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To: Voluntary Sector Organisations
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SENT VIA EMAIL

29 November 2010

Dear Colleague

RE: Commissioning Voluntary Sector Organisations

As you may be aware NHS North Yorkshire and York is facing significant end of year financial pressures. This means we have had to put in place a series of actions in order to meet our statutory obligation to break even.

It has meant some very painful decisions had to be made to reduce the funding for this year to a range of services, including some from the voluntary sector. The PCT has been forced in to taking this action due mainly to overspend on contracts and prescribing costs.

We do acknowledge the valuable and important role the voluntary sector have and tried to protect those that provide direct services and support to the public. This has meant that the Infrastructure organisations took the brunt of the cuts. Some other services were given three months notice that their funding would also be reduced for this year. If you have not had a letter regarding a reduction of your funding this year, then these in year reductions do not apply to you.

We do not want the financial and economic difficulties to detract from our ongoing discussions with the sector about developing a more secure and efficient sector, to support the health and well being of the vulnerable within our population.

However, we know the demographic changes in the increase in our elderly population and levels of obesity and long term conditions will mean that it will remain a challenge to provide the necessary services needed with the resources available.



Because of this we are having to reduce the overall budget to the voluntary sector by 4% from April 2011. This does not mean that all services will be reduced by 4%. We will review each service that receives funding from us for value for money and equity of provision. Each service will receive a letter at the end of December outlining their funding position from April 2011.

Looking forward, we have committed to work in partnership with both North Yorkshire County Council and City of York Council, and will aim where possible to have joint contracts with voluntary organisations in order to more effectively target resources at agreed priority areas.

We will:

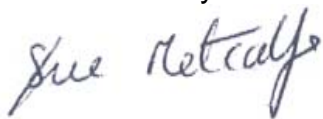
- Undertake 'value for money' reviews for all organisations we fund.
- Review the small number of organisations that despite our best efforts, have failed to provide the required monitoring data and evidence to justify the public sector investment. Where this continues to be the case we will be informing these organisations that we intend to cease their funding.
- Hold discussions with groups of organisations providing the same service or with the same client group, to develop more collaborative working.

The PCT will also align the work of the voluntary sector more closely to the development of pathways of care, to raise the profile of the sector with health colleagues and ensure it is tied in more closely to future discussions on service delivery.

Despite the recent very difficult decisions on funding, the PCT wishes to support a stronger, more sustainable and secure voluntary sector. We hope that by working together we can achieve this.

Should you require any further information please contact Judith Knapton, Head of Commissioning Services for Vulnerable People, Judith.knapton@nyypct.nhs.uk or telephone 01423 859622.

Yours sincerely



Sue Metcalfe
Deputy Chief Executive (Director of Localities)

cc Judith Knapton, NHS North Yorkshire and York