

8 January 2019

Councillor Martin Gannon
Leader of Gateshead Council

Dear Councillor Gannon

Gateshead Council Budget Consultation: Budget Framework and proposals 2019/20

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

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
- Taking action today and for the future

Central Government funding

Since 2010, we have consistently expressed the view that the way Local Government is now funded is unfair and the current mechanism appears to give the least support 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 have been discussed and the continuing confusion and delay over the replacement of the Revenue Support Grant is unhelpful, to say the least.

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 £77 million by 2023/2024, coming on the back of £157million already taken from budgets since 2010, the cumulative impact of the underfunding of social care, and the increased responsibilities on local authorities e.g. the Homelessness Prevention Act make the task almost impossible. It is increasingly difficult to see how Gateshead Council can remove £29million from the budget in 2019/20, given it is already £5.2million overspent in this current year.

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 and in particular the impact of Universal Credit, 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

Gateshead, the region and the country; despite it being previously decreased. '*GaN Canny*', our report of voluntary and community sector experiences in 2018, highlighted these issues and also the increased levels of mental distress in our communities, which is not helped by the increasing reluctance of the NHS to support people with 'low' levels of mental distress.

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 2019 the Council's core grant funding had 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.

During this year there has been greater coverage of 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.

It isn't clear what will happen to the precept in future years, but even this is basically a shift from central government funding social care, to it being the responsibility of the local population. This is essentially a regressive tax with those areas with a lower Council Tax base, because of cheaper housing, being more likely to have children and adults in need of care services, being less likely to have self-funders and putting more demands on already unfunded local authorities. The failure of the Government to produce a Green Paper on Social Care exacerbates this position.

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

It isn't clear what the Local Government Finance Settlement, announced in mid-December means for Gateshead Council and how it affects the budget.

Process

Newcastle CVS has promoted the budget consultation exercise through its website, e-inform, holding a meeting for the sector in November, tweeting key points from the meeting, engaging in a second meeting, circulating notes from this meeting and encouraging our members to engage and respond. The notes from the meeting on 14 December are attached as part of this response. We have highlighted and promoted the Council's Budget video.

The initial budget meeting in November was not felt to have adequate Council officer representation (particularly from Care, Wellbeing and Learning), the paper information was incomplete and there were a minimal number of Equality Impact Assessments (EIAs). The second meeting for the VCS had a number of officers present, but there were still gaps in information and some of the EIAs were still inadequate.

Whilst it is appreciated that the budget consultation is an iterative process, it isn't helpful to be told that further information will be provided at some point before the consultation ends, when in reality there were few working days left before the final date of submission. On checking today, it still isn't clear what new and additional information has been submitted by Gateshead Council.

During the process it emerged that some voluntary organisations who would be subject to funding cuts had not been told before the proposals were published and this caused significant distress for some staff.

Both of these problems occurred during last year's budget consultations, and commitments were given to it not happening again.

It also emerged during the process that some voluntary organisations had not been informed fully about cuts emanating from the previous year's consultation and discovered these only this year when contracts were not renewed during this financial year.

Gateshead Council has made much of its partnership with the voluntary and community sector as part of the Thrive process; it is actions like these which engender cynicism and make organisations less likely to want to work in partnership.

We appreciate the timetable is extremely tight given the need to agree a budget at the 19 February Cabinet meeting, in order for the budget to be formally set at the Gateshead Council meeting in March.

There was no information in the papers on the level of Council Tax, the social care precept, and where the additional £24million would be coming from (the proposals outlined added up to around £5m). In order to encourage consultation, we believe there should be a discussion on all these issues in order to present the full picture and increase the understanding around public sector financing. We assume the remaining gap will be from Council Tax increases and the precept and the changes and cuts from last year, but there is minimal information.

There is no information on the implementation of cuts from the previous year (except that the current year's budget is already overspent) particularly in Wellbeing, Care and Learning (which accounts for 57% of the revenue spend. How had these worked out, had the proposed savings be delivered? What were the unintended consequences (if any) of these actions? Voluntary sector representatives noted that rather than just rolling into year two, there needed to be information, feedback and scrutiny from the initial implementations.

Despite asking questions and having some EIAs, it was quite difficult to find out what some of the proposals actually consisted of. Some 'EIAs' were purely the same descriptor as in the overall budget proposals, with no equality impact statements. There should be a standard format for EIAs, which also lists the groups consulted/ to be consulted, actual financial budgets, percentage of cuts, percentage and numbers of staff affected, detail and the actual equality impact itself.

'Deletion of two staff posts' makes no sense if we don't know if that is from a base of four, forty or four hundred. The financial information for the general public was not adequate, Keith Purvis helpfully provided me with additional information after I requested it, but it wasn't clear why this was not provided within the main papers that went to Cabinet.

The equality impact assessments relate 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 (reduction of services and support for) people with mental distress, 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 too late to amend them. 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.

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. 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. So the proposed cuts to the Gateshead Fund are particularly disappointing, cutting it by a third of its current value from £300,000 to £200,000 (the cut goes across both the Thrive Fund and the Local Community Fund)

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 voluntary and community sector is also facing the same cost pressures noted by the Council – the increase in the National Living Wage (and an increasing number of us pay the LWF accredited Living Wage of £9 an hour), and the impact of pension auto-enrolment. 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 or acknowledge the job losses in the voluntary (and private) sector. 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 2,400 posts since 2010; these proposals will result in the loss of many jobs, albeit not just 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 around half in social care, cannot be delivered without significant job losses.

Gateshead Council is the leader within the Gateshead 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. A lower proportion of voluntary sector investment comes through local government; there are more 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 Gateshead Council should be working with us all to transform services. This is message we keep hearing through the Gateshead Thrive

Programme and in some discussions, however the cuts proposed and the way the budget meetings and information for the voluntary sector were provided, indicate otherwise

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 current strategic partnership arrangements are unclear, so this would be a proper time to renew the Gateshead Compact, which is supposed to be an understanding and description of the relationship between the voluntary and statutory sectors, with the Council as the lead partner. 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.

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 in mid-December. 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 and interests of the voluntary and community sector, there is a greater 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. The language and phrasing of some proposals sometimes made it difficult to understand what was being proposed.

Reference 1

Proposal Gateshead Fund

This proposal to cut £100,000 (a third) from the Gateshead Fund, is disappointing. We have highlighted the additionality the sector brings through its volunteers, creativity, innovation, lower costs and ability to access additional resources and funding. This mitigates against the intention of the Thrive Agenda and it is unfortunately the first budget cut proposed.

The fact the Thrive element of the Gateshead Fund has been underspent, has been the decision of Gateshead Council and not because of the lack of applications. Sometimes the outcomes of applications have taken time to be communicated, and organisations are unclear whether applications should be resubmitted. Rather than three funding rounds, there could be one or two in the year, and the cost saving on this could be put back into the Fund to maximize resource for the voluntary sector. There are fewer sources of external funding for smaller organisations and the competition nationally is much greater. It isn't clear how the £100,000 cut would be managed (currently 22% of the Fund is given out through the ward/ community Funds).

This is a high percentage cut, given that officers were asked to illustrate 10/15/20% cuts on budgets.

It was not helpful that the Commissioning and Neighbourhood Section did not provide the net budget in the budget papers, but referred instead to the overall departmental budget of £1,026,000, which doesn't give a clear picture of the actual budget or other choices that could

have been made. Commissioning and Neighbourhoods Team has a budget of £4,946,000 and this seems to be outsourcing this cut to the voluntary and community sector.

Reference 2 CVS Contract

We are using this mechanism to respond to this proposal affecting our own (CVS) cut. In our many years of contracting with the public sector, we have never had a cut in-year; we believe this destabilizes the contract and relationships. We are aware we were the only applicant to deliver this contract. The contract value previously agreed through an open tender process, decreases year on year so £16,000 represents more than 10% of the contract value (£150,000 in year 2 and £142,000 in year 3). Other potential applicants did not apply as we were told the contract value was too low. We were asked to illustrate economies of scale if a 10/15/20% cut was applied; although we emphasised that despite the EIA comment, it will not have a “minimal impact” on the contract delivery outcomes. Newcastle City Council were not consulted on this and are clear that any funding cuts must be within the Gateshead part of the contract.

The purpose of this contract is to support the voluntary and community sector, yet this will impede our ability to deliver. At the first budget meeting, another voluntary sector lead objected to this cut and what it would mean for the sector, given the quality of the CVS support. This cut means that Newcastle CVS will be receiving less funding than GVOC received three years ago (even without taking inflation into account). We have delivered on all the contractual outcomes and been praised by Councillors at Scrutiny and other committees.

We believe we have offered a huge amount of value in the services we provide to Gateshead and whereas a cut of 0.016% of the overall Commissioning and Neighbourhoods budget might be minimal, over 11% of a charity's contract value is significant.

It was not helpful that the Commissioning and Neighbourhood Section did not provide the net budget in the budget papers, but referred instead to the overall departmental budget of £1,026,000, which doesn't give a clear picture of the actual budget or other choices that could have been made. Commissioning and Neighbourhoods Team has a budget of £4,946,000 and this seems to be outsourcing this cut to the voluntary and community sector.

Reference 3 Commissioning and Neighbourhoods Service Reduction

The voluntary sector representatives at the first budget meeting, noted that if two staff members were removed from the team of nine, then this had an impact on community support. We (as CVS) would note that if Proposal 2 and Proposal 3 both go ahead, there needs to be some rationalisation of voluntary sector support so as to reduce duplication and potential overlap.

Reference 8 Ceasing of maintenance for bowling greens and football pitches

Concerns were expressed this could lead to facilities closing which could have an impact on wellbeing and health. Could this be part of an asset transfer process, however timescales were short? Could people in clubs in a neighbourhood be trained in health and safety and proper processes so this could be offered as a scheme of community benefit? Could a social enterprise be established offering a roving/ peripatetic service? To just cease the maintenance without offering any consideration of mitigating actions is not helpful

Reference 10 Efficiencies in Commissioning and Quality Assurance Service

The EIAs and information relating to this are confusing and conceal the amount of cuts to the voluntary and community sector.

There are several service cuts within the headline and it was difficult to separate the actual costs

- 1) Post deletions – unclear how many and exactly the actual complement and costs
- 2) The advice partnership is provided by nine voluntary organisations and the total costs of this investment is unclear; the proposal is to remove £150,000 from £422,399, but it is not clear what percentage of this is the voluntary sector funding. It isn't clear how much the Council invests in its own directly delivered advice service and whether this is part of the proposal. It is not clear from the information provided whether the funding is just removed from these organisations or whether it is invested in a 'review and remodel' and how this new service would be provided, and who would provide it.
- 3) Gateshead Equipment Service – no idea what the reductions are here as no information provided.
- 4) Mental Health Matters. This has caused a lot of concern as MHM were not properly informed in advance. Cuts of £125,935 and all three services will cease
The updated EIA (18th December) clarifies it is £23,605 for the out of hours mental health helpline
£72,000 for the Pathways Centre, Aidan House
£30,330 Gateshead Out of Hours provided at the Club House Worcester Green. The closure of this service makes the Club House less viable

Whilst MHM will be making their own representation, we would note that GaN Canny 2018 noted the rise in mental distress and the reduction in NHS services, with many services users and carers pushed into the voluntary sector, when previously they would have received statutory support. We note the 30 Gateshead residents in the LC Transformation pilot all have identifiable mental ill-health and distress. This will also result in job losses and volunteer opportunity losses and the costs to the overall system might be significantly more than £126,000. Could discussions not start with the CCG about joint funding for some of these initiatives as costs to the NHS are likely to be more than £126,000?

- 5) Reductions in supplies budget – no target figure provided

What is described as efficiency savings looks to be significant reductions in voluntary organisation funding rather than 'general efficiencies'.

Reference 11

Early Help

The EIA was provided on 20 December following minimal initial information initially. THE EIA sets out the proposal of deleting 10 staff posts (out of an establishment of 49 posts) and impacting on 320 children / young people and their families.

The reduction in support would mean the targeted group would be tier 3, so it isn't clear what happens to those children/ families just below this level, who currently receive support. One of the gaps noted is 'reduction in VCS hubs offering family support'.

The recent involvement of voluntary sector representatives in the Early Help Partnership is helpful

Reference 12

Reduction in staffing establishment of the Learning and Schools Service

No EIA or information provided, so impossible to comment upon impact

Reference 13

Deletion of Public Health Consultant post

Noted

Reference 14

Deletion of posts in the Children and Families Service

No EIA or information provided, so impossible to comment upon impact

Reference 15

Reduction in Disability Related Expenditure (DRE)

This reduction in the standard allowance of DRE from £15 to £10, means that individuals will have to pay more towards their services and the EIA estimates this will impact on 824 people.

Given the current level of benefits and other charges proposed we think this could have a deleterious impact on a small number of social care users who will be hit by several of these proposals. Each proposal has been assessed separately, and although we were assured this was progressive and 'fits within the Thrive Agenda', we were not convinced by this statement.

Reference 16

Reduction in staffing establishment and supplies

There was no EIA for this proposal so very difficult to assess the impact.

Similar to some other proposals, we were assured a number of the posts were vacant, or this meant doing things differently, being more efficient, so it wasn't clear why this wasn't happening anyway.

Reference 19

Review of Facilities Management and Building Maintenance

There was no discussion of this proposal at either budget meeting, but having gone through all the EIAs in detail, this revealed there was an impact on vulnerable adults as this proposal included a price increase for the Supporting Independence Service. This service provides home-based low-level support to people who 'struggle to live independently'. THE EIA doesn't illustrate the full cost of the service, the number of users, whether there has been any consultation, the level of price increase. The only figure mentioned is a budget saving of £107,000

Given the current level of benefits and other charges proposed we think this could have a deleterious impact on a small number of social care users who will be hit by several of these proposals. Each proposal has been assessed separately, and although we were assured this was progressive and 'fits within the Thrive Agenda', we were not convinced by this statement.

Reference 20

Cost reduction and income generation across the Library Service

The EIA does not provide any information about the review of opening hours', which is described in the budget papers. Libraries are used in different ways and are often a particularly important source of access to IT. With the new Universal Credit requirements, and the amount of homework that school pupils have to submit digitally, a reduction in hours could have an impact on the poorest communities' access to IT.

Reference 21

Reduced financial support to cultural organisations

We assume this is part of a previously agreed taper; there is no EIA provided. Has the Great Exhibition increased visitor numbers and provided more opportunities for income generation? How will this funding be removed without impacting on the poorer communities who access cultural activities?

Reference 22

Increased income in customer and financial services

We assume this is part of a previously agreed reduction agreed reduction; there is no EIA provided. Savings of £1,051,000 with only 2.64 FTE job losses implies significant external job losses.

Reference 23

Organisational Review of Customer and Financial Services

There is no EIA provided but the descriptor notes self-service. It isn't clear whether this means more automated responses for external customers

Reference 24

Increased income in customer and financial services

There is no EIA for this proposal so it is difficult to understand what it encapsulates and who is impacted upon. The descriptor notes 'increased income to Direct Payment clients for Payroll and HR advice and support'. People who receive Direct Payments are vulnerable adults and children and the lack of information makes it difficult to understand what is actually being proposed, how many clients are affected, and what sort of increases are being proposed.

Reference 25

Increased income in adult social care service

This proposal has several difference elements and we deal with each one separately. Given the current level of benefits and other charges proposed we think some of these proposals could have a deleterious impact on a small number of social care users who will be hit by several of these proposals. Each proposal has been assessed separately, and although we were assured this was progressive and 'fits within the Thrive Agenda', we were not convinced by this statement. Whilst we appreciate the sentiment that those people who can pay, should pay, we would suggest that some services could be put at risk if users decide not to pay and the costs of delivery are actually higher if users/customers opt out

- 1) Introducing an accommodation charge for aftercare for people kept in hospital under S117 of the Mental Health Act. It wasn't clear if this was lawful. The element of choice wasn't clear. How could costs be separated?
- 2) Increase Day services charge from £14.60 to £25.00. If a number of people decide not to pay, that could make the whole service unviable and it put more pressure on family carers if users don't engage in external activities.
- 3) Introduce charging for Guidepost. If a number of people decide not to pay, that could make the whole service unviable and it put more pressure on family carers if users don't engage in external activities.
- 4) Increasing charges for meals in adult social care settings from £3.60 to £4.00 a meal. If a number of people decide not to pay, that could make the whole service less viable. Although 40p is not a lot of money in itself, for some service users this increase of 11% is not covered within their benefit allowance

Some of these proposals were consulted on last year. From the information available it isn't clear if they were implemented. If not, why not? If they were, what was the impact?

At the time of the VCS discussions, it wasn't clear if users had been informed and consulted EIAs should have lists of the groups to be consulted and the responses should form part of the information to Cabinet and full Council.

For all these charge increases, were other forms of delivery considered which might save costs, rather than just increasing charges?

Reference 26

Increased income in trading and commercialisation service

Voluntary sector representatives thought needed to be better and enhanced conversations with arts and crafts and other groups about harnessing the energy of the Gateshead voluntary and community sector to deliver this very differently. There should be more discussions with smaller, local organisations about the offer for Gateshead e.g. Gem Arts, Bensham Grove.

Reference 27

Removal of contribution to CAMHs

There was no EIA for this proposal. Given less than 4% of the CAMHs spend is investing in the four voluntary organisations that provide Tier 1 and Tier 2 support, we trust the CCG will not reduce these services. We have previously noted the clumsy way these services have been contracted by the CCG on a stop/start basis, making it difficult for voluntary sector partners to provide a comprehensive service

Concluding comments

The scale of these reductions of £20.6 million last year (currently overspent by £5.2million), the proposed £21million this year and a proposed £13.5 million in 2020/21, following savings made of over £157 million since 2010 has never been experienced before by those of us who live and / or work in Gateshead. The lack of any substantial information of a 'fair funding' deal to replace the Revenue Support Grant, the impact of Brexit, the uncertainty about Business Rates, growing inflation, the lack of a proper funding model for social care, and demographic changes make for a toxic mix.

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. 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, and 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.

There have been significant references over the last two years to transformation, culture change, working in partnership, integration between health and social care, the Gateshead pound and the value of the voluntary and community sector. But there hasn't been significant strategic involvement or discussions. 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. However, there is an attitude from some officers that the voluntary sector is there as a service provider and only in those instances when the Council itself can't provide. The voluntary and community sector is accountable to its members,

its beneficiaries, and has a duty to act as an advocate for them. The power relationships are not always healthy, and we can broker discussions only as far as people are willing to engage.

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.

Throughout the conversations on the budget, we were informed that although posts were being abolished, in many instances they were vacant (there has been a vacancy freeze) in some instances staff could be transferred elsewhere (or already had been) or they could take voluntary redundancy. Whilst we would all wish to reduce the number of any compulsory redundancies, the voluntary sector is often composed of much smaller organisations that have only minimal, statutory benefits and no job opportunities so compulsory redundancies on statutory levels are the usual ways of managing the process.

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. This means the involvement of the right people at the earliest stages of discussion, senior officers making themselves available to attend arranged meetings with voluntary sector representations and a willingness to consider different ways of delivery.

Yours sincerely

Sally

Sally Young
Chief Executive

Cc Gateshead Council Cabinet members
Chairs of Overview and Scrutiny Committees
Gateshead Council Executive Directors
Director of Public Health
Andrea Tickner
Ian Stevenson
Keith Purvis
Mark Smith
Marisa Jobling

Voluntary and Community Sector meeting with Gateshead Council

14 December 2018, Blaydon Room, Gateshead Civic Centre

Budget Consultation 2019-2020

In attendance VCS:

Mish Loraine, Gateshead MH User Voice
Stuart Dexter, Citizens Advice Gateshead
Karyn Ainsley, Richmond Fellowship
Rachel Chard, Barnardos
Steve Nash, VOLSAG
Sally Young, Newcastle CVS
Judith Temple, Newcastle CVS
Joanne Jopling, Young Women's Outreach Project
Naomi Holland, Young Women's Outreach Project

Gateshead Council:

Andrea Tickner
Steph Downey (part)
David Andrew
Elaine Devaney
Behnam Khazaeli
Keith Purvis
Iain Burns
Val Hall

Gateshead Council stated they were meeting today as a follow up to the last budget consultation meeting on 27 November. Core questions were set by the VCS and Gateshead Council stated that the consultation was still open.

Keith Purvis began with a short overview and stated that there had been £157m of savings since 2010 and 2,400 less staff. There was a £77m budget gap that had to be met by 2023/2024. £29m had to be found in 2019/2020 and £13.5m in 2020/21. In year savings were needed because of £5m overspent.

Sally Young asked whether the impact assessments would be put onto the Gateshead Council website before Christmas as there was not a lot of time for the VCS to digest the information. Some had recently been put up, but these might change in response to feedback. Andrea noted that the impact assessments would be put onto the website as soon as possible.

Proposal 11 Reduction in staffing establishment of the Early Help Service

Families and Homeless Families – there will be a reduction of 10; from 49 down to 39 intervention workers. Rachel Chard commented that she was worried when cuts came into place how families would cope. Early intervention was really important. 380 families a year would not be supported. Where would those families go? It was assumed that the VCS would be taking up the slack. There would need to be more engagement with the VCS. Early intervention could be picked up in play services.

Proposal 12 Reduction in Staffing Establishment of the Learning and Schools Service

One post would be deleted and support service would be covered. This would not have an impact on learning and development.

Proposal 13 Reduction in Staffing Establishment of the Public Health Service

One post deleted and would not impact on service.

Proposal 10 Efficiencies in Commissioning and Quality Assurance Service

Steve Nash raised concerns on behalf of Mental Health Matters. There was a proposal for three contracts with Mental Health Matters to cease; this was a total of £126,000 reduction. £30,000 to be cut from day services and out of hours service; £23,600 from the helpline and £72,000 from Pathways. Mish Loraine asked about the impact on the Club House.

Steve commented that there would be a knock-on impact of the reductions as other partners shared building space. Mish commented that the loss of Pathways, out of hours and the helpline was a concern. She was concerned about vandalism if the building was closed out of hours. When the out of hours services were running it made the building look occupied. Mish asked if there was a reduction to Club House day services. There needed to be clarity on what the £126,000 reduction included. Daytime and out of hours' services had been branded under same heading.

Sally commented that the four post reduction noted in the documentation related to Gateshead Council posts. She emphasised that it would also lead to a reduction in posts in the VCS and this needed to be recognised in the narrative. There would be cuts in the VCS and not just Gateshead Council.

The total reduction of £125,000 for Mental Health Matters and £150,000 for the nine other voluntary organisations offering advice, information and non-statutory advocacy made a total cut of £275,000 for the VCS under this proposal area. Steve Nash commented that there would be wider implications on volunteers and services. The VCS needed to be told how the process was going to happen, and ideally involved in it.

Gateshead Council had looked at performance in relation to Pathways and had found that 500 service users were not being recorded. Gateshead Council had met with service users and had arranged a series of consultations. There would be a system wide review from commissioners. The review would be across commissioners and partners.

Sally asked if there would be any cuts to council advice services, not just the voluntary sector ones. Gateshead Council stated this would be decided after the review.

The impact statement information needed to be clearer. There should be five individual proposals instead of five bullet points as these were very different services. What were the mitigation actions? Steve commented that a lot of people benefitting from the contract did not reach eligibility. A lot of service users could not access other services.

Gateshead Council commented that were looking at service users not meeting the threshold and that question had yet to be answered.

Steve commented that the VCS worked differently and service users presented with a range of needs when walking through the door. There was no eligibility process. There was not a lot of time left to put anything in place as consultation ended on 11 January 2019. He asked Gateshead Council how the VCS would find out the outcome of the consultation.

Gateshead Council commented that there would be updates. Sally Young asked if the updates could be highlighted when circulated as this would be very helpful. Another column in the table could be added to show the impact on the VCS.

Gateshead Council commented that they had spoken extensively to service users and gathered views and had taken notes. They had also left questionnaires for service users.

Proposal 14 Reduction in Staffing Establishment of the Children and Families Services

The RELAC team would reduce through retirement and reconfiguring the service. Service would be delivered in a different way. 11.3 posts would be lost. No proposed cuts to VCS. There would be 1 management post lost and 10 administration posts. Families would be identifying own solutions.

Proposal 27 Removal of Contribution to Child and Adolescent Mental Health Service

Gateshead Council would no longer make a financial contribution in support of Newcastle and Gateshead CCG fulfilling their statutory responsibility relating to the provision of mental health services for children and young people in Gateshead.

Steve recommended for it to include wellbeing. This would give it equity with another authority. A recent CCG paper for younger people noted £7.4m spent across Newcastle and Gateshead; but only 4% was invested in the VCS to four organisations providing 1 and 2 tier services. This had been an area of concern for at many years. How would that money be re-invested? Some VCS groups could really make a difference. The contractual process itself had been problematic with lots of short term contracts and extensions

Gateshead Council noted it was working hard with the CCG and re-configuring their service with better access. Starting to see a difference.

Steve asked if this meant that Social Worker input to NHS CAMS team would not be what it was.

Gateshead Council stated that Sheena Ramsey would share when the information was available.

Sally commented that that the voluntary organisations that employed staff would need to know what actions were happening with regards to the changes as there was not much time following the February cabinet meeting and the proposed changes in April. Gateshead Council were often in a position where they could move people around but that was rarely possible in the VCS.

Gateshead Council commented that because of the amount of cuts there could be slippage.

Proposal 15 Reduction in Disability Related Expenditure

Steph Downing explained that it was proposed to reduce the standard allowance available from £15 to £10. The number of people affected would be 800. The Learning Disability Board would write to all social care users in next couple of weeks. There would be four consultation events in January. They will collate service users' views and feed them into consultation. Feedback largely that people who have saved for retirement should be asked to pay what they could afford to pay.

Proposal 16 Reduction in Staffing Establishment and Supplies for the Adult Social Care Service

It was proposed to delete 11.25 posts. Posts affected have been given at risk letters. Voluntary redundancies were preferable. There would be a different way of working established.

Sally noted the discussions around the integration of health and social care. Service users have said they tell the same story over and over to different people. This contributed to a waste of resources.

Steph Downing commented there would be an overall reduction in capacity.

Proposal 25 Increased Income in Adult Social Care Service

Steph Downing commented it was proposed to increase the charges for meals at day centres from £3.60 per day to £4.00. This was not means tested and was comparable with other Local Authorities. A lot of people could make their own arrangements and bring a packed lunch with them.

It was proposed to introduce charging for Guidepost in-house service. This was a drop in service for learning disability service users. Some service users were attending every day at different venues with no charge for that provision. It was proposed to charge £3 per session. At present there were 59 attenders.

Sally noted the risk that the charge might put people off attending and increase the unit costs overall. Sally asked Gateshead Council to consider investing in another organisation to provide the service. Maybe through grant aid. The impact assessment should show the costs for running the service and how many staff were needed. Service users should be asked what they want.

Gateshead Council would consider it. People using the Guidepost service would be consulted.

It was proposed to increase the day services charge from £14.60 per day to £25.00 per day. This charge had been heavily subsidised and this charge had been brought in line with other LAs 300 people used day services and 42 people would be impacted. This would all be based on ability to pay. This was in line with the Thrive agenda.

Sally commented that those being asked to pay 80% more would feel the impact of the charges.

Steve Nash commented that some people would be faced with several increases for other services and this would have a bigger impact on some disabled people.

Gateshead Council commented that some people would be reassessed and might find that they would be paying less.

Introducing an Accommodation Charge for Aftercare for People kept in Hospital under the Mental Health Act (S117)

People who live in-house and detained under Section 117 at present do not pay for their accommodation. It was proposed to charge for the accommodation element at the point of provision for any new S117 people. It was sometimes difficult to separate out accommodation costs and care costs. Gateshead Council was consulting with the CCG and NTW and all parties were scoping it out. The Care Act separated the costs as £500 care costs and £200 accommodation costs. These figures could be applied with an addition for inflation. The charges would be based on the ability to pay. It was difficult to say if accommodation was an intrinsic part of care. It was very complex.

Steve asked if there was anywhere else in the country where these charges had been introduced. This would need scoping out and only small savings would be made this year as it would need to be developed for new people.

Gateshead Council stated that this was a new precedent and they would be scoping it out to assess if it would work.

Sally commented that this change would not affect the VCS directly but she questioned the legality of implementing it. She commented that the four bullet points in the increased income in

Adult Social Care Service did not mention how much assumed income had been allocated for each point and the risk of potential service closure if a number of users decided not to attend.

The accommodation charge would only be for residential and nursing home charges for people under S117.

Sally concluded by saying that the VCS needed council papers to be clearer. She asked that the proposals going to Council Cabinet in February should show what had been amended and what went out.

The next meeting would be in January 2019. Andrea Tickner and Sally Young would meet after this meeting to consider whether this group should continue.