

**ITEM 5. FUNDING CHANGES TO AGEING AND DISABILITY SERVICES:
IMPLICATIONS FOR CITY SERVICES****FILE NO: X007199.007****SUMMARY**

The City receives funding from the Commonwealth and NSW Governments to deliver ageing and disability services. Funded services include: Meals on Wheels, centre based meals, centre based social programming to support older people and people with disability, and some sector development activities to support local ageing and disability service providers.

In the 2017/18 financial year, the City is forecast to receive a total of approximately \$972,000 in funding for the above services.

Funding for disability and aged care services across Australia is changing. The National Disability Insurance Scheme (NDIS) roll out is underway nationally. Sydney is currently in its transition year, with full implementation to commence on 1 July 2018. Nationwide reforms to the aged care sector are ongoing, with the introduction of the My Aged Care system – a single point of entry and assessment - introduced in recent years.

In both systems, instead of service providers receiving funding to deliver services, a new consumer directed care model will be introduced. Individuals assessed as eligible will receive a funding package, which they can use to purchase services from a provider of their choice. Service providers are expected to generate income on a fee-for-service basis.

Funding to the City for disability services will cease on 30 June 2018, as all eligible service users are expected to have transitioned to the National Disability Insurance Scheme by this time.

Funding to the City for ageing services will continue until 30 June 2020, but is expected to transition to new arrangements at that time. Although details are not finalised, it is anticipated that this system will also transition to a consumer directed, fee-for-service model.

These changes require the City to consider how it can ensure viable and sustainable service delivery in a changed environment into the future, while ensuring continuity of service, particularly for vulnerable members of the community.

The City has undertaken a detailed assessment of the impacts of this transition on its existing funded services, taking into account the needs and wellbeing of existing service users and the broader community, as well as the viability and sustainability of the services in a changing environment. The following principles will guide the City in responding to the impacts of funding changes:

- (a) provide continuity of service for vulnerable people;
- (b) maintain equity of access to service users across all groups;
- (c) offer innovative and contemporary service approaches; and
- (d) maintain the City's current level of investment in social services; and

- (e) provide for viability and sustainability of services in a competitive market environment.

Confidential Attachment A outlines the City's proposed approach to managing transition to new models of funding for disability and ageing services in the coming years.

RECOMMENDATION

It is resolved that Council:

- (A) note that funding provided to the City by the Commonwealth and NSW Governments for:
 - (i) disability services will cease on 30 June 2018; and
 - (ii) aged care services will continue until 30 June 2020;
- (B) note that the arrangements for future funding of aged care services are not yet finalised and are subject to consultation and decision by the Commonwealth Government; and
- (C) endorse the proposed approach and recommendations, outlined in Confidential Attachment A to the subject report, for managing the transition to new models of funding for aged care and disability services to align with the introduction of reforms in aged care and disability funding.

ATTACHMENTS

Attachment A: Future options for City of Sydney funded ageing and disability services (Confidential)

(As Attachment A is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only)

BACKGROUND

1. Sydney is currently transitioning to the National Disability Insurance Scheme (NDIS), with full implementation to commence on 1 July 2018. Nationwide reforms to the aged care sector are ongoing, with the introduction of new arrangements planned over three phases over 10 years which has included the introduction of the My Aged Care system – a single point of entry and assessment - in recent years.
2. In both the aged care and disability systems, instead of service providers receiving funding to deliver services, a new consumer directed care model will be introduced. Individuals assessed as eligible will receive a funding package, which they can use to purchase services from a provider of their choice. Service providers are expected to generate income from fee for service in a competitive market environment.
3. Currently the City has receives funding from the Commonwealth and NSW Governments to deliver some ageing and disability services to eligible users in our area.
 - (a) The Commonwealth Home Support Programme, administered by the Commonwealth Department of Health, provides funding for services to older people, including all non-Aboriginal people aged over 65, and Aboriginal people aged over 50, and their carers.
 - (b) The New South Wales Community Care Supports Program, administered by the Department of Family and Community Services, funds services for younger people with a permanent functional disability aged under 65, and Aboriginal people aged under 50, and their carers.
4. In the 2017/18 financial year, the City will receive approximately \$972,000 in funding for aged care and disability services through these programs This funding contributes to the operation of the following services;
 - (a) Meals on Wheels;
 - (b) Centre based meals (at six community centres);
 - (c) Centre based social programming to support older people and people with disability; and
 - (d) sector development activities to support local ageing and disability service providers and sector.
5. The disability component of this funding will cease on 30 June 2018. All eligible service users are expected to have transitioned to the National Disability Insurance Scheme by this time.
6. The City's grant agreement for aged care funding has been extended under a transitional arrangement until 30 June 2020. Funding is expected to transition to a consumer directed care model after that date, however, details of the new funding approaches are not finalised and the Commonwealth Government is continuing a process of discussion and consultation on new arrangements.
7. The City determines the range and type of social services it invests in and delivers based on:

- (a) community needs;
 - (b) the capacity and availability of other providers to deliver services that meet need; and
 - (c) ensuring equity of access to services for vulnerable and disadvantaged community members.
8. The City has undertaken a project to assess the options for ensuring viability and sustainability of its disability and aged care funded services into the future, including how to manage the staged changes to funding arrangements over the next three years.
9. The proposed approaches to future service delivery for each service, and the implications, are detailed in **Confidential Attachment A**. These recommendations are based on an assessment of options to determine which approach will:
- (a) provide continuity of service for vulnerable people;
 - (b) maintain equity of access to service users across all groups;
 - (c) offer innovative and contemporary service approaches; and
 - (d) maintain the City's current level of investment in social services; and
 - (e) provide for viability and sustainability of service in a competitive market environment.

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030 Vision

10. *Sustainable Sydney 2030* is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report aligns with Direction 6 - Resilient and inclusive local communities:
- (a) A resilient and inclusive City is one where mainstream City services are inclusive of the whole community, and where specialist services are available to support those older people and people with disability who need additional support to live independently within home and communities, and maintain their social, emotional and physical wellbeing.
 - (b) The City is seeking to ensure continuity of service for vulnerable service users, while enabling the City to continue and enhance its whole-of-community service functions.

RELEVANT LEGISLATION

11. *Local Government Act 1993*, Chapter 6, Part 1 Section 24 outlines councils role in the provision of goods, services and facilities and carrying out of activities, such that they "are appropriate to the current and future needs within its local community and of the wider public, subject to this Act, the regulations and any other law".
12. *NSW Disability Inclusion Act 2014*.

13. Attachment A contains confidential information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
14. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to achieve the best outcome for its ratepayers.

CRITICAL DATES / TIME FRAMES

15. 1 July 2018 - The NSW Community Care Supports Program funding will cease as of 1 July 2018. Service providers are expected to transition to the National Disability Insurance Scheme by this time, should they decide to continue operating eligible services as a specialist disability services provider.
16. 1 July 2020 – The City's current grant agreement with the Commonwealth Government under the Commonwealth Home Support Programme is expected to cease on 30 June 2020. It is expected that new consumer directed care models of service delivery will be in place by this time.

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