

## **CVSF Report to BHCC Overview and Scrutiny Commission** **January 2011**

### **1. Introduction and context**

The following report summarises the contribution of the Brighton and Hove Community and Voluntary Sector Forum (CVSF) to the Overview and Scrutiny Commission's review of the 2011/12 Brighton and Hove City Council (BHCC) budget.

CVSF welcomes:

- The support set out in the BHCC budget principles for protecting the contribution of the community and voluntary sector
- The opportunity for the sector to express its concerns and come together with senior-level decision-makers to share its feedback and influence the budget setting process
- The protection of key budgets which will help sustain important sector services and functions, eg the voluntary sector grants programme and the Discretionary Rate Relief.

CVSF has however significant concerns about emerging budget proposals and the process being followed to draw up the budget. Our summary recommendations are set out below, along with further information on our consultation processes and findings.

### **2. Questions for the Overview & Scrutiny Commission**

2.1 What are the service implications of budget proposals to find an additional £12-18 million savings, on top of those savings identified in the December proposals (based on the 5% and 10% scenario projections currently being developed across service areas)?

2.2 How do these additional savings affect the budget principles set out in December? Will these principles be retracted or amended?

### **3. CVSF headline recommendations on the budget proposals**

3.1 Cuts to preventative services would be a false economy and could cost far more in the long term and compromise the Council's ability to make future savings.

3.1 A long-term view in service planning should be maintained.

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- 3.2 Co-design and co-production should be at the heart the process to find and make efficiency savings which must be supported by a proper and meaningful dialogue.
- 3.3 More cross-cutting work needs to be done for Equality Impact Assessments (EIAs) and information needs to be shared outside the Council.
- 3.4 Contractual rollovers carry **significant risks** and should be minimised as otherwise services could be hit even harder beyond the first quarter.
- 3.5 More services should be contracted out to the voluntary sector, as a means for achieving better value for money in service delivery.

#### 4. CVSF full recommendations on the budget proposals with additional background information

4.1 Cuts to preventative services should be avoided. Maintaining spending on these services will ensure savings in the future by reducing dependency on expensive crisis services:

4.1.1 There are obvious examples: a disabled child in local authority care costs up to 500K / year following family breakdown. Preventative services such as parent carer support and respite, cost a fraction of this amount.

4.1.2 There is clear evidence which demonstrates the long term cost benefit of preventative services, eg in Supporting People.

4.1.3 More intelligence is needed which helps commissioners understand the costs involved in preventative services (eg of supporting service users who are vulnerable) and measure the full value of services which have a social impact (eg measuring soft outcomes, such as improvements to people's lives, tends to be harder to evidence).

4.1.4 The Intelligent Commissioning pilot projects recommendations emphasise that increased investment is needed in prevention and early intervention work.

4.1.5 Preventative services help build social capital and strengthen communities in the longer-term, which is identified as a key principle in the budget setting process.

4.2 A long-term view in service planning is needed, given further budget reductions must be found in 2012/13 and beyond.

4.3 Dialogue needs to be instigated as soon as possible to ensure that commissioners, providers and ideally users work through the remaining budget issues together, as this is the best way in which efficiencies and savings can be found.

4.3.1 Preparing budget proposals is of course a challenging exercise and difficulties have been exacerbated by the unring-fencing of grants. Increased flexibility however allows for more choice about where and how much to spend. Co-design and co-production should have been at the heart of the process to find and make efficiency savings. It is unfortunate that even the most basic of dialogue has been lacking, as this means significant opportunities have been missed to find innovative practices which might have resulted in better value for money.

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- 4.3.2 The overview and scrutiny process should be adjusted in future to allow enough time for full engagement in decision-making processes.
- 4.3.3 Dialogue with council officers needs to continue in spite of some council officers' own jobs potentially being affected by cuts. Protective behaviour must be minimised.
- 4.4 More cross-cutting work should be done to understand the implications of reducing multiple services and / or increasing service charges / fees, to fully explore how these changes might disproportionately affect vulnerable people and allow for future long-term service delivery planning.
- 4.4.1 For people who require the highest amount of services the impact of cuts across the board will be felt most keenly. The implications of this are likely to be increased crises where intervention is at its most costly. This is especially true of mental service users, carers, disabled people and children. Mapping 'service users' journeys' would help see the cumulative effect of someone who receives a number of services.
- 4.4.2 Budget screening EIAs have been requested from Lead Commissioners and Heads of Delivery Units. Only three have been supplied to date from the Lead Commissioner for Adult Social Care. It is unclear what, if any, process there has been for involving residents and community and voluntary organisations in undertaking EIAs, to ensure that their voice is being heard and they are engaged in investment priority setting.
- 4.5 There needs to be more and clearer communication from BHCC around how ongoing uncertainties and delays in decision-making are being handled. The lack of information or updates on contractual arrangements is being interpreted by the sector that contracts will roll over and funding be extended into quarter one of 2011/12. In some cases this is now being communicated by senior officers.
- 4.5.1 Delayed decision-making jeopardises the sector's ability to properly plan for and implement processes for resource reduction, eg groups risk being unable to properly carry out their statutory responsibilities when making staff redundant and it is impossible for meaningful exit strategies to be developed.
- 4.5.2 With contractual uncertainty and in many cases redundancy processes underway, (vulnerable) service users risk being affected by services being interrupted or diminished, in advance of any conclusive decisions being taken around cuts.

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4.6 Contractual rollovers carry **significant risks** and must be minimised. Delaying cuts only means that budgets will be even further stretched and cuts will fall harder later in the year.

4.6.1 A practical illustration of this relates to Youth Services: the budget was in December identified as being reduced from £2m to £1m. If £500K is spent in April- June of 2011/12, then half of the 2011/12 anticipated budget (of £1mn) will be spent in just one quarter of the year. This will present significant challenge to commissioners / decision-makers and providers when the services are eventually de/recommissioned.

4.7 More services should be contracted out to the voluntary sector, as a means for achieving better value for money in service delivery. This principle should be embedded in intelligent commissioning frameworks and a community & voluntary sector strategy for the city.

4.7.1 Voluntary sector service provision ensures that services in the city are diverse, innovative and more focused on the whole person. Any cuts to the sector risks losing key provider organisations from the mix and diversity / choice of services.

4.7.2 Contracts/grants which groups receive from BHCC help groups lever in contracts/grants from other sources. A loss of BHCC funding could therefore result in a greater loss of funding for key service areas in the city.

## 5. Summary of services areas identified by CVSF as high risk

CVSF members have identified the following services as being most at risk of being affected by proposed cuts, in addition to principles which need to be embedded in the budget proposals. For more detail on issues raised by the sector see section 4, pages 6-10.

**5.1 Youth services:** the proposed £1mn budget cut is unacceptable and the delayed recommissioning process highly problematic.

**5.2 Children and Young People disability services:** the recommissioning process and budget must be confirmed ASAP.

**5.3 The new Child Poverty Strategy:** should make clear recommendations for which services should be invested in and which should be cut.

**5.4 Advice services:** national benefits changes will significantly impact Brighton and Hove. Advice services must be protected in order to prevent increase demand on high-end, expensive services. For example, a reduction in services, which help increase access to benefits or provide support networks, risks increasing the isolation of those already on the edge of service provision, i.e. those with poor mental health, parents of people with learning disabilities and those using services which they are not technically entitled etc.

**5.5 Supporting People contracts:** already demonstrate value for money and the impact of investment in preventative services. We under this budget has been ring-fenced and would support continued contracting to the voluntary sector.

**5.6 Personalisation savings:** evidence is needed to demonstrate how savings will be achieved through the personalisation of services, in addition to more planning and prevention for minimising any negative impact on users, providers and the market place (in relation to ongoing service choice and sustainability).

**5.7 Learning Disability:** the Learning Disability Development Fund has been unring-fenced. This fund has in the past funded a large number of interventions at a grassroots level for very vulnerable people and these projects should continue to be supported.

**5.8 Community engagement activities:** should be maintained at existing levels as a minimum, and increased in future years. This is required to ensure that BHCC can deliver on policy agendas such as the Localism Bill and Big Society and the statement in December's budget proposals "that building social capital will decrease demand on mainstream services."

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**5.9 Community safety:** any budget proposals must take into account reduction in policing budgets and ensure that anti-social behaviour does not increase as a result of service cuts. The ending of a range of community safety grants also presents particular challenge for eg domestic violence services.

**5.10 Making savings and increasing fees:**

Savings on back-office functions must be maximised, eg no savings have been put forward in HR which is inconsistent with other departments. Budget proposals which rely on increases in income generation / revenue at a time when most people will have less money to spend seem unrealistic and must be based on real projections rather than speculation.

## 6. Background on CVSF's representation and consultation processes

In preparation for this submission and for representing the community and voluntary sector's views in the budget setting process, CVSF:

- Consulted its member organisations: 40 representatives from community groups and voluntary organisations came together on 11<sup>th</sup> January 2011 and discussed the budget, the process for developing the budget and key areas of concern
- Convened meetings of representatives from CVSF and the Local Involvement Network (LINK – health and social care network) on BHCC overview and scrutiny committees. The group met 4 times to process information available on the budget, identify key concerns and prepare for representatives' contribution to meetings/written submissions. The group also engaged with the wider sector to seek its feedback and input on priority messages and issues
- Co-opted and supported a temporary CVSF elected representative to participate in the Overview and Scrutiny Commission's meetings and discussions around the budget.

CVSF prepared a schedule of work to coincide with the key dates at which O&SC were due to meet and when it was anticipated information on the budget proposals would be available. Because the local government finance settlement was delayed and the preparations for finding savings split into two stages, CVSF's representation has been significantly impeded by a lack of information on the service reductions being proposed.

- We have thus far not been able to engage CVSF members in fully interrogating the budget proposals as we had hoped, given full details of how £30mn savings will be found are yet to emerge (we know only about £12mn to date). *"I feel none the wiser having come to this event"* (participant from 11 Jan 2011 consultation event on the draft BHCC budget)
- Budget proposals have largely been drawn up behind closed doors so we have been unable to facilitate dialogue between the sectors in relation to identifying and preparing for savings. This is a missed opportunity. *"The silence is deafening"* (participant in 11 Jan 2011 consultation event on the draft BHCC budget)



## 7. Notes from CVSF consultation event on the BHCC budget

The following notes summarise feedback from CVSF members gathered at our budget consultation event on 11<sup>th</sup> January 2011. More detail and explanation is available on request.

### Housing

#### Headlines

1. Preventative services: CVSF welcomes the protection to date for initiatives which "spend to save". This principle needs to be extended
  - a. Supporting People (SP) have done a great job in measuring and communication of cost-benefit
  - b. SP prevents 'revolving doors' and has increased the quality and through put of services
  - c. Services which are preventative, like SP and advice, might need to be rationed at a time where more people than ever need to access them. Ideas are potentially needed to reduce rationalisation but also to keep networks discussing this as openly as possible to maintain the highest level of efficiency and signposting.
2. 'Advice Services Perfect Storm': cuts to funding nationally and potentially locally, coupled with growing emerging need and a policy maelstrom to navigate, puts advice services at great risk in the city:
  - a. Different budget and policy agenda items are impacting upon Advice Services which are an important part of homelessness prevention: LSC cuts; local cuts; Housing Benefit cuts and redundancies; massive housing policy changes.
  - b. Housing benefit pressures: The voluntary sector has through its Housing Providers Network agreed a set of indicative impacts on the city in relation to the proposed changes. This city is disproportionately affected by these changes and it will be a huge strategic concern to both sectors. BHCC should publish a full impact assessment and predictive modelling of these impacts and work with partners to create mitigating action plans.
  - c. Pressures might unevenly impact on different equalities groups / will even more exclude vulnerable potential tenants from the housing markets
3. The BHCC planning team and committee needs to better meet housing need, eg by embracing new flexibilities to change purposes of buildings (eg change of use from retail, office and current statutory sector owned offices and assets into housing)

#### Other comments made

- The community and voluntary sector would like more information in relation to the changes in relation to Housing Revenue Account and impacts on the BHCC budget

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- The Housing Team have done some great work in developing a Financial Inclusion Strategy for BHCC tenants – could this be rolled out to more landlords and tenures?
- The Planning Team and Committee should look to work more effectively with developers and the Universities to create more purpose build student accommodation to reduce pressure on properties suitable for families or sharing 'professionals' etc
- City landlords need to increase their role in building 'communities' and tenant voice
- Home owners might need support and advice about taking in lodgers to manage their cost of living

## **Children and Young People**

### **Headlines**

1. The city's youth services are some of the best in the country and have been widely recognised as being so. They are also an excellent example of investment in prevention, rather than crisis support. Why are these services seeing further reductions and how will community provision be developed whilst also reducing funds?
2. The effect of cuts in one service area will have an impact on other service areas, such as the example of cuts to community transport impacting on the services provided by the people who can no get to them; the services are interwoven. Will commissioners be looking at the 'whole web'? Are commissioners working together to see the full picture of cuts impact?
3. The process for decommissioning existing services and the commissioning of new services needs to be clear and transparent. Particularly problematic to contracted organisation is the lack of clarity around future joint funding, eg between BHCC and PCT

### **Other comments made**

- The only information CYP reps have about future commissioning is about an opening discussion on the 'youth offer', which includes looking at arts, libraries, colleges and paid for activities that are available across the city. Information which has been received is unclear.
- There will be other things the city loses as a result of cuts, as well as the cuts themselves. For example, Community Transport's funding enables low cost transport to be provided for groups who work with children and young people. If they can't afford to run the buses, this has a consequence for the groups which use their services. Another example, the cuts to the Connexions Service will impact on the children with disabilities who receive careers support – which they will no longer get.
- Loss of core skills training funding is a concern because groups need access and support to safeguarding information and skills, to comply with OFSTED and safeguarding children.
- Will the Child Poverty Strategy be used to inform how services are commissioned?
- Music Service: has a detailed analysis of who uses this service been undertaken? Are only the most vulnerable of individuals able to access these subsidies? In this time of austerity, could this money be spent on other services (eg generic youth services) to better ensure that need in the city is better met?
- Disability Service: how is this re-commissioning process taking place and are all contracts being re-commissioned?

## **Environment and Community Safety**

### **Headlines**

1. Spending on prevention services must be prioritised in order to make savings in the long term. What is being done to ensure that front line service providers are being prioritised for funding over backroom services?
2. There is a lack of equality impact assessments and cost benefit analyses
3. Cuts to services around community engagement/user involvement could have far reaching impacts beyond the outcomes specified in existing service contracts
  - a. Why if the Human Resources budget is £4million is this department of the Council not being asked to identify and make more efficiency savings? The Equalities and Communities team has a much smaller budget and yet are making double the amount of savings. Indeed this team's savings make up almost half of the entire directorates savings and this is a team which provides much valued support to communities in the city.
  - b. How will the proposal to "Build on the social capital in the City to reduce demand on mainstream services" be achieved, particularly in a context of reduced funds? Building social capital, whilst it has long-term benefits, requires funding.
4. There needs to be creative and sophisticated use of new revenue streams to fund projects eg tourism

### **Other comments made**

The sector has voiced a range of concerns in relation to the high level of savings affecting the environment and community safety budget and how much more can really be shaved off before services are affected:

- This is especially so with regard to communities and neighbourhoods funding, where there is a lack of impact assessment and where there is proven evidence that services are operating well and are effective
- The council's 'picture' of their proposals as set out in December 2010 doesn't really fit with the reality of what groups are hearing eg groups are having to make cuts of 20-30%, higher than those indicated in the budget proposals at that time
- If Community Safety budgets are cut then antisocial behaviour in neighbourhoods may increase. Tenant's Groups would be a good barometer for any impacts of cuts in this budget
- Policy developments around Big Society and the Localism Bill set out a clear future role for the sector and any cuts to eg community engagement/empowerment activities do not fit with these agendas
- Cuts being made within the council are not equitable to the cuts being made outside the council in terms of personnel
- The cost of ending services has not been considered
- The intelligent commissioning pilots are delayed and the processes have not adequately pooled resources to achieve fully joined up commissioning, eg

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domestic violence, where other budgets should be feeding into services in this area

- Services which rely on user involvement and community engagement are in tension with reduced funding, as reducing a little could have potentially much larger impact
- There are mixed messages about whether the three year and annual voluntary sector grants programmes are both protected

### ***Crime related comments:***

- Police budget savings will affect community safety so there is the threat of double whammy to services in this area – how is this being accounted for?
- Any planning around savings will be using scenarios of reduced crime (as this is what we have had in recent years) yet, crime is likely to increase in the coming years!
- Volunteering impacts upon community safety: if a service is being delivered by volunteers where is the accountability and can we ask volunteers to take on additional risk?

### ***Environmental related comments:***

- Why is 3.5million being invested into car parks at a time of austerity when it will take 36 years to claw back this investment? Can this money not be used to fund children's services and once the council has more money look to invest in car parks then?
- Why are parking tariffs not increasing, surely this would be one way to discourage private car use and increase revenue for the city? Why are you charging for car club spaces when you should be encouraging more car clubs to open up in the city?

## Adult Social Care

### Headlines

1. Personalisation:
  - a. Where is the evidence of how personalisation is REALLY producing savings? Most people emerge with the same needs / service costs, rather than savings
  - b. Many people are not eligible for personalisation so we cannot expect savings here
  - c. Personalisation risks undermining the viability of particular services, ie if these services are no longer purchased on block then we risk de-stabilising the market
  - d. "Better commissioning of services from independent sector providers will drive out efficiencies of £1,016,000". How exactly will efficiencies in better commissioning be achieved / what plans are in place for this?
  - e. BHCC has not done enough to prepare externally for personalisation, especially around market development. East Sussex County Council could provide learning
2. The Learning Disability (LD) Development Fund has been un ring-fenced and transferred into to the formula grant for 2011/12. This fund has in the past funded a large number of interventions at a grassroots level for very vulnerable people. How will these projects continue to be supported by the council?
3. There are particular equality groups effected by service cuts in this area
  - a. LD advocacy service is reported as having a disproportionate spend but the reason for this needs to be better analysed/understood before decisions are made (ie the need is acute and the service intensive)
  - b. Loss of DWP grant for Castleham Supported Employment Service: what work is being undertaken to re-design and transform this service and will the community and voluntary sector be involved in this conversation? What will happen to any assets released as part of this loss, and will the potential for asset transfer to the community and voluntary sector be discussed with the sector?
  - c. Autism and Aspergers: there is little support and little information on service need
4. There is lots of critical need in the city which often diverts resources away from services addressing the needs of those with mild or moderate conditions (eg in mental health services, where the Equality Commission has identified that mental health issues are the highest priority in B&H). The situation risks being intensified in the context of cuts, which might result in those with less severe needs becoming further away from services
  - a. eg a reduction in services to those at risk of isolation which help increase access to benefits or provide support networks will marginalise users further, eg people on the edge of services, those with poor mental health, parents of people with learning disabilities, those using

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services which they are not technically entitled to but need. This will have a knock on effect eg to GPs

5. There is significant added value of voluntary sector provision in this service area eg money is very often brought into service areas by sector providers – trust/faith, lottery, empowerment. If sector services are cut then this additional income may no longer be levered in.

### **Other comments made**

- There needs to be greater understanding of the impact on users. A good practice example was identified in learning disability services where an officer has scrutinised individual LD service users' packages of care and come up with £1,000s of savings. This good practice pilot needs replicating
- Three year contracts do not guarantee funding and should not be assumed to do so.

