

8 January 2018

Councillor Martin Gannon
Leader of Gateshead Council

Dear Councillor Gannon

Gateshead Council Budget Consultation : Budget Framework and proposals 2018/19

Newcastle Council for Voluntary Service (Newcastle CVS) is the local support and development (infrastructure) organisation for the voluntary and community sector in Gateshead.

Our overall aim is to improve the quality of people's lives by promoting voluntary and community action. We do this by:

- Enabling the Voluntary and Community sector to influence decision makers – and supporting the sector as its voice
- Building capacity within the sector to shape a better, more diverse and equal society
- Empowering people and organisations to be heard and take action

Central Government funding

Over the last few years we have consistently expressed the view that the way Local Government is now funded is unfair and gives least to the areas of greatest need. This unfair allocation and the additional problems of future funding in relation to the loss of the Revenue Support Grant in 2020 are well-illustrated in the report that went to Cabinet on 21 November 2017. We will respond separately to the five year strategic approach 'Making Gateshead A Place Where Everyone Thrives', but clearly the principles proposed within the strategic approach form the background to some of the budget decisions.

The impact of cost pressures, the low Council Tax base in Gateshead and the challenge of the importance of the Business Rate makes the task very difficult. The funding gap of £88million in the next five years, coming on the back of £143million already taken from budgets since 2010, the cumulative impact of the underfunding of social care, and the increased responsibilities on local authorities make the task almost impossible.

Voluntary and community organisations are increasingly seeing the impact of Central Government policy on the people we support (our beneficiaries). The impact of Welfare Reform, cuts in benefits, dramatic shifts in housing policy, the decrease in public services and loss of overall support has made life extremely (and unnecessarily) difficult for many of our residents and communities. In the reports we produce we have highlighted the growing impact of austerity and poverty within local communities, whilst at the same time noting the increasing inequalities. We are able to give you stories and support your campaigns and lobbying to try to improve the situation. A number of reports locally and nationally, are showing the widening of the gap between the richer and poorer communities in our city, region and country; despite it being previously decreased. Scenes from 'I, Daniel Blake' were filmed outside our Newcastle office and this year we established a 'welfare advocate service' as part of our response.

We share the Council's irritation with Central Government statements which give the impression that Local Government has been more than adequately funded. Since 2010, much of the funding has shifted from being needs-based to being population based which has a major impact on many (northern) cities. By 2018/19 the Council's core grant funding will have reduced by approximately 52% since 2010. The 'permission' to raise the Council Tax precept for social care gives the impression this would solve the underfunding of this vital service, when in reality this would cover only a small percentage of the actual costs. At the same time, there has been insufficient coverage about the growing crisis in Children's Services nationally – with more Looked After children; significant increases in children being excluded from schools (and the impacts on Pupil Referral Units) and the growing number of children with very complex needs.

We note that cost pressures, to which many organisations are subject, are now increasing faster than funding cuts.

We recognise nearly half of the revenue budget is spent on supporting children's and adult's social care; however this does not cover the full and true costs of supporting people and communities in need.

The estimated financial gap of £42million by 2020, gives the Council minimal freedom, particularly when new measures such as those in the Homelessness Reduction Act, are implemented, which give local authorities more obligations, but don't provide the proper resources to discharge them.

It isn't clear what the Local Government Finance Settlement, announced on 19 December means for Gateshead Council and how it affects the budget (apart from the permission to raise the Council Tax further).

Process

Newcastle CVS has promoted the budget consultation exercise through its website, e-inform, holding a meeting for the sector in November, circulating notes from this meetings and encouraging our members to engage and respond. The notes from the meeting on 27 November are attached as part of this response. We have highlighted and promoted the Council's Budget video. The meeting that CVS hosted was attended by Gateshead Council officers from Care, Wellbeing, and Learning, Resources, Communities and Public Health directorates who made presentations and answered questions on the budget proposals. The note from this meeting is appended to this response.

We appreciate the timetable is extremely tight given the need to set a budget at the 22 February Council meeting and at the time of the meeting on 27th November, the Equality Impact Assessments were not available. Also it was not clear whether some of the organisations that would be directly affected by cuts in income had been informed.

At the Voluntary Sector consultation meeting commitment was given to provide full impact assessments for each of the proposals, and that organisations directly impacted would be informed. At the time of writing this response, there were a number of proposals where there was not Equality Impact Assessments available, particularly in relation to some of the proposals from the Care, Wellbeing and Learning Directorate. This has made it difficult to respond to the budget consultation as there is insufficient detail on significant proposals. The pro-forma documentation itself doesn't indicate sufficient detail, the numbers affected etc. There are significant changes proposed without any references to what they actually mean in practice and numbers of people affected. I am able to write this response only because of a separate meeting held with the Executive Director of Care, Wellbeing and Learning Directorate who was able to explain the proposals in more details.

The equality impact assessment process related to separate proposals rather than groups and communities of interest. This made it difficult to see the cumulative impact on specific groups of

people; however concern was raised in particular around (lack of services and support for) people with learning disabilities, older people, people who were isolated, and carers.

The consultation process outlined in the document notes that it may involve individual service users and their families, representative groups, third sector organisations etc. The dilemma of consultation on high level draft proposals of such magnitude is that the individual implications are often not clear until after the budget is set, by which time it is too late to amend them.

The budget process itself is problematic, which is not the fault of individual local authorities - not all of the information is available at the start of the process, or sometimes even at the end. The local government financial settlement was issued on 19th December, which changed the amount of permissible rise in Council Tax, before a referendum is required. It is clearly an iterative process, but consultees can respond only to the information available at the time. In some instances high level statements are hard to relate to individual organisations or even our beneficiaries.

Some of the proposals are the first of a two year budget process, commitment should be given to the monitoring and reporting of the impact of these changes – have they made the intended savings, have there been unintended consequences, what is the impact on unpaid carers etc? Equally there should be feedback from the reductions agreed as part of the 2017-18 budget setting process as to whether they delivered the required savings, the consequences of them and their impacts.

We were assured those voluntary organisations that would suffer specific reductions in funding would be informed before the end of the budget process. This is important so they can alert their trustees, prepare their staff, and review their business plans. For some organisations these reductions could be a highly significant part of their income and make them non-viable. The situation is different for each organisation and we are sure they will be making individual representations to Gateshead Council. We would however highlight the gearing impact of funding voluntary organisations as sometimes Council funding provides the core grant that makes it easier to attract additional funding from external sources. One of our members, at the 27 November consultation meeting, referred to a recent impact report they had produced which identified that for every £1 of Public Health investment, they delivered approximately £43 of savings in primary and secondary care expenditure. Also voluntary organisations can engage and maximise the use of volunteers making a service even more cost-effective, and adding to the Social Value. So a cut of one pound to a voluntary organisation can result in a much greater loss of several pounds worth of activity.

Throughout the consultation we heard that the huge financial challenges faced by the Council meant a retraction to providing purely statutory services. However the conflict is that many of the services delivered by voluntary organisations provide high levels of prevention and deter and delay the use of more expensive and intensive statutory services. The Commissioning Conference hosted by the Care, Wellbeing and Learning Directorate, held on 9 November, identified the resetting of the relationship with independent (i.e. voluntary and private) sector providers; and was well-received. However that new relationship doesn't come through the budget papers, and doesn't seem to be understood by all parts of the Council.

The voluntary and community sector is also facing the same cost pressures noted by the Council – the increase in the National Living Wage and the increasing impact of pension auto-enrolment. Whilst recognising Council employees are already on and have access to a pension, this is not the case for all voluntary and community organisations. Clearly these additional cost pressures will be significant for many of our members – particularly those organisations that provide domiciliary care, residential care, and support to people. These services help people live independently and maintain a good quality of life. The impact of welfare reforms (particularly PIPS and Universal Credit) on people with disabilities, the loss of the Independent Living Fund,

and the reduction in services (NHS and local authority) could push people over the tipping point and mean people end up in more expensive forms of care and support.

The proposals are written in a way to illustrate Council posts only – numbers and Full Time Equivalents, but they do not illustrate the job losses in the voluntary (and private) sector. Clearly a significant amount of the £1,850,000 cuts proposed by the reduction in adult social care demand (Proposal 3 in Managing Demand) will have workforce implications for the voluntary and private sectors, but are shown as '0' in the papers as they are not Council posts. There are cuts of around £3.6million in the Managing Demand section, but only 2.5 Council staff posts are being deleted; clearly this more than efficiency savings.

Whilst recognising the Council's important role as an employer, probably the lead employer in Gateshead, and that the Council has reduced its workforce by more than 2,100 posts since 2010; these proposals will result in the loss of many hundreds of jobs, albeit not in the public sector. Evidence illustrates that most jobs in social care are delivered by low paid women, who have only basic statutory redundancy rights and access to poor pensions. Clearly cuts of £21million, with half in social care, cannot be delivered without significant job losses, but councillors must be clear that these proposals mean job losses would amount to many more than the estimate of 57.3 WTE Council posts, with the majority of the hundreds of job losses being in the voluntary and private sectors.

Gateshead Council is the leader within the Strategic Partnership and as greater emphasis is placed on working together across the borough, all job creation and losses should be openly acknowledged; regardless in which part of the system they occur. Clearly Council job losses will incur potential redundancy costs for Gateshead Council.

These are very difficult times for everyone, but we believe in the value of partnerships and on-going discussions. Voluntary sector investment is less likely to come through local government; there are other opportunities through Big Lottery funding, national trusts and foundations, and other sources. Conversations should start earlier with thematic groups, not necessarily looking at specific cuts, but instead exploring what can be delivered together, and maybe differently, for Gateshead's communities. Instead of cutting funding for voluntary and community organisations we believe the Council should be working with us all to transform services.

Cuts/savings of this magnitude require massive cultural change but it is hard to see in some areas of the Council, where the relationships with others are considered to be not as strong as they could be how much progress is being made in new ways of working. Clearly there has been a loss of staff (in all parts of the system), and the strategic partnership arrangements have been under review for over a year, so a proposed new Strategic Approach is welcome. However this means a shift in power and Gateshead Council engaging more openly with others again and treating the Voluntary and Community Sector as a serious partner in trying to achieve better outcomes for all of Gateshead's communities.

The recent Director of Public Health Annual report for Gateshead, and much of the documentation produced for the JSNA (Joint Strategic Needs assessment) highlight the increase in inequalities, the increase in needs and the increase in complex problems. To implement further cuts in already stretched budgets against this scenario clearly mean doing things differently, and whilst there has been a lot of discussion on this, partners now need to see some positive action, which involves sharing, involving and engaging others.

It would be very helpful if Gateshead Council produced a document after the budget was set outlining the differences from these proposals; recognising the Government's letter to the Council outlining the actual levels of support was issued on 19 December 2017. When there are multi-year proposals, it would be helpful to report back on the progress of these in the next set of budget consultations, otherwise there is nothing to assess progress against.

Specific draft budget proposals

The following comments on the specific proposals are made from a voluntary sector perspective, based on the discussions at meetings, and comments from representatives, providers and carers. It was difficult to comment on some of the proposals as they were very high level and the actual implications were not clarified. Inevitably, because of the nature of the voluntary and community sector, there is a focus on social care and community resources. However cuts within council spend could have a greater negative impact on the resources of some voluntary organisations, and might have a disproportionate impact affecting the viability of some organisations.

A Managing Demand

1) Proposal 1 Children's Social Care – Early intervention demand reduction model

There is insufficient information on this proposal, the numbers of children that would be affected, and there is no full equality impact assessment (EIA) so it is very difficult to make comments.

From the information provided, the proposed cuts of £671,000 appear to arise from changes in supporting children with complex needs by investing in a rapid response team, which then reduces the number of Looked After Children. This implies a greater loss of services if there are additional staff in this new team, which is assumed to be managed in house.

This contradicts the increased figures of Looked After Children in Gateshead. Sir Paul Ennals, the Chair of the Safeguarding Children Board, recently noted the "greatest threat to children's safeguarding was austerity", and as Universal Credit is introduced throughout Gateshead, this will mean more austerity.

The Gateshead Council JSNA (as at March 2017) notes the high rate of children in Gateshead subject to a child protection plan as 78.7 per 10,000 (which is almost double the England rate of 43.4 and 32% higher than the North East rate of 59.6%). There were 376 Looked After Children (94.2 per 10,000) which was an increase of 33 since March 2016. The Gateshead figure is 57% higher than the latest England rate (60) and 12% higher than the reported North East rate (84).

The reference that a number of Looked After Children are adolescents makes no sense, as clearly there are younger children and an increasing population and birth rate

2) Proposal 2 Early Help Restructure

There is insufficient information on this proposal, the numbers of children affected, there is no full equality impact assessment and therefore it is very difficult to make comments.

This appears to be a staff reorganisation with the deletion of 2.5 posts

3) Proposal 3 Reduction in Adult Social Care Demand

There is insufficient information on this proposal, the numbers of people affected, and the impact on family carers and there is no full equality impact assessment so it is very difficult to make comments.

In discussion, this appears to be about limiting access to supported living, residential and nursing care. Clearly people should be placed in accommodation and given support which is appropriate to their needs, rather than being placed according to budget. The lack of any meaningful impact assessments means it is hard to understand whether this relates to older people, people with physical and sensory disabilities, or people with learning disabilities, or people from all of these groups. Clearly no-one should be placed in too high a level of care and support, but it is hard to see how £1,850,000 can be saved, particularly if a new internal team is created (which will have its additional costs).

This could have additional consequences and costs if local voluntary and community organisations are assumed to be supporting people, who had previously received other services.

Given there are no proposed (council) workforce implications, it is assumed that these savings must come from individual care packages, provided by the independent sector (both private and voluntary sector). Who are the current providers of these services and has there been consultation with them. To remove this level of funding from the system could potentially destabilise some provision, and have unintended consequences.

The Gateshead JSNA identifies a growth in the older population and an increase of people with different disabilities. People have more complex needs and are living longer, so it isn't clear how this level of cuts / savings could be made without impacting on care.

4) Proposal 4 Adult Social Care – Deprivation of Liberty Safeguard (DOLS) Referrals

There is a full EIA but it isn't clear how many people get a DOLS referral each year. Would there be some additional costs in obtaining independent advocacy? The comments on the protected characteristics are noted, so it could be helpful to collect information on the people who are subject to the DOLS process, to ensure no unintended discrimination, recognising there will be more people with disabilities in this group.

5) Proposal 2 Adult Social Care – Develop Specialist Dementia Extra Care Services

There is insufficient information on this proposal, the numbers of people affected, and the impact on family carers and there is no full equality impact assessment so it is very difficult to make comments

Whilst the development of specialist dementia extra care services are welcomed, it isn't clear how this will happen and how £50,000 will be saved. Who are the current providers for these services? Can services be provided more effectively and efficiently by others?

6) Proposal 6 Adult Social Care – Review of Domiciliary Care Packages

There is insufficient information on this proposal, the numbers of people affected, and the impact on family carers and there is no full equality impact assessment so it is very difficult to make comments

As there are proposed reductions of £250,000 and no impacts on council jobs, it is assumed that these cuts relate to care packages provided by the independent sector and there would inevitably be a loss of jobs. Whilst the statement that the 'intention to ensure the resourcefulness and resilience of communities is maximised' is welcomed, this cannot be assumed to be a zero cost option. The proposal looks as if the funding of care packages is reduced as there would equivalent support in the community, and probably also from family and informal carers.

There are no figures or information to illustrate how this person-centred planning saves costs. Whilst we would always support a wide range of options for people, these should be based on needs rather than budgets. All planning should be person-centred., whether high or low level. There will be additional assessment costs, and it isn't clear how these are budgeted.

7) Proposal 7 Public Health NHS Health Checks

The EIA describes the proposed impact. One way to mitigate the proposal could be to target the Health Checks at those people at greatest risk

B) Efficiencies and Savings

8) Proposal 8 Early Help and Education Toy Library

If the review proposes that this service could be more effectively and efficiently delivered by the Voluntary and Community Sector, then there has to be sufficient resource handed over to the sector to manage the service in future. The EAI notes that during the year ended 31 August 2017, 154 families had accessed the Toy Library and 312 children under 5 years had accessed equipment from the Toy Library. The running costs of the Toy Library are given as £29,000. If £22,000 is to be saved it is unlikely that a similar service meeting the needs of a similar number of families could be provided for £7,000.

9) Proposal 9 Efficiencies in Early Help and Education

Internal restructure – no comment

10) Proposal 10 Social Work, Children and Families

It is assumed this refers to the NHS paying a more equal contribution towards the costs of CHC. We would support this, providing users and carers do not get caught in the middle of arguments over funding.

11) Proposal 11 Social Work Children and Families

There is insufficient information on this proposal, the numbers of children, carers and families affected, there is no full equality impact assessment and therefore it is very difficult to make comments. Children and young people should be placed in the most appropriate support, with reference to safeguarding, risk and independence. As set out, the proposal implies that young people who are being fostered should be returned to the family home (with therapeutic support) based on budget rather than needs. There is no additional information supplied, and if there has been a review, this should be part of the budget process.

12) Proposal 12 Whole system re-engineering within children's services

There is insufficient information on this proposal, the numbers of children, carers and families affected, there is no full equality impact assessment and therefore it is very difficult to make comments. It is difficult to understand how £450,000 can be saved if there are no job losses. Whilst we would support system re-engineering, this would need to be backed by a programme supporting cultural change and involving organisations outside Gateshead Council.

13) Proposal 13 Adult Social Care – Extra Care

No comment, the consultation is noted

14) Proposal 14 Directly provided domiciliary care

This seems to be a sensible and managed approach, but again, it would be helpful to have an EIA. Social Value should be included with future commissions. It isn't clear how active the market is for the provision of domiciliary care, which often relies on low-paid staff.

15) Proposal 15 Adult Social Care Community Links

Whilst the principle of better integration is welcomed, it is notable that a number of voluntary organisations are not engaged with the Gateshead Council's volunteering offer. Supporting the 52 people with additional needs to go to appropriate placements and volunteer still requires support, whether from Council staff or voluntary and community organisations. It isn't clear how this will be funded and a 'digital solution' is highly unlikely to work for this group of people. It isn't clear how voluntary organisations get support and training on recruiting and managing volunteers, their policies and procedures and how to handle difficult situations. For some of these volunteers with learning disabilities, their needs are so great; they need one to one support. The EIA refers to three members of staff but there are only two posts being deleted.

16) Proposal 16 Adult Social Care – Directly provided ISL

No comment

17) Proposal 17 Adult Social Care Review of Domiciliary Care Packages

Although we can appreciate better use of technology and systems to reduce ‘double carer’ visits, care should be taken to ensure that assumptions aren’t made about family members’ ability and capacity and availability.

18) Proposal 18 Commissioning and Quality Assurance – Review of Supported Housing

Any future commissioning processes should be co-designed with users, carers and providers. Social Value should be included as part of future commissioning processes. Current providers need to be made clear about timescales.

19) Proposal 19 Commissioning and Quality Assurance – Review of prevention services

Whilst it is sensible to remove duplication of services, in some instances these are not all the same. Some non-statutory information and advice services have a preventive effect so there should be an impact assessment before any services are decommissioned

20) Proposal 20 Public Health - Making Every Contact Count

In 2017/18 year the Health trainer / Live Well posts were deleted and of the £500,000 left in this budget, £200,000 was used to fund the public health MECC posts and £300,000 went into the grant pot for voluntary sector delivery of MECC. There appears to be no further funding for the voluntary sector but there is the continuation of the four MECC posts in public health. It is not clear how the voluntary and community sector can continue to deliver MECC if there is no backfill offered in the future. Last year when we responded to this proposal we noted the potential fragility if there was funding for the voluntary sector for one year only. The MECC grant fund was closed on 15 December so most organisations have not started their training yet; however although the costs of MECC training are provided through the grant support, the issue of delivery will prove to be more difficult as there are additional costs relating to time and capacity.

21) Proposal 21 Public health - Sexual Health

Any future commissioning should take the views of service users into account and use Social Value in the commissioning process. Does the current provider accommodate the needs of young people and are services held in appropriate community venues?

22) Proposal 22 Public Health – Substance misuse

No comment

23) Proposal 23 Public Health – Carers

It isn’t clear that there is duplication in services just because there is more than one provider. Moving to a single provider could have unintended consequences for some of the current voluntary organisations that provide carers services and might make them less resilient organisations.

24) Proposal 24 Housing General Fund, Expenditure Efficiencies

No comment

25) Proposal 25 Development, Transport and public protection

No comment

26) Proposal 26 Commissioning and Business Development (Gateshead Fund)

The proposal to reduce the Gateshead Fund from £400,000 to £300,000 is disappointing, and this was criticised during the Voluntary Sector budget meeting. The Gateshead Fund has two elements, with £66,000 identified for the 22 wards' own Local Community Funds. The remaining £334,000 forms the main part of the Community Fund, with £12,000 being reserved for sporting grants to individuals. So a reduction of £100,000 means effectively £222,000 for investment in capacity building smaller voluntary and community organisations.

When the Gateshead Fund was established in 2011, it had a value of £1,000,000. This has been reduced over the years, and in 2017 the management was passed to the Community Foundation (Tyne, Wear and Northumberland). This has enabled additional resources to be brought into Gateshead organisations, as some applications can be diverted to the Community Foundation's managed grant funds. In 2016/17, 156 organisations applied for grant funding of £664,183 in total and 118 organisations received £384,881. For this year (2017/18), in Round 1 79 organisations applied for £277,542 and 46 applications totaling £154,563 were successful. For Round 2, 21 applications were received for £173,200 and 14 of these were agreed to a total of £107,020. So the Gateshead Fund is over-subscribed.

At the consultation meeting the voluntary organisations present, most of whom were too large to apply to the Gateshead Fund, made the point that this funding (average grant of £5,000 to £7,000) was extremely valuable to smaller voluntary and community organisations. In the last year there has been a shift of policy from the Council towards the voluntary and community sector, and a reduction of this magnitude in funding for smaller groups, is an apparent contradiction.

We welcome the introduction of the VCS Strategic Investment Fund, but are surprised this has happened without any reference or consultation with the voluntary sector. It isn't clear if all Gateshead organisations, regardless of size can apply to it. It isn't clear if the Fund's value is £500,000 a year or over two years. It isn't clear whether the Care, Wellbeing and Learning Directorate will be involved; which we would propose. Voluntary and community organisations of all sizes in Gateshead contribute towards improved health and wellbeing. Will the VCS Strategic Investment Fund support activities or will it be about capacity building of voluntary and community organisations. How will the Investment Fund relate to the Gateshead Fund? Will it be themed relating to particular priorities?

27) Proposal 27 Street Scene - Staffing Efficiencies

No comment

28) Proposal 28 Street Scene - Weekend Working Practices

No comment

29) Proposal 29 Street Scene - Household Waste Recycling Centre

Any changes to the opening closing times of the Household Waste and Recycling Centres should be made very obvious and social media should be used to publicise these. Newcastle CVS would be happy to promote these changes using OurGateshead and other media

30) Proposal 30 Street Scene - Public Conveniences

Note that there are nearby alternative public conveniences

31) Proposal 31 Street Scene - Transport Services

No comment

32) Proposal 32 Economic and Housing Growth

No comment

33) Proposal 33 Policy, Performance and Communications

Newcastle CVS is able to sent messages to the wider voluntary and community sector, including OurGateshead

34) Proposal 34 Legal, Democratic and Property Services

No comment

35) Proposal 35 Human Resources and Litigation

No comment

36) Proposal 36 Corporate Litigation

No comment

37) Proposal 37 Corporate Finance

No comment

38) Proposal 38 Customer and Financial Services

Although we support the move towards digital, care must be taken to ensure that those people and communities that have problems with digital access are accommodated appropriately. There is potential further development for OurGateshead in delivering this if greater investment was made.

39) Proposal 39 IT Services

No comment

40) Proposal 40 Trading and Commercialisation Service

We note the reduction in contributions to TWAM, Sage Gateshead, Baltic and NGI. The Great Exhibition of the North will be taking place in Gateshead next year. This will bring in additional resources and income to Gateshead. Can reductions in cultural programmes be looked at in relation to the inequalities identified in the accompanying EIAs so wealthier residents and people outside of Gateshead more effectively subsidise Gateshead's poorer residents and communities?

Gateshead Council has a strong reputation as a supporter of the arts and culture. The reduction in this funding has been going on for some time and the important issue is good communication and partnership working. Local arts and cultural organisations have dramatically changed their funding models and approaches over the last seven years in order to cope with the decline in grant aid. Clearly if the funding cuts became so significant that they impacted on Arts Council support or overall sustainability, then we would expect further conversations.

Could the rationalisation of the Council's estate include the provision of Council services in community-owned buildings? The Council should move towards One Single Estate which would involve much greater rationalisation, regardless of whoever owns and runs the building.

41) Proposal 41 Change Programme

What was the final outcome from the Change Programme and can it be shared with partners?

C) Income Generation

Proposals 42 to 57 are based on maximising income generation. Some of the proposals would have a direct impact on all residents, regardless of income eg burial and cremation fees, replacement recycling bins etc. Is there any way that some of the charges could be minimised for poorer residents?

Proposal 43 on Adult Social Care - Trading and income generation has insufficient detail and no EIA so it is difficult to understand how the additional £498,000 will be raised and by whom? It isn't clear how the 'development of charity status for user led enterprises will enable a

greater array of funding opportunities to be accessed'. Although the UK Civil Society Almanac 2017 reported 'the first notable net income grow since 2007/08' it also notes that the growth was predominately among the largest organisations. Levels of funding within the charity sector is not as high and as available as commonly assumed and the social enterprise model might be more appropriate for trading. However the drive to establish different models should come from the users themselves, who need to have sufficient capacity to run an organisation, and make it resilient for the future.

Concluding comments

The scale of these reductions of £20.6 million this year, a further £21.2 million next year and a proposed £30 million in 2020/2, following savings made of over £143 million since 2010 has never been experienced before by those of us who live and / or work in Gateshead. We are deeply concerned about the cumulative impact of all of these proposals on the citizens of Gateshead, in particular the most vulnerable residents and communities (whether of identity, interest or geography). We have tried to provide a summary of the comments that have been made by our members and put them in an overall context, in relation to how the budget proposals have been presented. However we recognise that many of these issues are inter-related. The size and scale of public spending cuts, together with Welfare Reforms are having a massive negative impact on many communities, local businesses, the economy and could lead to a downward spiral. Although there are exciting plans for Gateshead Quays, it will be 2022 before some of the profits from these initiatives can be used to support the peoples and communities in greatest need in Gateshead.

At the time of submitting this response there was no detail about the about the level of Council Tax being set for 2018/19. We note that in the recent Autumn Statement the government is allowing local authorities to increase Council Tax by 2.99% without recourse to a local referendum. While it is understandable that the council, given the financial pressures it is under may choose to implement the full increase permissible, we agree with the Local Government Association that central government's approach to Council Tax adds extra financial burden on already struggling households. We note that the council intends with some minor adjustments, to keep the Local Council Tax Support Scheme for 2018-19 as has been in place from 2013-14.

We have raised concerns on the national funding for Children's Services, which have not necessarily been highlighted nationally. Is Gateshead Council part of the Children England campaign for '**The Case for a Children Act Funding Formula**'? (*"Children England believes the case for a fair, sustainable funding mechanism for essential children's services is too urgent and too acute to ignore. We propose the establishment of a Children Act Funding Formula, which would distribute national taxation to all authorities with duties under the Children Act 1989 according to the needs of children in their area. We call on the government to implement such a formula by 2020 at the latest"*). We would be happy to support involvement in this.

There have been significant references in the last eighteen months to transformation, culture change, working in partnership and the value of the voluntary and community sector. But there hasn't been significant strategic involvement. Opportunities still exist and many voluntary organisations would welcome discussions with council officers in order to minimise impacts on Gateshead residents. We have already seen many imaginative approaches to retain services for people, and believe these should be further enhanced. We also believe others, such as the NHS could use some of their resources to help support our most vulnerable citizens through these difficult times.

Voluntary and community organisations can provide statutory services, and a number of our services offer some form of prevention, often helping people to maintain independence and stay in their own home in the community. A number contribute towards improving health and wellbeing and challenging loneliness and isolation. There are genuine concerns that the loss of

some of these services could not just impact on the people who use them and their carers, but might also result in greater demands on statutory health and social care services and actually cause an increase in costs, not a reduction.

The voluntary sector has experienced a period of massive change - the loss of significant government grants, the push to larger contracts, the drop in donations, the contraction of grant-making trusts, the promotion of social investment, and the changes in the NHS have made the sector itself more vulnerable. This is at a time when we are being asked to take on more (unpaid) work and more clients, users and carers are being sign-posted to us. We believe the voluntary and community sector has a number of resources which we are willing to share, but we want to be treated as a serious partner to help get us all through the tough years ahead.

Yours sincerely

Sally

Sally Young
Chief Executive

Cc Gateshead Council Cabinet members
Gateshead Council Executive Directors
Director of Public Health

Appendix

Gateshead Council Budget Consultation 27 November 2017

Note of meeting

Present

Stephen Armstrong	Groundwork North East
Julie Boyack	Gateshead and South Tyneside Sight Service
Pauline Steele	Carers Trust Tyne and Wear
Lola McPartland	Healthwatch Gateshead
Craig Bankhead	Gateshead Older People's Assembly
Julie Laverick	Mental Health Matters
Fiona Pollard	Oasis Aquila Housing
Liam Gilfellon	Mental Health Concern
Geri Brown	Changing Lives
Alison Dunn	Citizen's Advice Gateshead
David Smith	Oasis Aquila Housing
Shlomi Isaacson	Jewish Community Council of Gateshead
Lynn Renwick	Children North East
Sue Taylor	Gateshead and South Tyneside Sight Service
Sally Young	Newcastle CVS
Pam Jobbins	Newcastle CVS
Jack Summerside	Newcastle CVS (Gateshead Support Team)
Ian Stevenson	Gateshead MBC

David Andrew	Gateshead MBC
Behnam Khazaeli	Gateshead MBC
Caroline O'Neill	Gateshead MBC
Andy Graham	Gateshead MBC
Jane Bench	Gateshead MBC
Keith Purvis	Gateshead MBC

Apologies
Steve Nash VOLSAG

The Gateshead Council officers set out the national context for the Council for the budget proposals. This context was of uncertainty across policy areas e.g. Fair Funding Formula linked to 100% business rate retention; impact of welfare reform and Universal Credit; devolution, Brexit and policy conflicts in areas such as homelessness and mental health.

The local context is shaped by austerity and public sector reform, increasing demand, and the need for different relationship with residents and partner organisations/sectors.

By 2022/23 the Council will be facing an £88m funding gap (£61.3m from increased demand and £26.7m in decreased funding). The council is still assuming there will be no revenue support grant by 2020; there are no clues from central government what will happen if 100% business rate retention does not begin as scheduled.

The Council's approach is to try and create wealth. Thinking is still in flux and social care needs continue to drive demand. However the new Gateshead Approach has five pledges (which the council is consulting on until 21 February) that are designed to make Gateshead a place where everyone thrives.

Economic growth is one of the pillars of the new strategy; business rate retention, increasing Council Tax revenue and increased development are all components of the growth strategy. Projected population growth is based on job creation and making Gateshead an attractive place to build new homes.

The budget proposals include increases in fees and charges; reducing the Council's contribution to facilities like the International Stadium through sponsorship deals; increasing income through the energy services company; increase charges to those outside Gateshead buying services from the Council through personal budgets.

The Council aims to do things differently through adopting an asset based approach to adult and children services with service users at the centre. The Council will seek to reduce the number of children and young people in the care system through earlier intervention and support.

There will be better use of technology in reablement services and services to enable older people to live longer in their own homes.

Sally gave a response to the presentation noting the ongoing impact of austerity and welfare reform and the strains they are placing on voluntary sector organisations; also noting the significant reductions in adult social care budgets that are presented as having no workforce implications though the changes will have impact on the voluntary (and private) sector workforce in Gateshead.

The reduction to the Gateshead Fund sends mixed messages about the Council's expectations of the voluntary and community sector. Whilst the plans to increase the use of digital

technology is understandable, there are increase to fees and charges and the Council needs to be aware of the impact on poorer and disadvantaged communities whose access could be limited by these changes. Where is the impact assessment on the proposals e.g. transferring the Toy Library into the voluntary sector?

When commenting on the budget presentation voluntary sector leaders acknowledged the scale of savings the Council needs to make but expressed concerns about the level of resources available to the Council to meet new duties like the Homelessness Reduction Bill.

It wasn't clear how early intervention and prevention balanced with cuts in public health; if Public Health only focuses on early intervention and prevention

Within Children's Services, the Council claimed there was a substantial early help offer however there were fewer universal services with concentration in certain areas and not spreading the jam thinly.

MECC is skilling up people to carry out health interventions; £500,000 is being rolled out with £300,000 available for voluntary and community staff backfill and training; it is a one year investment taken from reserves for pump-priming>

The Gateshead Fund is being cut by £100,000 but it's not clear from the budget papers, after the amount for ward committee funding is removed, what the total amount available for voluntary and community organisations in Gateshead will be.

A recent social return on investment exercise completed by the Older People's Assembly found every £1 invested in their services saved £43; the voluntary sector clearly does have access to grants and other sources of funding and the Council investing in the voluntary sector means money is not leaked out of the borough through the private sector.

If the Council has no revenue support grant after 2020, how can the voluntary sector support the Council in lobbying for a fairer settlement from central government?

How can there be substantial reductions to areas of the Council's budget with no workforce implications?

During the previous seven years there has been a massive increase in the complexity and volume of need in the borough due to austerity and welfare reforms. Poor mental health among young people is a significant issue with certain groups e.g. 18-25 year olds, particularly vulnerable to not receiving the support they require as they move from children's to adult services.

VCS representatives noted there appeared to be too much expectation from the Council in private sector Corporate Social Responsibility policies as source of sustainable support for voluntary organisations. There are organisations such as Cranfield Trust and SkillsBridge that already provide a link between the private and voluntary sectors.

There are no explicit references in the budget papers to reducing inequalities at a neighbourhood level and how the different needs or issues of urban and rural communities will be addressed.

Youth provision is in short supply in Gateshead. For young people with mental health issues and in need of support there is a drop off in numbers as young people turn 18 and have to move from children to adult services. The current pathway from children to adult mental health services is leaving young people vulnerable.

