# WIRRAL COUNCIL

## CABINET

### 8 DECEMBER 2011

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| **SUBJECT:** | ***FUNDING OF VOLUNTARY, COMMUNITY & FAITH SECTOR 2012/13*** |
| **WARD/S AFFECTED:** | ***ALL*** |
| **REPORT OF:** | ***HOWARD COOPER*** |
| **RESPONSIBLE PORTFOLIO HOLDER:** | ***COUNCILLOR ANNE MCARDLE*** |
| **KEY DECISION?** | YES |

**1.0 EXECUTIVE SUMMARY**

1.1 The subject of this report is the commitment which the Department of Adult Social Services has towards the voluntary, community and faith sector, in particular, the services which the Department recommends to be commissioned for 2012/13.

1.2 The report will set out the background to funding, the current funding arrangements, the issues for consideration and the recommendations for the future, 2013 and beyond.

1.3 The report also updates and changes the status of the contract for intermediate care provision provided by voluntary sector and independent sector providers.

**2.0 BACKGROUND AND KEY ISSUES**

2.1 **Changes to the current contract for intermediate care provision**

On 9 December 2010 cabinet approved a number of key changes to the provision of social care services in Wirral, including intermediate care.

The tender exercise identified 2 providers in Wirral: Hoylake Cottage, a charitable care home provider, and Grove House, an independent sector care home provider. In the last 8 months a programme of work has been undertaken to bring the new provision on stream and redesign care pathways to ensure best use of these facilities.

Further evaluation of intermediate care has confirmed the requirement that these contracts are let on a block contract basis. There are necessary reasons for this. The service has to be provided as a discreet rehabilitation unit with bespoke facilities to provide rehabilitation, and resources have to be planned accordingly. This includes the following: the deployment of a skilled care staff who will implement rehabilitation plans as part of a multi-disciplinary team; the siting of a dedicated health therapy team; the letting of an external contract to a general practice to support people in the facility on

a temporary basis through a period of recovery when they are placed outside their GP catchment area.

Such services could not be organised on an individual spot purchase basis. For this reason there is a requirement to confirm that these beds can be purchased through a block contract. In the design of this contract performance measures have been included, which will ensure maximum occupancy and efficiency.

2.2 There are several drivers for the need to examine the method by which the VCF services need to be commissioned and procured for the future.

- Many contracts with the sector are historical and have not been renewed for many years. They do no reflect the current agenda for personalisation, although many of the services can be easily adapted to meet the needs of personalisation.

- Increasing moves towards personalisation mean that, in some cases, large-scale block contracts will become increasingly outdated, as people will be using their personal budgets to purchase their own services.

- There is a need to secure a sound basis on which early intervention/open access services will be available to members of the public, as recommended by the task force on future arrangements for social care, and the public consultation in 2010.

- The sector needs to be seen as an integral point of the range of services on offer for the public/vulnerable people and the current system of grant-funding does not give this area sufficient emphasis.

2.3 The Department of Adult Social Services has a current commitment to the voluntary sector of £2,545,343. Services range from luncheon clubs through to advocacy information and advice, through to support services for people with substance misuse, through to day care for older people.

The largest single amount is £327,070 for substance misuse services, and the smallest is £344 for a social club for people with learning disabilities. There are 42 contracts in total, which are listed in Appendix 1.

2.4 Development work in this area has been in place for the past twelve months. Working alongside colleagues from the voluntary, community & faith sector and Corporate Services, a framework for commissioning has been developed; this was circulated by VCAW for comment by the sector. A copy of the framework is available in Appendix 2. It is now recommended that the framework be used for future commissioning decisions.

2.5 The Early Intervention Strategy, which was agreed by Cabinet in July 2010, used seven themes which mirrored the inverted triangle of care first introduced in “All our Tomorrows” in 2003. The seven themes follow the principle that, at every stage of the person’s life, there is the possibility of making sure that they stay well, or if they have a long-term condition or

illness, that they do not deteriorate more quickly than they would have done if there had been no intervention. They also include the principle that people can be maintained in their home for as long as possible, including up to their death.

The seven themes are: Building Communities; Citizenship; Healthier Communities; Information and Advice; Practical Support; Enablement, and Maintaining Independence. These were used to map against all of the voluntary sector contracts.

For commissioning purposes, however, they have been brought together into four distinct blocks:

- Capacity Building, which helps groups and communities to organise for themselves. Examples include volunteer support and the Older People's Parliament.

- Information, Advice and Advocacy, which helps members of the public and families to have access to relevant information and support to make choices about care and support needs. Advocacy acts as a mediator and support to vulnerable people through complex care processes. Examples include the Wirral Society for Blind & Partially-sighted and Advocacy in Wirral.

- Open Access, which can be used by any person in the target group without needing a prior assessment of need. Examples include practical support services, such as Care Link, luncheon clubs and drop-in services, such as the MIND Fountain Club.

- Assessed Services cover the day services for older people, all of which need referrals from the Department in order to qualify. The Department does not provide any day services from its own resources.

The themes have been cross-referenced with each of the communities of need and interest with which the Department works, as follows (this is shown with an amount contracted for each group):

- Older People
- People with a learning disability
- People with mental health needs
- People with a physical disability (including visual and hearing impairment
- Carers
- People from BME communities
- People with substance misuse problems
- LINks

The table in Appendix 3 illustrates the amount allocated per area and by group.

2.6 The four themes were used as the basis for a series of workshops which took place in July 2011 with the sector. Each workshop established the

purpose of re-commissioning, the need to take account of the personalisation agenda and how current services could adapt to meet future methods of work.

The LINk service will evolve into Healthwatch by October 2012, and a separate transition board has been established to enable this.

A set of outcomes was also established in full partnership with the sector and these have been integrated into the service specifications for each area.

The outcomes for Assessed services are

- Positive social interaction.
- Involvement and participation in valued activities.
- A feeling of confidence that they will receive any necessary assistance in meeting their personal care and hygiene needs.
- Support to maintain their dignity and independence.
- Signposting to alternative resources, should it become obvious that their needs cannot be met within the service.
- Maintain or increase health and wellbeing.
- Will be kept safe.

The outcomes for Information, Advice & Advocacy are

- People able to make informed personal choices about how to help themselves or how to access support.
- People able to maintain or increase their dignity and independence.
- People able to maintain or improve or improve their health and wellbeing.
- People prevented or delayed from needing more intensive support or active service referrals.
- People accurately signposted or referred to and between services.
- People less socially isolated.
- People kept safe.

The outcomes for Open Access services are

**Community Support**

- The service maximises the capacity of people who use the service to remain independent in their own home.
- Social networks for people who use the service are maintained or developed.
- Reliance on statutory service provision is reduced.

**Luncheon Clubs**

- People who use the service are provided with regular, healthy, nutritious meals
- Social networks for people who use the service are maintained or developed.

**Drop-ins**

- Social networks for people who use the service are maintained or developed.
- People who use the service develop healthier lifestyle choices.

The outcomes for Capacity Building are:

- Reduce isolation by supporting people to become actively involved in their community.
- Add social value, such as developing the person's ability to participate in making decisions that affect them.
- Support and enable people to become involved with groups/activities in their community so that they are able to make a valid contribution to the community.
- Provide a variety of stepping stones which will enable people to participate more fully in society.
- Provide or support people to access volunteering opportunities for people to learn through experience.

The workshops were then followed up with a series of meetings at which service specifications were agreed. Full involvement was apparent and organisations which were unable to attend were circulated the information and invited to comment. Copies of the specifications are attached in Appendix 4.

The workshops were successful to the extent that many organisations expressed a wish to meet on a regular basis with the Department for further development.

2.7 In order to make sure that future commissioning arrangements are targeted to where they are most needed, demographic information was provided by the NHS Intelligence Unit. This shows, for example, the numbers of people who live alone, who are over the age of 65, who have caring responsibilities, who are claiming disability-related expenditure, and who identify as belonging to a particular ethnic minority.

This information is being used with the current providers to shape the target groups for their services. For example, practical support services, which target older people, will be directed to work in areas with the highest number of single older person households.

There is also clear information about communities which helps to understand the size of a particular population: for example, there are 5,045 people in Wirral registered as having hearing impairment or being deaf; of these, 3,105 are over 75 years old. Therefore, Merseyside Society for Deaf People will be directed to use resources specifically for this age group.

2.8 Some analysis has also been undertaken on the amount of departmental expenditure for a particular service user group, and the total of expenditure on the voluntary sector.

This helps to place the funding in context and to see the work of the sector as a contribution to the total amount of funding spent with a particular group. For example, the sector receives £339,320 for people with substance misuse problems, which covers all four themes, from capacity building to assessment. However, the total budget for departmental services is £180,000 for residential rehabilitation, making the total commitment to this community of £519,320 per year.

2.9 The Central Procurement Unit has given advice about the processes for future commissioning, and this must be put into context alongside the commissioning framework and the Compact. VCF organisations also contributed to this in the workshops.

- The process must be made as simple as possible so that smaller organisations are able to use it.

- Any existing documentation, such as the constitution and terms of reference, of which the Department or other local authority departments are in possession, should suffice for background. VCF organisations report that they submit this information each time they make a bid for funding, which is time consuming and expensive if hard copies are required.

- Contracts should be for the longest time possible without breaking any procurement regulations.

The Central Procurement Unit advises that a full procurement process will take up to nine months. Therefore, it will be necessary to use 2012/13 as a transitional year.

2.10 The new service specifications may be used for 2012/13 and negotiations with organisations have taken place to confirm that, should the contract be renewed, they will work with the new specifications. This will ensure that the future needs of the Department will be met and demographic needs can be reflected.

This approach will help local organisations to adapt to an outcome-focussed specification which will be routinely monitored and evaluated, and which clarifies the expectations of the Department.

For small organisations and services, the advice from Central Procurement is that putting such a service out to tender is not necessary. For others, in particular those which are worth in excess of £150,000 over the life of the contract, there must be a re-tender for 2013 and beyond.

2.11 For 2012/13, along with new service specifications, the assessed services will require a changed basis to their funding. At present, all day services for older people are procured using a block contract. However, there is little consistency between the rate paid per person, per day. This needs to be standardised. Further changes which will affect these services are the development of personal budgets, and some residential care homes offering a day service. This has been discussed with the current providers. The

block funding will not be fully replaced by spot purchasing immediately, but a step change over two years is recommended, so that a full accreditation of the day services in both the voluntary and private sector can be implemented.

2.12 **Next steps**

2.12.1 The table in Appendix 3 shows the current expenditure made by the Council in the voluntary sector, analysed by client group and by the four priority themes for commissioning. This has brought clarity to the situation and has enabled there to be a focus on outcomes.

2.12.2 The next steps in the process of commissioning for the future will involve a detailed consideration of how far this distribution of activity will meet future needs. The steps are as follows:

2.12.3 **1) Needs Analysis**
Each section of the matrix will be analysed to establish what level of need exists for each user group and theme. This will be done using:

a) Intelligence from the Joint Strategic Needs Analysis (JSNA), jointly with the National Health Service

b) Intelligence from Self Directed Assessments carried out jointly by service users and DASS staff

c) Advice from representative groups of service users and carers

d) Input from policy makers about priorities

**2) Total Resource Analysis**
Each section will be analysed to establish the total resource allocated to that user group and theme, not only through VCF sector commissioning, but also through directly-funded Council and NHS services. This will then be matched against the Needs Analysis described above to produce a "model distribution".

**3) Policy and Resource Changes**
These two analyses will be considered in relation to future budget proposals. Members will be invited to consider investment decisions, for example where the VCF commissioning budget line could be increased or reduced against these analyses. Members will also be invited to consider what is the appropriate balance between services commissioned from the VCF sector and services delivered directly.

**4) Outcome-based Commissioning**
All services covered by the matrix in every section will then be commissioned on the basis of outcomes for users. This will be done both for those commissioned from the VCF sector, the independent sector and those delivered in-house. Services not meeting these priorities, or not

delivering positive outcomes, will be decommissioned, irrespective of the nature of the provider.

## 3.0 RELEVANT RISKS

3.1 The purpose of the work is to ensure that there is a voluntary, community and faith sector which is fit for the future, which reflects departmental priorities on early intervention and personalisation, and which is seen as an integral part of the work of the department.

3.2 There may be some risks associated with organisations and services which cannot meet the demands required for future priorities. There is no early indication of this, although regular contract monitoring may demonstrate shortfalls.

3.3 Depending on the contracts which need to go to full tender, there may be a risk of new providers entering the market and local providers losing long-established contracts, unless the need for a local service is specified. In some instances, this will not be possible where there is only one local provider.

3.4 Standardisation of fees or grants paid, and the move away from block contracts could lead to a reduction of funding for some organisations.

## 4.0 OTHER OPTIONS CONSIDERED

4.1 Consideration was given to a full tendering exercise for 2012/13 onwards. However, this would have only been possible if organisations were not fully included in the process of development.

4.2 Consideration has also been given to funding in partnership with other departments and agencies. National changes within NHS have meant that in the short term, this has not been possible. Work with other departments will be considered for 2013 onwards, in line with an Internal Audit carried out in early 2011, which listed all funding to voluntary organisations for every Council department.

## 5.0 CONSULTATION

5.1 Consultation has been offered to every service provider which receives funding from the Department.

Consultation has also been carried out with other Council departments and the NHS. VCAW have also been involved in this development.

## 6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 This work is concentrated on the VCF sector.

## 7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 The Department currently funds the VCF sector £2,545,342 for 2011/12. One organisation – Advocacy in Wirral, has given notice on one contract, for the Wirral Advocacy Partnership, of £30,725, which is no longer effective.

Other organisations may be affected by any changes to funding methods in 2012/13.

7.2 Responsibility for contracts monitoring and future commissioning is built into business plans and individual work plans for 2013 onwards.

## 8.0 LEGAL IMPLICATIONS

8.1 Any developments to the current arrangements must comply with contract law and procurement guidance.

## 9.0 EQUALITIES IMPLICATIONS

9.1 The services concentrate on older people, disabled people and minority ethnic communities. Any proposed development in 2012/13 for 2013 onwards will need to be subject to an Equality Impact Assessment and full consultation with the communities affected.

## 10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are no carbon reduction implications.

## 11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are no planning implications. VCF organisations have a major role in maintaining community safety by promoting social inclusion.

## 12.0 RECOMMENDATION/S

12.1 Cabinet is recommended to:

(i) Accept the VCF framework for commissioning.

(ii) Complete the “needs analysis” described in 2.12.3 by 1 March 2012.

(iii) Complete the “Total Resource Analysis” by 1 April 2012.

(iv) Receive a further report early in the new municipal year based on analysis of the above findings.

(v) Change the methodology used for funding older persons’ day services, towards accreditation and away from block funding.

(vi) Use new service specifications for all services from 2012/13 onwards.

(vii) Put all services worth in excess of £150,000 over the life of the contract out to tender for 2013 onwards.

(viii) Agree the block contracts for intermediate care.

## 13.0 REASON/S FOR RECOMMENDATION/S

13.1 The recommendations are being made in order to clarify the funding and quality assurance arrangements for service which are currently commissioned by the Department.

13.2 The recommendations enable the Department to make more robust commissioning arrangements for the future, which reflect the move towards personalisation.

13.3 The recommendations enable the most effective delivery method for intermediate care.

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## APPENDICES

Appendix 1: Grant Payments to Voluntary Organisations 2011-12
Appendix 2: Voluntary, Community & Faith Sector Commissioning Framework, 18 November 2011
Appendix 3: Voluntary Sector Expenditure Matrix
Appendix 4: Service Specifications

## REFERENCE MATERIAL

*(Include background information referred to or relied upon when drafting this report, together with details of where the information can be found. There is no need to refer to publicly available material: e.g. Acts of Parliament or Government guidance.)*

## SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
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