

MEDIA RELEASE

29 March 2011

Voluntary organisations review of funding

NHS North Yorkshire and York will be conducting a review of the voluntary sector organisations it contracts with in conjunction with City of York Council and North Yorkshire County Council from April 2011.

The PCT spends in excess of £5 million on services from the voluntary sector - much of this is to fund input to patient's care packages. Approximately £768,000 is spent on mental health services (including drug and alcohol services) and £1.6 million is spent on other voluntary sector services.

In the current financial climate, NHS North Yorkshire and York needs to make sure the services it commissions are high quality, value for money, equitable and focussed on its priorities. All NHS commissioners (i.e. primary care trusts) are required to make a 4% efficiency saving on commissioned services as set out in the NHS Operating Framework. This national efficiency target is being applied to the voluntary sector organisations whilst reviews of agreements take place.

Throughout the review process, the PCT will protect those who provide services to the most vulnerable and elderly in its population. For 2011/12, the approach the PCT will take is as follows:

1. Maintain current funding levels to specific organisations whose core business is to provide:
 - support to those who are vulnerable and frail elderly
 - support to those with dementia
 - support to carers
 - generic advocacy services

2. Apply a 4% efficiency requirement across all remaining voluntary services to their annual funding as from 1 April 2011. In order to manage this process as fairly as possible, all the voluntary organisations are being given a choice of:
 - Accepting a 4% reduction immediately from April 2011
 - Delaying the reduction to 1 October 2011 to give organisations time to adjust to the changes (but still reducing the annual amount by 4%)
3. Review and dialogue with the services will take place between April and June with a view to any changes required coming in to effect from the 1 October 2011.
4. The PCT will provide a named commissioning manager as a contact for each agreed specification and contract from October 2011 to ensure that ongoing performance reviews take place and service specifications are delivered.
5. All contracts agreed must be within the resource available for 2011/12 and where possible, contracts will be held jointly with North Yorkshire County Council and City of York Council.

Sue Metcalfe, deputy chief executive of NHS North Yorkshire and York, said: “We recognise the excellent contribution that voluntary organisations can make to health care and patient support. The review we are undertaking aims to make sure all the voluntary organisations work more collaboratively, focus on their core business, avoid duplication and to ensure the contracts provide value for money for taxpayers.

“We are therefore having joint discussions with the local voluntary sector and our two local authorities to agree on service requirements and how the numerous contracts could be reshaped and refocused.”

Using the information gathered from the service reviews, decisions will be made regarding the funding of those identified voluntary organisations from 1 October 2011. An equality impact assessment will be completed and will be included in a further report with recommendations to the PCT’s Board in June 2011.

More detail is available in the Board paper entitled “Commissioning of Voluntary Sector Services” which was approved by the PCT’s Board on 22 March 2011.

Ends

**For further information contact the NHS North Yorkshire and York
Communications Team on 01423 859616**