

5 January 2017

Councillor Martin Gannon
Leader of Gateshead Council

Dear Councillor Gannon

Gateshead Council Budget Consultation 2017- 20 : Detailed Budget proposals for 2017-18, including Review of Council's Discretionary Rate Relief Policy

Newcastle Council for Voluntary Service (NCVS) 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:

- Supporting and developing local organisations to thrive
- Networking and involving local organisations to engage
- Representing and influencing on behalf of the voluntary and community sector

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 'Gateshead Council Budget Proposals 2017-20'. 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 loss of £76million in government grant, reduction in revenue budgets of £130million, 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 community. 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. Parts of 'I, Daniel Blake' were filmed outside our Newcastle office.

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 and poorer areas. The recent 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.

We recognise nearly half of the revenue budget is spent on supporting children's and adult's social care and so would support the Council Tax being increased by up to 2% and also the 3% social care precept. We also recognise this does not cover the full and true costs of support people and communities in need.

The estimated financial gap of £72million by 2020, and £92million by 2022, gives the Council minimal freedom, particularly if new measures such as those in the Homelessness Reduction Bill are introduced; which give local authorities more obligations, but don't provide the proper resources to discharge them.

Process

Newcastle CVS has promoted the budget consultation exercise through its website, e-inform, holding two meetings for the sector in November (attended by 40 people), circulating notes from these meetings and encouraging our members to engage and respond. The notes from the meeting on 25 November are attached as part of this response. We have highlighted and promoted the Council's Budget video. At the first meeting that CVS hosted, there were presentations from the senior council directors in Social Care (Commissioning) Resources, Communities and Public Health who provided the presentations and answered questions. There was a second meeting for voluntary sector representatives.

We appreciate the timetable is extremely tight given the need to set a budget at the February Council meeting and at the time of the first meeting on 25th November, some of 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 meeting commitment was given to provide full impact assessments for each of the proposals, and that organisations directly impacted would be informed.

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 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 released mid-December and there might be implications from the Autumn Statement. This year, amendments to the social care precept were issued mid-December. 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.

If these proposals are the first of a three 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?

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 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. 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. At a recent Gateshead Voluntary Sector Leaders meeting, a senior charity leader noted his organisation was now providing frontline services to people in desperate need. The concept of voluntary organisations providing 'fluffy / nice to have extras' is not the case and many of the voluntary organisations that operate in Gateshead, are providing statutory and necessary services to vulnerable people and communities in need.

The Gateshead Fund is not part of these proposals and Gateshead Council should be commended for still having a grants programme. This is the first year of the Capacity Building Fund being administered by the Community Foundation (Tyne, Wear and Northumberland). There is also the Local Community Fund, which is delivered at a ward level. It isn't clear if there is, or indeed should be, any relationship between these different funds and processes. Clearly small organisations that need small amounts of money, should go through an appropriate process. But there could be instances where organisations lose funding through the central budget cuts and apply to the Capacity Building or the Local Community Fund. This is not necessarily problematic, but there might need to be consideration on how the different process interact or are deliberately kept separate.

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, people who were isolated, and carers.

The voluntary sector is also facing the same cost pressures noted by the Council – the increase in the National Living Wage in April onwards as well as the creeping 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 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 on people with disabilities, the loss of the Independent Living Fund, and the reduction in services (NHS and local authority) could go 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 £1,725,000 cuts proposed by recommissioning learning disability packages (proposal 3) will have workforce implications for the voluntary and private sectors, but are shown as 'N/A' in the papers as they are not Council posts. Whilst recognising the Council's important place as an employer, probably the lead employer, in Gateshead, and that the Council has reduced its workforce by 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 £22million, with half in social care, cannot be delivered without significant job losses, but councillors must be clear these proposals mean that job losses would amount to many more than the estimate of 'over 120 FTEs' of Council-employed staff, 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.

A number of voluntary sector representatives felt that they had lost touch with council officers and commissioners over the last few years, and there were insufficient forums where issues around service and impacts could be discussed. This loss of capacity is understood, as it has also affected the voluntary sector, but this needs to be actively addressed. It was also raised in the Peer Review process. There is a review of partnerships, but voluntary sector representatives had not been asked their perspectives. They didn't always know what meetings were still active, the lead officers, and how could they become involved. Clearly a loss of capacity from all parts of the system, and changes in people, the loss of organisational memory and different leaders indicate there should be new and different partnerships with clear remits. Participants had valued the previous close working relationships in social care, and whilst they understood there would be changes, it would be helpful to have some open sessions where this could be discussed and progressed. NCVS would be willing to facilitate this approach.

Clearly Brexit and central Government decisions and behaviour mean that opportunities will come from different places in the future. In the last year we have worked with the Directors of Public Health in Gateshead and Newcastle in order to bring in additional and new money through the Well North initiative (Arts Council and Public Health England); this has resulted in the Well Newcastle Gateshead project starting in 2017 for three years. Greater focus should be on looking at non-traditional resources rather than business rates and building new homes.

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.

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 high level and the actual implications were not clarified. Inevitably, because of the focus of the voluntary and community sector, there is a focus on social care and community resources. Care and wellbeing constitutes around half of the Council's spend, and the cuts proposed are around 10% of the revenue. Clearly many voluntary organisations focus on care and wellbeing; however a cut of 10% of council spend could be more than a 10% impact on the resources of some voluntary organisations, and it might have a disproportionate impact affecting the viability of the organisation.

A) Health and Social Care

1) Proposal 1 Delayering of management structure within Care, Wellbeing and Learning

Clearly this is an internal management restructure and we would ask for clarity of roles once it has been completed, in particular those people and posts with responsibility for voluntary and community organisation liaison.

2) Proposal 2 Recommission Independent Supported Living Schemes

Voluntary and community organisations, both those that provide services and advocate for people should be involved in this process and consideration should be given to independent advocacy for users and carers. A number of local authorities now adopt framework processes, but they are difficult for small and medium-size providers to manage as they require a very flexible workforce, high levels of provision and no guarantee of income. The issue of users and carers choice isn't clear if they prefer to get a service from a provider not on the framework. There is a belief, that over the years a framework mechanism will result in the loss of providers with incomes under £5million and ultimately there will be less choice, and most of the provision will be through national organisations, with surpluses not being invested in local areas.

Any reassessment will involve social workers and management and there will be a cost to this; this isn't clear from the budget papers so does the £650,000 of proposed savings mean there would be far greater cuts in individual care packages in order to fund the staff needed for the assessment process as well as the independent advocacy? How will users and carers have access to independent advocacy and challenge? There is an underlying assumption that reassessment processes will result in less services being needed, however experience demonstrates that for people with learning disabilities and physical disabilities, and often for those with mental health needs, that their needs increase over time. Also there are more people who are living longer with multiple disabilities and needs. The Gateshead JSNA provides evidence of this position.

The reduction in care package costs needs to take into account the increase in cost pressures on providers (see earlier).

Newcastle CVS should be involved in promoting any consultation exercises so both current and future providers are aware these are happening.

All impacts on carers should be taken into account and carers offered independent advocacy and support through the re-assessment process.

Gateshead has a history of supporting the concept of independent supported living and personalisation, so we trust that there will no move to residential care as a cheaper option. Clearly for some people residential or nursing care is the only option, but this should always be based on needs rather than budgets.

It is noted that this proposal formed part of last year's budget consultation exercise; it would be helpful to have information included on the outcomes, savings, success and unintended consequences of the proposal.

3) Proposal 3 Recommissioning Learning Disability Care Packages

The comments on a framework approach for this proposal are similar to the ones made for the previous proposal (2). We assume the 'independent' sector means both the private and voluntary sector i.e. not the public sector.

To recommission care and support for around 600 people with learning disabilities is significant. Again it isn't clear if the costs of the reassessment processes are included in the overall proposed savings of £1,725,000; so the cuts to individual packages could be much greater if this is the net sum. Clearly service users (customers) should have their needs assessed on a

regular and appropriate basis and packages of care must be appropriate to needs, rather than being slotted into available services.

Again there should be access to independent advocacy and the needs of carers be taken into account. For instance, to remove someone's access to a specific external service could put greater pressure on their family carer, who might also have care and support needs. A review of services for carer support is currently taking place, so this should be taken into account.

NCVS should be involved in promoting any consultation exercises so both current and future providers are aware these are happening. It was felt that some of the provider only forums were not wide enough in their membership. Although market stimulation and development is to be welcomed, providers are not able to develop facilities and other support in the hope that commissioners will purchase it, and this can put small and medium-sized organisations at greater risk as they are unable to manage speculative developments.

The needs of people change and although assurance was given at the budget meeting that this approach was fairer and would result in a more equitable system of payment to providers, some providers remain concerned as clearly the only way to generate this level of savings to the Council is by cutting contracts (whether by value or time).

Recommissioning of this level of service will take a big commitment and it isn't clear what choices will be given to users and carers.

The unseen costs on providers of new contractual processes, TUPE transfers, organisational changes, re-profiling the budget can be significant. The loss of significant funding for some organisations might have an impact on their overall stability and sustainability. Some organisations provide services for people with learning disabilities which are not funded through the Council, and wanted the Council to provide assurance that people would not 'be assessed out of their existing support packages'.

It is noted that this proposal formed part of last year's budget consultation exercise; it would be helpful to have information included on the outcomes, savings, success and unintended consequences of the proposal. Learning disability support providers present at the budget meeting were unclear if this process had started.

4) Proposal 4 Review of support for people to live independently

It isn't clear whether any consideration has been given using voluntary sector providers and befriending schemes to support the rehabilitation of older people in the community to live independently. In a number of instances community centres and informal groups also provide support and friendship to older people to enable them to live independently.

It is noted that this proposal formed part of last year's budget consultation exercise; it would be helpful to have information included on the outcomes, savings, success and unintended consequences of the proposal.

5) Proposal 5 Recommission Day Services

Again the community and voluntary sector can contribute towards people living independently in the community. The sector is also a provider of services. Care should be taken if assuming that the current community provision will be there in the future if other cuts impact on community centres and facilities. Transport might be an issue for some provision and should be included in the budget, particularly for 'out of borough' activities. In some instances organisations could be approached and resourced to develop new 'in the borough' facilities and activities.

A pooled budget approach with the CCG makes sense.

This is another proposal that affects people with learning disabilities. It could be helpful to take an overview and consider the cumulative impact on this community. There will also be the

impact of the loss of the Independent Living Fund, changes to Housing Benefit and other welfare reforms that could have a negative impact on the income for this group of people and could limit their access to other facilities.

Again the access to independent advocacy and the potential impact on carers should be taken into account.

The issue of support in employing, managing and paying for a PA should be considered carefully, as just giving a vulnerable adult their budget is not enough. However for some people the independence and control they have through managing their own budget can be liberating, providing they receive appropriate support throughout the process

It is noted that this proposal formed part of last year's budget consultation exercise; it would be helpful to have information included on the outcomes, savings, success and unintended consequences of the proposal.

6) Proposal 6 Reduction in Residential Care Admissions – Adult services

Again the community and voluntary sector can contribute towards people living independently in their own homes in the community. Care should be taken if assuming that the current community provision will be there in the future if other cuts impact on community centres and facilities. The potential impact on carers and families should be considered.

It is noted that this proposal formed part of last year's budget consultation exercise; it would be helpful to have information included on the outcomes, savings, success and unintended consequences of the proposal.

7) Proposal 7 Adult Social Care Trading and Income Generation

We understand the reasons behind this and if the Council trades it should be at the full, unsubsidised cost. However any user should be supported through the financial assessment process and receive the appropriate discount.

8) Proposal 8 Supporting people / voluntary organisation savings

This proposal has caused an amount of concern as this is the first year of a three year set of proposals, there is no Equality Impact Assessment Statement, it is not clear whether it is going to be a percentage cut across the board or whether certain organisations will have significant funding reductions, it isn't clear how many organisations will be affected, and it isn't clear whether there has been conversations with the organisations identified.

Clearly the objectives of reducing duplication, and shifting towards an early help model are positive, but the lack of detail on how this will happen is worrying. There is no detail or apparent plan, and voluntary and community organisations would like more specific information on this draft proposal.

9) Proposal 9 Review our approach to Adoption Services

This seems very sensible and we have promoted a regional adoption approach for several years previously.

10) Proposal 10 and 11 Children's Social Care

Although there is a Children's Trust Board there has not been sufficient engagement with the many voluntary and community organisations that offer support to children, young people and families. NCVS could help to promote this. We would encourage the more collaborative and co-operative approach outlined and a focus on transition to adult services.

It is noted that this proposal formed part of last year's budget consultation exercise; it would be helpful to have information included on the outcomes, savings, success and unintended consequences of the proposal.

11) Proposal 14 Home to School Transport

It is noted that this proposal formed part of last year's budget consultation exercise; it would be helpful to have information included on the outcomes, savings, success and unintended consequences of the proposal and whether it caused hardship for any families.

12) Proposal 23 Reducing funding for the Live Well Gateshead Programme

There is an active voluntary and community sector in Gateshead including organisations with an income of more than £100,000 that contribute towards the health and wellbeing of Gateshead residents and communities. These organisations are based in Gateshead and are charities, CICs (Community Interest Companies) and CIOs (Charitable Incorporated Organisations). They have trustees or directors, employ staff, often involve volunteers, and provide health and social care services for children and adults, as well as offering advice and information, support people into employment and work on improving the environment. The proximity of these organisations to the communities they work makes them ideally placed to provide preventative services.

The current proposals are basically:

Option one – Remove the total funding; saving of £1,311,000

Option two – a completely different model of delivery, saving of £811,000

Option three – continue remodelling current service; saving of £264,000

We have held several conversations and wish to propose the following:

Option One – Gateshead Council has a clear commitment to improving the health of its residents and communities. To remove this programme completely, would lead not only to the deteriorating health and well-being of Gateshead residents, but would further increase inequalities. This would be in complete contradiction to Gateshead Council's policies and aims, such as outlined in the Gateshead Strategic Partnership's 'Achieving More Together' agreement. The possible consequences are highlighted in the Council's Equality Impact Statement, produced as part of the budget consultation process. The statement also illustrates 621 people were supported in 7 months, which if extrapolated means approximately 1064 residents are supported by the 26 posts.

We also believe this would be a false economy as the residents who benefit most from the service will end up needing to use more health and social care services, which ultimately have a higher cost. One person needing residential care would have an additional cost of at least £25,000 per annum. This does not take into account the personal cost to the individual on losing their independence.

However, we could not support a temporary maintenance of the status quo if ultimately in subsequent Council budget proposals, the Live Well service is dismantled in any event. If this is likely to be the eventual outcome our view is radical change now is the preferential to maintaining the service over the short term. To spend time, resources and capacity on constantly reorganising services does not work in the long-term.

Option Three – The current service with a few minor changes. There were 8 (5.7 WTE) staff employed by the Co Durham and Darlington Trust, who are no longer part of this service, so this option means minimal change. It has been difficult to quantify the exact numbers of current staff, but we understand the Wellness Services are delivered by 26 staff in the Sport, Physical Activity and Health Development team in the Council's Culture, Communities and Volunteering Directorate and the Community Capacity Building for Health Service is delivered by five (WTE) staff in the Neighbourhood Management and Volunteering Directorate. We do not have the information to whether all these posts are currently filled.

Clearly the current service is large and comprehensive, but we believe there are other options.

Option Two - Newcastle CVS's work in Gateshead over the last eight months has brought us into contact with a number of thriving voluntary organisations who are experienced, skilled and

work closely with local communities. A number of these organisations believe we can work together to provide an alternative approach of delivering health and social care interventions through our everyday activities with Gateshead residents, with a view to reducing inequalities and building on the Achieving More Together values.

Making Every Contact Count is the agreed methodology of maximising the reach and trust that practitioners have with members of the public and using the frequent contact, such as voluntary sector staff have with communities, to make positive changes. For example, on average 22% of Gateshead adults smoke, however from a survey of Citizens Advice (CA) Gateshead clients, CA knows that 27% of their clients smoke. This indicates there is a higher prevalence of smoking amongst CA clients than in the local population (which supports the view that smoking is more prevalent in low income households, as illustrated in the Director of Public Health Annual Report).

The last census suggests 7% of the Gateshead population come from Black, Asian and Minority Ethnic Communities. In the last financial year 12% of clients who accessed Citizens Advice Gateshead identified as BAME. This provides a high level of access into BAME communities for Public Health services.

The census also illustrates that 22% of people in Gateshead identify as disabled or with long term health problems, for Citizens Advice clients this figure increases to 44%. Again, this provides unprecedented access to this client group and it reinforces the established view that people in low income households often experience poorer health.

These are client groups with whom it is not always easy to engage; the trust, traction and independence, an organisation, such as CA can offer would give good access to the groups Public Health need to reach to maximise their impact. We know the savings to the public purse from improving the health and wellbeing of inactive and socially isolated people are far greater and more effective than encouraging people who are moderately active to increase their activity to become regularly active.

An alternative system of delivery need not involve expensive sign-posting/ navigation systems, but would instead build on the current capacity offered by Gateshead voluntary organisations. Part of the offer would involve funding workforce development streams, to ensure voluntary sector staff, and potentially volunteers, could engage in community health development and support. This would be supported by better use of OurGateshead (the digital information system currently managed by Newcastle CVS). There could be additional resource into OurGateshead to make it more comprehensive; but more importantly there could be more training and support given to appropriate staff to make better use of the OurGateshead capacity. There would clearly need to be good contact with health practitioners, primary care staff and GPs, use of local community leisure and swimming facilities and access to specialist workers. There could be some services commissioned where gaps have been identified or grants given to existing organisations to further expand their offer. This is about working in partnership and enhancing the current and potential offer. It is not about creating new projects and new posts.

The role of building organisational capacity across the VCS and communities would be provided by Newcastle CVS and other local infrastructure support e.g. Gateshead Visible Ethnic Minority Support Group and the Jewish Community Council of Gateshead. Working together we can provide clear and coordinated support to communities in the borough. This would focus on organisational strength and sustainability.

The Blue Stone Consortium, a charity that currently operates in Gateshead and Newcastle with 41 member organisations, can also provide a useful conduit and coordination function between Gateshead voluntary and public sector organisations.

As part of the design and delivery of the service, there should be clarity on the capacity building offer across the voluntary sector and communities. There could be greater coordination of service providers to achieve the best possible outcomes. There are a number of existing

voluntary organisations (including NCVS) working across the borough or with specific communities that can provide these functions.

We believe choosing Option 2 will enable the voluntary and community sector to fulfil the key role expected in Achieving More Together; begin to coproduce services with the council and other partners; put local people at the heart of services and realise the potential of an asset based approach.

Additionally, funding through this route will enable local voluntary organisations not only to provide these services but will also strengthen their viability and increase capacity. In Rotherham, social prescribing is proved through Voluntary Action Rotherham; in Newcastle it is through Ways to Wellness (funded through social investment), and in Stockton it is delivered through Catalyst (the local infrastructure organisation). We do not want to replicate one of these models, but instead to develop the Gateshead solution with local partners.

Another key advantage is the potential access to other funding streams. For example, the Department for Communities and Local Government (DCLG) has just launched a new Communities Fund (deadline 16 January). This will provide support to partnerships of local authorities and community led groups in 2016 to 2017 and 2017 to 2018 to deliver improved services at lower cost through locally tailored services. The funding is intended for local councils working in close partnership with local community groups, including parish councils, charities and neighbourhood associations, to deliver new services that help those with multiple needs in their communities. NHS England and the Big Lottery Fund also fund various initiatives.

Clearly links to primary care are crucial and unless there is information for primary care staff and trust in the voluntary and non-clinical sector to provide health and wellbeing improvements, then patients will not benefit. A number of social prescribing models seem to have over-complex referral schemes and criteria for involvement; this does not necessarily have to be the case, and resources should be concentrated on user support rather than managerial processes..

We recognise the difficulties and the sensitivities involved as we are talking about an existing service and staff. However the budget problem will not disappear, and will indeed worsen. If the Live Well budget cannot be sustained in the longer term, an option to get a more comprehensive return is to encourage work force development and capacity building across the voluntary and community sector so Live Well has a legacy that runs beyond the current service delivery model. If we don't change the way it works now then it is entirely possible in a year's time, when the next budget consultation happens, the service will disappear in any event and with it all the employees and the opportunity for an on-going legacy will go along with them.

When responding to the Local Government Finance Settlement 2017/18, the Local Government Association voiced concern that councils up and down the country continue to face the prospect of having to make further significant reductions to local services communities rely on. Experience has indicated that 'salami-slicing' does not work, so a radical approach is needed.

Clearly a system could not be in place by 1 April 2017, and we would need to work with Public Health in Gateshead to provide any cross-over to a new service.

The proposal also notes there are 7.79 FTEs who are part of the Neighbourhood Management Team. It isn't clear from the information provided how these posts provide the Live Well Service; however some of these functions e.g. capacity building for voluntary and community organisations should be provided within the new contract for the 'Provision of Support, Development, Networking and Representation to the Voluntary and Community Sector in Gateshead', which is currently provided by ourselves (NCVS). It would reduce duplication and provide independent support. Clearly there are other functions within Neighbourhood Management that can be supported only by Council officers.

13) Proposal 26 Remodelling 0-5 and 5-19 Children's Public Health Services

There could be potential for some of these services to be provided in a non-clinical setting by voluntary organisations. This also applies to sexual health (Proposal 27) and drug and alcohol services (Proposal 22).

B) Environment

Gateshead has been characterised by the high quality of much of its public and green landscape and this section contains some draft proposals which could be of concern to community groups. The following comments apply to this set of proposals:

- 1) Any increases in fees/ charges should not discriminate against the poorest communities and their ability to pay.
- 2) If parks, sports clubs, bowling clubs and football pitches are to be actively managed by volunteers, they need a safety net of support and income to be self-sustaining. This is against a background of a loss of community development support. Gateshead Support staff, employed by NCVS, have encountered a number of groups who previously got high levels of support from Council staff and are clearly finding life difficult without this. There is likely to be different responses by different communities to managing assets and volunteering. However in the areas where there is a high level of need, and no obvious or potential providers, the Council needs to decide whether it should just be up to the market to allow community facilities to fail.
- 3) How do we encourage community and individual responsibility about waste and the environment?

C) Local Economy and Growth

The removal of the Revenue Support Grant in 2020 means that there will be greater dependence on Business Rates and Council Tax. Gateshead Council is in the difficult position of having to cut some of the support services that encourage these types of growth (housing and business) in order to support social care.

The voluntary sector sometimes has access to other funds that the public sector doesn't have (e.g. Big Lottery and charitable trust funds). The voluntary sector, particularly the larger charities, should be considered as partners in helping solve solutions rather than being perceived as providers of services and volunteers. The evidence is that better partnerships lead to more successful bids. The voluntary sector in Gateshead has a value of several million pounds and employs several thousand people and could be considered to be economic development in its own right.

Voluntary sector representatives identified several projects and initiatives during the budget process that were duplicated by Gateshead Council and Gateshead Housing Company. In a time of limited resources, would it not be more sensible to enable an external agency that has the capacity and funding to deliver the resource, rather than duplicate it within the Council? Clearly local authorities have had to take very different positions from being the overall provider, to the leader to the facilitator/enabler and it is hard to let go of certain services. However elected councillors have made it clear in discussions they prefer to focus on the outcomes and impacts on local communities and residents, rather than being the provider.

D) Communities

Proposal 45 Reductions to Sage Gateshead, Baltic, TWAM and NGI

We note there are specific proposals on direct grants for cultural organisations. 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 five 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. At the same time new initiatives such as Well NewcastleGateshead and the Great North Exhibition will bring in different resources.

Proposal 46 Implementation of library review

We note the potential changes in library services. Like other community facilities, the Council needs to consider what will happen in those areas of need where there is not an able group of volunteers. Libraries provide a whole range of services, not just somewhere to exchange books, and as more services are provided digitally, they provide a space in many communities where there is poor access to computers. Libraries should be considered in the context of the whole public estate - NHS provision, Gateshead Housing offices, Primary Care, Police etc and rather than having separate facilities, the concept of the use of other community buildings should be extended further to those facilities not owned or managed by the Council. There could also be partnerships with voluntary organisations in those areas where they have a physical base, or conversations over asset transfer with groups who are experienced in managing buildings.

There has been considerable amount of work done on volunteer operated libraries, but as the professional librarian service is subject to further cuts, there needs to be honest conversations with the six volunteer-led libraries, as one is currently experiencing difficulties.

Proposal 47 Withdrawal of subsidy to leisure

Expecting all leisure facilities to be completely self-sufficient will be hard to achieve, particularly in those areas where residents have the lowest income and the greatest need to improve their health and well-being. Has there been consideration of Leisure Trust, partnerships with other operators, links to health and public health through social prescribing? If a facility is not reaching its target, at what point does a review take place?

It is noted that this proposal formed part of last year's budget consultation exercise; it would be helpful to have information included on the outcomes, savings, success and unintended consequences of the proposal so far.

Within the budget proposals there is an assumption that volunteers will provide much of this support. The current support to volunteers is now provided by Gateshead Council, and was previously provided by GVOC. Since working in Gateshead, we have consistently heard about the lack of support for volunteers – people not knowing how find opportunities, volunteers not receiving training, volunteers being unaware of their responsibilities, particularly in relation to asset management on health and safety, safeguarding and employment practices. The experience of the Gateshead Support team, employed by NCVS, is that previously a lot of support and capacity-building was given by Gateshead Council staff and GVOC, but as these services have been withdrawn, a number of volunteers are experiencing difficulties. Where these volunteers have come together to form an organisation, NCVS can offer support, however we are not able to support individuals who want to volunteer.

NCVS has been contracted to provide support to the voluntary and community sector in Gateshead since May 2016. During this time we have worked with Council officers, but we believe the future commissioning process for the service provides an opportunity for independent support and all capacity-building to be provided within this contract.

E) Customer Services, property and technology

A number of these services mean greater reliance on digital processes: care must taken not to exclude those people who are not able to use digital services.

Proposal 54 Discretionary Rate Relief Policy

The proposed removal of the Discretionary Rate Relief needs further consideration. Clearly it is within the Council's powers to decide whether or not to award up to 100% relief (20% where a registered charity is receiving 80%). Some charities might come under the 'small business rate relief', which could be beneficial. However we believe that the Council should review this draft proposal.

Within the paper presented as part of the report to Cabinet on 8th November 2016, there was mention of 'social enterprise organisations' and 'community interest companies'. Social enterprise is a description and has no legal identity, and indeed is sometimes used by organisations that are neither social nor enterprising. Community Interest Companies are legal entities that have chosen to register as a CIC (the information is publicly available on the CIC Register), but not all are community-focused. So this needs further consideration as to who determines whether a social enterprise is a label or an accurate description, and would need checking every year.

The paper notes those organisations which have a rate liability as a result of an asset transfer; it seems somewhat unfair to land volunteers with further bills for managing assets which were once managed by Gateshead Council. Also the phrase 'sports and social clubs' covers a multitude of organisations, some of which might manage large areas and be subject to significant increases.

We would suggest that councillors are given a list of all the organisations that are currently given discretionary relief and the amounts shown, so they are clear about the implications for these organisations.

There are potentially a number of trusts which get discretionary rate relief and these should also be listed, with the amounts given, so councillors are fully aware of the implications.

We do not understand the timetable, because until the proposals are discussed, there cannot be an open consultation, and we would expect to be involved in any such consultation. There would not be sufficient time to consult with organisations after the February Council meeting to agree the budget and to consider the implications. It isn't clear how any new scheme could be introduced before April 2018.

F) Trading and investment

The potential of increased charges to poorer communities should be considered.

G) Democratic Core

The changes in approach on commissioning and procurement are noted. There could be closer working with the voluntary sector in order to move towards co-production.

The review of the Gateshead Strategic Partnership and other partnerships is noted, but there needs to be active engagement with partners on this. Changes to staffing could mean the loss of contacts and organisational memory and consideration needs to be given on how to keep capacity, contacts and experience within a change and transformation process.

Concluding comments

The scale of these reductions of £22million next year, a further £50million gap between 2018-2020, potentially a further £20million gap by 2022, on top of the loss of £76million of government grant 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.

In the last few years, the Council has tried to minimise the loss of jobs, albeit there are 2,100 fewer posts than in 2010. In the last eighteen months, there have been significant changes in council officers, particularly in social care. Gateshead has a fine and active voluntary sector, but a number of organisations have minimal engagement with the Council; they don't know their lead, which forums and partnerships are active or how they can contribute.

The Change Programme has been an internal exercise and hasn't involved the voluntary sector, although there is reference to partnership working. The Council should consider actively involving the voluntary sector in the process. 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. The Gateshead Care Partnership provided a vehicle to explore this.

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

Gateshead VCS budget meeting

Notes of Gateshead MBC 2017/18 budget consultation with Gateshead Voluntary Sector 25 November 2016

Present

Phil Dobson	Oasis Aquila Housing
Karyn Ainsley	Richmond Fellowship
Alice Tierney	Richmond Fellowship
Annie Osborne	Alzheimer's Society
Kai Mabrite	2 Way Tenancy Solutions
Craig Bankhead	Gateshead Older People's Assembly
Julie Laverick	Mental Health Matters
Jane Bench	Gateshead Council
Danielle Cooper	Alzheimer's Society
Kim Andrews	Changing Lives
John Dryden	Changing Lives
Alison Dunn	Citizens Advice Gateshead
Alan Thompson	Mental Health Concern
Joanne Jopling	Young Women's Outreach Project
Stephen Armstrong	Groundwork North East and Cumbria
Dave Wooley	Your Voice Counts
Pauline Steele	Carers Trust Tyne and Wear
Alison Lawson	National Deaf Children's Society
Martene Carroll	Tomorrow's People
Sarah Gorman	Edberts House
Philip Kerr	Healthwatch Gateshead

Lindsay Murray	Gateshead MBC
Jan Thompson	Gateshead MBC
Elizabeth Saunders	Gateshead MBC
Keith Purvis	Gateshead MBC
David Andrews	Gateshead MBC
Linda Whitefield	Gateshead MBC

Sally Young	Newcastle CVS
Pam Jobbins	Newcastle CVS
Mark Shilcock	Newcastle CVS
Martin Gollan	Newcastle CVS

Lindsay Murray, Keith Purvis, Jan Thompson, Elizabeth Saunders

The council is still ambitious for Gateshead and planning for the medium/long term; the council's long term priorities are still relevant as is Gateshead 2030, however the council has to produce a balanced budget and this can prompt short term thinking.

Sheena Ramsay has been appointed new Chief Executive of the council and will provide future leadership.

The council's budget proposals are underpinned by Equality Impact Assessments these will help determine the final shape of the budget proposals; feedback from the VCS on the Equality Impact Assessment is an important part of the process.

The council has to save £72m over 3 years and over £90m over five years; the council is consulting on £18.8m of cuts in the 2017/18 budget. There is some flexibility in the proposals but cost pressures keep coming; there is a 50% cut in revenue over three years.

The council has £16m in general reserves but of that has to retain £7.5m. The council can also raise revenue through trading and investments.

In deciding where budget savings will be made the council is seeking to do it according to principles that will protect vulnerable groups e.g. people with mental health conditions. The council is seeking to avoid salami slicing services and is aiming to be strategic but savings to be made are significant.

There is an ask of the voluntary sector to get involved in consultation; there is a strategic shift towards providing more early help services and the VCS can be involved in helping to shape the early help offer.

The council will be making cuts to services it provides for children and adults and will be looking to commission more support in the community and for the VCS to take up the slack. 140 VCS groups are supported by the council.

The shift to Early Help is significant because it shifts the whole offer to universal services. It is an attempt to make services more effective, efficient and streamlined. In Public Health there are a number of mandatory services e.g. drug and alcohol services that it has to provide; in 2018 the ring fenced funding for Public Health is lifted but it is unclear whether the list of mandatory services will be lifted too. Live Well Gateshead has enabled some savings but the council is looking to achieve more together and build on asset based approaches.

There are three options for the future of Live Well Gateshead, including withdrawal of the service; the second option is reducing the service while building the capacity of the VCS and enabling the VCS to make every contact count (MECC) and provide training in specific public health interventions e.g. stopping/reducing smoking and alcohol use. If option 2 is chosen that would involve coming back to work with the VCS to co-produce how the new model would work and be guided by the VCS. A third option is status quo with increased emphasis on social prescribing.

Other parts of the budget of interest for the VCS cover proposals for environment with a proposed reduction in playing pitches/bowling greens while the council wants a discussion about raising the quality of football pitches; asset transfer, lots have been completed. Ongoing support from the council is reducing and it wants to discuss what can VCS groups do to support community building management committees; reductions in the library services, while libraries can have an important role in tackling social isolation, what can be done to support volunteer led libraries? Already Lobley Hill has closed and Sunderland Road Library is closing.

The council is launching a consultation about discretionary business rate relief to ask how it can make best use of rate relief to support its priorities, what type of organisations e.g. social enterprises should qualify for discretionary relief alongside registered charities? The council wants to do more together and better.



Gateshead Council
Budget VCS event pre:



commissioning
principles 010216 (2).r

Sally Young presented a response from NCVS to the budget proposals, highlighting that the VCS continues to be seen as tertiary partner whereas VCS organisations in Gateshead supporting local people to manage crisis situations on a daily basis.

The VCS needs to be seen as a serious provider of services, acknowledging that the sector begins from a different starting point from the public/private sector and views problems through a different lens.

The VCS alone cannot save the council £22m but investing more in the sector can enable services to be offered differently. Elizabeth Saunders spoke about review of learning disability services, where Gateshead's spend is significantly higher than other local authorities; the review seeks to reduce those costs but not the level of services available to people with LD but also to stimulate the market.

Sally referred to areas e.g. community facilities, health and wellbeing, the arts where the sector can offer expertise; she noted that there is duplication where the council and the VCS are providing the same/similar services and the need for rationalisation.

Sally noted current confusion about the volunteer offer in Gateshead; the significant changes taking place within Gateshead Council, highlighting concern about loss of organisation memory and the impact on partners and stakeholders, and asking where is the VCS place within the council's programme of change?



Gateshead Budget
VCS perspective.pdf

Questions (Q), comments (C) and answers (A)

- Q. The VCS has for a long time been offering to work with the council on coproduction but the offer has not been taken up; is the council now clear about what services it wants to work with the sector on and how it will engage with the VCS?
- A. Some of the discussion will take place within existing forums but the council is willing to put on special events in order to engage. The council is clear about its approach and standards it will apply via a statement of commissioning principles; the council is looking to begin the dialogue about coproduction in the spring.
- Q. In the review of LD services has there been thought about investment in the VCS; organisations, like Your Voice Count's provides support for people with LD though not funded by the council, and can the council provide assurance that the review will not see people assessed out of their existing support packages?
- A. The review will not assess people out of existing packages; the council hasn't stimulated the market in providers but after the review of costs it will look to creating a larger, more varied market of providers for personalised services in the VCS will be able to offer general as well specialist services.

- C. The council's communication with the VCS has been fragmented during the past few years, which along with a lack of active partnerships and forums has made it difficult for the sector to engage effectively with the council. Provider only forums are not wide enough in their membership.
- A. The council recognises the skills and expertise of the VCS and we need to have an open forum for discussion with a commitment to come together; forums could be place based or follow specific themes; the VCS has a role in holding the council to account over its plans and strategies. For example there is the draft Early Help strategy which is not where it needs to be yet and needs the involvement of VCS to be coproduced. Councillors want to see more involvement of communities and VCS and the council coming out more to engage and listen. Sally offered to work with the council on communication with the VCS; there are new VCS groups forming all the time.
- Q. The sector has much to offer but the council could support in certain areas e.g. on how to monetise the services the sector provides so commissioners can understand the financial value of interventions, such as fall prevention, which the sector offers.
- C. The Fulfilling Lives programme is an example of how a VCS led initiative is bringing together and working with statutory and voluntary sector partners in ways that support vulnerable people while making productive changes and offering system wide leadership.
- A. The council needs to step back and think more strategically about how it works with the VCS; the council is planning with Newcastle CVS a conference in February which offers the opportunity to begin this more strategic approach.
- C. The council needs to develop a more sophisticated understanding of the VCS, what it does, how it operates and to appreciate more the sensitivities and challenges inherent in organisations working together.

There are live examples of VCS organisations coming together to deliver new services but these arrangements start from a point of personal relationships and shared values.