

COMMUNITY CARE PROVIDERS SCOTLAND

Social Care and Support Services in the Voluntary Sector: Funding Survey 2008

Introduction and context

This report presents and discusses the findings of a survey carried out in April and May 2008. The questionnaire was sent to 66 of Scotland's largest voluntary sector providers of social care and support services and had a response rate of 50%.

The survey provides quantitative data relating to funding difficulties faced by service providers, and builds on a similar survey carried out by CCPS in 2007. It is intended to form part of a longitudinal study of the financial situation facing providers.

While financial year 07/08 covered a period of considerable uncertainty in the field of social care, primarily due to changes in central and local government, the results of the survey, while not directly comparable with those gathered in 2007 due to differences in the organisations which responded, are broadly similar to those reported in the 06/07 survey. This may be because the changes to local government funding and planning will not take effect until the next financial year.

Basis of this report

This report is based on a confidential questionnaire survey of major social care and support service providers in the voluntary sector, carried out in April and May 2008.

- The response rate was 50% of the membership of CCPS, representing 33 organisations
- The total annual income of those responding is approximately £497M
- The total number of staff of those responding is approximately 25,000
- The number of people supported by those responding is approximately 98,000

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Headline findings and analysis

As in 2006/07, the 07/08 survey suggests that **serious financial problems are widespread** with, for example, 79% of respondents having discussed the financial viability of services at board level and the same number reporting that one or more of their services are likely to report a deficit for 07/08. Services reporting financial difficulties are primarily funded through local authority social work departments or Supporting People.

It continues to be the case, however, that **voluntary organisations view withdrawal from service provision as an option of last resort**, with only 24% of respondents having closed a service or served notice on a contract during 07/08. While services remain open, **the quality of these services and of workforce terms and conditions is in danger of being eroded**: 55% of respondents reported having had to make changes to services which have a direct impact on people they support, such as reductions in contact time and reductions in holidays/activities. 51% of respondents had been forced to freeze posts or make redundancies for financial reasons during 2007/08.

A new concern arising from this survey relates to the **confirmation of funding**. At the end of financial year 07/08, 27% of respondents were still awaiting confirmation from funding authorities about funding for that year; funding affected was primarily local authority social work/Supporting People. This figure is three times higher than the 9% of providers who were awaiting confirmation towards the end of 06/07, and may reflect the fact that uncertainties around funding felt by local authorities are being passed on to providers.

Summary of findings

Deficits

79% of respondents stated that one or more of their services is likely to report a deficit for 07/08

- At least 300 separate services across this sample are likely to report a deficit for 07/08; these services supported more than 11,000 individuals and families

21% of providers report that their organisation reported an overall deficit for 07/08

Only 12% report that neither their organisation nor any of their services are likely to report a deficit for 07/08

Unconfirmed funding

27% of respondents were still awaiting confirmation at the end of the financial year from funding authorities about funding for 2007/08 for one or more services

- 58 services have not had their funding confirmed; these services support 1577 individuals and families

Notice served/closures

76% of respondents did not serve notice on any contracts or close any services during 2007/08

21% of respondents closed one or more services during 2007/08

- In total, 20 services were closed; these services supported more than 738 people
- 57% of respondents who had closed a service indicated that this was because the funding authority required them to cut costs (over and above accommodating standstill budgets) which rendered the service financially unviable

12% of respondents served notice on one or more contracts during 2007/08

- In total, notice was served on 6 contracts; these services supported 206 people
- 50% of respondents who had served notice on a contract indicated that this was because rising costs were not covered by standstill funding levels, making the contract financially unviable
- 25% of respondents who had served notice on a contract indicated that this was because the funding authority required them to cut costs (over and above accommodating standstill budgets) which rendered the service financially unviable

Discussions at board level

79% of respondents discussed the financial viability of one or more services at board level during 2007/08 because of inadequate funding levels

- In total, the viability of 182 service was discussed; these services supported more than 10,259 individuals and families

40% of respondents discussed the financial viability of one or more services at board level during 2007/08 for reasons other than inadequate funding levels

- In total, the viability of 33 services was discussed; these services supported 1,178 individuals and families
- Reasons given for discussion most often centred around numbers of clients or the suitability of a service. Other reasons included re-tendering, the level of monitoring/paperwork required for a funding stream and recruitment difficulties.

Emergency funding

12% of respondents approached a funding authority for 'emergency' funding input in respect of one or more services on the basis of their financial viability in 2007/08

- The total number of services for which emergency funding was requested was 11; these services supported 221 individuals and families
- All respondents had approached local authorities; most services in need of emergency funding were funded through local authority social work/social care budgets.
- In 50% of cases funding was secured sufficient to cover the cost of the service for up to one more year and in 50% of cases no additional funding was

Subsidising public services

70% of respondents were financially supporting a publicly-funded service from other resources, that would otherwise be financially unviable, without mutual and prior arrangement with funder(s) in 2007/08

- The total number of services being financially supported was 235; these services supported more than 11,098 individuals and families
- In 9% of cases organisations will be able to support the service for up to 5 more years
- In 40% of cases organisations will be able to support the service for up to 3 more years
- In 65% of cases organisations will be able to support the service for up to 1 more year
- In 17% of cases organisation can no longer continue to support the service

Changes to services

In dealing with funding inadequacies or funding cuts, 55% of respondents had to make changes to services that had a direct impact on the people they supported in 2007/08

- These changes affected more than 159 services; these services supported in excess of 6759 individuals and families
- The most common changes made were reductions in contact time, reductions in activities/holidays, reductions in staff numbers, reduction in hours, efficiency savings e.g. cutting management costs, less one-to-one contact/larger groups and service remodelling.

Redundancies/frozen posts

49% of respondents had not made any redundancies or frozen any posts because of inadequate funding in 2007/08

33% of respondents had made redundancies because of inadequate funding

- The total number of redundancies was 100

30% of respondents had frozen or deleted posts because of inadequate funding

- The total number of frozen/deleted posts was 106

Inflationary uplift

97% of respondents paid an inflationary uplift in 2007/08

- The average uplift paid was 2.5% (this was the mean and also the mode value)
- The highest uplift paid was 4.2% and the lowest was 1.5%