

Fair choices for tough times

Let's talk Newcastle

Budget 2015-16 consultation report
Annex 3: Phase 1 "Fair Choices in Tough
Times (October – November 2014)

let's talk
Newcastle

Annex 3

Fair Choices in Tough Times Consultation Phase 1 November – December 2014

Introduction

The first phase of our Budget Consultation for 2015/16 began with the publication of the “Fair Choices in Tough Times” document on 14 October 2014 on the council website. The purpose of this phase of the consultation was to set out the general approach Newcastle City Council will take to setting our budget, and continue the conversation about how citizens, communities and organisations across the city can face the future together. At this stage, we aimed to gather people’s views and ideas to help inform our thinking whilst developing the detailed budget proposals which will be published at the end of 2014.

We asked people and organisations taking part in the consultation to consider the following four questions:

1. Do you think the council is taking the right **approach** in the light of Government cuts? If not, what other things could the council do?
2. Do you think the approach is **fair** and reasonable given the overall savings the council is being forced to make? If not, why not?
3. What **consequences** or impacts do you think there might be as a result of this proposal?
4. What do you think could be done to **reduce** any negative consequences or impacts of the proposed approach?

The only specific proposal we received feedback on was the Family Services Review; a short summary is included below. All other feedback focussed upon the general approach being taken to budget setting by Newcastle City Council, as set out in “Fair Choices in Tough Times”.

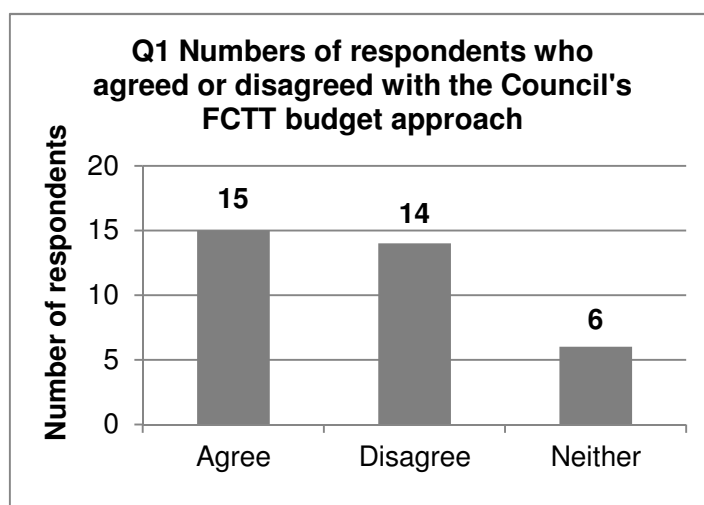
About the people who took part in Phase 1

In total, we received 40 individual pieces of feedback, from a total of 43 individuals and organisations. Stakeholders included:

- Changing Lives (via Let’s talk Newcastle Online)
- English Heritage
- NCVS
- NHS Newcastle Hospitals
- RNIB (via Let’s talk Newcastle Online)
- 35 residents, including 1 person who sent in a feedback form, and 34 who responded via Let’s talk Newcastle Online.

1. Do you think the council is taking the right approach in the light of Government cuts? If not, what other things could the council do?

35 residents and stakeholder organisations commented on this, of whom 15 generally agreed with the approach being taken, 14 disagreed and six either were not sure or did not comment on whether they agreed or not.



The main themes in positive responses to this question were:

Positive responses	Number of comments
Agree that approach is justified, given the scale of the challenges being faced	9
Generally agree with the council's approach to the budget	3
Agree with an approach which protects of preventative services and crisis response services	2
Generally agree, but concerned that too much focus on the most vulnerable ignores the needs of others	1
Total	15

Note: Some people made more than one comment, so there are slightly more comments than respondents.

The main themes in negative responses were:

Negative responses	Number of comments
Generally do not agree with approach	2
The council should refuse to make the cuts demanded by central government	2
Too much blaming of central government	1
Unhappy with annual negative messages around the budget.	1
Specific issues (see below)	8
Total	14
Disagree with....	
any approach which focusses on critical response services, rather than preventative services	1
spending resources on road and cycle infrastructure, instead of jobs and services	1
spending on the Civic Centre	1
not enough focus on arts and early education	1
not enough focus on cutting services for people who are able to help themselves	1
not enough focus on cutting council overheads	1
not enough focus on preventative services such as Sure Start	1
too much focus on capital investment	1

Note: Some people made more than one comment, so there are slightly more comments than respondents.

The main themes in responses which did not express agreement or disagreement were:

Other responses	Number of comments
Feel that the Council and city are being penalised by central government	2
Need more detail to enable a meaningful response	2
Approach is similar to other councils	1
Emphasis on the need for our approach to the budget to consider the benefits of supporting the city's historic and cultural environment	1
Feeling that in the past, the Council has not worked in partnership as much as it needs to	1
Need to focus on fairness and partnership working	1
Not sure	1
Total	9

Note: Some people made more than one comment, so there are slightly more comments than respondents

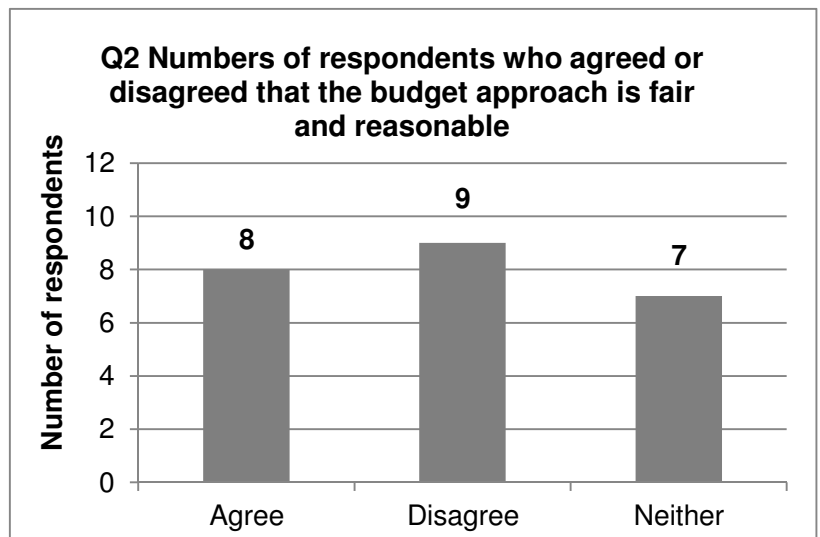
“I agree that we are past the point where salami-slicing is a viable option. Something more radical and strategic is required.” *Resident*

“The late unveiling of the detail [of the budget proposals] could mean there are insufficient opportunities to look at alternatives and different forms of provision.” *NCVS*

“Stop trotting out the annual "it's Armageddon" messages of doom. After several years of that message, I note that the city is still here.” *Resident*

2. Do you think the approach is fair and reasonable given the overall savings the council is being forced to make? If not, why not?

24 residents and stakeholder organisations commented on this, of whom eight generally agreed, nine generally disagreed, and seven neither agreed nor disagreed, with most of the latter replying that given the current level of detail available about the budget proposals, it is difficult to decide at present if the approach is fair and reasonable.



The main themes in positive responses to this question were:

Positive responses	Number of comments
Yes, reasonable	4
Generally yes, but make sure to protect the most vulnerable	1
Agree with "new models of public service delivery" approach	1
Agree with emphasis on people	1
Agree with emphasis on protecting vulnerable people	1
Yes, the council needs to cut overheads	1
Total	8

Note: Some people made more than one comment, so there are slightly more comments than respondents.

The main themes in negative responses were:

Negative responses	Number of comments
No, but do not feel there is a choice	1
No, council is not taking a fair and standard approach to decisions affecting wards	1
No, feel that council tax payers are subsidising people who do not contribute	1
No, feel that Newcastle complies too much with central government policy	1
No, feel that people who are already deprived are getting too many resources	1
No, feel that some groups and areas of the city get disproportionately more resources	1
No, feel that tax payers pay for services which are then cut	1
No, think that cuts to cultural provision are disproportionate	1
No, young people on low incomes are disproportionately affected	1
Total	9

Note: Some people made more than one comment, so there are slightly more comments than respondents.

The main themes in other responses were:

Other responses	Number of comments
Difficult to comment without more detail	6
Do not feel can comment on this, but would emphasise need to focus on needs of blind and partially-sighted people	1
Feel that inequalities will increase	1
Not sure	1
Very difficult to achieve a fair approach	1
Total	10

Note: Some people made more than one comment, so there are slightly more comments than respondents

Comments on whether the proposed approach is fair and reasonable included:

“It is encouraging that the document refers to the Council investing in “new models of public service delivery” to help reduce some of the current demands on public services.” *Resident*

“Your own consultation highlights the role of cultural provision in supporting growth and economic development, attracting tourists and investors, improving health and well-being and promoting inclusion. ...In view of this wide-spread and wide-ranging impact, culture offers great value for money, and yet is the area where the greatest cuts seem to have been made.” *English Heritage*

“The spirit of the document comes across as pragmatic under the circumstances; it is difficult to comment on the overall approach, recognising the lack of detail in the document.” *NHS Newcastle Hospitals Trust*

3. What consequences or impacts do you think there might be as a result of this proposal?

31 residents and stakeholder organisations commented on this, with the most common themes shown below:

Themes	Number of comments
The city will become run down	3
There will be fewer public services	3
Residents will not be happy	3
A rise in crime and anti-social behaviour due to fewer council services will lead to increased expenditure elsewhere, for example by the police	3
Cultural funding cuts will start to undermine the city’s cultural and social and economic life	2
There will be reductions in jobs, but this is necessary	2
Young people's futures will suffer	2

Other themes in comments mostly focussed on the negative impacts people foresaw as an outcome of the budget-setting processes, including:

- **Consultation:** Concerns relating to the consultation process itself, for example, whether the tight timescale meant that opportunities for devising innovative solutions would be limited, and the need for more detail on how public health responsibilities will be met.
- **Health and wellbeing:** Concerns for people’s health and wellbeing, particularly if eligibility standards for accessing care and support services are raised, or preventative services are reduced.

- **Inequality:** Increasing inequality between affluent and less affluent areas, in particular related to their respective abilities to take over and run community assets, such as libraries.
- **Local economy:** Fears that the economy will suffer if businesses fail, and public sector job losses mean less money in the local economy.
- **Voluntary sector:** Negative impact on the voluntary sector due to uncertainty over whether contracts will be renewed, and unrealistic expectations on VCS organisations in future.

Some people made positive comments, saying that investing in cycling infrastructure could provide increased public health benefits, and that the proposed approach could work as long as communities were supported to help themselves.

“With such painful choices ...it is vitally important that this doesn't lead to a mental state of helplessness, which will make things even worse. We need to ensure a culture of robustness, all hands to the pump, make every change we can to transform things.”

Resident

“The timescale of the consultation process will almost certainly mean that any discussions in relation to proposed actions will not realistically take place until January. There is a risk that the opportunity for innovative and different responses could be curtailed.” *Changing Lives*

4. What do you think could be done to reduce any negative consequences or impacts of the approach?

35 people and organisations commented on this, with the most common themes being:

Themes	Number of comments
Consider merger, or shared services, with Gateshead council	3
Partnership working can help to continue delivering services	3
Greater transparency from the council is needed	2
Increase Council Tax	2
Stop blaming central government	2
Support communities to provide their own services	2

Other comments focussed on the following topics:

- **Arts:** Some people wanted to see more support for the arts to keep the city an interesting place to live and maintaining good relations between the council and local residents; others suggested better promotion of the Cultural Investment Fund.
- **Consultation:** Some people wanted more consultation, so that local knowledge could be used to target resources more efficiently to where they are needed.

- **Decent neighbourhoods:** Suggestions for maintaining decent neighbourhoods including using people doing community services, and those who are unemployed, to maintain local neighbourhoods, and supporting behaviour change initiatives to reduce littering.
- **Efficiency:** Several people wanted to see increased efficiency, encouraging senior managers to talk to staff to understand the impact of cuts to services, reducing overheads, and renegotiating contracts when they end, instead of putting them out to tender.
- **Focus on the essentials:** Several people wanted to see an end to “salami-slicing” and for funding to less essential services, such as arts or libraries, to be stopped and transferred to essential services such as maintaining neighbourhoods and social care and support services.
- **Increased revenue:** Suggestions for increasing revenue included collecting council tax arrears, fining people who do not comply with the law (for example, littering and parking illegally), and subsidising services such as Sure Start by charging service users who can afford to pay.
- **Infrastructure:** Some people wanted to see spending on housing and roads reduced, and more money spent on jobs and services. Others wanted to see the city’s infrastructure, particularly roads and cycleways, improved to benefit people’s health & wellbeing and the local economy.
- **Selling assets:** Suggestions for raising revenue by selling off assets including selling off the Civic Centre, green belt land, and unused offices.
- **Shared services:** Shared services were suggested as a way to maintain service delivery, including better information sharing between partners, and sharing “back office” services with other local councils.
- **Social care:** Suggestions included promoting the personalisation agenda though better working with partners, and spending more on preventative social services to reduce costs of crisis management services.
- **Voluntary sector:** We received several comments about this on topics such as being aware of the limits to what the sector can provide, continue to support voluntary and community sector organisations to provide services and win grants, and make sure volunteers feel valued.

“Senior management such as Directors and Heads of Service usually, and understandably, enjoy a “drop everything and respond” VIP status when accessing council services, which may hide the actual response times that internal services can offer to other customers. I always worry that this may lead to resource-cutting decisions that aren't based on actual service performance.” *Member of staff*

“The voluntary sector has much to offer in public service delivery; working closely with beneficiaries, we are often the source of innovation needed to improve services and well as being well placed to deliver in the redesign of services.” *Changing Lives*

“There are not enough tough questions asked of educational services [in relation to skills training]. For example, Sunderland's biggest employer is Nissan, yet none of the schools teach Japanese.” *Resident*

5. Other comments and feedback

We received 13 comments in addition to those listed under the questions above. The points made included:

- **Concern over inequality:** Concern was expressed that the gap between more and less affluent areas and communities would widen as a result of the cuts, and urging the council to take action to prevent this where possible.
- **Lack of clarity over funding:** Some people felt that it was not clear where funds from coming from or how decisions were made; one person was confused by where the funds for the Cultural Investment Fund were coming from, given the publicity two years ago about cuts to arts funding. Other comments indicated that there is still some confusion over how funds are allocated; for example, urging that capital expenditure funds (such as funding for changes to Acorn Road) should be used for services funded by the revenue budget.
- **Need to keep the area appealing:** One person expressed concern that cuts and the negative publicity surrounding them would mean that instead of attracting skilled workers and households which are “economically active”, the North East will have an increasingly poor image and put people off moving or staying here.
- **Radical solutions are needed:** A general theme in feedback was the need for radical solutions in response to the problem, such as a possible merger with Gateshead council, shared services, an increase in council tax, and an end to perceived “salami-slicing”. One person commented on the need to improve traffic flow around the city, and ensure that where appropriate, the council seeks specialist advice to ensure that the best value for money (for example, on social care spending) is being obtained.
- **Services for those who contribute:** Some commenters expressed the feeling that those who pay council tax are subsidising services for people who do not contribute to the city.
- **Support for partnership working:** Organisations who commented on this phase of the consultation expressed their support for partnership working and willingness to work towards integrated services, for example as set out in the Wellbeing for Life plan.
- **Supporting the vulnerable:** RNIB commented on the need to maintain support for blind and partially-sighted people, and meet statutory requirements.

Comments included:

“The Trust is committed to the integration of services across the community wherever this can bring about the best possible care for local people, address potential duplication, and improve the experience of services as well as achieving maximum efficiency of finite resources.” *NHS Newcastle upon Tyne Hospitals Trust*

“It’s not fair, we pay council tax to ensure services are maintained, and then it is announced that money is to be spent on pedestrianizing Acorn Road, an upmarket shopping street, and a totally unnecessary new traffic arrangement for Gosforth High Street.” *Resident*

“Why should I support those who won’t pay (not those that can’t pay)?” *Resident*

“You could be doing more to have meaningful conversations to look in depth at alternative ways of providing services. General meetings, with all wider interests present, just get overwhelmed by gloomy headlines and no real work happens.” *Resident*

6. Family Services Review

Three proposed investment models for Family Services, were taken out to consultation during September and October 2014 and a post consultation model was approved by Cabinet in October 2014. Full details of the outcome of the Family Service Review consultation are available in the Integrated Impact Assessment for these proposals, and will form part of the final report on the Newcastle Budget 2015/6 consultation in February 2015. The consultation included:

- A series of locality consultation workshops open to all stakeholders
- A number of events and focus groups specifically for parents and young people
- Online feedback through the Let's talk Newcastle Online consultation website
- Written submissions

To date, just under 1,200 parents, young people and other stakeholders have given their views on the proposals. Key messages from the consultation are:

- An overriding view that the level of proposed savings from early intervention and prevention services is unpalatable and that savings should be sought from elsewhere.
- Clear concerns regarding implementing what were described as 'postcode restrictions'.
- A view that that increased reach for the Community Family Hub (consultation model three: 0-30% SOAs) would impact severely on resources available for targeted support services.
- Views on whether the Community Family Hub model would meet the needs of families currently receiving support from a targeted service.
- Concerns regarding the provision of intensive family support outside the Community Family Hub reach area, and the ability / capacity of universal services, even with the Citywide Family Support Offer, being able to adequately support complex needs.

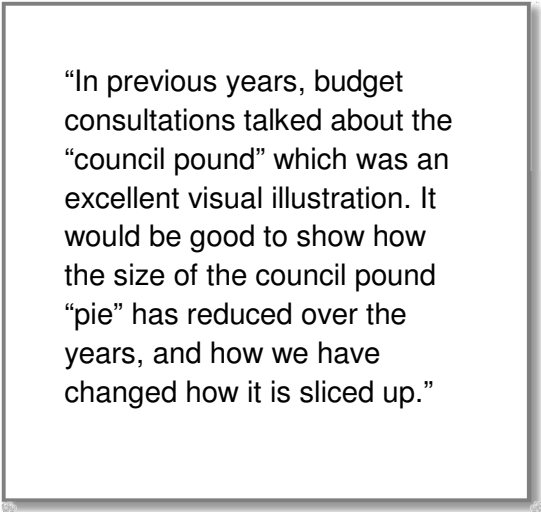
This informed the recommendations that went to Cabinet in October 2014. From November 2014 the implementation phase of the model commenced.

7. Staff feedback

We also received feedback from Newcastle City Council staff on “Fair Choices in Tough Times”, including comments from around 65 of the 142 ICT Services staff who discussed the document at team meetings, and several members of staff who fed back via email and feedback forms. Staff raised the following concerns:

1. Do you think the council is taking the right approach in the light of Government cuts? If not, what other things could the council do?

- **Channel shift:** Some people felt that “going digital” has been talked about for some time, but that this is not happening as fast as it needs to.
- **Communication:** It was suggested that the council should communicate to residents the impact of previous cuts and the resulting reduction in services alongside proposed cuts for 2015/16, to provide context. Another suggestion was to use the “Council Pound” approach adopted in previous years.
- **Community asset transfer:** One person felt that there needed to be more emphasis on sustaining services and trust through asset-based working with communities.
- **Impact of repeated redundancies upon staff:** One person focussed upon the impact of repeated reorganisations and redundancy cycles upon Newcastle City Council staff morale and productivity. Other concerns raised including the negative impact of using sickness absence as part of the evaluation matrix used during selection processes, failure to capture the knowledge of departing staff correctly, and fears that the cyclical nature of the budget process leads to short-term decision-making and poor allocation of resources. One person expressed the view that cuts tended to affect staff on lower grades more than those on higher grades.
- **Increasing revenue:** One person commented that perhaps more emphasis should be put on generating income, for example by stricter enforcement of fines for littering, as this may produce a little income and also make offenders respect their city a bit more. Other felt that council tax for people in higher property bands should be increased. One suggestion for mitigating negative consequences of the cuts was to “re-brand paying Council Tax / Business rates” as a good thing, making a link between money paid and services the city and its residents receive.
- **Leadership:** One view was that in previous years, the council’s proposals have been delayed or halted by a small number of individuals, and that strong leadership and political consensus would be required to deliver on meaningful change.
- **Living wage:** Other issues of concern were the need to mitigate negative impacts of changes to services by paying the Living Wage (and encouraging other employers to pay it), and not using zero-hour contracts.
- **Lobbying central government:** Several people asked about the possibility of lobbying central government, alongside the other UK core cities, to change the cuts being demand. They also wanted better communication about any lobbying activity which is taking place, and whether this is having any success.



“In previous years, budget consultations talked about the “council pound” which was an excellent visual illustration. It would be good to show how the size of the council pound “pie” has reduced over the years, and how we have changed how it is sliced up.”

- **Prioritisation:** One person commented that they liked the efforts to protect the most vulnerable and try to make greater savings from more universal services. Another felt that the council was still “salami-slicing” and that the time had come to “make tough decisions and stop some services”.
- **Timing:** One comment was that whilst the budget proposals cover 2016/17 and 2017/18, the current consultation is focusing only on the savings and staffing reductions for 2015/16. The question was raised about whether staff should be consulted on the years (2016/17 and 2017/18) where there is time to radically revise proposals.

2. Do you think the approach is fair and reasonable given the overall savings the council is being forced to make? If not, why not?

- **Agreement:** Several members of staff said they did agree that these were the right priorities, and “as fair as they can be.”
- **Central government:** Some people felt that “any cuts are going to be viewed as unfair”, and felt that it needed to be clearly communicated that the funding settlement originates from central government decisions, not Newcastle City Council.
- **Preserving services:** There was a feeling among some people that there comes a point where universal frontline services should be cut, in preference to reducing specialist services for the most vulnerable, and also damaging the enabling services which enable the council to operate effectively and efficiently. Others felt that the council should continue to prioritise services for the most vulnerable people in the city. Several staff observed that many residents do not understand the level of cuts in recent years because the majority of universal frontline services have not been affected.
- **Redundancies:** Again, the question of whether some grades have been disproportionately affected by redundancy cycles was raised in this context.
- **Restructuring:** One person felt that the approach was fair and reasonable, but avoided some “tough decisions” that needed to be made about stopping services, and restructuring some departments.

3. What consequences or impacts do you think there might be as a result of this proposal?

- **Decent neighbourhoods:** Some members of staff commented that the city would look dirtier and run down.
- **Investment:** One concern was that business investment would suffer.
- **Long-term impact:** Some staff argued that it was important to consider the long-term impacts of these cuts, saying that service users’ lives were definitely going to be affected, but an unknown question was whether cuts would have knock-on effects on other services, and whether this would cost more to resolve in future years. Another comment was that one-off and ongoing costs relating to asset transfer have not been fully identified.

“Will years of hard work in Newcastle be damaged and actually cost the local authority more money in future years to put right?”

- **Political climate:** One person was concerned that cuts in services could result in a growth in support for right-wing political groups and parties, which could have a negative impact on “marginalised groups” and communities within the city.
- **Residents:** Several people said they felt residents would be unhappy with fewer services, and that they would object to paying the same level of council tax for fewer services.
- **Resources:** One view was that whilst radical change was needed, it would be difficult to drive this through with fewer staff, in particular communications staff and managers in enabling services.
- **Restructuring:** One person expressed frustration that previous cuts to admin services made that staff on N9 grades and above were spending a lot of their time on admin work, and that this is not an efficient use of resources. Others against stressed the negative impact of repeated redundancy cycles on staff wellbeing and performance.
- **Services:** Several people commented that given the level of the cuts proposed for the next three years there would be a huge change in the provision of non-statutory services and / or those with a discretionary element (such as the frequency of street cleaning). Another concern was that services would continue to be delivered, but that a lack of enabling services would mean that the council would struggle to determine the most appropriate decisions or interventions, leading to poorer-quality services. Finally, one issue raised was whether, if the council moves towards mainly delivering only statutory services, the public are not aware of what these are.
- **Vulnerable people:** One member of staff expressed a fear that more people would become homeless, that vulnerable older people and children will be put at risk, and that children would get a worse start in life due to cuts in family services.

“I think the council is slow to act and when they do there are opportunities missed. We should be out there talking to Mental Health services, NHS and other partners to seriously share services, reconfigure and integrate. We are playing on the edges.”

4. What do you think could be done to reduce any negative consequences or impacts of the approach?

- **Communication:** People felt that there should be better feedback from the council to residents about how we have listened to them, and either changed our proposals based on their feedback, or been unable to change them due to other factors. Others felt there was a need for greater honesty with both staff and residents about the potential negative impact of budget cuts, but some felt that too much negativity could be counter-productive, and we should emphasise the good work we do.
- **Consultation:** An issue raised was the need to increase transparency, and engage the public in decision-making, particularly about what our priorities should be.
- **Internal efficiencies:** Suggestions for saving money included increasing the length of time pool cars could be booked for, issuing fewer car parking passes, cutting down on refreshments for internal meetings, removing non-essential spend such as water coolers, saving electricity by ensuring that lights, computers and other equipment are turned off at night,

- **Joined-up working:** Staff felt there was a need to break down some organisational barriers and increased “joined-up working”.
- **Offices:** Staff asked if there was any possibility of revisiting the possibility of selling the Civic Centre, due to the costs of refurbishment, and the move towards more digital delivery of services lessening the need for a city-centre location. Another question raised was whether rationalisation of city locations and offices was continuing, and whether it would be possible to sell Partnership House.
- **Partnership working:** Some staff felt there was a need for more “business-mindedness” among senior management, and a need for increased working with partner organisations to deliver services.
- **Shared services:** People felt that there had been a lot of discussion about sharing services with other councils or large partner organisations such as Newcastle University and Northumbria University, but that there had been little progress towards achieving this, and it needed to be revisited.
- **Services:** Some staff felt that the time had come to make the decision to stop providing some services; libraries and arts funding were mentioned.
- **Staff:** People stressed the need to ensure that staff feel valued, to maintain morale. Others were concerned that continually losing staff through redundancy, and failure to carry out knowledge capture, skills audits and training will lead to a situation where the council lacks staff with the necessary skills and experience. Another concern was that staff who are “left behind” after redundancy cycles are not given incentives to stay, instead feeling as though they are simply waiting for the next round of cuts.

“Is the council actually going to “become digital” and make channel shift happen? This has been talked about for many years, but services continue to take a silo approach, and it won’t happen without an investment in culture change, process redesign, and the right technology platform.”