

Item No. 9.	Classification: Open	Date: 19 July 2011	Meeting Name: Cabinet
Report title:		Voluntary Sector Day Services & Lunch Clubs and Community Support	
Ward(s) or groups affected:		Older people and people with disabilities	
Cabinet Member:		Councillor Dora Dixon-Fyle, Health and Adult Social Care	

FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE

Following the reduction to council funding by central government, Adult Social Care has had to find savings of £8 million. To do this we have in Southwark sought to protect our most vulnerable people and put them first. Which is why we provided from our reserves £0.5m to cover the period from April to August 2011 in order to give providers extra time to re-shape and re-model their provision.

In order to make the savings imposed on us by central government we have looked at services which are discretionary; and where we are reducing funding have sought to enable the providers to re-structure and find innovative ways to continue to operate as a re-modeled and more cost-effective service.

The department has already increased the take-up of personalised budgets and we will, in keeping with our new vision for adult social care, ensure that we maximize this further, thus allowing users of these services, who are eligible for support, to have the choice over how and where they spend their money.

RECOMMENDATIONS

1. That Cabinet agrees:
 - 1) To reduce the council contribution to voluntary sector open access day services/lunch clubs by ceasing block contracting arrangements and funding eligible individuals through personal budgets
 - 2) Work intensively to embed the personal budget model for users of these services with eligible care and support needs by end August 2011 as an alternative means of income for organisations
 - 3) Launch an innovation fund, where organisations can bid for funding to support transformation and the development of hubs and encourage future financial self-sustainability
 - 4) Implement proposals to re-commission community support services for older people (information, advice, advocacy and befriending) from April 2012 by inviting bids against a revised service specification that supports the objectives of maintaining independence, health and wellbeing and effective personalised services.

BACKGROUND INFORMATION

2. On 13 December 2010, the Secretary of State for Communities and Local Government announced the 2011/12 and 2012/13 provisional local government settlement. The result of this in Southwark was an 11.3% reduction in funding for 2011/12, which means a loss of formula grant in cash terms of £29.7m from April 2011. There is a further reduction of £17.2m for 2012/13 and the combined loss amounts to the highest cash reduction of all London boroughs.
3. In this context, Council Assembly agreed the council's three year Policy & Resources strategy on 22 February 2011, including the budget for 2011/12, which required savings across the council. Savings in Health and Community Services of £7.75m in 2011/12 were agreed, including savings of £1m for open access services.
4. Open access services refer to a range of services, predominantly aimed at older people that are discretionary and not subject to eligibility assessment. These include a number of lunch club and day services run by the voluntary sector.
5. The services have operated discretely, most dealing with specific groups and are on the whole based on fairly traditional care models. Although they are open to people without assessment, some people who attend may have eligible adult social care needs. These services reach a relatively small proportion of the overall older people's population and some individuals attend for very many years.
6. The current block contracting arrangements were due to end 31 March 2011.
7. A list of organisations is attached at Appendix 1.
8. The council's approach to re-shaping services is considered within the context of wider service transformation across adult social care and the financial position of the council over the next few years. It aligns with our overall approach to day services. This means less focus on individual buildings but enabling people to come together to access a range of support in one place, using creative ways of meeting their assessed needs within available resources and promoting social inclusion and use of mainstream services.
9. We want to support a more self-sustaining set of open access services that can deliver the council's vision by responding to personalisation and promoting health, wellbeing and independence for people at risk of needing adult social care support.
10. Proposals were published in January 2011 and outlined a phased approach to re-shaping services – stage 1 involved changes to block contracts with day services/lunch clubs and stage 2 was about changes to the commissioning of community support services, such as information, advice and befriending. The consultation process was designed to enable local organisations to engage with the council and develop robust alternative proposals to deliver the necessary savings and support the principles outlined above.

11. Proposals were published in advance of the budget being agreed by Council Assembly in February to give organisations time to engage and respond as overall timescales for delivery of savings were very tight.
12. The consultation period closed on 19 April 2011. As part of this process, a high-level alternative proposal was submitted by some of the affected organisations. In addition, a meeting of the scrutiny committee on 4 May discussed future considerations for older people's services including day services. A summary of the scrutiny committee's recommendations and council responses is found at Appendix 2. Further information on the consultation process can be found on page 13 of this report. A summary of key themes from the consultation is on pages 4–6 of this report and a separate report is attached as Appendix 3.

KEY ISSUES FOR CONSIDERATION

Context

13. These recommendations are being made in the context of the unprecedented reduction in the level of funding received by the council from central government.
14. The council's proposal, in the light of its financial position and the statutory requirement to meet eligible needs, was to significantly reduce the number of groups that received a block council funding contribution and to concentrate services on three hubs. Of the 12 services currently running, two were identified to receive future council contributions at the same level with the potential to operate as 'hubs'. These two were:
 - Golden Oldies Community Care Project (approx £90,000 p.a.)
 - Goose Green Lunch Club (approx £5,000 p.a.)
15. It was also proposed that the Age Concern Yalding Healthy Living Centre would continue to operate as a third hub with PCT funding.
16. In addition, the council would invite all groups to bid for part of an Innovation Fund, worth £200,000 in 2011/12 to support them to change their business model, and offer small injections of cash to support them to be financially self-sustaining in the longer-term.
17. The second phase of the proposal was to reshape open access community support services, such as advice, information and befriending projects. The council proposed to decommission current services from April 2012 and invite local organisations to bid against a new service specification, in line with the principles outlined above, to a value of £700,000 (saving a further £300,000).
18. The proposals recognised that there would be some people with eligible care needs who may be accessing services from affected organisations. The paper noted that, as proposals were developed and assessments/reviews took place, those eligible would be offered personal budgets to enable them to make decisions about the care and support they wanted to access in the future.

Additional support already provided to affected organisations

19. At the 22 February Council Assembly meeting, councillors voted to provide some transitional support to the day services/lunch clubs affected by the savings

requirement. An amount of £0.5m has been made available from council reserves to cover the period April to August 2011. This was designed to acknowledge the concern of organisations about the speed of change and provide 'breathing space' for organisations to discuss further with their members and explore alternative options.

20. The expectation is that groups will work with each other and the council to use this period of short-term funding to develop cost-effective, sustainable ways of operating within the council resources available, and to explore other avenues.
21. Council officers from the adult commissioning and community engagement teams are working intensively with day service and lunch club providers to support them to develop more self-sustaining business models.

Key themes from the consultation

22. Direct feedback on the proposals was received from providers of the services, some service users and families/carers and some other stakeholders.
23. Key themes from the consultation feedback received focused on:
 - response to the overall savings requirements
 - terminology used to describe services
 - hub model proposal
 - Innovation Fund.
24. A summary of the issues raised is included below. Further detail on the feedback received can be found at Appendix 3. In addition, officers completed some scoping work with organisations to look at the potential number of eligible service users, which is highlighted later in this section.
25. It should be noted that little objection was raised to the stage 2 approach for the information, advice and befriending type projects, and the importance of these services which tend to have much greater reach was indeed highlighted by stakeholders.

Response to overall savings requirements

26. A number of consultation responses (particularly from providers directly affected) didn't want to see a cut in the council contribution to services at all, or felt the cuts were too quick and too deep. However, this was alongside acceptance that the council did need to think differently about services in the future, including the way they were provided, due to the reduced funding available from central government.
27. It is important to note that all of the affected day services/lunch clubs have access to organisational reserves, to which council funding is likely to have contributed. In informal conversations with organisations as part of this process, several organisations have suggested they would be able to continue to operate for a further period after current council funding arrangements ceased by making use of some of their reserves, as they continued to work to develop future business models. In addition, there may be additional opportunities for organisations to explore alternative, external funding sources to help them develop future models, for example we are aware that Age Concern has been successful in a bid for funding from a national transition fund to the value of

£355,000.

Terminology used to describe services

28. There was concern expressed by a number of the stage 1 providers that the term 'lunch clubs' does not encompass the full extent of the support provided by many of the organisations.
29. The consultation paper deliberately used broad terms such as 'day services' and 'lunch clubs' in an attempt to prevent too narrow an interpretation of the services on offer. Some organisations are only open for specific periods of time or days of the week, so not universally accessible. During face to face meetings held during the consultation process officers and councillors were able to speak to organisations directly around the types of services available.
30. There were some requests for clarity over the terminology and language used in the consultation document. Regular conversations and engagement meetings during the consultation process were used to clarify and explain key issues through face to face discussion.

Response to hub model proposal

31. There was a mixed response to the hub approach. While some organisations supported the hub model, many affected organisations were keen to retain their own services if possible. It was highlighted that a reliance on the Lattice Foundation model from Community Action Southwark (CAS)¹ may be difficult due to the fact it was still being developed. There was a desire for any hub models to be considered alongside changes to other day services (particularly in-house) in the borough to ensure a good fit. In addition, any organisation that supported the hub model also felt that it should be the hub for the borough.
32. Age Concern/CAS presented an alternative proposal as part of the consultation process, which they had discussed with a number of affected organisations. This highlighted the potential for services with a number of people attending with eligible care needs to change their business models and generate income through a combination of personal budgets and fundraising.
33. It suggested created two hubs in existing centres, developing them to provide shared space and exclusive use for certain groups on some days. However, it was not clear that all partners had come together to support this approach and there was little detail on the financial and business case.

Innovation fund

34. There were no negative comments regarding the proposal for an Innovation Fund. Some of the feedback noted some points around alternative opportunities for people that already offer relevant support activities, for example registered social landlord sites.

Scoping work on number of users potentially with eligible needs

¹ The consultation document suggested that the hub model could be supported by a new approach being developed by CAS called The Lattice Foundation, which provided a mechanism for organisations to share back office/support functions, operating more collaboratively and having to rely less on specific buildings.

35. During the period of consultation officers undertook scoping work to obtain more detailed estimates of the number of people visiting the day services with eligible care needs. This was done in collaboration with affected organisations. Information provided by the groups themselves suggested there may be more people than anticipated with eligible needs. It is suggested that up to 240 people using services may be eligible for personal budgets. Although this is a higher figure than initially anticipated, it is important to remember at a maximum this represents only around 7% of older people who use adult social care services (based on 2010/11 annual performance data on community service use).
36. In line with our overall approach to moving towards more personalised, effective services that give people choice and control over their care and support, it will be important to enable people with eligible needs to move onto personal budgets in a timely way. A process of re-assessment is underway and is aimed to complete by the end of August 2011.

Way forward

37. In the light of feedback received the proposals have been further developed to support transformation and encourage a diverse market of services as people increasingly use personal budgets for the purchase of their care and support.
38. There are four key elements to the proposals. The key development in response to consultation is around the approach to developing a hub model for services.

i) Retain the approach to reduce council contributions by ceasing council block contracts to voluntary sector day services/lunch clubs (but from September 2011 instead of April 2011)

39. Council block contracts for voluntary sector open access day services/lunch clubs were due to cease 31 March 2011. All day service and lunch club organisations have been aware, prior to and throughout the consultation period, that their block contracting arrangements may come to an end.
40. Organisations have been offered transitional support from council reserves until end August 2011.

ii) Focus departmental resources on supporting transition to personal budgets as soon as possible for customers with eligible care needs

41. Organisations may have a greater number of eligible users than previously anticipated. All organisations could develop an income stream around charging people with personal budgets for their services in the future. In view of the consultation feedback and considering the equalities analysis, the council would therefore invest the £100,000 previously assigned to continue funding two groups, to support the transition and cost pressure for personal budgets.
42. Conversations with Goose Green (initially proposed as a hub) during this process have highlighted they feel they will be able to continue to operate regardless of any ongoing council contributions, and have healthy reserves to assist.

43. Golden Oldies (initially proposed as a hub) has engaged with the council and, with support, is considering how to develop its business model, to generate income from personal budgets, other fund raising activities and reduce costs, rather than rely on historical block contracting arrangements.
44. In line with our approach to developing personal budgets, the focus is on the council working to review/re-assess named users with a view to supporting them to take personal budgets that can fund the support they choose. The aim is to complete this by the end of August 2011, using a dedicated team with a clear framework to ensure consistency. People can then decide if they wish to purchase services from the relevant organisations.
45. All day services/lunch clubs would need to ensure they had developed charging mechanisms during this period to obtain income through this route. As noted, some groups have already done this work and council support is targeting groups that need more help.

iii) Supporting innovation and hub model

46. Having considered the consultation feedback, it is clear that there is not wide support for the three hub sites outlined. It is therefore proposed that the hub model is developed via the Innovation Fund.
47. We propose to retain an innovation fund of £200,000 open to any local voluntary and community provider. This would be a one-off opportunity. Criteria for the fund would focus on innovative ways of developing ongoing financial self-sustainability, supporting prevention and inclusion in mainstream services, etc.
48. We would be particularly interested in innovative solutions to developing a hub model, which would support community cohesion and include a focus on outreach and inclusion rather than just buildings-based provision, whilst allowing for some culturally-tailored services that meet the needs of the diverse population in Southwark.

iv) Stage 2 – ensuring information/advice/befriending service

49. This proposes to re-commission such services by April 2012 as set out in the original proposal.
50. Proposals in the Health and Social Care Bill and the potential requirement for local authorities to commission a single, separate advocacy service, mean the final specification will need to reflect this.

Timescale: August 2011–March 2012, in line with original proposals (subject to Cabinet decision)

Additional support to organisations around planning for the future

51. We recognise that this is a challenging time for our partners in the voluntary sector. We have been encouraging groups to examine their future business models and work through how they can become increasingly self-sustaining, while still offering personalised, effective support.

52. The council is offering support in particular areas that groups would find helpful to assist them in future planning. For example, financial and business planning, marketing or fundraising, utilising volunteers, etc. A named council officer is available from the community engagement team to provide support for groups over the next couple of months as they work through this.
53. In addition, the council already commissions Community Action Southwark, which has been providing some support to voluntary organisations, including business planning, fundraising advice and information. It can also act as a point around which groups can come together and collaborate on future planning, for example on preparing for personalisation.
54. Overall, organisations are already aware of the indicative number of people who would be entitled to personal budgets and there have been ongoing discussions about the implications of this for each organisation. This should allow them to plan and develop charging mechanisms, as well as planning for bids to the Innovation Fund.
55. This proposal could also give organisations the opportunity to look at potentially attracting customers from a wider area. We are aware that several services already have users from outside Southwark, which they may want to develop further.

Community impact statement

Overview

56. This community impact statement is an overview of the current position and situation.
57. We are committed to ensuring that equality impacts are considered in making recommendations and to support the decision-making process. More detailed equality analysis, looking at each equality strand outlined in the Equality Act 2010 is being developed alongside this, and an equality impact assessment is attached as Appendix 4. A draft version was also shared with affected organisations as part of an update on the consultation process on 17 June.
58. It is important to note that, as these are not council-run services, it is not wholly the council's decision as to whether or not they should continue to operate. Mitigating actions are focused around providing organisations with appropriate support to enable them to collaborate and transform to offer personalised approaches, while recognising that there is a need for such services to be able to operate in a more financially self-sustainable way in the future.
59. As we seek to move to embed the personal budget model for people with eligible care and support needs across adult social care services, individuals will take greater charge of their purchasing decisions. It may happen that services that do not offer people the opportunities they want to achieve their needs and outcomes find that their services are no longer viable in the local marketplace. The council will continue to ensure that key statutory elements are part of commissioning arrangements and seek to work with people using services and providers to support development of a vibrant and effective marketplace in Southwark. However, this does not mean that services may not have to change over time.

60. Finally, although this analysis is focused on considering these proposals specifically, it is acknowledged that services across adult social care and wider departments are needing to consider a range of options for making savings and reducing budgets, as a consequence of the reduction in central government funding available to local authorities. Proposals are at different stages of implementation and development. We recognise the need to work closely with partners across the council, both within adult social care and in areas such as housing and employment, to understand the cross-cutting impact of the need to reduce spend in these areas and our desired outcome of helping more people to live independently and well at home and in the community.
61. The council's overall statement on equalities as part of the budget strategy acknowledged that many of the savings proposals across areas would impact on disabled people, older people and women, as these groups tend to have greater need of public services. This is also the case for these specific proposals. Mitigating actions are focused on trying to support organisations to think about ways in which they can become more self-sustaining and support people to live independently and well at home, connecting with their local communities.

Summary of key affected groups

62. Overall, the proposals are likely to have greatest impact on **older and disabled people in Southwark**, both with and without eligible care needs, due to the focus of services. In addition, there is the need to consider the impact on black and minority ethnic (**BME**) **communities** as a number of services currently receiving council contributions are for specific individual communities, and a number are specific Afro-Caribbean communities.
63. For those people with eligible care needs, there is also the potential for an impact on **carers**, the majority of whom tend to be **women**. Women also represent the larger proportion of people currently accessing the voluntary sector day services/lunch clubs.
64. Considering the scoping work with organisations on attendance at services and the population projections for people aged 65+ in Southwark, only around 2% of the Southwark 65+ population is represented within the day services/lunch clubs. When looking at 2010/11 performance data for the number of people receiving adult social care services aged 65+, this suggests up to around 7% of users are accessing these services. Therefore, this relates to only a small proportion of both the overall older population in Southwark and older adult social care clients. Community support projects are also open access and available to all. Although being re-commissioned, we do not propose for this open access element to change. We will also continue to commission key statutory elements of such services.
65. As part of our overall vision for adult social care, it is likely that, in future, there will be fewer people receiving ongoing, long-term social care support. Instead, we are looking to focus resources on time-limited interventions that help people get back on their feet, such as re-ablement services, and supporting them to understand how they can best help themselves and make key contributions to the wider community. This means the key impact for people will relate to services not continuing to exist or being offered in a different way.

66. The current lunch club/day services offered by the voluntary sector include provision for a number of specific communities. Of the 12 lunch clubs/day services currently receiving some form of council funding, one third (4) are open to all communities, one quarter (3) are specifically for Afro-Caribbean communities and the remaining five are for specific individual communities. This clearly represents a diverse range of provision in the borough. However, the exact spread of provision does not completely reflect the ethnicity profile for service users 65+ in the borough, in that it focuses far more on specific individual communities (excluding Afro-Caribbean communities), which together make up less than 5% of clients.
67. Data for people who received services during 2010/11 also suggests that the ethnicity profile for service users is as below (where ethnicity information was given/known)².

Ethnicity	Proportion of clients who received services
White (inc. White British, Irish, Traveller, Gypsy/Roma, other White background)	75%
Black or Black British	18%
Mixed ethnicity	<1%
Asian or Asian British	2%
Chinese or other ethnic group	2%

68. This is broadly in keeping with the ethnicity profile for Southwark as a whole, although it would appear that a **slightly larger proportion** of people who consider themselves to be **Black or Black British use adult social care services** when compared with the overall population for people aged 65+³.
69. It is recognised that any reduction in the council contribution to these groups could possibly have an impact on the discretionary services available to people in those communities, particularly around the availability of culturally-sensitive services.
70. During the consultation period we worked with organisations to scope out the number of users at each service with eligible care needs. The result was a higher figure than originally anticipated. This has supported our decision to focus on a move to a personal budget model as fast as possible to enable people to choose culturally appropriate services that best meet their needs, recognising the diverse range of provision in the borough, rather than selecting one or two specific groups to receive ongoing council block contract funding.

Action taken to mitigate any possible negative impacts

71. A move to fewer discrete buildings, although potentially posing some challenges and areas for consideration in terms of supporting a wide range of community groups' and individuals' needs, does not have to mean that it is not possible for a range of different types of services, with particular focus, cannot be available through a smaller number of sites.
72. In addition, for those with eligible care needs, our wider proposal in Southwark is

² Southwark annual performance data 2010/11

³ Compared with 2007 data on whole population ethnicity in Southwark from www.poppi.org.uk

to give people choice and control over the care and support they access through a personal budget, which can include a direct payment in cash. As people increasingly manage their own care and support needs in this way, services will need to be able to respond to what people want. Services will need to look at how they can make best use of these individual purchasing arrangements to provide their services. Evidence suggests personal budgets can be particularly beneficial for people from BME communities, lesbian, gay & bisexual communities and for transgender people in terms of accessing culturally-appropriate services. It can also be relevant for women in terms of accessing personal care.

73. In fact, in Southwark, of those older people who use personal budgets a higher proportion are from BME communities than compared with the overall ethnicity profile of service users (26% of people 65+ with PBs are from BME communities, compared with 17% of service users from BME communities overall. This figure increases further when we focus on people using direct payments or wholly self-managed personal budgets, to 41%⁴.)
74. Our proposal to include an innovation fund, supporting organisations to become financially self-sustaining, and promote community cohesion, in line with the wider corporate approach to the voluntary sector could also support organisations to refine their business model and continue to operate effectively. The Innovation Fund criteria could also be developed to have a view to the diverse range of provision in the borough and how this can best be supported, whilst recognising the need to become financially self-sustaining and potentially consolidate further.
75. In wider work, the adult social care department is planning to develop proposals for effective, targeted interventions that can provide help and support for carers, recognising the key role that they play, both in delivering care and in preventing people's care needs from increasing. It is working with carers' representatives to target commissioning activity through a carers' hub. This is anticipated to provide a more effective service and place greater emphasis upon locating and supporting carers who are in crisis and in greatest need.
76. The council is aware of the importance of effective, evidence-based preventative interventions, particularly around supporting social inclusion, reducing isolation and preventing depression. Our vision highlights the importance of ongoing work with partners, particularly health, to make sure prevention activity is targeted where it can bring most benefit. In addition, the proposal to commission an information/advice/befriending service that is focused on helping people to help themselves is a further mitigating action to support people to remain independent and well for as long as possible.
77. It is important to note that there are a range of services available to individuals in Southwark that operate in this way and can support people to engage with their local communities and access social and practical support. The SE Village, HourBank and Southwark Circle are all self-sustaining models that are open to all for social, practical support, which people can choose to access if they wish. While there are some charges associated with some services in terms of provision of practical support, it is generally envisaged that people would make use of appropriate benefits in support of this (and indeed is broadly the intention

⁴ Based on annual performance information 2010/11 – ethnicity information included where given.

of those nationally-available benefits). Local information also suggests that people are prepared to pay an appropriate charge for these services if necessary.

78. A survey of social care service users in Southwark, undertaken by DEMOS in Autumn 2010, indicated that although older people wanted to socialise and decrease isolation, they were less likely to actually use personal budgets to fund traditional day services than they originally thought – a reduction of 12% in numbers of people who took up the personal budget option (or who stated how they believed they would spend their personal budget in the future)⁵. These findings are consistent with those found nationally by DEMOS.
79. Finally, the additional funding made available to voluntary sector lunch clubs/day services is designed to give them additional time and space to consider how they can look to manage effectively and sustainably in the future with reduced amounts of council funding being available to them.
80. We do recognise that work to evaluate individual budgets and direct payments has outlined that some groups, such as older people or those with mental health needs, may require particular support to access the benefits of personal budgets⁶. It is therefore vital that the right mechanisms are in place to make sure that they can make the most of the opportunities for personal budgets.
81. This includes:
 - focus on how we can support the development of a diverse provider market in Southwark so there are appropriate services available on which people can spend their personal budgets;
 - access to good quality advice and information for people that recognises they may need to access information in different ways so that they can understand and make decisions around care and support and make best use of resources, regardless of whether they receive state support for care;
 - a focus on support planning so that people can identify how best to meet their needs and achieve the outcomes they want, with the development of an effective brokerage service that people can use to then access services;
 - availability of support and advice on the implications of managing their own money (through a range of providers and support organisations), including payroll and employment requirements, etc.
82. During the consultation process there was feedback from some provider groups that a number of services offered translation/interpretation services to their customers (not necessarily as part of their contractual obligation) and they felt there was a risk that this could be lost with reduced funding, with a corresponding negative impact.
83. As stated previously, our approach to develop criteria for an Innovation Fund will need to include recognition in the bid of the diverse communities in the borough and how they can be supported in a way that also promotes community cohesion and fosters better relationships between groups with and without relevant characteristics (as highlighted in the Public Sector Equality duty from the Equality

⁵ The sample is based on initial findings of the 156 DEMOS respondents in Southwark who answered both before and after questions on the survey.

⁶ *Evaluation of the Individual Budget pilot programme: final report*, Glendinning et al., 2008

Act 2010⁷). Organisations will have the opportunity to bid for the re-developed service specification for open access community support projects. Furthermore the council continues to offer all residents the benefit of a translation and interpretation service to enable them to access council services⁸. For individuals who are adult social care users translation/interpretation is available during assessment or review processes.

Resource implications

84. This proposal is being presented in order to achieve savings outlined in the Policy & Resources Strategy, agreed by Council Assembly on 22 February 2011. The proposed savings are outlined in the table below:

	2010/11 Base Budget (£000s)	2011/12 Saving (£000s)	2012/13 Saving (£000s)	2012/13 Base Budget (£000s)
Older People day centres and lunch clubs	1,300	(1,000)	-	300
Befriending, advocacy and support (excluding statutory advocacy services) ⁹	1,200	-	(300)	900
	2,500	(1,000)	(300)	1,200

NB. Figures do not include the £500k transition funding available from council reserves. This is one-off funding in 2011/12.

85. A key challenge for this recommendation is the intensive resource requirements to complete the necessary reviews to support a move to the personal budget model for relevant customers. This will incur additional staff costs as there is no capacity within existing teams to conduct these reviews.
86. The estimated cost of a team consisting of 1 x senior practitioner and 5 x social workers is £7,000 per week. Expected duration of the work is eight weeks giving a total estimated cost of £58,000. This will be funded from budget identified to support transfer clients to new home care contracts.

Consultation

87. The consultation process was launched in January 2011 and closed on 19 April (following an extension).
88. All day service and lunch club organisations were already aware that their block contracting arrangements were due to end 31 March 2011 – although this was extended to 19 April 2011.
89. Copies of the proposals were sent directly to affected organisations and proposals were made publicly available via the Soutwark Council website. Organisations were asked to discuss the issues directly with people who used their services, plus families and carers, and incorporate these views into any

⁷ Equality Act 2010 – Part 11, Chapter 1, ‘Public Sector Equality Duty’, 149(1)

http://www.legislation.gov.uk/ukpga/2010/15/pdfs/ukpga_20100015_en.pdf

⁸ http://www.southwark.gov.uk/a_to_z/service/134/translation_service

⁹ This also includes some other support services that are not considered as part of this proposal.

feedback submitted for the consultation.

90. The leader of the council invited all affected organisations to meet with him, other Cabinet members and the council's finance director to discuss concerns. Individual meetings were also held between senior officers in adult social care, the Cabinet member for Health and Adult Social Care and voluntary sector organisations.
91. In addition, future options for all day services for older people was raised as a topic for the health scrutiny committee on 4 May 2011.
92. Consultation responses were received from a range of affected organisations, other partners and people who use services and their families. Further detail on the process can be found within the consultation report, at Appendix 2.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS:

Finance Director

93. Main financial implications are considered in this report and highlighted in paragraphs 84 to 86. There are no further financial comments to add.

Strategic Director of Communities Law & Governance

94. The report seeks Cabinet approval to reduce the council's funding to the voluntary sector open access day services/lunch clubs to achieve savings of £1m for the financial year 2011/12. The report sets out proposals to work intensively to identify eligible service users and embed the personal budget model, so that those with eligible needs can use their personal budgets to fund the support they choose. This will provide alternative income for the provider organisations. The report also proposes organisations interested in providing day services will be able to bid for funds from an Innovation Fund. The aim of the fund will be to support the transformation of services and development of the hub model for delivery of financially self-sustaining services.
95. Finally Cabinet is being asked to implement proposals for the re-commissioning of community support services for older people from April 2012 against a new service specification that supports specified objectives.

Legislative framework

96. The provision of day services is a discretionary service which the authority can provide directly or they can fund other organisations to deliver this service. Under adult social care legislation, the council has a duty to ensure that where a service user is assessed as requiring day service/lunch club, that adequate services are available to meet the assessed needs of service users.
97. This report is concerned with day services operated by voluntary organisations which receive funding from the council. As the service is open access, eligibility through council assessment is not a prerequisite for attendance. The report proposes that the council ceases direct funding of these providers and that those users who have assessed eligible needs will be able to purchase services and support using their personal budgets. The report notes that there are a number of people currently using these services who are likely to have eligible needs but

have not been assessed. The report proposes that a team is established to undertake assessments of these potentially eligible service users so that they can be provided with a personal budget in order to fund the support they choose

Equalities legislation

98. In making a decision Cabinet Members are required to have due regard to the Public Sector Equality Duty (PSED). The Equality Impact Assessment (EQIA) informs the council of the impact that its decision will have on the community and specifically if there are any groups with protected characteristics in the community who will be disproportionately affected by these changes. It requires the identification of any issues needing further analysis and/or actions being taken to mitigate that impact.
99. The Equality Act 2010 provides that public authorities must have regard to their equalities duties and specifically the need to:
 - i. eliminate discrimination, harassment, victimisation or other prohibited conduct
 - ii. advance of equality of opportunity between persons who share a relevant protected characteristic and those who do not
 - iii. foster good relations between those who share a relevant characteristic and those that do not.
100. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also applies to marriage and civil partnership, but only in relation to (i) above.
101. The EQIA is appended to this report. It specifically addresses the impact of the proposed changes are likely to have on the voluntary sector organisations and users of these services. It identifies that the groups primarily affected by the proposal as being older and disabled people both with and without eligible care needs. The impact on BME communities is also considered. There is also the potential for women to be affected more than men.
102. Both the EQIA and the report set out the steps being taken to mitigate the impact. The focus of these steps is around identification and assessment of eligible service users and provision of personal budgets, so that they can have greater choice about which providers to approach to receive this service. Providers will also be able to bid for financial support to help them develop the hub model via the use of an Innovation Fund. The second and third recommendations of the report reflect these key actions.

Service changes and consultation

103. The proposals detailed in the report will result in a change in the way lunch clubs/day services are funded; it will also result in the withdrawal or reduction in funding to providers. To reduce the risk of a legal challenge, the council has a legal duty to consult with those that will be affected by the changes in service provision and funding.

Consultation

104. The courts have provided guidance on what constitutes effective consultation. The courts will also be keen to ensure that consultation has been done fairly so that organisations and service users have the opportunity to give their views on the proposals. For effective consultation to take place there are four requirements;
1. *consultation must be conducted when proposals are at a formative stage;*
 2. *the decision maker must give sufficient reasons for it's proposals to permit intelligent consideration and response;*
 3. *adequate time must be given for consideration and response; and*
 4. *the product of consultation must be conscientiously taken into account before making the relevant decision.*
105. Each of these elements must be considered separately, evidenced and documented.
106. The report notes that consultation started on 25 January and ended on 19 April (following an extension). The consultation therefore lasted 12 weeks; this is in line with Government guidance and good practice recommendations. The focus of the consultation was how the council should reshape open access day services taking into account the need to modernise the way these services are provided and meet required budgetary savings.
107. The report explains in detail the consultation process which was undertaken with providers, who were asked to obtain feedback from their service users, or ask them to feedback to the council. The consultation was also published on the council website. At Appendix 1 is a list of organisations consulted and further details of the consultation events. In addition the Leader and Lead Member for Health & Adult Social Care met with some of the providers. Officers also invited providers to meet with them. The proposals were also considered by the Health & Social Care Scrutiny Committee which then provided its response to the proposal. This is set out in Appendix 2. Appendix 3 sets out the feedback received from providers and service users. The report demonstrates that providers were given a fair opportunity to comment on the proposals and had adequate time to provide their response to the proposals.
108. Following consultation the report notes that there were no negative comments about the proposal to establish an Innovation Fund. That proposal has been retained. The fund will enable organisations to bid for funding to support the transformation and development of hubs and encourage future self sustainability. The council has power to provide this support under well being powers contained in the Local Government Act 2000.
109. The report states that in light of the responses to the consultation, the proposals relating to the reshaping of the hub model have been revised. Previously the proposal was to develop three existing hubs. There was not wide support for this proposal. There were proposals from some organisations about how they could develop services in other ways.

110. The revised proposals still aim to support the development of a more self-sustaining set of open access services; it is the means by which this is achieved has changed. The proposal has shifted from supporting three named hubs to focusing resources on supporting the transition to personal budgets as soon as possible for customers with eligible care needs through review/re-assessments of named service users. This will enable organisations to develop an income stream around charging people with personal budgets when block contracts cease at the end of August 2011.
111. Having taken into account the responses to the consultation one of the proposals has been revised. Further consultation on the revised proposal was not considered a legal requirement because the proposals are not substantially different. The difference lies in the way that organisations will be supported during the transition phase.
112. In deciding whether to agree the recommendations contained in this report, members must be satisfied that adequate and effective consultation has taken place.
113. Proposals detailed in this report are also consistent with the personalisation agenda and Government policy to promote more choice among service users to select who provides a service to them.
114. In accordance with Part 3D of the Constitution this decision can be taken by IDM, however in this case, that matter is referred to Cabinet for a decision.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Southwark vision for the future of adult social services: open access services – supporting people to be active citizens	Adult Social Care Commissioning	Taylor Jakks 020 7525 0374

APPENDICES

No.	Title
Appendix 1	List of affected voluntary sector day service/lunch club organisations
Appendix 2	Scrutiny recommendations and council responses
Appendix 3	Consultation outcome report
Appendix 4	Equality Impact Assessment

AUDIT TRAIL

Cabinet Member	Councillor Dora Dixon-Fyle, Health and Adult Social Care	
Lead Officer	Sarah McClinton, Deputy Director, Adult Social Care	
Report Author	Becki Hemming, Programme Manager – Adult Social Care Transformation	
Version	Final	
Dated	6 July 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Legal team	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	6 July 2011	