



C3SC response to the Consultation on the Welsh Government Draft Budget Proposals 2018-19.

Introduction

0.1 Cardiff Third Sector Council (C3SC) is a registered charity and umbrella body working to support, develop and represent Cardiff's third sector at local, regional and national level. We have over 1,000 members, and are in touch with many more organisations through a wide range of national and local networks. We are a part of Third Sector Support Wales (TSSW) – a body of membership organisations constituting WCVA and Wales' CVC's; our mission is to provide excellent support, leadership and an influential voice for the third sector and volunteering in Cardiff.

0.2 C3SC is committed to a strong and active third sector building resilient, cohesive, active and inclusive communities, giving people a voice, creating a strong, healthy and fair society and demonstrating the value of volunteering and community action.

0.3 We welcome the opportunity to respond to The Committees of the National Assembly consultation on the Welsh Government Draft Budget Proposals 2018-19. This response is structured in accordance with the questions in the consultation document. This response is provided in the English Language only.

0.4 This response is drawn together by C3SC's Health and Social Care Facilitator from experience and knowledge of related issues through their working role, and contributions from C3SC's Senior Management Team. C3SC promoted the consultation to members; we will confirm through Network meetings if member organisations, as is very likely, have contributed via other avenues.

Consultation questions

1. *What, in your opinion, has been the impact of the Welsh Government's 2017/18 budget?*

1.1 There has been a reduction in money to enable innovation, austerity is continuing to have a detrimental impact with more money beginning to be protected within the public sector. Integration is often spoken about, but this is only integration between the Health Boards and Social Services, it excludes integration with the third sector and private sector.

1.2 The reduced budget for Communities First is having issues around the preventative agenda, with less opportunities to encourage healthy lifestyles and develop community cohesion. In Cardiff all of the Communities First services are provided by the third sector, all of whom are being innovative to try and maintain services in the community which are evidence-based but in the current economic environment this is challenging and will result in wider variance in services

available across the city for those in more deprived areas, whilst at the same time reducing access to mainstream services. Feedback from providers has evidenced their reliance on CF to raise awareness and signpost people to activities, information and services..

- 1.3 The inclusion of ICF monies in more areas is a welcome addition, but the guidance that comes with that is increasingly limiting options at a local and regional level. For example the integrated autism service, the requirements are so limited that all of the funding is being kept within the health boards and local authorities and does not take into account the existing provision which is often provided by the third sector. Cardiff and the Vale are working to ensure that they are not duplicating anything that is already being provided, with some concerns that the guidance on what should be included being behind the levels of service that are being delivered already across the region.
- 1.4 A focus on prevention should extend to ensuring adequate support for providers to enable them to better meet demands through quality, sustainable services. For the third sector, this emphasises the need for a strong network of infrastructure support provided by Third Sector Support Wales and its range of partners and networks

2. *What expectations do you have of the 2018-19 draft budget proposals? How financially prepared is your organisation for the 2017-18 financial year, and how robust is your ability to plan for future years?*

- 2.1 We anticipate a further reduction in the monies coming through to many budget areas in Cardiff, with more austerity. This at a time when demand and expectations around the preventative agenda is increasing, means that there is a challenge to try and meet the needs by doing more with less money. The disproportionate impact on Cardiff and its population of funding not being apportioned with due recognition of the increasing size, complexity and diversity of the population is more harshly felt within the current financially strained environment.
- 2.2 We already know that Communities First funding will be finishing at the end of 2017/18 and that Families First has new guidance and so will need to be recommissioned, all of which is likely to have an impact on the third sector in Cardiff. As decisions are channelled through the statutory sector, there is little to be done in terms of preparedness. We have reviewed our Funding Strategy, and encouraged our member groups and organisations to do the same to help to develop more sustainable services; but it is more of a process of mitigation without ready access to alternative funding and delivery models and co-produced strategies that support this.

2.3 The third sector is used to having to be agile with services being recommissioned often in three year cycles, however this is increasingly challenging with other sources of funding which have traditionally been third sector funding now being targeted by the statutory sector as well to provide additional services and support. This at the same time that innovative, evidence-based initiatives are difficult to find continuing funding for so that they can either be sustainable or become part of business as usual within other services.

2.4 As finances remain tight, there is much less of an emphasis on funding in compliance with the Third Sector Scheme or other models of best practice. Funding agreements are frequently short term in nature with grants becoming a feature of the past rather than being a viable alternative in the mix of funding. This has many, well-rehearsed impacts on the third and community sector, particularly for smaller organisations and maintaining the diversity of provision.

2.5 We welcomed the WAO's recommendation for local authorities to develop a clear strategy for funding the third sector which, particularly if adopted more widely by public services, would greatly assist the capacity to plan. In the absence of this, it is difficult to plan for future years for ourselves and in support of our members.

3. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?

- Financing of local health boards and health and social care services

3.1 There should be a fair funding deal based on population size for both health services and social care services across Wales.

3.2 The Regulation and Inspection of Social Care (Wales) Act 2016 is bringing it a more professionalised adult social care service. This involves more qualifications and registration, if the plan for more guaranteed hour contracts in social care are also brought in then Social Care is going to need additional funding to afford to make the changes without risking the entire system falling apart. There are some third sector providers who are considering leaving the social care market because of the losses they will receive on every contract which are unsustainable. We are concerned that without additional funding which is ring-fenced to assist in qualification funding and to provide Welsh translation then the issues within social care will be exasperated and the services unable to meet the needs of those requiring services.

- Approach to preventative spending and how is this represented in resource allocation (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)

- 3.3 There is no approach to preventative spending. The emphasis is on evidence-based and on being able to prove cost savings. A short term view is taken instead of a longer one. Healthy eating today, may reduce some obesity levels, but the true benefits will only be seen years later if there is a reduction in illnesses that are linked to poor diets and unhealthy habits.
- 3.4 Prevention for health is a particular concern, as a service may be able to prove that they have managed to keep someone out of hospital but that doesn't free up a bed in a hospital as someone else will be waiting for that bed. The approach taken by the Supporting People Programme to utilise the SAIL database is one that should be looked at for wider preventative services.
- 3.5 Mental Health provision at a local level is increasingly being looked at to deliver at a lower level to prevent people deteriorating into a crisis and requiring costly crisis support.
- 3.6 There is a lot of talk about prevention, especially in regards to the Social Services and Wellbeing (Wales) Act 2014, however limited resources and budgets means that monies are slow to be released from more costly interventions when people are in crisis and into preventative services to reduce spending longer term. Services still have to be delivered so without additional monies specifically for prevention it is battling with services that have to be statutorily delivered, leaving the local authorities especially with very little choice.
- 3.7 A focus on prevention should extend to ensuring adequate support for providers to enable them to better meet demands through quality, sustainable services. For the third sector, this emphasises the need for a strong network of infrastructure support provided by Third Sector Support Wales and its range of partners and networks

- ***Sustainability of public services, innovation and service transformation***

- 3.8 There is lots of evidence around the lack of sustainability of public services using the current model, for example see the WPS2025 report on 'A delicate balance? Health and Social Care spending in Wales'. This means that something has to change and fast, change takes time and with many decisions being politically sensitive change is very slow and often unseen away from departments.
- 3.9 Service transformation, even when funded is very slow to begin, often because it comes with specific funding that has to be used in certain ways and which means that staff recruitment has to take place, but which is on a short term basis. There is often a shortage of staff within statutory services who can fulfil these roles, with their being shortages in Social Workers, Nurses, Physiotherapists,

Occupational Therapists and Speech and Language Therapists. As services have to continue to be delivered whilst transformation is piloted and then rolled out, these are additional posts putting additional pressure on existing systems and which slow down transformation. This is an issue that is difficult to resolve.

3.10 Social Services and Wellbeing (Wales) Act 2014 highlights innovation and social enterprises as being important to making change. There appear to be meetings about innovation and social enterprises but without initial funding it is hard for innovative services to be tested or for social enterprises to be started. C3SC attended an event with Welsh Government officials where the officials suggested that the third sector could run pilots, without funding, and then the statutory sector could then fund the successful ones going forward. As starting a pilot and gathering the evidence is the most expensive time for any service, this lack of understanding and the challenging financial background that the third sector is operating in is of concern. It would appear that the Welsh Government are setting the third sector up to fail, and not be able to meet the expectations of the statutory sector.

3.11 We propose the worth of considering the benefit of providing a central team that supports the ambition around modern, enabling, inclusive public services. Without this investment it is difficult to see how in the current picture of demands services will respond with sufficient uniformity, innovation and pace to create the transformative changes required. This would include bringing in all sectors, as success is predicated on taking this approach.

3.12 We also propose the value of building on, rather than removing, existing trusted provision and taking an approach that addresses areas of weakness or concern rather than responding by ending all services – as per Communities First. We also propose that consultation should be undertaken prior to decisions being taken, with the next steps decided through co-production with Wales' citizens.

- ***The Welsh Government policies to reduce poverty and mitigate welfare reform***

3.13 We are already aware that the Communities First programme comes to an end in March 2018. This will reduce the number of people working in deprived areas who can provide support to reduce poverty and deal with welfare reform. The timing of this to coincide with the roll out of universal credit is a concern in regards to leaving vulnerable people, those who are digitally excluded or whose first language is not English or Welsh at a disadvantage.

3.14 Housing and Health are important to enable people to work and to reduce levels of poverty. These therefore need to be prominent in the poverty programmes and not just about being prepared and ready for work.

3.15 The Supporting People Programme has a campaign to keep funding which is being coordinated by Community Housing Cymru and Cymorth Cymru. The Programme have been able to demonstrate their effectiveness in prevention as mentioned before. We therefore, support the campaign to continue to fund this programme.

3.16 Poverty is multi-faceted, and so should the response be. Recent decisions appear to have reduced the names of lines of focus to meaningfully address the causes and consequences of poverty.

- ***The Welsh Government's planning and preparedness for Brexit***

3.17 We have no comment on the Welsh Government's planning and preparedness for Brexit, except to say that we hope the WG recognises this has a societal as well as economic impact, and proceeds accordingly.

- ***How the Welsh Government should use new taxation and borrowing powers***

3.18 Any borrowing should be used to fund innovation, social enterprises and preventative services. This will then reduce the need to fund additional services in the future.

3.19 New taxation monies should be ring fenced and be transparent in what they can be spent on, with decision being made through genuine co-production that incorporates the views of minority and seldom heard groups.

- ***How evidence is driving Welsh Government priority setting and budget allocations***

3.20 There is currently a lack of transparency in what is driving Welsh Government priority setting at the present time. There appears to continue to be a short term perspective being taken based on which Ministers are in which roles and what their personal priorities and interests are in.

3.21 There needs to be more transparency so consultations like this can be answered in more specific detail, and to develop trust in the Welsh Government.

3.22 There continues to be issues with delays in budget allocations being made. For example, some funding has only just had its funding allocation approved at the beginning of September, with the monies due to be spent by the end of March. This means that for six months services have either not been provided or the third sector or statutory body have had to continue to run the services taking

a risk that they may not receive the funding. This is not sustainable in the longer term, the Welsh Government need to implement faster processes which means that decisions and allocations can be made before the beginning of the financial year.

- ***How the Future Generations Act is influencing policy making.***

3.23 At a local level there is a draft Wellbeing Plan which is being created and which to reduce duplication is being linked in regionally with the Area Plan which is required under the Social Services and Wellbeing (Wales) Act 2014.

3.24 There is currently very little or no evidence of longer term thinking or planning which is required under the Wellbeing of Future Generations (Wales) Act 2015. This is at a local level but also by the Welsh Government. We think that the Welsh Government should be leading the way in this by looking at the longer term and developing more cross party working especially in regards to health and social care and the preventative agenda for these areas. And should ensure the legislation is transformative in terms of the role of citizens in influencing policy and developing solutions.