

REPORT TO: Executive Board

DATE: 28 January 2016

REPORTING OFFICER: Strategic Director, People and Economy

PORTFOLIO: Health and Wellbeing

SUBJECT: Impact of proposed reductions in Adult Social Care voluntary sector funding for 2016/17

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To outline the projected impact that the proposed funding reductions on the Adult Social Care, commissioned services within the voluntary sector.

2.0 RECOMMENDED: That Executive Board agree the proposed reductions.

3.0 SUPPORTING INFORMATION

3.1 The Voluntary sector in Halton is well established and well supported by both the Local Authority and the Clinical Commissioning Group. The sector offers a range of vital services from complex specialist services, to low-level information provision. As well as delivering important services and interventions to support people to maintain their own independence, but they are also able to deliver one of the most valuable commodities for people and that is time.

3.2 Despite the challenging financial climate of the last five years Halton Borough Council has managed to somewhat protect the budgets of these organisations and the valuable work that they carry out. There have been some small reductions in some of the larger contracts and there have not been any inflationary uplifts on any of the listed contracts since 2011.

3.3 Halton Borough Council commissions a wide variety of voluntary sector organisations, however for the purposes of this report we are focussing on Adults Social Care and Clinical Commissioning Group commissioned services. These services are made up of 11 voluntary services that between them contribute to a range of targets and outcomes and employ 18 Whole Time Equivalent staff and have 57 volunteers.

3.4 On the 1st October 2015 an efficiency proposal of a 10% reduction was agreed at full council as part of the overall Council efficiency proposals. The 10% reduction equates to an overall efficiency of £49,624. Although this was a difficult decision, it was agreed that this

approach would be taken as there were opportunities to redesign the voluntary sector whilst still maintaining a significant presence. In addition the funding that the voluntary sector has received over the last few years had remained at the same levels.

- 3.5** As a result of the reductions and the potential risks to the sector a number of plans and options were considered to minimise the impact. These plans would look to support future stability within the sector as well as being able to mitigate against the reductions by creating more capacity. This will include looking at more collaborative working within the sector, ensuring that all provision is aligned with Council and Clinical Commissioning Group priorities.
- 3.6** There has been regular consultation with the providers affected by the funding reductions. A number of options were considered and discussions included what impact larger cuts would have on the organisations. It was clear throughout this process that organisations would be able to manage a reduction in the range of 7-12%, but anything higher than this would significantly impact on their ability to operate effective services.
- 3.6** Consideration of the council's priorities was also taken into account, during this process, to ensure we continue to focus the Voluntary sector support on areas of greatest need.
- 3.7** Individual organisations will be impacted in a number of ways, however each organisation has considered options that will have the least impact for their service. This includes:
- Reduction in back office support
 - Change of premises to reduce overheads
 - Redesign of services to reduce management and maintain direct service delivery
 - Reduced time allocation for service delivery
 - Some shared training and plans to look at other areas that could also benefit from shared services

4.0 POLICY IMPLICATIONS

- 4.1** There are significant changes that will be undertaken within the voluntary sector and as a result of this it has been agreed to develop a voluntary sector strategy for the future. This will be developed in conjunction with the Clinical Commissioning Group and will consider the following:
- Financial position
 - Outputs and amount of service delivered
 - Outcomes
 - How organisations link to Council objectives?
 - How organisations currently link to Health services in Halton?
 - Is the voluntary sector aligned to Health objectives?

- What alternatives there are to the voluntary sector, if any?
- Future recommendations

4.2 The next phase of completion of this work will be to review all of the services in line with commissioning intentions and future priorities. This will in part be completed through the voluntary sector strategy.

5.0 FINANCIAL IMPLICATIONS

5.1 The following reduction levels have been established based on Council and Clinical Commissioning Groups local priorities and ensuring that services are able to deliver against agreed targets. In the case of *The Reader Organisation their reduction looks higher as it includes removal of a one off funding amount that was given in 2015/16.

| Provider | Funding amount 2015/16 | Proposed budget 2016/17 | Percentage reductions |
|--|------------------------|-------------------------|-----------------------|
| Age UK Mid Mersey | £196,275 | £180,648 | 8% |
| SHAP Ltd | £46,,330 | £42,697 | 7.9% |
| Red Cross | £67,140 | £64,276 | 4.3% |
| The Reader Organisation <i>*Includes removal of one off funding</i> | £13,500 | £7,500 | 45% |
| Alzheimer's Society | £50,000 | £45,000 | 10% |
| Stroke Association | £15,000 | £13,500 | 10% |
| Crossroads | £108,000 | £93,000 | 13.9% |
| Total | | £446,621 | |

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

None identified.

6.2 Employment, Learning & Skills in Halton

None identified.

6.3 A Healthy Halton

None identified.

6.4 A Safer Halton

None identified.

6.5 Halton's Urban Renewal

None identified.

7.0 RISK ANALYSIS

7.1 With any financial reduction there will be a potential risk to service provision, capacity, volunteer numbers etc. work is ongoing with the providers covered in this report to minimise the impact and help to support them to maintain their independence.

8.0 EQUALITY & DIVERSITY ISSUES

8.1 There are no Equality and Diversity implications arising as a result of the proposed action.

9.0 REASON(S) FOR DECISION

To support the Councils objectives in relation to 2016/17 budgets

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- Maintain existing funding levels – this was not possible due to funding constraints
- Reduce some organisations by 30%, however this level of funding would have potentially led to service closure.
- Reduce funding completely – this would have created a significant level of instability within the voluntary sector

11.0 IMPLEMENTATION DATE

1st April 2016

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None