

Official response from CommUNITY Barnet on reduction of funding to voluntary organisations by Adult Social Services

Proposed Reduction in Funding for Voluntary Sector Services Your chance to have your say Questionnaire

We would like your views on our proposals to reduce funding for voluntary organisations commissioned by the council's Adult Social Services. There are two proposals:

- 1 To make a saving of £350,000 in 2011/2 by reducing the annual budget from £2.7M to 2.35M**
- 2 To make this saving by reducing funding for 2011/2 for each organisation by 13%**

You can help us by completing the following questionnaire and returning it in the pre-paid envelope provided. Before you complete this questionnaire, please ensure you have read the accompanying consultation document which explains the proposed changes.

Your views and opinions are important to us and will help us to make the right decisions.

If you would like to request this questionnaire in a different format or language, or would like someone to help you to complete the questionnaire, please contact Caroline Powls on 0208 359 4366.

The questionnaire should be returned to the council not later than 4pm on 27 January 2011.

About you

a. "I represent a voluntary organisation affected by the proposed budget reduction"

This questionnaire is submitted by **CommUNITY Barnet**. We are an umbrella organisation representing around 400 member groups in the voluntary and community sector (VCS) in Barnet. All of the groups affected by these cuts are members of CommUNITY Barnet and we have conducted network meetings to discuss the proposed cuts and get their feedback.

Proposal 1 – To make a saving of £350,000 by reducing the budget for 2011/12 from £2.7M to 2.35M

1. To what extent do you agree or disagree with this proposal?

Neither agree or disagree

Please give reasons for your answer in the box below

While we understand the necessity of budget reductions we are concerned about the way that these cuts are being proposed in this consultation paper; in particular that the VCS will receive a much larger cut (33%) over two years than the Adult Social Services budget as a whole over three years (17%).

We strongly recommend that budget levels for the VCS should be considered over a four year period (instead of year-by-year) and that budget cuts to the voluntary sector should be in line with cuts to the overall Adult Social Services budget because:

- prevention services provided by the voluntary sector actually save money by preventing people becoming dependent on costly care packages provided directly by the council.
- the prevention budget is such a small proportion of the overall budget.

Proposal 2 – Achieve the saving of £350,000 by reducing funding for each voluntary organisation by 13% in 2011/12

2. To what extent do you agree or disagree with this proposal?

Strongly disagree

Please give reasons for your answer below.

CommUNITY Barnet disagrees with the principle of taking a flat 13% from each grant in the next financial year. One problem of this strategy is that it fails to set strategic priorities about how money should be invested. Another problem is that it will adversely

affect providers, for whom Adult Social Services funding represents a large proportion of their overall budgets – some of whom have told us they are at serious risk of closing down altogether. As the aim of the local partnership in Barnet is to work together in coping with the budget cuts, consideration should be given on how to maintain certain services and therefore considering who may be more affected by cuts than others is relevant to this planning. In other words where a group has to close, other valuable services it provides which support vulnerable people and keep them out of statutory services may be lost.

Adult Social Services began the process of drafting a prevention strategy and consulting with voluntary organisations in 2009. However, we feel that the priorities laid out in the prevention strategy and feedback from the VCS have not been taken on board in the planning of the cuts.

3. If you disagree with the proposals, please indicate what you think would be the adverse effects of implementing the reduction.

Under this proposal, people with substantial needs who are currently being helped by services provided by the VCS will instead need to use more expensive council services:

Although the grants made under the prevention budget are supposed to help people with lower levels of need, in reality they are often being used to support people with substantial or critical needs who would otherwise be entitled to expensive care packages directly from Adult Social Services.

Barnet Mencap's surveys have found that 100% of service users of their Time Out project funded by the Prevention Fund fall into the "substantial need" category and many were referred to the programme by Adult Social Services. If they were not able to benefit from the short breaks scheme provided by Barnet Mencap they would require more expensive support from Barnet Council. 70% of service users in the other two funded projects run by Barnet Mencap also have substantial need and meet FACs criteria.

This is related to concerns about how needs are categorised in terms of "low, medium and high", which the VCS has been anxious to discuss and review with Adult Social Services.

An example of this is the current budget spent on supporting carers who are enabling people with substantial and critical needs to live independently and preventing them from requiring expensive council support. Whilst the need of the carer may be "low", the person they are caring for often has "high" needs. Barnet Carers Centre have

conducted a survey that showed that 92% of their 5,000 members are caring for their relatives for more than 20 hours per week and 48% for 50 hours per week or more. Without the programmes to provide short breaks, respite care and emotional support provided by Barnet Carers Centre many people with substantial need would instead become dependent on expensive Council care packages.

Without VCS support more vulnerable people will deteriorate into having “substantial”, needs therefore requiring more expensive statutory council services:

Many organisations reported that this would be a result of the cuts. For example, members of our Older Adults Network have estimated that 10% to 20% of their service users would fall into the substantial need class if they lose services from the VCS.

Without our support vulnerable people will have critical episodes which will cost much more to health and social care services in the long run:

According to a survey carried out by Richmond Fellowship 50% of their service users are at risk of having critical episodes which require their admission to psychiatric care. By providing activities and a more structured environment for their clients, Richmond Fellowship prevents these service users from having to use these very expensive services.

Volunteers are likely to lose motivation due to lack of support:

Several organisations have told us that a lack of funding will reduce their ability to employ and support volunteers; our research has shown that on average, for each paid member of staff, VCOs employ 6 volunteers, which is making their services low-cost. However, paid staff are required to recruit, train volunteers, provide and safe and healthy environment for them to work and keep in place necessary safeguarding procedures. By cutting paid staff VCOs will therefore also have to reduce the number of volunteers they can employ and if volunteers are asked to provide more services with fewer resources there is a strong likelihood they will lose morale and be discouraged from volunteering, especially in adult health and social care services, which are demanding.

Some VCOs are already reporting that due to less resources, they have less capacity to employ volunteers than previously. A key plank of the Big Society platform is that people should be encouraged to make a greater contribution to their community by volunteering.

Organisations will be forced to cut services:

Most organisations have told us that the majority of the proposed cuts in the first year could not be found in efficiency savings and instead would result in a reduction of services and cuts to front-line staff.

Smaller organisations may close down altogether:

Smaller organisations would find it much harder to deal with these budget cuts than larger organisations as they are often operating at close to the capacity of volunteers and the cuts would likely make up a greater proportion of their overall income. Many of these organisations cater for specific ethnic or cultural groups or other hard to reach minorities and so other services, whether provided by VCS providers, the council or the private sector would not be able to take on their client groups.

Smaller organisations will be hit by more competition for other funding sources:

Even those VCOs that are not currently funded by Barnet Council will have knock on effects. This is because organisations that have lost council funding will seek to replace those funds by raising money from the public and from private trusts. There will therefore be more competition to raise money from these services.

4 If you wish to suggest or recommend a different way for the council to implement the reduction of £350,000, or you wish to make any other suggestions, please summarise them below:

Proposals to cut the prevention budget by 33% over two years should be brought into line with the 17% funding cuts over three years proposed for Adult Social Services as a whole:

In light of the fact that voluntary sector service provision has been identified as a key factor in improving health and well being, it would be contradictory if voluntary sector grants should receive much larger cuts than the Adult Social Service budget as a whole. In the long term this strategy will cost more money to the Adult Social Services budget as service users who would have relied on preventative interventions in the voluntary sector will instead demand services such as domiciliary care, residential care and psychiatric care which will cost far more money to the council and ministry of health in the long term.

Continuing budget levels for prevention services over the next four years (or at least 3 years) should be considered together rather than year-by-year:

By having a more long term picture of budget levels VCOs will be better able to plan their services and provide an efficient service to the council. In the current proposal voluntary providers are being asked to consider a 13% cut in 2011-2012 and a 23% cut

in 2012-2013 and unknown funding levels in the third year – this creates a tremendous amount of uncertainty.

Adult Social Services should enter into longer-term contracts with VCS providers to build more productive partnerships and efficient services:

With continued uncertainty VCS managers are spending a disproportionate amount of time on consultations and reviews and on creating contingency plans to deal with possible funding scenarios instead of being able to focus on providing more efficient services and generating more sustainable funding streams from other sources. Contracts with VCS providers have been rolled over for 6-months and 1-year periods over the past 4 years, which is impacting on the longer-term planning and operations of organisations; they are not in a position to enter leases and other operational arrangements, staff turn-over increases and business development is not possible. It should also be considered that the council routinely enters into much longer-term contracts with private sector providers, and the same principles should be applied to the VCS.

Barnet Council should work in partnership with the VCS to find more creative ways to find efficiency savings and allow the VCS to take over services where we can be more efficient:

In many areas voluntary organisations are able to provide services more efficiently than the council or private sector. For example, the project delivered by the Learning Disability Consortium surpassed all its targets for placing people with learning disabilities in training and employment. However, instead of commissioning training and employment support from the VCS the council has created three more posts within the council to provide employment placement services. This is one example of where we have found that the proposed process of planning these budget cuts has not been followed through. Adult Social Services have invited, indeed urged the VCS to come forward with proposal of taking on service delivery with new approaches and models where cost savings could be made. A number of proposals have been made, but this has not been followed up. Relevant information on the current costings and shape of services has not been made available to help with this process.

Together with other departments, Adult Social Services has invested into service and delivery transformation within the VCS, with funding for CommUNITY Barnet prioritised on getting VCOs ready for commissioning and in particular through the formation of partnerships and consortia. It seems that this investment is now going to waste. Barnet VCOs have responded to this encouragement from the Council by working more closely in partnership, sign joint working agreements and form consortia in order to provide services more efficiently and exploit positive synergies. However, in several cases -

including Multicultural Network, Forum for Advice and Information and the Learning Disability Consortia - organisations have found that when they have formed consortia, there have been no contracts to bid for.

In re-commissioning services the council should minimize de-commissioning and re-commissioning costs by continuing existing services where possible:

When services are decommissioned there are many hidden costs to service users and organisations, especially resulting from the departure of trained and experienced staff and volunteers as well as negative impacts on service users who can no longer access a service. Therefore it is much more preferable that there can be a continuation or evolution of services rather than services being decommissioned and then re-commissioned again after a few months or years.