

Shaping the Council 2015-16 and beyond: Savings Business Case

Business Case Title	Voluntary Sector Contracts – Learning Disability Development Fund		
Revision No:	1	Date:	20th May 2014
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Lead HOS			
Critical friend/Exec Bd			
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Section 1: Summary

Savings Proposal

Learning disability, mental health and carers contracts (including the previous Learning Disability Development Fund and Healthwatch)

Saving - £ 213k

We have undertaken a review of all 3rd sector contracts (see separate business case for older people's contracts).

However, they will mean a significant reduction in service provision and withdrawal of support for very vulnerable communities.

Strategic rationale

Voluntary Sector Contracts (£43k): Throughout 2013/14 a number of tendering processes have been undertaken where cost savings have been realised. A number of these contracts have recently been let. The total value of these contracts is £ 430k. We would seek to agree at voluntary 10% reduction on these contracts.

The Learning Disability Development Fund (£ 120k) has been in existence since the implementation of Valuing People and the amount of money was allocated to each local authority to support that implementation. The money is no longer ring fenced and the projects it supports are over and above statutory duties.

The first project is Star Dating delivered by BATIAS Independent Advocacy Service; this is a friendship and dating agency for learning disabled people. It has been very successful in reducing people's social isolation but the LDDF no longer exists and this is a non-statutory service.

The second project is World of Work run by TCIL providing volunteering and work opportunities for people with learning disabilities. This is the only service that we currently commission that supports people with learning disabilities back into work.

Healthwatch (£ 50k): This is a service that the Council is required to commission. It replaced the

old LINK service. It provides an advocacy service, acts as the patients watchdog, provides advice and information for people wanting to access the NHS and is responsible for monitoring adult social care and children's social care. We currently fund Healthwatch £ 150k and it is hosted via the CVS. Although difficult to achieve Healthwatch could be encouraged to do more of its work through volunteers and seek alternative funding from other sources to fund specific work.

Approximate Cost Savings

- 10% across the board would be approximately £43,000
- BATIAS - Star dating £60,000
- Thurrock Centre for Independent Living - World of Work £60,000
- Healthwatch / CVS £ 50k

Timescales

Activity	Timescale
Voluntary Sector Contracts : Undertake renegotiation throughout 2014	To be achieved by March 2015
LDDF : Give notice on the contracts confirming that the 2 year contracts currently in existence will end in March 2015	To be achieved by March 2015
Healthwatch : Give notice to existing arrangement	Aim to achieve by April 2015

Risks /Consequences

Voluntary Sector Contracts

The first most significant risk is that this will destabilise the voluntary sector in Thurrock it could damage the positive working relationships that exist between all the organisations and the Council.

The second most significant risk is that the people who currently use all of these services have considerably reduced support meaning that the focus that these contracts currently give on supporting independence, the personalisation agenda, the LAC work and more fully supporting community inclusion will be lost. People will come into statutory services much sooner families will break down, particularly without carers support and the pressure on the external purchasing budget will increase and people will need to utilise services over a longer period of time.

The council is committed to coproduction and joint working with citizens and the reduction of these contracts would significantly damage and limit this approach.

LDDF

The Key risk is that the Council is seen to be limiting options for learning disabled people who continue still to be marginalised in the community. Isolation is a significant consequence of the

new models of working supporting individual personalised approaches and the ability to offer an organisation that assists in lessening that isolation is very positive.

Obtaining and keeping employment is a key indicator in the annual Learning Disability Self assessment and within the newly introduced Autism self assessment, Thurrock's positive progress in both around employment is a direct result of the work of TCIL. Employment for learning disabled people is highlighted nationally as an area that should receive focus from all local authorities to reduce marginalisation and increase community participation. With the introduction of universal Credit we require an organisation in Thurrock to offer support to those seeking employment who are learning disabled or who have autism and TCIL has the knowledge and expertise to offer this support. There is a significant risk that if we do not fund this service that employment will become a very low priority and the good progress that has been made will be lost.

Healthwatch :

Healthwatch was established as part of the NHS reforms which went live on April 1st 2013. The organisation plays an invaluable role in monitoring local health and social care services and support users, carers and patients. It is a requirement that each local authority commissions a local service but there is no ring-fenced grant for Healthwatch and the previous LINK grant is now incorporated within our general fund. This is a £50k reduction which would be 30% of their current grant. The organisation would be supported to find alternative funding to replace this reduction.

Mitigation

Voluntary Sector Contracts

There is very little that can lessen the impact of this approach other than the work around Local Area Co-ordination and community inclusion however this will only have a limited impact without the voluntary services in put and support. Assistance can be given to look at alternative sources of funding but that approach is limited if advice is being given to all voluntary organisations to pursue this route.

LDDF

The services offered through BATIAS whilst valuable are non-statutory.

The employment support is a vital component enabling Thurrock to deliver the national agenda around employment for learning disabled people and within the National Autism Strategy

Healthwatch

We would work with Healthwatch to see whether they could seek alternative funding or deliver more of their work through volunteers.

Section 2: Finance, savings and costs

Financial summary

General Fund budget 2014-15

	Staff £000s	Premises / Transport £000s	Supplies/ Services £000s	Direct Payments £000s	Third Party Payments £000s	Total Expenditure Gross £000s	Income £000s	Net Expenditure £000s
2014/15								

Staff Related savings

Current number of posts (FTE and headcount)	N/A
Number of posts to be deleted (FTE and headcount)	
Amount of salary saving (inc on-costs)	

Non- Staff Related savings

Premises and buildings (inc utilities)	
Transport	
Supplies and services	
Other (please specify)	

Third Party Related savings/income

Commissioning/contracts	£213,000
Charges to the HRA/DSG/PHG <i>(NB can be negative)</i>	
Increase fees & charges	
Grants/additional funding streams	
Other (please specify)	

Benefits – non financial

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Costs & Resources to deliver the savings

Direct costs	Officer time to renegotiate the contracts and support voluntary organisations to seek funding streams from elsewhere
Redundancy costs	
Accommodation costs	
Procurement and/or Legal costs	Procurement and Legal's time to oversee the possible decrease in contract price
Other HR costs	
Other (please specify)	Reducing the contract price for the Direct Payment and Advocacy contracts may increase the demand on the external purchasing budget for spot purchase of support where direct payments increase or where service users require support to state their views if their services are reduced.

Section 3: Impact/Consequences of proposal – not covered in financial section

Impact on Corporate Priorities/objectives/ performance targets/standards

<small>This</small>	
Priority 1. Create a great place for learning and opportunity	Learning disabled people would not have support to obtain equality of opportunity within employment and would be marginalised in the local community.
Priority 2. Encourage and promote job creation and economic prosperity	There would be no specific organisation to support employment for those who have a learning disability or experience autism.
Priority 3. Build pride, responsibility and respect to create safer communities	
Priority 4. Improve health and well-being	Lack of access to all of the services listed may impact on individual health and well being and family breakdown may occur through lack of capacity within advocacy and carers support services. This would in turn impact on the external purchasing budget.
Priority 5. Protect and promote our clean and green environment	
Well-run organisation - financial & governance; staff; customers	

Impacts on partners

The voluntary sector is an essential part the Thurrock community providing support over and above the funding they receive, to reduce that funding would have a very negative impact on the relationship that the council has with the voluntary sector,

Impacts on customers / community and equality/diversity implications

Any proposed reduction to the funding Thurrock Council give to the voluntary sector must be carefully considered as the work of the voluntary organisations in Thurrock provides a significant amount of support in preventing the need for longer term high cost services, supporting the community to be more resilient.

Making such savings will reduce the voice of those who use services and will as a consequence reduce the equality of opportunity that many people who use services or support those who do have fought so hard to obtain through partnership working with council offices and other statutory organisations. At the heart of the Care and Support Bill is the direction to be inclusive and to work in partnership and the funding reductions would dilute the very well established partnership forums.

Has an EqIA been undertaken?

NO **Date:**

Other impacts/implications

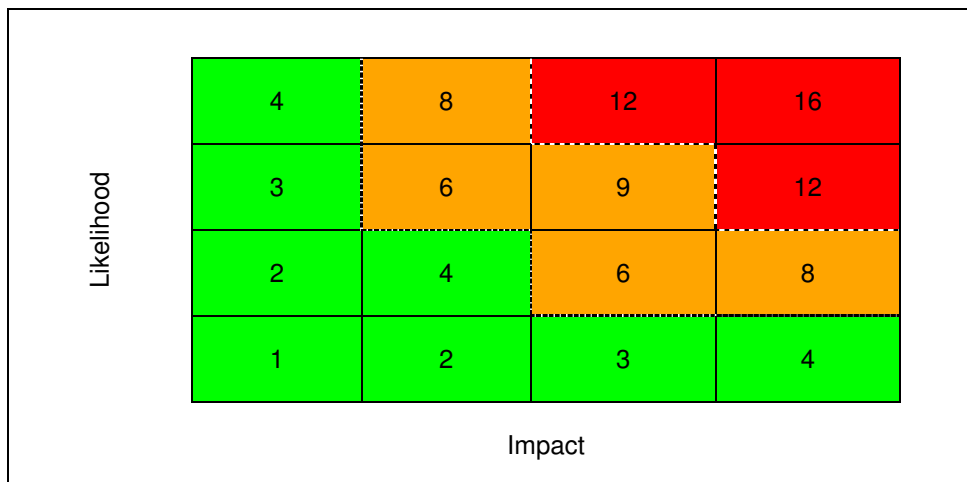
Section 4: Risks and Mitigation

Delivery risks				
Risk Description	Likelihood	Impact	Rating	Management or Mitigating Action
Failure to secure alternative funding will lead to a significant reduction in the services to be delivered	4	8	12	Support will be required from commissioners.
Failure to negotiate the savings may mean that some contracts will cease completely as there won't be enough funding	3	6	9	More detailed risk assessment will be required regarding the impact on service users and other funding streams

Service risks				
Risk Description	Likelihood	Impact	Rating	Management or Mitigating Action
Failure to support the employment priorities for learning disability and autism will impact on Thurrock's self assessment, national figures and the individuals themselves	8	12	16	To cease the LDDF and transfer to a grant approach with a reduced amount of funding which will still deliver the employment agenda
Failure to deliver Advocacy will mean that people can not participate in the planning of their own services or have the equality of opportunity to be part of their local communities	8	12	16	Work with provider to try and reduce risks
Failure to deliver Direct Payment Information Support and Advice will mean that transformation of service provision will not be able to be delivered appropriately supporting people to have real choice which may be a choice to use alternative services that are less costly.	8	12	16	Work with service users and provider to reduce impact for service users
Failure to adequately deliver the Carers Information Advice and Support service will impact on carers ability to care meaning that there may be an increase in the need for purchased services	4	8	12	Work with the provider and carers to try and reduce the impact

Failure to support Healthwatch will mean that a coordinated independent and representative voice of people who use services will be lost	4	8	12	Look to support alternative sources of funding and support
Failure to support the Stroke Service will mean that there will be a reduction in the numbers of people who are supported in the community and this may result in a higher need for residential care	4	8	12	Work with health partners and others to look to alternative sources of funding. And he never

For information on the ratings criteria guide, please see <\\Thurdata01\data\THURROCK\EXCHANGE\ROM>



Section 5: Assumptions, Dependencies & Exclusions

Timeframes Assumptions/ Dependencies/Exclusions	The assumption is being made that the voluntary organisations would willing renegotiate the contract price even though savings have already been made on the contracts in recent tender processes.
Benefits Assumptions/ Dependencies/Exclusions	Assumption being made that the reduction in funding is a real saving, this may not be the case as the cost may transfer to the adult social care external purchasing budget.
Costs Assumptions/ Dependencies/Exclusions	Assumption being made that the cost will not transfer to the external purchasing budget.
Other/ General Assumptions/ Dependencies/Exclusions	Support would be given to all organisation to seek alternative funding

Section 6: Stakeholder Engagement Requirements

		Approximate timelines
Staff/Unions NB. Services should not be undertaken consultation with staff in isolation – all such activity should be co-ordinated through Jackie Hinchliffe	<input type="checkbox"/>	
Portfolio Holders/Members NB. Services should not be undertaken consultation with staff in isolation – all such activity should be co-ordinated through Directors Board	x <input type="checkbox"/>	Portfolio Holders and members would need to be fully informed of all proposals as reduction in funding would have a significant impact on the welfare of their constituents.
Partners NB. Services should not be undertaken consultation with partners in isolation – all such activity should be co-ordinated through Directors Board	x <input type="checkbox"/>	All renegotiation and of contracts would involve all partners voluntary and statutory as any reduction in funding may impact with a requirement for increased statutory duty can use the term services.
Residents/Public NB. Services should not be undertaken consultation with staff in isolation – all such activity should be co-ordinated through Directors Board	x <input type="checkbox"/>	People who use the services would need to be informed of proposals.
Other – please specify	<input type="checkbox"/>	

Section 7: Any other comments to support savings proposals