

Supporting Paper 1

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SENT VIA EMAIL

22nd March 2011

Dear Colleague

RE: Notice of changes to funding to voluntary sector organisations in 2011/12

In our previous communication to you we made you aware of the ongoing financial challenges NHS North Yorkshire and York (NHS NYY) are facing with the demographic changes of an increasing elderly population and those with long term conditions.

NHS NYY is working through a dialogue with the voluntary sector organisations it funds to ensure high quality services are provided on an equitable basis to the population of North Yorkshire and York. This work is in progress and will continue over the next few months. It is being carried out with partners in the councils particularly with North Yorkshire County Council (NYCC) as many of the current agreements are jointly held between NYCC and the PCT.

The aim is to:

- Focus the funding of voluntary sector services to support the PCT Quality, Innovation, Productivity and Prevention (QIPP) plan (high priority work for the PCT).
- Provide more security and clarity to those services that meet the criteria for funding
- Fund services with service specifications that include clear outcomes
- Provide more equitable services across North Yorkshire and York
- Make the commissioning and monitoring more efficient, effective and a two way supportive process



- Ensure services provide value for money
- Work within budgetary requirements including efficiency requirements.

At previous meetings, the voluntary organisations across North Yorkshire have been encouraged to work more collaboratively, focus on their core business, avoid duplication and ensure value for money. Many services have responded positively to this and have come together to provide more efficient and effective services.

Essential Services

The planning process has highlighted a range of essential requirements that need to be considered in the review process, especially given the demographic issues facing North Yorkshire and York. These include

- Support for older and vulnerable people who would be at risk of rapid health deterioration or crisis if this support were not available
- Support for those with dementia to prevent crisis and maintain independence for as long as the person wishes and is safe to do so.
- Support for carers to assist them in their caring role, have a life outside of that role and maintain their own health and wellbeing.
- Short breaks for carers which offers a positive experience for the cared for person
- Advocacy services for people who would otherwise be unable to make their voice heard
- Home from hospital services to support those on discharge from hospital

2011/12 Planning Proposals

Given the current financial position and the need to ensure services are equitable we are writing to inform you of the following approach:

- All NHS Commissioners are required to make a 4% efficiency saving on commissioned services.
- NHS North Yorkshire and York require the voluntary sector organisations to deliver a 4% efficiency saving and therefore there will be a reduction to annual funding of 4% as from 1 April 2011.
- In order to manage this process as fairly as possible, all voluntary organisations are being given the choice of:
 - Accepting a 4% reduction immediately from April 2011
 or
 - Accepting an 8% reduction from 1 October 2011 to give organisations time to adjust to the changes required.

In addition to this efficiency requirement there will be also be a review of all voluntary sector services including infrastructure organisations to ensure that in future all commissioned services are in line with PCT priorities. The reviews will

take place between April to June 2011/12 with a view to any changes required coming in to affect by 1 October 2011.

The PCT is now giving notice that if services do not meet the criteria for ongoing funding they will cease to be funded by NHS NYY or the level of funding and services provided will be changed.

Principles of Decision Making

The following principles which are outlined below will form the basis of funding decisions for continuation, reduction or cessation:

- Does the service support the PCT priority QIPP plan?
- Does the service support those at risk of hospitalisation or loss of independence?
- Is the service provided on an equitable basis across NHS NYY as far as possible?
- Does the service allow equity of access irrespective of belief, ethnicity, sexual orientation or cultural background?
- Is the service cost effective in maximising volume and quality within the available resources?
- Does the service deliver the desired outcomes?
- Are there other PCT funding streams available for the same service?
- Is there duplication of provision?
- Will it give added value? Can the organisation demonstrate that partnership approaches are being taken?
- Does the service demonstrate reciprocity and mutual support and empowerment?

It is therefore important that all organisations are clear about the efficiency requirements and the notice of possible service changes required during 2011/12 and we will be in touch with you to arrange these reviews.

In the meantime please would you let us know your preferred option regarding the efficiency requirement (either April or October 2011) by contacting Judith Knapton, Head of Commissioning (Adult and Community Services) by email on, Judith.knapton@nyypct.nhs.uk by 6th May at the latest.

Many thanks

Yours sincerely

Sue Metcalfe
Deputy Chief Executive (Director of Localities)

cc: Judith Knapton, NHS North Yorkshire and York
Seamus Breen, North Yorkshire County Council
Paul Murphy, City of York Council