

For publication

Background Paper – Adult Social Care Grant Funding 2016/17 for non-statutory service priorities

Meeting: Community, Customer and Organisational
Scrutiny Committee

Date: *5th July*

Cabinet portfolio: Health and Wellbeing

Report by: Policy and Communications Manager

1.0 Purpose of report

1.1 To facilitate discussion on the changes proposed by Derbyshire County Council's (DDC) Adult Social Care Directorate to grant funding in 2016/17 for non-statutory service priorities.

2.0 Background

2.1 DCC's revised five year financial plan indicates cuts of at least £109m are required between 2016/17 and 2020/21. This is in addition to cuts identified in the period 2010 /11 to 2015/16.

2.2 One of the options being considered is to reduce funding to the voluntary and community sector made via the Adult Care Grant Aid budget. While DCC has tried to protect the level of funding available to the voluntary and community sector, the current level of funding is considered to be no longer sustainable because of further central government cuts.

- 2.3 Some of the grant recipients have stand-alone funding agreements with DCC's Adult care. Others are jointly funded with the four local NHS Clinical Commissioning Groups (CCGs).
- 2.4 The CCGs have confirmed that they also intend to review services that are jointly funded with Adult Care. There has been a joint project group established by the Health and Wellbeing Board to co-ordinate the proposed disinvestment.
- 2.5 In March 2016, DCC and the CCGs agreed a notification and consultation process to enable a final decision on funding to be made in September 2016.

3.0 Likely impacts of ceasing funding identified by DCC

- 3.1 The March 2016 report identifies some potential impacts of funding reductions including that there may be a cumulative impact as a result of any proposed disinvestment in voluntary and community services following changes to Adult Care eligibility criteria, changes to housing related support, transport policy and the funding challenges faced by other funding bodies. These funding changes may result in some organisations no longer being sustainable and this could affect the quality of life of people who will no longer be able to access these services.
- 3.2 This cumulative will be further explored by DCC and detailed in their September Cabinet report prior to the decision being made.

4.0 Consultation arrangements

- 4.1 DCC are running a 12 week public consultation. This includes an online survey, events, telephone completion and submission by letter. The CCGs are not running an open public consultation but have launched a conversation with providers and service users to enable them to express their views.
- 4.2 Voluntary and Community sector providers in receipt of funding from the Adult Care budget and/or funding from Derbyshire CCGs were invited to pre-consultation events. 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.

- 4.2 They were also informed that it is likely that proposals will be made to terminate current arrangements and to use the reduced funding that might be available to commission new services following a competitive exercise against the County Council's and Derbyshire CCG's local service priorities.
- 4.3 The consultation closes on the 24th July 2016. Further information on the consultation is available at:
http://www.derbyshire.gov.uk/council/have_your_say/consultation_search/Consultation_search_index/proposals_to_stop_grant_funding_to_voluntary_and_community_sector_vcs_providers.asp

5.0 **Current funding arrangements and notice period**

- 5.1 Funding arrangements for current recipients have been extended for up to six months for 2016/17 (until September 2016 in most cases). This will allow for the full consideration of the outcome of the consultation process.
- 5.2 Providers have been advised that this six month extension includes a three month notice of termination of the funding subject to the outcome of the consultation process. This arrangement still allows for 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 DCC's Cabinet have decided following consultation not to discontinue funding.
- 5.3 Appendix 1 details the payment extension to community and voluntary organisations made by adult care solely and the jointly financed organisations by DCC and the CCGs. These include 48 different groups/projects, nine of which have the potential to affect Chesterfield Borough residents.

6.0 **Consultation response**

Chesterfield Borough Council intends to respond to the consultation by letter. This will be discussed at Cabinet on the 12th July 2016.

7.0 **Equalities considerations**

- 7.1 Alongside the consultation process DCC are completing an EIA. The EIA will focus on the potential impact of any proposal on groups with protected characteristics as well as detailing the mitigation which could be put in place.
- 7.2 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.