

Haringey's Voluntary and Community Organisations POSITION PAPER – “SPENDING CUTS IN HARINGEY”

8 July 2010

“Pledge: We will work together with Haringey’s many residents’ associations, charities, community groups and voluntary organisations to jointly solve problems”.....

Labour Manifesto – “One Borough One Future” – May 2010

1.0 **Background:**

- 1.1 Over the next five years the country will face some of the deepest spending cuts since the late 1970s. The Government’s drive for austerity will result in an estimated 1.3 million job losses across the public and private sectors with some reports suggesting that the public sector will have to deal with reductions of around £30 billion before 2015.
- 1.2 Clearly the proposed austerity measures will present collective challenges for the Council and its stakeholder partners. Therefore it is important that there is a coherent and strategic cross-sector, cross-service dialogue with them on how best to deal with the impact of the measures.
- 1.3 The Voluntary and Community Sector (VCS) accepts that these are difficult times and that we all have to make sacrifices and adjustments. However, as the detail of the Government’s intentions trickle through the media, Haringey’s VCS has less than positive experience(s) of engagement and liaison regarding where/how the cuts will be implemented in the borough.
- 1.4 The Sector’s experience with the Well-Being Partnership Board (WBPB) illustrates problems experienced around the issue of engagement with the VCS, (there’s currently no engagement from other Theme Boards).
- 1.4.1 Two days prior to the scheduled WBPB on June 10, VCS providers were given 24 hours to demonstrate the impact of 10-15 per cent spending reductions on their services. Therefore as a result of the robust discussions at the WBPB put by HAVCO and Haringey Community Link Forum (HCLF) a constructive dialogue was arranged between officers and those organisations directly affected by the uncertainties regarding 2010/11 ABG funding.
- 1.4.2 However, all VCS organisations attending the meeting held on 1st July were concerned that the Council appeared to be making judgements on the effectiveness and priority of services provided by VCS partners before being confident on the effectiveness and priority of services provided by the Council. This approach was viewed neither as fair nor

acceptable.

1.4.3 Furthermore, at the 24th June Children’s Trust meeting cuts were mentioned generally. It was proposed that the detail about the cuts would be available at the subsequent Board in September. However by this time decisions would have been made with affected staff working their notices. Our concern is that the Trust’s partners have not been able to comment upon allocated cuts to the Children and Young People funding streams.

1.5 Against this background of uncertainty Haringey’s VCS requested HAVCO, as the umbrella body for the local Sector and its HCLF representatives to undertake a VCS consultation/ dialogue to enable organisations to:

1. Share knowledge about the cuts
2. Learn more about the process
3. Learn how the VCS will need to transform to survive in the long-term
4. Develop a VCS Position Paper

1.6 This Position Paper presents an *initial* position of the VCS and provides constructive recommendations. Further papers are likely to developed, once detailed information regarding the cuts is shared; consequently the Paper is a baseline for on-going dialogue/discussions within the VCS and with external partners as situations continuously change.

1.6.1 **The Paper is drafted for the consideration of the borough’s Leader and cabinet members at their scheduled meeting on 13th July 2010, where it is understood that proposals about local cuts will be examined.**

1.7 The central view at this time is that whilst we recognise that these are difficult times, the **VCS reject immediate cuts**. This is not just a recalcitrant cry against reductions but is based upon the VCS’s experience of frontline support and engagement with the most vulnerable and often marginalized communities in the Borough, supported by quantitative evidence.

2.0 **VCS Alternative to Cuts**

2.1 VCS Contribution to Haringey

2.1.1 Haringey’s VCS employs some 5,1000 full time equivalents, however the majority of the VCS organisations (57%) have no full time employees – this informs us that many VCS activities are reliant upon high levels of volunteering. Approximately 31,000 people volunteer in the Voluntary Sector,ⁱ on average 7 hours per month. Based on established methods of valuing the economic contribution of volunteering, the approximate value of their work is £25 million per annum.ⁱⁱ This would indicate that valuable services across the VCS are being delivered with minimal staffing costs. The same cannot be said of other sectors.

2.1.2 The borough has a vibrant VCS with 63 per cent of groups established for 10 or more years. 70 per cent of these organisations have a turnover between £0-100k. Around 60 per cent of Haringey's population have benefited directly from VCS activities and services.ⁱⁱⁱ This supports the traditional view that take-up of services provided by the VCS is higher than similar services provided by statutory bodies.

2.1.3 Twenty-seven per cent of Haringey's Super Output Areas are amongst the 10 per cent most deprived in the country. The majority of the borough's VCS (38%) are based in the east of the borough where most of the deprived wards in Haringey are located.^{iv} Again this supports the traditional view of the VCS that it is able to reach out and support communities often considered vulnerable and/or *hard to reach*, who have multiple minority status, such as mental and/or physical disabilities, single parent families, carers, the unemployed, older people and BME communities. The **long-term impact** of withdrawing resources from preventative support that seeks to break worklessness, transform health inequalities and challenge educational under-achievement – to name a few - is unfathomable. Therefore it is important that there are coherent needs and impact assessments that include equality assessments, undertaken and published for **each service affected by cuts**.

2.2 Recession

2.2.1 The country is still struggling with the impact of recession. In Haringey, quarterly outturn figures in September 2009 indicated that the working age employment rate was down from 65.9 per cent to 63.7 per cent. This is 6.7 per cent below the average employment rate for London.^v

2.2.2 A national family support organisation that works in seventeen boroughs including Haringey closed its educational grants advisory service last year for the first time in 11 years, following a 500 per cent rise in demand from individuals seeking charitable funding to support their education. An important factor is that these clients are unable to access support from the Government's Social Fund; and are unable to access and/or afford repayments on a commercial basis.^{vi}

2.2.3 A local advice agency has had record levels of enquiries since the beginning of the recession, with an average 46 per cent increase in enquiries since 2008/9 to 2009/10. The biggest actual and percentage increases have been in Debt (72%), Employment (47%) and Housing (47%). Cuts to these services would not only impact upon residents and their ability to get advice but will also impact upon the **Borough itself** as debts spiral and employment and benefit entitlements are not secured.

2.2.4 The impact of deep cuts during a period of recession will have a **double blow** upon Haringey's vulnerable communities. The view of the VCS is that local people have suffered enough. The groups that support vulnerable communities often provide their services at low cost or are free of charge. Haringey's micro and small VCS organisations receive low

levels of funding from the public purse, therefore a serious suggestion made at the meeting was that cuts must be sought in other ways, e.g. the borough's '£3 million publicity budget.' This form of action would demonstrate that stakeholders are 'truly in this together'.

2.3 Funding

- 2.3.1 Haringey's VCS receives less than 6 per cent of the entire ABG budget; with voluntary and community providers receiving 14 per cent of the ABG allocation made to the Well-Being strand. Historically, grants like the ABG were provided for additional services however the VCS's view is that they have been overly used for mandatory services.
- 2.3.2 Concern was expressed whether/how the cuts would affect inward investment into the Borough, e.g. 'match funding'.
- 2.3.3 It was also proposed that Council departments should not seek to recoup funds *via the back door*, by increasing rental charges for example.
- 2.3.4 Although there are concerns regarding immediate cuts, the VCS is equally concerned about plans beyond March 2011. **Now is a good time for statutory bodies to ensure that the plan of cuts between 2011-15 is timely, fair, inclusive and transparent.** Importantly, the process must be compliant with Haringey's "Working BETTER Together" Local Compact agreement. It is also vital that the April 2009 *Duty to Involve* legislation is adhered to.

2.4 The Big Society

- 2.4.1 The Coalition Government puts the VCS at the centre of their policy plans by offering to "support the creation and expansion of mutuals, co-operatives, charities and social enterprises, and support these groups to have much greater involvement in the running of public services."
- 2.4.2 Local policies also identify the key role that the VCS plays in local service delivery, such as the borough's Joint Mental Health Partnership Strategy, developed by Public Health, entitled 'Moving Forward' (2010-13) produced in February 2010, which identifies the following:
- *As levels of Dementia and Depression increase amongst older people new strategies would be required to address this. There would be a key role for the Voluntary and Community Sector (VCS) to play with respect to this..... Often the children of immigrants and asylum seekers were traumatised by the difficulties their parents had experienced and their mental health was also affected. The JNSA recognised that there were higher instances of eating disorders, self harm, depression and anxiety amongst children from BME groups and there would be targeted work to join up the support available to these families. It was noted that there would be a key role for the VCS to play with respect to this....That there should be further analysis of how people from different ethnic backgrounds accessed services to*

inform how the VCS could be best utilised to improve this.

- 2.4.3 The VCS has also played a vital role in the development of some of the Borough's other key policy strategies, such as: The Child Poverty Strategy, Health Inequalities Action Plan, Housing Strategy, and Third Sector Action Plan. Groups are proactively involved in driving up standards to deliver broader services in areas such as transforming social care. The Borough's Sustainable Community Strategy is also being reviewed and this presents a key opportunity for statutory partners to work with the VCS to provide tangible targets for the Sector to help them achieve their goals.
- 2.4.4 There has also been a sharp increase in volunteering enquiries in Haringey with requests for volunteering opportunities rising by 273 per cent from April 2008 to March 2010.
- 2.4.5 Cuts at this time will not only impact upon the delivery of key strategies and initiatives but the loss of VCS services will be particularly futile when there is likely to be the need to utilize such services to fill gaps following the closure of some public services as the needs of local people remain. Also the drive of Central Government to devolve power to local people (and the VCS) demands that the role and need for a vibrant VCS is necessary during the next five years.
- 2.4.6 Government's Local Economic Partnership proposals and the current requirement for statutory bodies to consider the VCS as providers of local public services at a minimum of 20 per cent. This requires statutory partners to act more as "enablers" (as opposed to being providers themselves). Therefore more consideration should be given to commissioning services from the VCS, so that they are bigger and better employers. A key requirement for this to happen would also be the need for a strong local Economic Development Service, able to harness the collective interest of all key stakeholders.
- 2.4.7 However the VCS identifies that the public realm will be irrevocably transformed and if they do not change **their** services, they will be adversely affected. There was general agreement for the VCS to quantify their services and work with evidence and case studies. The following four key areas of work were identified for further development and focus:
- Identify their *service and unit costs*
 - *Be better placed to enter mergers, partnerships, collaborations*
 - *Take on board the need to implement efficiency savings and to be even more innovative, and;*
 - *To develop their knowledge of needs and market intelligence*

3.0 **Recommendations**

3.1 Finally, a summary of recommendations discussed at this event are outlined as follows:

3.1.1 *Process*

- Consultation is needed *before* any cuts as reinforcement of the Borough’s Community Engagement Framework and the *Duty to Involve* local people.
- Any proposals for cuts must be supported by impact/need assessments which should be *published*. The decision making process should be transparent, fair and open and compliant with Haringey’s Compact.

3.1.2 Method

- Considering the magnitude of the contribution to Haringey by the VCS and the relatively low levels of investment by statutory partners that, rather than cuts, the VCS should be *adequately funded* to enable the Borough to meet its priorities and targets. For example, the bulk of the ABG grant has been subsumed by the mainstream, hence any cuts should be made to the mainstream not VCS providers.
- As part of Government plans, Haringey’s VCS must be considered as key providers of public services that can no longer, due to cuts, be provided by public bodies.
- Statutory services should take this opportunity to reform *themselves* and work with other stakeholders to identify areas where cuts can be made that have *no impact* on service delivery e.g. the Council’s £3m publicity budget.
- Cross-cutting preventative services that support the reduction of health inequalities should be maintained.
- A longer-term perspective must be considered as part of any cuts proposed e.g. Big Society, volunteering, civic engagement, as it is usual that the VCS will ‘take up’ gaps in services not delivered by other providers.
- Council departments should not seek to recoup funds, *via the back door*, by increasing rental charges for example.

3.1.3 Sector Undertaking

- The Sector will be reflexive by assessing what changes they need to put in place to be ready for the new working environment.

3.2 The Sector welcomes Cabinet’s response to this Paper.

4.0 Authorisation

4.1 This Position Paper is endorsed by:



Naeem Sheikh – HAVCO CEO



John Egbo – HCLF Chair

5.0 **Contact Information**

5.1 For further information regarding the Paper, please contact:

Pamela Pemberton
Sector Engagement and Communication Manager – HAVCO
Unit 336 Lee Valley Technopark
Ashley Road
London N17 9LN

Tel: 0208 880 4078

Email: pp@havcoharingey.org.uk

ⁱ NB In 2009 Haringey Strategic Partnership commissioned a mapping exercise of the borough's Third Sector Organisations. Over 80% of respondents fall into the category of voluntary and community sector (VCS). Therefore within this paper we have used term VCS or Voluntary Sector. This falls in line with the Coalition Government who have disbanded the term Third Sector Organisations.

ⁱⁱ Mapping Haringey's Third Sector, Consulting Inplace for HSP, January 2010

ⁱⁱⁱ Ditto

^{iv} Ditto

^v Haringey Recession Dashboard October 2009 by Marc Dorfman

^{vi} The Big Squeeze – We're (still) in it together. The recession, Londoners and the Voluntary and Community groups who serve them, LVSC, July 2009