



Derby City Council

COUNCIL CABINET
10 February 2016

ITEM 11

Report of the Cabinet Member for Integrated
Health and Care

Council Funding for Services in the Voluntary, Community and Faith Sector

SUMMARY

- 1.1 Derby City Council has a long history of working with and investing in the local voluntary sector to support local communities. Over the last decade Council grant spending in the VCS has been approximately £21m.
- 1.2 Derby City Council is committed to working with the voluntary sector and where appropriate advising them of possible opportunities to bid for commissioned services, but also personal budget related work such as the modernisation of day care services.
- 1.3 The Council is hopeful that additional funding announced for the Better Care Fund will allow new opportunities for local providers particularly the voluntary sector. Although we appreciate this funding shall not be available until 2018/19.
- 1.4 The 15 July 2015 Cabinet Report “Big Conversation – Service Need Assessments and Consultations” identified that it was likely that further reductions would be made to the funding provided by Central Government for local authorities. Cabinet agreed to re-launch the Big Conversation consultation exercise.
- 1.5 A list of potential service areas were identified where consultation would be carried out. One of the areas for further consideration was non-statutory services provided by the Voluntary Community and Faith Sector. These services, listed in Appendix 2, provide a range of support to citizens and the sector itself.
- 1.6 The majority of the services listed in Appendix 2 were allocated funding through a joint Council/Health grant aid programme in 2011-12. The generalist and legal advice service provided by Citizens Advice and Law Centre was commissioned through Council funded tender in 2012-13. A joint consultation and decision making process was agreed with Southern Derbyshire Clinical Commissioning Group (SDCCG) to inform the recommendations within this report.
- 1.7 The consultation started on 7 September and ended on 13 November 2015. The consultation sought comments from funded organisations, their service users, the public and other stakeholders.
- 1.8 Whilst the sector understands the reasons behind our proposals, this will create many difficult challenges for them and their customers, as reflected in the responses to the consultation.

- 1.9 Due to the serious and far reaching budgetary constraints as a result of Government cuts to local authority funding, I have to sadly recommend the savings contained within this report go ahead, in order to protect statutory services, which we are legally obliged to do.

RECOMMENDATION

- 2.1 To approve that officers continue to work with the voluntary sector and other partners to identify opportunities for the sector in the future.
- 2.2 To approve in line with Councils 2016/17 budget, exit from the Council element of funding with the named organisations listed at appendix 2.
- 2.3 To approve that officers of the Council offer support and advice to organisations wherever possible to mitigate the impact of the funding decision.

REASONS FOR RECOMMENDATION

- 3.1 Savings in the identified services is in line with the budget consultation proposals and will meet savings targets set out in the 2016/17 budget.
- 3.2 Taking action to mitigate the impact of the funding decision for the affected non-statutory services in the VCF sector will support organisations to explore other sources of funding, alternative service models and other options for service users.
- 3.3 There may be service opportunities in the future for which the voluntary sector is well placed to respond.



SUPPORTING INFORMATION

- 4.1 The 15 July 2015 Cabinet report “Big Conversation - Service Needs Assessments and Consultations” identified the risk of further reductions in the funding provided by Central Government to local authorities. The report predicted a budget gap between the level of funding we are anticipating and the future service costs. To address this gap list of services were identified for potential savings and where consultation was proposed to examine the needs met by these services and the possible de-commissioning or commissioning at lower cost to the Council.

The review of services would consider the level of need, how this need should be met, who should provide the services to meet that need and who should pay for the services. It would also consider the potential for facilitating other organisations and the general public to support their needs without direct Council funding.

One of the areas identified for review was non-statutory services in the VCF sector; the review would consider both grant aided services and contracted information and advice services. The review of these services sought to meet the requirements set out in the July Cabinet Report and using information from:

- the feedback from a consultation process
- monitoring and other information provided by the funded organisations
- responses to the previous Council Consultation in March 2013 on the impact of reducing funding for grant funded organisations
- how VCS organisations might support the updated outcomes for preventative services that the Council and SDCCG consulted on in January 2015
- an Equality Impact Assessment on the proposal to reduce or cease future funding.

The consultation and review process was developed in partnership with the SDCCG in order to ensure that any future recommendations for these services met SDCCG and Council priorities.

- 4.2 The grant funding agreements with VCF Sector organisations were awarded through a joint Council and SDCCG grant bidding process in 2011-12 to provide services that delivered jointly agreed outcomes for preventative services. The current total of the grant funding provided for these services is £838,697, of which £547,595 is Council funding and £291,092 is SDCCG funding.

The Council also funds Citizens Advice and Law Centre to provide a preventative advice service through a contract arrangement let through a tender process in 2012-13 to provide generalist and specialist legal advice with an annual value of £200,000.

The total Council commitment to the group of non-statutory services considered in this report is £747,595, the total commitment of Council and SDCCG is £1,038,687.

The Council does not have a direct legal obligation to provide these services. They have been funded in the past because they provide value for money and of the support they provide to:

- promote health and wellbeing
- support their service users to live independently in the community
- reduce demand for statutory services

4.3 Updating VCF Strategy Outcomes

The Care Act 2014 introduced extensive changes for health and social care. To comply with the Care Act the Council has a duty to prevent, reduce, and delay social care needs for local people and their Carers whether or not they have a current health, care or support need. The Act requires that the Council works with independent, community and voluntary sector services to:

- prevent people's needs escalating
- minimise the effect of disability or deterioration for people with complex care and support needs
- target individuals who have an increased risk of developing needs

The Council has a range of options to meet the Care Act requirements, that include:

- providing information on local services
- working with local organisations to develop and promote the use of services
- developing preventative services and options within the Council
- funding external organisations to deliver preventative services

In January 2015 the Council and SDCCG jointly consulted on the outcomes that preventative services in the VCF sector should achieve. The updated outcomes were agreed in March 2015 and set out the impact that these services should make to the people of Derby. The new outcomes were designed to support any future commissioning and of preventative services and supported the Health and Wellbeing Strategy agreed in March 2015. Appendix 4 lists the updated Joint Outcomes for Grant Aided services.

4.4 Funding Agreements

The current grant funding agreements were originally for 3 years and had been due to expire in March 2015. In response to budget pressures the Council carried out a consultation exercise in 2013 to explore potential for making savings in the VCF Grant Aid budget. This led to a reduction of the Grant Aid budget from £1.1m in 2012-13 to the current level. In October 2013 Council approved a series of changes, to cease, maintain or reduce funding for the previously funded groups.

Updated funding agreements were established for the period 2014-15 for the current list of grant funded groups, and subsequently these funding agreements were extended and are now due to end in May 2016.

4.5 The two year contract with Citizens Advice and Law Centre (CALC) was initially let at a value of £200,000 per annum and commenced in April 2013. In negotiation with the CALC the contract was extended for one year during 2015/16 at the same level of funding per annum and has subsequently been extended to end in May 2016.

4.6 **Summary of currently funded services:**

The services considered in this report can be categorised into four service types which provide broadly similar services:

- 17 On-going support services, e.g. lunch clubs, day services, self help groups attended service users on a regular basis
- 4 Time limited services, including: CamTad, Sight Support, Headway, Age UK Advocacy, that provide a mix of one-off service contacts and case work with service users receiving support over a few weeks or months
- 10 Information and Advice services, e.g.; Citizens Advice and Law Centre, provide one-off contacts, including repeat visits for different issues, and some case work to resolve complex problems
- 2 Infrastructure support services to support the VCF sector: Community Action Derby and Derbyshire Community Accountancy providing support to VCF groups and volunteers
- First Contact, partnership referral service

Within each Service Type there are a range of different service models to support service users.

Of the 34 services 32 are 'front line services' arranging direct support to local people and 2 are infrastructure services that develop and offer support to over 760 VCF organisations in the City.

Appendix 2 provides a complete list of organisations, brief description and funding.

4.7 **Service User Profile**

An analysis of who uses funded services was carried out based upon monitoring and other information provided by funded services. These figures provide an estimate of the current numbers of service users and service contacts. In total, front line services provide support for an estimated 6000 service users who receive regular support sessions and provide 45,000 service contacts and referrals.

The 10 Information services have the highest number of service contacts, responding to approximately 33,000 service requests. This includes the two largest information services together manage around 21,000 contacts, these are Citizens Advice and Law Centre that targets all sections of the community and the Bosnia Community Centre who target a variety of New Community BME groups. Information services receive around 40% of all Council funding.

Older people are a significant group within all the front line services, with around 20,600 (aged 65 and above) accessing all service types as service users, or service contacts. Older people account for 58% of the service users of On-going services,

52% of Time Limited service contacts and 84% of First Contact's referrals.

Services that target disabled people provide support for 637 service users in On-going and case work within Time Limited services. Services that target people with sensory impairments are a significant group, these provide 12,000 service contacts, with services that target people with other disabilities providing 6600 service contacts.

- 4.8 A high percentage of the service users of the 'On-going services type, (lunch clubs, day centres etc) are older, or are disabled people. A sample survey of these services was carried out to provide additional information on the service user profile of these services. The survey compared customer details with the adult social care client data base. The sample provided information on 374 service users, of whom:
- 225 (60%) had no known social care involvement
 - 71 (19%) were recorded as not receiving any services
 - 36 (10%) received a direct payment
 - 18 (5%) were receiving residential or nursing care
 - 16 (4%) were receiving domiciliary care

Appendix 3 provides further information on service users of funded services, this includes information on infrastructure services by Community Action Derby Derbyshire Community Accountancy.

- 4.9 People from BME communities may require additional support to access mainstream services. The following table summarises the Council funding provided and estimated number of service users/contacts accessing front line services that target specific BME groups.

Table 1: Service user numbers and funding for services that target BME communities.

BME Community Group	Service users	No of service contacts	% all BME service users+contacts	Council Funding
All BME community groups*		61	0.4	£12,233
African Caribbean	297		2.0	£21,873
Chinese	736		4.9	£11,200
New Communities, East Europe, Asian, African		11400	75.8	£17,250
Fahsi		270	1.8	(SDCCG only)
Indian	1904		12.7	£31,320
Pakistani	66		0.4	£38,339
Polish	218		1.5	£5,810
Ukrainian	81		0.5	£16,434
Totals for services that target BME Communities	3302	11731	100	£154,459

*This represents one outreach information service that provides support for women who are victims of domestic violence from BME communities. The nature of the service means that the target group is difficult to access and a limited number of contacts is expected.

By comparison, generalist services that target all sections of the community (ie BME and non BME) are accessed by an estimated 36,100 service users and receive £536,528 of Council Funding.

Further information on the service user profile and equalities is contained within Appendix 3 of this report and Appendix A of the EIA.

4.10 Consultation

The consultation began on the 7 September and ended on 13 November 2015 and sought comments about non-statutory services from, currently funded organisations, their service users, the general public and other stakeholders.

The consultation sought comments through:

- three questionnaires that targeted service users, the public and stakeholders and for currently funded organisations. These were also available on –line and in a paper formats.
- a group discussion consultation tool – provided to organisations to gather comments in a group setting. This was also used by officers of Council and SDCCG to promote and gather feedback from a series of forums, networks and group meetings
- an easy read version of the service user questionnaire and the group discussion tool

Translation of survey documents was offered and a Cantonese version of the service user questionnaire and the group discussion tool were made available.

- 4.11 There were 17 questionnaire responses from organisations, 87 individual public and stakeholder responses and 245 service users and 79 other responses. The group response tool was used at 17 meetings attended by an estimated 336 people, the majority (64%) were service users.

4.12 Responses from all Council Questionnaires.

There were many common themes in the responses from service users, organisations, public and stakeholders. Over 95% of responses from each questionnaire was against the proposal to cease or reduce funding for VCF services. The reasons given for this response mentioned that services:

- provided value for money, through the use of volunteers and funding from other sources
- had specialist skills and contacts within the community, and there were limited, or no other alternatives
- services supported vulnerable people to remain independent in the community and reduced loneliness and isolation
- services promoted health and wellbeing and kept people away from more expensive Council and health services

Responses from all questionnaires considered that the sections of the community that would be most affected by the reduction or end of funding would be older and disabled people, scoring between 43% and 47% from all sources. They also

indicated that all Wards of the City would be affected in some way, with a slightly higher impact in Mickleover, Littleover, Normanton, Chaddesden, Sinfen and Alvaston.

Service users, organisations, public and stakeholders were asked which of the joint outcomes for Grant Funded Services the services delivered, selecting the 3 most important. All were supported with a slight peak for the highest scoring outcome, between 25% and 30% was:

- Maximising service users ability to live independent lives without being dependent on health and social care services for support

- 4.13 The majority of service user responses, 74%, came from people who used funded services at least once a month and 48% described themselves as a person with a disability and 61% indicated that they were aged over 65. Nearly half of all the responses were from people who used one of MHA's Live at Home schemes across the City.

Service users were asked what difference the services made to them, scoring a series of possible responses. The highest scoring responses were:

- socialising and taking part in activities to support health and wellbeing (33%)
- knowing they can get information on where to go and who to talk to when I have a problem (24%)
- the service allows me to remain independent (23%)

Service users also provided comments about the difference the services made, common themes in the response were that they appreciated the flexibility of services and their ability to provide a person centred response. Comments were also made on the importance of services to reduce isolation for people who were older, had limited mobility or other impairments including mental health and dementia.

- 4.14 Common themes in the responses from public and stakeholders were that services support vulnerable people to access a wide variety of groups, activities and work-based opportunities that promote physical and mental health and wellbeing. Responses also identified the importance of the support provided to access advice and equipment that enables them to be independent and maximise their welfare benefits.
- 4.15 Organisations were asked for comments on what the impact would be on their service users if funding for their service was reduced. The main themes in the responses were that vulnerable people would not be able to access support services, and there would be an increased risk of crisis if the early intervention provided by these services was lost. Volunteer hours and external funding would also be lost to the community without the Council's funding.

Appendix 5 has the full consultation report and further information on the responses from participants.

4.16 **Organisational Impact of Ending Funding**

During the 2013 consultation on the VCF Funding (section 4.1) asked grant aided organisations for information on the potential impact of a reduction in funding. Revisiting this consultation, for the organisations and services within this consultation suggests that:

Impact of 100% funding reduction on:	Cease	Unsure	Continue
Organisations	5	13	12

Impact of 100% funding reduction on:	Cease	Unsure	Continue / Reduce
Services	19	2	9

Larger organisations that have a presence across the City, County and/ national generally reported that they would continue but the funded services would cease or reduce. Medium and smaller organisations focussed more locally on Derby, reported that they would close down, or continue in a different form. Organisations reported that the impact of a 100% reduction would be dependent upon their ability to source alternative sources of income. Appendix 7 provides a summary of the responses to the 2013 survey.

4.17 **Additional Benefits Survey**

In response to a request made by VCF groups in the course of the consultation, a survey of currently funded groups was carried out on the additional benefits gained from the funding they received eg, leveraging in of additional funding and links to other services. 23 organisations responded providing details of the benefits received and how these were linked to the funding the received.

The 23 organisations that took part identified that around £1.2 million had been levered in from other sources. The organisations also estimated that an additional 963 volunteer hours were provided annually, in addition the volunteer hours provided as part of funded services. If paid at the minimum wage these volunteer hours would provide an estimated benefit to the community of £290,000 annually to the local community.

A summary, and full details of the responses are contained with Appendix 6

4.18 **Equalities Impact**

A full equalities impact assessment (EIA) was carried out on the proposal to cease or reduce funding for VCF services included in the consultation process. The EIA Group included representatives of appointed by SDCCG, voluntary sector and chair of the 50+ forum.

The EIA Group identified that if there was a reduction or end of funding there would be a negative impact on the following equality groups: age, disability, gender re-assignment – trans, race, religion or belief or none, sex, sexual orientation and people on low income. The Group considered that the reduction or ending of funding would have to take place in order to meet the Council's budget commitments from April 2016 going forward.

The EIA Group recommended a range of actions to mitigate the impact on these groups, these actions included working with affected organisations to:

- Support to explore alternative ways of meeting the needs of their service users
- Support to identify other ways of funding the services, fundraising, charging for services, working with other organisations to share buildings, staff and other costs
- Recommend groups to consult with their customers and stakeholders to identify priorities for a reduced level of service
- Ensure that any remaining grant aid funding provides value for money in the support it purchases for the Equality Groups
- Offer groups advice on how to support service users to adapt to any changes in services
- Increase the promotion of alternative preventative options

Appendix 8 contains the full EIA.

OTHER OPTIONS CONSIDERED

5.1 The following options were considered:

- to continue or reduce the funding for the current list of services
- to maintain or reduce the current level of funding and use this to support future Council only, or joint commissioning with the SDCCG for future services that met updated Outcomes for Grant Funded services in the VCF

5.2 These options would present additional difficulties in meeting the challenging budget saving targets within the 2016-19 budget and would have a negative impact upon the Council's ability to meet its other statutory responsibilities.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Anita Barnett Alison Parkin Liz Moore Kirsty Everson Ann Webster
For more information contact: Background papers: List of appendices:	Ian Chennery 01332 642753 ian.chennery@derby.gov.uk None Appendix 1 – Implications Appendix 2 – List of affected services Appendix 3 – Summary of Services and Service User Profile Appendix 4 – Current Better Care Fund Priorities and the Updated Joint Outcomes for Grant VCF services Appendix 5 – Consultation Report and Appendices – this is available on

	<p>CMIS</p> <p>Appendix 6 – Additional Benefits Summary</p> <p>Appendix 7 – 2013 summary Impact of 100% Reduction</p> <p>Appendix 8 - EIA, including 3 EIA Appendices A,B,C – this is available on CMIS</p>
--	---

IMPLICATIONS

Financial and Value for Money

- 1.1 The approval of the recommendations in this report will support the Council to achieve the savings targets within the Council's 2016-19 budget by providing an annual saving of £747,595.

Due to the timing of this report and the requirement to provide 12 weeks' notice of the cessation of funding agreements only £622,600 of this saving will be made in the 2016-17 financial year.

Legal

- 2.1 The Council does not have a direct legal obligation to provide these services. They have been funded in the past because they provide value for money and of the support they provide to:
 - promote health and wellbeing
 - support their service users to live independently in the community
 - reduce demand for more intensive, and expensive statutory services

- 2.2 The Public Sector Equality Duty consists of a general duty, which is set out in section 149 of the Equality Act 2010 (the Act), and specific duties which are imposed by secondary legislation.

Those subject to the equality duty, such as the Council must, in the exercise of their functions, have **due regard** to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 2.3 To comply with this Duty the Council must, when making decisions, assess the impact they will have on different members of the community with protected characteristics and where possible and proportionate to mitigate the adverse effect on any group or groups. The Council demonstrated 'due regard' to equality by completing equality impact assessments.
 - 2.4 The consultation described within this report meets the Council's Best Value commitments for an effective consultation process. Due regard for proportionality of reductions in the voluntary sector has been taken. However, given the consequential impact on core services of not proceeding with these savings, the recommendation is

reasonable.

Personnel

- 3.1 The process provides for a minimum 12 week notice period for those organisations recommended for reduced funding or cessation of funding. This will allow the organisations to manage any personnel implications.

IT

- 4.1 No implications arising from this report.

Equalities Impact

- 5.1 A full Equalities Impact Assessment (EIA) is attached at Appendix 7. The main findings from the EIA are summarised below by protected characteristic group

There will be an impact on all equality groups from the reductions in funding because the affected services are for people who are vulnerable and these services invariably are linked to equality issues such as age, disability, gender and so on.

The extent of the impact will depend upon the success of the mitigating actions set out in the EIA and within this report, and other action taken by the Council and VCF organisations to develop and promote other preventative initiatives.

The changes in funding will have an impact on people in the following equality groups

Older People

Older people from all communities will experience some reduction in their services which include lunch and social clubs, information and advice services, day services, outreach services etc. This will impact on them by reducing availability and access to these services resulting in the potential for more social isolation.

Disabled People

Disabled people including those who have hearing and visual impairments, people with mental health issues and learning disabilities, and people with physical impairments from all communities will experience some reduction in their services. These services include advocacy, information, advice and support, day activities, social and activity clubs, hire of mobility equipment, assistance with finding employment, befriending etc. This will impact on them by reducing availability of, and access to, these services resulting in the potential for more social isolation.

Race

Those services funded by the Council for people from minority ethnic communities, including newer communities will experience some reduction. These services include day services, information and advice, lunch and social clubs, drop-in and outreach services, befriending, and domestic violence support. This will impact on people from these communities by reducing availability of, and access to, these services resulting in the potential for more social isolation.

Gender

Services specifically for women and for men will be affected by the recommended funding reductions. There are some culturally based gender specific services which include social and lunch clubs but also support for victims of domestic violence. This will impact on people by reducing the availability of, and access to, these services resulting in the potential for more social isolation and delays in accessing non statutory support for domestic violence.

Sexual Orientation and Transgender

The services specifically for lesbian, gay, bisexual, and trans people will experience a limited impact by the recommended funding reductions. These services include a community centre, direct one-to-one work, group support, help, information and support via telephone and social networking and learning and development opportunities. This will impact people by reducing the availability of, and access to, these services resulting in the potential for more social isolation, and lack of awareness of the needs of this group.

Marriage and Civil Partnerships

The services specifically supporting marriage and civil partnerships will be affected by the recommended funding reductions. These services include a community centre, direct one-to-one work, group support, help, information and support, learning and development opportunities, support for victims of domestic violence and relationship counselling. This will impact people by reducing the availability of, and access to, these services resulting in the potential for more social isolation, delays in accessing non statutory support for domestic violence, and support for maintaining positive relationships.

- 5.2 The Council's Diversity Forum has representatives on it from Voluntary and Community Sector organisations providing the Council with free advice and support to promote and work through our equality responsibilities. Many of the organisations help us with our equality impact assessments, putting lots of time and effort into them. If funding ceases to the particular organisations, then it is highly likely we will not get this support or as much of it.
- 5.3 The Council's proposed Delivering Differently programme aims to work very closely and in partnership with local communities – stopping funding to some of the communities, will not help with partnership working. In addition, some of the voluntary organisations provide invaluable help and support to people whose first language is not English, saving the Council the expense of arranging interpreters.

Health and Safety

- 6.1 No implications arising from this report.

Environmental Sustainability

- 7.1 No implications arising from this report.

Property and Asset Management

- 8.1 VCF organisations that currently lease or rent Council properties and are unable to identify alternative sources of funding may have to end their lease or tenancy agreements.

Risk Management

- 9.1 There may be a risk of challenge for not sufficiently considering our Public Sector Equality Duty, which is mitigated by the EIA that is part of this report.

There may be reputational and political risks around withdrawal of funding from the voluntary sector.

Corporate objectives and priorities for change

- 10.1 The recommendations contained in this report may have an impact on the Council's objective to keep people independent in the community for as long as possible. The extent of this impact will depend upon the success of the recommended mitigating actions and other initiatives the Council and partners take to support health wellbeing and independence.