each of the next four years and there is provision for further payments to be received from the Better Care Fund, potentially reaching £25m per annum by 2019-20. However, neither of these measures will offset the pressures in Adult Care on an annual basis and they are not available to help prevent savings being required in other service areas.

Overall, the Council's revised Five Year Financial Plan, which is also on the agenda for approval at this Cabinet meeting, indicates cuts of at least £109m are still required from 2016-17 until 2020-21. This is in addition to cuts identified in the period 2010-11 to 2015-16.

One of the options being considered is to reduce funding to VCS by the Adult Care Grant Aid Budget. The Council has tried to protect the level of funding available to the VCS, but this is likely to be no longer sustainable because of further Central Government cuts.

The Adult Care Grant Aid Budget has funded many of the services referenced in this report for over 15 years. Many of these services are valued very highly by the communities they serve and it is important to consider how these continue to be supported into the future. The Council is committed to identifying opportunities with VCS providers to find more efficient and effective ways of operating which will result in reducing the overall expenditure in the

VCS without seeing all of the current provision being cut. Appendix 1 lists all the services with a stand-alone funding agreement with Adult Care and Appendix 2 lists those services jointly funded with the four local NHS Clinical Commissioning Groups (CCGs).

## **2.1 Joint Funding**

The CCGs have confirmed that they also intend to review services that are jointly funded with Adult Care (listed in Appendix 2). It is intended that where applicable the CCGs will undertake a joint consultation with the County Council on proposals in respect of future funding and meeting identified service priorities.

The coordination of the consultation on any proposed disinvestment by Adult Care and the four CCGs will be overseen by the Project Group set up by the Health and Well Being Board to consider the health and social care investment in the VCS. This group is chaired by North Derbyshire CCG with representation from the VCS, the County Council, District and Borough Councils and other Derbyshire CCGs.

This group has also been tasked with:

- Developing a single commissioning process (to include grants) with contract monitoring and evaluation.
- Developing proposals around service redesign to link service delivery with Council and (where applicable) local NHS priorities. These proposals would need to promote efficiencies in service delivery, promotion of social value, equity and service performance.

## **3 Likely Impact of ceasing funding**

It is likely that the impact of any disinvestment in these services will be further developed and understood as part of developing an Equality Impact Assessment against the proposed budget cut.

Members should be aware that there may be a cumulative impact as a result of any proposed disinvestment of VCS services following changes to Adult Care eligibility criteria, co-funding, and changes to housing related support services and transport policy. The Council's Chief Executive's Department is also considering proposals to reduce funding to a number of VCS organisations that may also be impacted by proposals detailed in this report. This may result in some organisations no longer being sustainable and would affect the quality of life of people who may have services withdrawn or, in the

case of prospective clients, not provided at all. Any cumulative impact will be further detailed in a future Cabinet report prior to any decisions being made.

### **3.1 Derbyshire Compact and Best Value Statutory Guidance**

The proposal set out in this paper to identify a sustainable funding model for the VCS in Derbyshire may result in some services listed in Appendices 1 and 2 being no longer strategically relevant to have their funding continue after 30th September 2016. Any proposals to disinvest from voluntary sector funding needs to take account of the Derbyshire Compact and Best Value Statutory Guidance in respect of proposals to cut funding to the VCS.

The Derbyshire Compact was agreed in 2008 and is currently being reviewed by The Council and other key partners. This Compact sets out a framework to guide future working relationships between the Council and local VCS organisations in receipt of funding. This framework sets out shared commitments and guidelines for effective working which will need to be considered as part of the proposed disinvestment detailed in this paper.

The Compact requires partners to consider good practice principles, particularly in respect of good consultation on any proposed changes:

- realistic timescales to undertake consultation
- consult with partners by appropriate and agreed means
- ensure that key stakeholders are informed/consulted wherever possible
- consult the sector on issues that are likely to affect it and to listen to their responses at the initial stages and throughout the life of the project
- To consider the National Code of Good Practice.

The Best Value Duty was published by the Department for Communities and Local Government in 2011 and sets out expectations of the way local authorities (LAs) should work with VCS organisations when facing difficult funding decisions.

The guidance requires LAs to:

- consider overall value, including economic, environmental and social value, when reviewing service provision
- avoid passing on disproportionate reductions - by not passing larger reductions to the VCS than they take on themselves
- authorities intending to reduce or end funding (grant or contract) or support to a VCS organisation should give at least three months' notice of the actual reduction to both the organisation involved and to the public/service

users

- engagement with organisations and service users as early as possible before making a decision
- Alternatives to reductions - authorities should make provision for the organisation, service users and wider community to put forward options on how to reshape the service or project.

## 3.2 Consultation Arrangements

The planned length of the consultation will be 12 weeks. Particular consideration will be given in this instance to communicating with any hard to reach groups which do not receive a service directly through Adult Care but rather through an organisation funded by Adult Care.

The consultation will include provider organisations and where appropriate service users and will be carried out by the Adult Care Stakeholder Engagement Team alongside officers from the four Derbyshire CCGs. It is likely that because of the disparate nature of the services subject to this consultation that service providers will be asked to provide assistance with undertaking this consultation exercise. Colleagues from the Press Office will provide assistance in preparing materials. In all instances material will need to be prepared in Easy Read format and the proposal will be available both in leaflet/letter format as well as on-line. In addition to this there will be the opportunity for the public to make their views known verbally either by a help-line or through public events. Officers will also attend appropriate Board and user group meetings as a further avenue of eliciting opinion on the proposals.

### 3.2.1 Engagement

VCS providers in receipt of funding from Adult Care Grant Aid budget and/or funding from Derbyshire CCGs were invited to pre-consultation events during the week commencing 9th November 2015. A further meeting was undertaken in December 2015 to reach those providers unable to make the earlier sessions. Providers were advised at these meetings that the Council is facing unprecedented pressure to make cuts to services to meet government targets for reduction in spend.

It was noted that most of the Adult Care spend in the VCS has been in place for many years. Providers were advised that it is likely that proposals would be made to terminate current arrangements and to use funding that might be available to commission new services following a competitive exercise against the County Council's and the four local CCGs' service priorities.

Providers were advised that it was likely that a Cabinet paper detailing proposals around the future of VCS would be presented in early 2016 and that there would then be a period of consultation. Providers were asked if they had any suggestions about how the consultation process could be undertaken.

### **3.3 Consultation Outcome**

Following the completion of the consultation into the proposals made in this report a further Cabinet report will summarise the outcome of the consultation and include an Equality Impact Analysis with proposals to mitigate any identified risks.

### **3.4 Funding Arrangements**

It is likely that the outcome of the consultation on the future of investment in the services described in this report will not be completed or considered by Cabinet until after 31<sup>st</sup> March 2016. Since all of these current agreements are funded up to 31<sup>st</sup> March 2016 it is proposed to extend all of them by up to six months to allow for full consideration of the outcome of the consultation process. Providers would be advised that this six month extension would include a three month notice of termination of their funding subject to the outcome of the consultation process. This arrangement would still allow for the flexibility to further extend agreements depending on the outcome of the consultation. This might include the need to continue agreements whilst new services are commissioned to provide continuity of provision, or to continue services where Cabinet has decided following consultation not to discontinue funding.

## **4. Financial Considerations**

The cost of continuing the investment in VCS services listed in Appendix 1 and 2 for six months as detailed in this report would be £674,023. This funding will be met by General Reserves.

## **5. Human Resource Considerations**

All of the services are provided by VCS and none of the staff involved are employed by the County Council.

## **6. Legal and Human Rights Considerations**

Proposals to make changes in service provision such as those detailed in this report require consultation with those affected, in particular service users, families, providers and other stakeholders.

The Director of Legal Services has advised that the proposals outlined in this report need to be considered with other recent changes to Adult Care provision, particularly changes to eligibility criteria, increased contributions for non-residential care services, the introduction of a transport charging policy and cuts to housing related support already agreed by the Cabinet on 15th July 2014.

When considering the proposals it will be essential for Members to have due regard to protecting and promoting the welfare, and interests of persons who share a relevant protected characteristic (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation). The proposals will therefore be subject to an equality analysis in order that Members can fully consider the impact of the changes and any mitigation that can be put in place.

## **7. Equal Opportunity Considerations**

Alongside the consultation process an Equality Impact Assessment (EIA) will need to be completed. Adult Care will commission a group to undertake this work. This may involve non-Council staff and clients to ensure an independent input into the report. The EIA will focus on the potential impact of any proposal on groups with protected characteristics as well as detailing the mitigation that could be put in place.

The EIA report will pay close regard to the views expressed in the consultation and will be presented to Cabinet alongside the outcome of any consultation.

## **8. Other Considerations**

In preparing this report the relevance of the following factors has been considered: - prevention of crime and disorder; and environmental, health and property considerations.

**9. Key Decision**

Is it required that the Call-in period be waived in respect of the decisions being proposed within this report?

No

**10. Call-in**

Yes

**11. OFFICER'S RECOMMENDATIONS**

That Cabinet agrees to:

- Commence a process of formal consultation with local Voluntary and Community Sector (VCS) providers, service users and other stakeholders, as appropriate, on proposals to identify a sustainable funding model for strategically relevant services provided by the VCS in Derbyshire.
- Continue payments to Voluntary and Community Sector organisations for services listed in the report for a six month period from 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016 whilst the outcome of the consultation is undertaken and considered by Cabinet.

**JOY HOLLISTER  
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COUNTY HALL  
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**APPENDIX 1****PAYMENTS TO COMMUNITY AND VOLUNTARY ORGANISATIONS BY ADULT CARE – NON JOINT FINANCE**

<b><u>Name of Organisation</u></b>	<b><u>Proposed maximum Adult Care Funding 2016 - 2017 Half year</u></b>
<b>Day Provision</b>	
<p><b>Age UK (Derby and Derbyshire)</b> provide a range of services for older people. Funding provided assists with the delivery of the following individual services: -</p> <ul style="list-style-type: none"> <li>▪ Countywide Mobile <b>Information Service / Information Road show</b></li> <li>▪ Hulland Ward Day Care (Derbyshire Dales)</li> <li>▪ Bakewell Day Care (Derbyshire Dales)</li> <li>▪ Befriending Services in the Bakewell / Buxton area, including telephone support and advocacy services</li> <li>▪ Provision of a telephone Careline service to isolated older adults in Erewash</li> </ul>	<p>£9,774</p> <p>£12,636</p> <p>£83,451</p> <p>£24,050</p> <p>£2,250</p>
<b>Glebe Field Centre (Crich)</b> provides day services to older people living in Crich and surrounding area.	£6,000
<p><b>Ilkeston and District CVS</b> provide day services to older people living in the Ilkeston area. Funding provided assists with the following: -</p> <ul style="list-style-type: none"> <li>▪ Contribution towards the Centre Manager's salary.</li> <li>▪ Provision of day services to older people living in the Ilkeston area.</li> </ul>	<p>£2511</p> <p>£7673</p>
<b>Stepping Stones (Amber Valley)</b> provides day services for people living in the Heanor area, with services being targeted at people with high level needs, mainly frail older people, but also including younger people with learning disabilities and/or mental health problems.	£964

<b>Work Experience</b>	
<b>Bolsover Woodland Enterprise</b> provides work experience and training for people with a learning disability living in the Bolsover area.	£83,910
<b>Greenaway Workshop</b> provides sheltered employment to people with physical disabilities most of whom reside in Derbyshire Dales, with printing and furniture renovation being the main activities.	£5,081
<b>Counselling services</b>	
<b>Relate (Chesterfield and North Derbyshire)</b> offer a counselling service to adults with relationship difficulties, family counselling, telephone counselling service, a psycho sexual therapy service, and provides training to staff from statutory agencies in basic counselling and stress management.	£8,438
<b>Relate (Derby and Southern Derbyshire)</b> offers a counselling service to people with adult relationship difficulties, telephone counselling, and provides training to staff from statutory agencies in basic counselling skills and stress management.	£4,560
<b>Relate Greater Manchester South</b> currently provides a counselling service to adults who are experiencing relationship problems living in the Glossop area.	£1,104
<b>Cruse Bereavement Care (Mansfield and Ashfield)</b> recruit, train and support volunteers to help those who have experienced bereavement, providing outreach services in Amber Valley, Bolsover and Erewash.	£1,272
<b>Derwent Rural Counselling Service</b> provide a counselling service for people suffering from mental and emotional stress, with funding provided being used to cover central administration costs.	£8,773
<b>User Led Organisation</b>	
<b>Disability Derbyshire Coalition for Inclusive Living</b> provide a range of services for disabled people, which includes Information and Advice services, Direct Payment and Support Brokerage, Peer Counselling and Advocacy, Volunteer Activity and training for social care and health staff.	£117,550
<b>Our Vision Our Future</b> is a user led group and they offer peer support for adults with learning disabilities living in the Chesterfield and North East Derbyshire area. The group also provides support to a number of satellite groups in other parts of the county.	£15,188

<b>Furniture Projects</b>	
<b>Glossopdale Furniture Project</b> provides recycled furniture to people in need living in the High Peak area. The organisation also provides training in woodwork and furniture restoration to people disadvantaged in the workplace.	£13,262
<b>Heanor Salcare</b> provides recycled furniture at low or no cost to individuals and families in need	£18,992
<b>Community Service</b>	
<b>Erewash Voluntary Action and CVS</b> provide a range of services for people living in the Erewash area. Funding provided assists with the provision of a shopping service for older people and vulnerable adults.	£15,856
<b>Volunteer Centre Glossop</b> receive funding to assist with the 'Time Out' escorted shopping service and other social activities	£10,968
<b>Community Concern Erewash</b> provides a range of services for people living in the Cotmanhay and surrounding area. Funding provided assist in the provision of the Home Comfort Team / shopping service for older people and vulnerable adults.	£5850
<b>Ripley Neighbourhood Care Scheme for the Elderly</b> delivers a once weekly day service for older people and their carers living in the Ripley area, providing lunch and social activities. Funding provided is to assist with the cost of room hire and other running expenses.	£1,184
<b>Stanley Common Eventide Community Hall</b> provides a range of activities for vulnerable people living in the Stanley Common and surrounding area. Funding provided assists with the employment of a Community Development Worker based at the Eventide Community Hall.	£5,000
<b>Borrowbrook Home Link</b> provide a regular visiting service for people living in the Borrowash and surrounding area who feel socially isolated, which includes the provision of a monthly community lunch. Funding provided assists with general running expenses.	£1,400
<b>Voluntary and Community Services Peaks and Dales</b> recruit, train, place and support volunteers. In addition, they manage a range of activities in the area, which include transport services, lunch club, wheelchair loan service, shopping and escort service, and a care and repair service, with funding provided assisting with the provision of these core activities.	£6,615

<b>Volunteer Centre Glossop</b> recruit, train, place and support volunteers. In addition, they provide a range of services in the area, including a volunteer car scheme, an out and about club for older people, support self-help groups for visually impaired people, with funding provided assisting with core activities.	£9,587
<b>Eventide Luncheon Club</b> provides luncheon club facilities to older people living in the Stanley Common area. Financial support is to assist with the Club's running expenses	£5,000
<b>First Taste</b> provides a programme of arts education workshops for older people in residential establishments and day care centres located in the Derbyshire Dales area. Funding provided is to cover general running expenses.	£2,600
<b>Barlborough Darby and Joan Luncheon Club</b> provide lunch each week to older people living in the Barlborough area. Financial support is provided as a contribution towards transport and general running expenses.	£392
<b>Total</b>	£491,891

**APPENDIX 2****JOINT FINANCE PAYMENTS TO COMMUNITY AND VOLUNTARY ORGANISATIONS**

<b><u>Name of Organisation</u></b>	<b><u>Proposed total Joint Funding 2016-2017 Half year</u></b>	<b><u>Proposed Adult Care Contribution 2016-2017 Half year</u></b>
<b>Furniture Projects</b>		
<b>Glossopdale Furniture Project</b> provides recycled furniture to people in need living in the High Peak area. The organisation also provides training in woodwork and furniture restoration to people disadvantaged in the workplace	£5,608	£2,804
<b>Heanor Salcare</b> provides recycled furniture at low cost or no cost to individuals and families in need	£15,452	£8,035
<b>Black and Minority Ethnic Community Service</b>		
<b>Chesterfield and District African / Caribbean Community Association</b> provides a range of activities for the African Caribbean community, with funding contributing to the Organisers salary and the provision of a range of activities, which includes a luncheon club for older African / Caribbean people.	£20,182	£10,141
<b>Day Care</b>		
<b>Stepping Stones (Amber Valley)</b> provides day services for people living in the Heanor area, with services being targeted at people with high level needs, mainly frail older people, but also including younger people with learning disabilities and/or mental health problems.	£13,355	£6,811
<b>Community Support</b>		
<b>Voluntary and Community Services Peaks and Dales</b> recruit, train, place and support volunteers in the High Peak and Derbyshire Dales area. In addition, they manage a range of activities in the area, which include transport services, lunch club,	£16,388	£8,503

wheelchair loan service, shopping and escort service, and a care and repair service, with funding provided assisting with the provision of these core activities.		
<b>Voluntary and Community Services Peaks and Dales</b> receive funding to assist with the provision of a volunteer car scheme in the High Peak area.	£16,309	£8,153
<b>New Mills Volunteer Centre</b> recruits, trains, places and supports volunteers. In addition, it provides a range of services to older and housebound people living in the High Peak area, with funding provided in order to assist with the provision of a range of activities for older people.	£21,655	£10,881
<b>Voluntary Sector Development Budget</b> provides 'one off' support to the voluntary sector organisations.	£14,707	£1,957
<b>British Red Cross (Derbyshire)</b> provides a broad range of services, from emergency response and first aid to helping people living at home and loaning medical equipment. Funding provided assists with the provision of the following individual services: - <ul style="list-style-type: none"> <li>▪ Home from Hospital Service (Chesterfield)</li> </ul>	£23,913	£11,956
<b>High Peak CVS</b> supports and facilitates the development of local voluntary and community organisation through the provision of a range of service, with funding provided to assist with the core activities of the organisation.	£6,128	£294
<b>Mencap</b> provides range of leisure and social activities to people with a learning disability, with funding being provided to assist with the expenses of the Gateway Club located in Swadlincote.	£3,344	£1,337
<b>Derbyshire Dales CVS</b> provide a range of services in the Derbyshire Dales area, which includes support to local voluntary / community groups. In addition, it employs a local Community Development Worker, who primarily works on Hurst Farm estate in Matlock, and a Health Trainer, whose role is to work in the local community. Funding provided assists with core expenses, local community development and a local self-help development fund.	£21,409	£10,757
<b>NDVA</b> provides support to Derbyshire health related voluntary organisations and liaison with statutory health and social care agencies, with funding being used to support local self-help groups and to cover the general cost of supporting the voluntary sector.	£18,166	£9,083

<b>Dronfield Welcome Club</b> provides day care / social activities for older people. Funding provided is to assist with general running expenses.	£629	£314
<b>Eckington and District Monday Club</b> is a social club for adults with learning disabilities who live in the North Eastern Derbyshire area.	£4,445	£1,608
<b>Erewash Voluntary Action CVS</b> recruits and places volunteers to help individuals, groups and organisations. In addition other services provided include sitting, befriending, shopping, and local community development.	£60,500	£30,047
<b>Chesterfield Volunteer Centre</b> recruit, train, place and support volunteers. In addition, it provides a range of services in the Chesterfield/North East Derbyshire area, with funding provided to assist with the provision of core activities.	£16,951	£8,518
<b>Community and Voluntary Partners Bolsover</b> provide a range of activities in the Bolsover area, which include support to local voluntary / community groups. Funding provided assists with the cost of providing the above activities.	£7,110	£3,555
<b>Age Concern (Chesterfield and District)</b> funding given assists in the provision of advocacy, information/advice and befriending services for older people.	£10,688	£5,370
<b>Amber Valley CVS</b> provides a range of activities in Amber Valley, which include support to local voluntary / community groups, and a wide range of direct services to support individuals living at home. Funding provided assists with the volunteer training support and the provision of a befriending service for older disabled people.	£38,975	£19,487
<b>Tai Chi</b> schemes in Derbyshire Dales: Financial support to assist with running costs <ul style="list-style-type: none"> <li>• Bakewell</li> <li>• Tideswell</li> </ul>	£462 £288	£232 £144
<b>South Derbyshire CVS</b> provides a range of activities in South Derbyshire. Funding provided assists with core expenses, community development, local self-help development fund, and a social car scheme.	£44,291	£22,145
<b>Total half year cost</b>	<b>£380,955</b>	<b>£182,132</b>