

Report of the Director of Adults, Children and Education

Petition to Council on Support for Vulnerable People

Summary

1. This paper is a briefing note from officers in response to the petition to Full Council on support for vulnerable people.
2. The petition reads:

"We believe that vulnerable people should get the support they need to be part of our community.

This includes people with a mental illness, learning, physical or sensory disabilities, older people and carers.

We call on the Council to maintain previously ring-fenced funding, such as the Mental Health Grant and Supporting People Grant and not to make cuts to services to less visible groups, such as people with mental health needs.

We call on the Council to ask our MPs for York Central and York Outer to raise in Parliament the unfair and economically unsound way in which cuts to Council funding will disproportionately affect support to vulnerable people."

Overall Context

3. The financial context for the 2011/12 budget has been significantly impacted by:
 - worldwide recession leading to Central Government deficit reduction plan
 - unprecedented reductions in Public Sector spending
4. At the same time the council faced unavoidable ongoing financial pressures arising from:
 - increasing number of older people, living longer and requiring care and support services for longer
 - an increase in the number of severely disabled children who require intensive support into and throughout adulthood
 - reductions in income from Council services as people have less money to spend

- reduction in funding of subsidised bus travel for older people
 - increased cost of waste disposal
 - impact of changes to pensions and NI legislation
5. The council's 2011/12 budget was developed within the constraints of this extremely challenging financial climate, set out in the government's Spending Review and provisional finance settlement information. In particular:
- total reductions in government funding of 28% over the next 4 years, heavily frontloaded with CYC's grant being cut by 13.3% in 2011/12
 - 22 grants, worth £14.403k in 2010/11 and with an indicative value of £11.478k in 2011/12, have been rolled into the formula grant
 - the increase in formula grant in the provisional settlement, including the grants transferred in, was only £5.183k, leaving a shortfall in funding of £9,221k between the two years
 - 23 grants, worth £8,200k in 2010/11, were transferred to the new Early Intervention Grant, for which the council received £6,350k in 2011/12 a further shortfall of £1,850k
 - 21 grants, worth £13,685k in 2010/11, were incorporated within the Dedicated Schools Grant (DSG). The provisional DSG for 2011/12 is £106,564k, an increase of £13,659k from the 2010/11 level (subject to pupil number adjustments)
 - there are a further five grants (worth £759k in 2010/11) as yet still under review
 - against these pressures the Executive were advised in December that directorates would need to find savings of £15m to be able to set a balance budget for 2011/12
 - in addition, other grants (worth £5,773k in 2010/11) which formerly were direct grants to service areas have been cancelled or reduced, creating additional financial pressures in directorates
 - while the council has been penalised over the past few years by the workings of the floors and ceilings within the formula grant mechanism, for 2011/12 this same process will offer the protection of a damping gain of £2,541k
 - the council will receive a further reduction in formula grant of £4,639k in 2012/13
6. As with previous years residents were asked what services they value and where they would wish City of York Council to continue providing the levels of service they receive now and where they think we should reduce spending. The consultation generated a statistically reliable response of 738 for Your City and 465 for YouChoose, the online consultation tool. In deciding whether budgets for different services should stay the same or be reduced, residents were more likely to say that funding for social care services, community safety and street based services should remain the same.

As the Executive member report of the 3 February 2011 described the budget was guided by key principles including the commitment to:

- Protect the most vulnerable members of our community – older people, people with disabilities and, children – by ensuring that the services with which we provide them are the very best possible
- Protect all citizens by ensuring that vital Council services that secure their well-being continue to be delivered and that all customer groups receive equal outcomes

7. It is within the above challenging and indeed unprecedented financial context, that the council's budget for 2011-12 was set at the meeting of 24 February 2011. **It included provision for gross revenue expenditure on adult social care of £76.6m, which is virtually the same amount as the council spent in 2010-11, ie 0% change.** This figure included provision for increased service pressures arising from demographic changes, and for pay and inflationary pressures. It also takes account of the welcome injection of £1.997m from the PCT. This year's budget allocation for adult social care should be viewed in the following context:

Table 1: Adult Social Services Budget Movement 2010/11 to 2011/12

	2009/10 Actual Budget £000	2010/11 Current Budget £000	2011/12 Proposed Budget £000	Change in Budget 2010/11 to 2011/12		Change in Budget 2009/10 to 2011/12	
				£000	%	£000	%
Adult Social Services							
Gross Expenditure	74,772	76,588	76,570	(18)	(0.0%)	1,798	2.4%

8. In addition the council's capital budget included provision for a number of measures to help support people living independently in their own homes:
- investment of £8.34m over the next 5 years in additional facilities and grants for older and disabled people
 - investment of £1.25m over 5 years in technology in the homes of vulnerable adults to maintain their independence
9. There were no proposals to reduce mainstream services, and where savings have been put forward they have been targeted at areas that will have the minimum possible impact on vulnerable customers. The council has been able to achieve considerable savings through its overall programme of efficiencies. Within the Directorate of Adults, Children and Education, savings proposals were prioritised where they would:
- improve quality and efficiency
 - reduce Management and administrative costs
 - protect frontline services especially services for the most vulnerable members of our community
 - result from ongoing service reviews
 - generate income

- address budgetary underspends
 - improve cash flow and interest earnings
10. Each specific savings proposal has been the subject of an Equality Impact Assessment.
11. Although it has not been possible to maintain the Mental Health Grant or the Supporting People Programme at the same level as previous years, reductions in these areas had been anticipated for some time and have been planned so as to minimise their impact. In both cases the overall expenditure reduction (at approximately 10%) is less than the overall reduction in central government support to the Council (13.3%), and is at least partially offset by increases in other adult social care budgets.

Contextual Data

12. The most recent National Adult Social Care Intelligence Service report on Use of Resources, for 2009/10, showed that York was 13th of 51 comparator authorities in respect of the proportion of total local authority spend on adult social services. (31% of the total council budget, excluding schools funds.)
13. Our activity in supporting people to live independently across all customer groups has increased over the last three years, from 3,416 during 2007/8 to 4027 during 2009/10.
14. The number of new assessments of customers has increased across all groups except for mental health.

Table 2: New assessments per 1,000 population

Customer group	2007/8	2008/9	2009/10
Over 65	35.05	44.75	43.33
Learning Disability	0.10	0.16	0.18
Physical and sensory impairment	1.76	2.88	2.99
Mental health	0.75	0.41	0.48

15. The number of people supported through grant funded services has also increased over this time.

Table 3: Numbers in receipt of grant funded services per 1,000 of population

Customer group	2007/8	2008/9	2009/10
Over 65	10.16	13.79	21.77
Learning Disability	0.23	0.32	0.41
Physical and sensory impairment	0.23	0.54	0.60

Mental health	0.21	0.21	1.00
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Mental Health

16. The Mental Health grant has historically been used alongside core budgets within the mental health services to support the delivery of both the care management functions in the integrated health and social care teams, and the day support and supported accommodation that the Council provides.
17. When the reduction in the Mental Health grant is taken alongside the core budgets, the impact of the savings is reduced overall to 9% within the approved mental health service, and 7% within our day support service. Savings within these budgets will be made by reducing the number of Approved Mental Health Practitioners by one, by realigning responsibilities of the remaining posts, and by making efficiency savings within the day support service.
18. We await final confirmation from the PCT, who manage these services on behalf of the council under a partnership agreement, on detailed proposals, but we are confident that new ways of working will enable us to ensure that we continue to meet the statutory responsibilities to customers, and at the same time deliver a more personalised and recovery focussed service.

Supporting People

19. The Supporting People programme grant was always anticipated to reduce, regardless of the Comprehensive Spending Review, by around 5% a year for the next two years, because of the phased introduction of a formula grant by the previous government. In fact the new formula applied this year by Communities and Local Government Department gave an indicative allocation to York some 48% lower than this year. The council has however protected the programme from the impact of this indicative formula by using the new flexibilities available as a result of the ending of the ring fence, and the inclusion of the programme within the Area Based Grant.
20. The overall reduction in expenditure on the programme in 2011-12 in York will be 10.4%. This will still present challenges, but the Commissioning Body – a partnership between the council, health and probation in York – has taken an approach which means that although there will be some impact on customers, as some services and some providers will need to change, we can deliver the savings with minimum impact on the quality and level of services. In fact the ending of the ring fence means that we are able to use money more flexibly to deliver the intervention and support to vulnerable people, address key strategic objectives of the council and our partners, and prevent higher demands on our statutory services.
21. The savings will be achieved through a combination of:
 - continuing review and reduction of administrative costs

- review of contracts which need to be retendered, to identify where it makes sense to combine contracts and enable increased efficiency without reducing the quality or level of services
- implementing benchmarked unit costs for services, working closely with providers and agreeing with them ways this can be delivered without impacting on service levels or quality
- continuing to look at services which are less strategically relevant, because they are, either, not delivering outcomes for customers, or because they are not delivering outcomes in the best possible way
- where we are decommissioning services, working closely with providers and partners to ensure there are alternative arrangements to be offered to current customers, and that customers are consulted with before changes are made

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**Report
Approved**



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Specialist Implications Officer(s)

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Wards Affected:

All ✓

For further information please contact the author of the report