

# WIRRAL COUNCIL

## CABINET

20 DECEMBER 2012

<b>SUBJECT:</b>	<b><i>REVIEW OF CONTRACTS AND GRANT FUNDING TO THE VOLUNTARY, COMMUNITY AND FAITH SECTOR INCLUDING THE REVIEW OF DRUGS AND ALCOHOL ASSESSMENT AND REHABILITATION SERVICES</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>ALL</i></b>
<b>REPORT OF:</b>	<b><i>GRAHAM HODKINSON, DIRECTOR OF ADULT SOCIAL SERVICES</i></b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>COUNCILLOR CHRISTINE JONES</i></b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 The review of Contracts and Grant Funding to the Voluntary, Community and Faith Sectors is linked to the overall approach to a comprehensive Commissioning Strategy for Adult Social Services together with the efficiency agenda confronting the Council and the need to ensure that services are effective. The Department has completed consultation in relation to 'Shaping Tomorrow' the overarching commissioning strategy and will now commence the development of a Prevention and Early Intervention Plan, critical to this has been the review of Voluntary, Community and Faith Sector Contracts.
- 1.2 The review of Voluntary, Community and Faith Sector Contracts and Grant Funding was the subject of a Cabinet Report dated 8<sup>th</sup> December 2011 and this Report highlighted:
- Many contracts with the sector are historical and had not been monitored or reviewed for many years. They do not reflect the current agenda for personalisation or demonstrate effective evidence or outcomes for individuals.
  - There is a need to secure a sound basis on which prevention and early intervention will be available to members of the public and to demonstrate that resources are deployed in an efficient and effective manner.
  - The sector needs to be seen as an integral part of a range of services on offer for the public/vulnerable people and fit within the evolving commissioning frameworks that will embrace prevention and early intervention, targeted service provision and dedicated learning disability services.
  - There is also a need to recognise the growing purchasing power of individuals and the advent of individual budgets that will enhance choice and control, in contrast to a commissioning and contracting culture based upon contracts that characterise the VCF. We therefore need to afford a community infrastructure

that both gives choice and control to individuals and is sustainable within the resources that will be available.

- 1.3 The Voluntary, Community and Faith sectors are critical to the implementation of the evolving Prevention and Early Intervention Plan and further review of the sector has demonstrated the need to make better use of resources and acknowledged that the services contained within this portfolio of service provision will require refocusing and reshaping. To this extent adult social services will further consult both in relation to the evolving Prevention and Early Intervention Plan and the need to do things differently to make best use of available resources and improve outcomes for people.
- 1.4 Arch Initiatives are one of two key providers within the borough delivering a range of services for people with substance misuse issues. The commissioning of substance misuse is coordinated by the Drug and Alcohol Action Team currently located within the Public Health Department of NHS Wirral. Arch Initiatives together with Cheshire and Wirral NHS Partnership Trust provide a comprehensive and complementary range of services across the four tiers of treatment which include Open Access, Treatment Services, Structured Day Care, Residential Rehabilitation Assessments and Placement, through to Aftercare.
- 1.5 The funding currently provided by DASS to Arch Initiatives is historic in nature and takes the form of a grant, having been initially made in the mid to late eighties. At the time this funding was innovative and ahead of national thinking with regard to drug misuse. The grant funding proactively responded to emerging local substance misuse issues and underpinned the development of a service infrastructure. Over time substance misuse has received national funding and currently Wirral Drug and Alcohol Team receive a national Pooled Treatment Budget Allocation of £4,366,217 for 2012/13 a 2% growth over previous year allocation. The grant provided directly to Arch Initiatives complements both the Pooled Budget Allocation together with funds provided by NHS Wirral and specific criminal justice funding streams.
- 1.6 The grant provided by DASS has been discussed with representatives from the Drug and Alcohol Action Team to reinforce the need to contain service provision within the National Pooled Treatment Budget Allocation and reflect service funding trends occurring elsewhere to enable the cessation of the historic grant funding provided by DASS into mainstream substance misuse services. The removal of the grant is considered appropriate given the current level of overall funding received by Wirral services to support substance misuse.

## **2.0 BACKGROUND AND KEY ISSUES**

- 2.1 The Department of Adult Social Services has a current commitment to the Voluntary, Community and Faith Sectors of £2,218,343, Appendix 1 shows a schedule of grant payments made in 2012/13. Services range from luncheon clubs through to information, advice and advocacy to day care for a range of needs groups and funding for specialist services for partially sighted and blind people and people who are deaf or hard of hearing.
- 2.2 The more recent review of the sector has identified no clear rationale for how funding is provided or for how services are currently configured, It is evident that members of the public find the array of voluntary sector providers confusing and that duplication is commonplace but equally leading to service shortfalls due to the lack of clarity surrounding the focus of each provider element. Equally services have not been

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subject to robust monitoring and review, which has in certain instances led to providers redesigning services without recourse to commissioners. The review has also identified disparities in relation to funding provided to different providers leading to a significant variance in unit costs for similar services.

- 2.3 As indicated the Department recognises the part to be played by the Voluntary, Community and Faith Sectors in the development of prevention and early intervention but this will require the transformation of how services are currently provided. The reshaping of services will continue to embrace information and advice, advocacy, carers related support services, day opportunities for older people and a range of support services for people with particular needs involving mental health, blind and partially sighted and deaf and hard of hearing.
- 2.4 The current service infrastructure to support drug and alcohol misuse has developed overtime through a combination of national and local funding streams coordinated by the multi agency Drug and Alcohol Action Team. The range of service provision is comprehensive and complementary and brings together all potential entry points spanning open access, primary care, criminal justice systems, treatment services, to rehabilitation and recovery as part of an individuals abstinence from substances. Services are configured to provide flexible and responsive interventions that promote harm reduction, treatment, rehabilitation and recovery. The services recognise the essential supports to recovery and the need to ensure support across families, parenting, housing and accommodation, welfare benefits, training and employment, together with health and well being to enable and facilitate positive progress towards recovery. To further this aim services have been constructed to recognise the particular issues associated with substance misuse and the difficulty in engaging with the users of substances. The outcome is a treatment system that is robust and performing well in dealing with the range of matters confronting both individuals and communities allied to substance misuse.
- 2.5 The issue to be address is the continued use of historic grant funding provided by DASS predating the advent of the National Pooled Treatment Budget Allocations to local health and social care communities. As already indicated the original grant was implemented during the mid to late 1980's and responded, at that time, proactively to an emerging drug misuse problem within a number of Wirral communities. This funding has continued, up rated each year for inflation and is now part of a bigger pot of funding available to substance misuse services. At no time has the grant aid provided been proactively reviewed and the funding is therefore directly provided to Arch Initiatives but subsumed into the general funding administered by the Drug and Alcohol Action Team. As already explained the grant aid did kick start the original drug misuse service infrastructure but this should have been reviewed and ultimately replaced as national funding became available, which would reflect the position operating within other health and social care communities.
- 2.6 The key issue to be addressed is the cessation of the current grant funding and for Drug and Alcohol Team Commissioners to work with the current provider to understand how the grant funding is deployed and to reconfigure overall funding to maintain the range of services required allied to the existing treatment system. This will create a funding system based primarily upon the National Pooled Treatment Budget as reflected elsewhere, especially given the financial challenges confronting the Council. The grant removal is reasonable when placed within the overall financial

context for substance misuse services and Drug and Alcohol Team Commissioners through reconfiguration of funding should mitigate any significant risks.

### **3.0 RELEVANT RISKS**

- 3.1 The Cabinet Report of 8<sup>th</sup> December, whilst recognising the integral part played by the Voluntary, Community and Faith Sectors reinforced the need to ensure performance to evidence efficient and effective use of current resources and the challenges associated with Departmental efficiencies that would equally impact upon this sector of the social care market. The Cabinet Report proposed a market approach to refocus and reshape services to meet the prevention and early intervention agenda and departmental efficiency targets. The risk within this approach is public and community disquiet to the potential loss of traditional and long standing voluntary sector providers despite the current performance of the sector and no robust rationale to support the current configuration of services.
- 3.2 A further specific risk allied to the efficiency target set is the timelines for formal consultation and procurement processes associated with market testing to establish contracts based upon revised services specifications. This raises the potential that proposed efficiencies will not be realised until part way into financial year 2013/14 rather than from 1<sup>st</sup> April 2013.
- 3.3 As indicated DASS has proactively engaged with Drug and Alcohol Team Commissioners to raise the historic anomaly of grant funding and the need to cease such funding. The removal of the grant will be placed within the overall context of substance misuse funding to mitigate the consequences of reduced funding and the impact upon Arch Initiatives. The primary risk is the ability of Commissioners to reposition funding to accommodate the loss of grant funding by 31<sup>st</sup> March 2013 to minimise service disruptions.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 As indicated above the efficiencies sought are part of a review process which recognises that the Voluntary, Community and Faith Sectors are not currently fit for purpose and therefore require refocusing and reshaping to ensure better outcomes for people. This is a precursor to the planned Prevention and Early Intervention Plan and will implement the Cabinet Report of 8<sup>th</sup> December 2011, the efficiencies will add value to services that require transformation. As such no other options have been considered.
- 4.2 In relation to Arch, the only other option would be to consider phasing the removal of the grant to Arch Initiatives over a longer time period to enable Substance Misuse Commissioners to understand what key funding streams will be available going forward, to work with providers to re-engineer the whole substance misuse system and by doing so mitigate adverse consequences to individuals and consequences. However the nature of the local authority finances would suggest that it is reasonable to cease grant funding by 31<sup>st</sup> March 2013.

### **5.0 CONSULTATION**

- 5.1 The Department has recently completed a period of consultation to establish the commitment to the overarching Commissioning Strategy 'Shaping Tomorrow' and will further consult in relation to the Prevention and Early Intervention Commissioning

Plan given the radical intent implied by a commissioning approach to reshape service provision and achieve challenging efficiency targets.

- 5.2 Equally the Cabinet Report of the 8<sup>th</sup> December 2011 had involved extensive dialogue and the sector are aware that changes will be made, but the proposed position will involve further engagement and consultation.
- 5.3 Consultation regarding drug and alcohol misuse will be managed alongside Substance Misuse Commissioners and involve direct and appropriate consultation with all relevant parties.

## **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 The proposed efficiencies will impact directly in relation to the Voluntary, Community and Faith Sectors with the potential loss of contracts or a rationalisation of current business, with the associated resource implications.
- 6.2 The Grant Funding for Arch had formed part of the portfolio of funding provided to the Voluntary, Community and Faith Sectors but review has established the mainstream nature of the grant underpinning services and for this reason is now a standalone matter. As such there are no implications for this sector as Arch Initiatives are one of two mainstream service providers.

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

- 7.1 The Department currently invests £2,545,343 within the VCF Sector and is seeking to achieve efficiencies of £500,000 effective from financial year 2013/14.
- 7.2 The removal of the grant from Arch will achieve £327,000 efficiencies going forward effective from financial year 2013/14. There could be human resource implications for Arch Initiatives dependent upon how Substance Misuse Commissioners restructure overall funding.

## **8.0 LEGAL IMPLICATIONS**

- 8.1 Any developments to the current funding arrangements and governance of contracts must comply with contract law and procurement guidance.
- 8.2 The Department will need to undertake consultation and give formal notice in those cases where funding will cease.

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 Equality impact will be managed through the Programme of change.

## **10.0 CARBON REDUCTION IMPLICATIONS**

- 10.1 None

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 11.1 None

## **12.0 RECOMMENDATIONS**

- 12.1 Members are requested to agree:

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- The efficiency target set in relation to the Voluntary, Community and Faith Sectors.
- To support the refocusing and reshaping of VCF Sector services as a key element to the development of the Prevention and Early Intervention Commissioning Plan.

12.2 In addition Members are requested to agree:

- The removal of grant funding to Arch Initiatives with effect from 1 April 2014
- To support active engagement by Drug and Alcohol Team Commissioners to reconfigure National Pooled Treatment Budget Allocations to mitigate the loss of grant funds

**13.0 REASON FOR RECOMMENDATION/S**

13.1 The further review of the Voluntary, Community and Faith Sectors has reinforced that services as currently configured are not fit for purpose and therefore builds upon the Cabinet Report of 8<sup>th</sup> December 2011.

13.2 As indicated the current grant to Arch Initiatives is historic in nature and should be seen within the wider context of a National Pooled Treatment Budget Allocation to Wirral now standing at over £4.6m which included a 2% growth over the previous year allocation. The grant is unusual and was time specific to the mid to late eighties and has lacked review and should now be addresses through the wider substance misuse systems for commissioning and funding.

**REPORT AUTHOR:** **Steve Rowley**  
 Head of Finance and Performance  
 telephone: (0151) 666 3662  
 email: [stephenrowley@wirral.gov.uk](mailto:stephenrowley@wirral.gov.uk)

**APPENDICES**

*Appendix 1 – Grant Payments made in 2012/13*

**REFERENCE MATERIAL**

*None*

**SUBJECT HISTORY (last 3 years)**

Council Meeting	Date

## Grant Payments to Voluntary Organisations 2012-13

Organisation	Amount	Activity
	£	
Arch Initiatives	327,070.00	
Advocacy in Wirral	23,575.04	Bridges
Advocacy in Wirral	45,314.40	Advocacy Service
Age Concern Core Costs	128,602.00	Core Costs
Age Concern Wirral	134,569.00	Advocacy & Info
Age Concern Wirral	33,339.00	Carer Support
Age Concern, Bramwell	53,987.00	Day Centre
Age Concern, Devonshire Centre	163,710.00	Day Centre
Age Concern Wirral	15,000.00	Older Peoples Parliament
Bangladeshi Luncheon Club	2,702.64	Luncheon Club
Chinese Association	16,127.51	Luncheon Club
Community Involvement Group	50,301.56	Day Centre
Alpha RSL (prev Forward Road)	18,404.06	Luncheon Club
Headway, Wirral	8,589.28	Day Centre
Helplink Comm. Transport	26,962.11	Helplink service
Hoylake Cottage Hospital	96,777.19	Day Centre
Leasowe Play, Youth & Comm. Ass.(Autumn)	14,842.78	Luncheon Club
Lonsdale Trust	45,089.41	Day Centre
Lonsdale Trust	31,605.66	Granville Court
Moreton Comm. Ass	11,166.28	Luncheon Club
MSDP	150,932.68	Tech & Support
MSDP	29,787.00	Equipment Service
New Brighton Comm Ass	9,844.93	Luncheon Club
Newton Village Hall	344.00	Helping Hand Club
Phoenix House	12,245.32	Outreach Worker
Seacombe Community Assoc.	17,875.31	Luncheon Club
PSS - Vicent Harkins Day Centre	115,192.84	Day Centre
Vale House	9,200.95	Luncheon Club
VCAW (Previously Hoylake CVS)	25,689.23	Carelink
VCAW (Previouslly C Bed)	22,458.55	Helping Hands
VCAW	177,415.00	Link Funding
WIRED	46,112.70	Carers Advocacy
WIRED	52,147.94	Carers Support Service
WIRED/Direct Payment	81,058.00	Direct Payments
WIRED/PD Advocacy	49,777.12	Advocacy
WIRED	51,946.00	IMCA service
Wirral African & Caribbean Comm. Voice	2,357.54	Luncheon Club
Wirral Blind & Partially Sighted	26,581.97	Advocacy
Wirral Mind	25,030.17	LD Advocacy
Wirral Mind	27,831.16	Volunteer Support
Wirral Mind Fountain Club	72,022.45	Fountain Club Drop-In
Wirral Multicultural	32,460.71	Asian Comm Worker
	<b>2,286,046.50</b>	