

TITLE OF REPORT: Strategic Planning and Budget Consultation

REPORT OF: Sheena Ramsey, Chief Executive

Purpose of the Report

1. To seek Cabinet approval to consult on a five year strategic approach 'Making Gateshead A Place Where Everyone Thrives' and the Council's budget framework and proposals as part of the budget setting process for 2018-19.

Background

2. The Council is operating in an ever-changing policy landscape, both nationally and locally. The levels of uncertainty and the impact of government decisions are significant eg Universal Credit, homelessness, mental health, as well as the potential adverse economic impact of Brexit. The challenging local context of austerity and increasing demand on council services, has compelled the Council to refocus on what matters most.
3. With two years left on the lifespan of the current Council Plan 2015-2020, the opportunity has been taken to undertake a mid-term review to ensure the Council remains a viable and sustainable organisation into the future, despite the challenging policy and budgetary context.
4. In November 2016, the Local Government Association undertook an independent Peer Challenge of the Council, the recommendations of which have been used to inform the Council's thinking around future policy and direction.
5. The Medium Term Financial Strategy (MTFS) 2018-2023 agreed in July 2017, estimates the Council has a funding gap of £88m over the next five years, with at least £41.8m to be found in the next two years (£20.6m in 2018/19 and £21.2m in 2019/20). Thus the funding estimated to be received from Government and from council tax and business rate payers over the next five years is not sufficient to cover current level of spend plus new budget pressures.
6. By 2018/19 the Council's core grant funding will have reduced by approximately 52% from 2010. This equates to over a £400 per head reduction and over a £900 per dwelling reduction in Government funding over the period.

New Approach

7. The Council's strategic approach 'Making Gateshead A Place Where Everyone Thrives' is being developed with the Council's purpose and beliefs in mind, along with what matters most to the people of Gateshead. It is aligned to the timeframe of the MTFS and is predicated on the following council pledges:

- Put people and families at the heart of everything that we do
 - Tackle inequality so people have a fair chance
 - Support our communities to support themselves and each other
 - Invest in our economy to provide sustainable opportunities for employment, innovation and growth across the borough
 - Work together and fight for a better future for Gateshead
8. The new strategic approach is attached at Appendix 2 to this report.
 9. The Council recognises there are huge financial pressures on not just council resources, but those of partners, local businesses and residents. To deliver on the new strategic approach over the next five years, the Council will need to be resolute in its determination to make Gateshead a place where everyone thrives. This means the Council's decision-making will be policy and priority led and driven.
 10. The new strategic approach does not cover everything that the Council does in detail, but does provide a framework to demonstrate how the Council will work and make decisions in the future.
 11. In order to strengthen the Council's financial position to deliver on the new strategic approach, there needs to be consideration of other ways to generate income and be self-sufficient including changes in local taxation, fees and charges and trading activities as well as prioritising and supporting economic growth within the borough. The Council will also seek to address and manage the huge pressures created by increasing demand for council services along with the identification of efficiencies and savings.
 12. With this in mind, the budget proposals are a combination of efficiencies, cost reductions and income generation and proposals where the Council would like to work differently, with partners and others, to achieve the right outcome for those people and families who require more support than others. The budget framework and proposals are attached at Appendix 3.

Proposal

13. It is proposed that the Council consults on the new strategic approach and budget proposals from 21 November 2017. The budget consultation will close on Friday, 12 January 2018 to enable evaluation of the responses to inform the Council's Budget 2018/19, which will be presented to Cabinet on 20 February 2018. Comments on the budget proposals can be made via email to Budgetconsultation@gateshead.gov.uk
14. Consultation and engagement on the new strategic approach will end on 21 February 2018. The Council is keen to hear from anyone who has an interest in Gateshead and opportunities to do so will be highlighted on the council's website, including roadshows, business sector and voluntary sector engagement and partner organisation meetings. The Council will also be engaging with its employees through conferences and employee forums, as well as with trade unions.

15. It is the Council's intention to launch its new strategic approach in March 2018.

Recommendations

16. Cabinet is asked to approve the consultation on the Council's new strategic approach 'Making Gateshead A Place Where Everyone Thrives' and the budget proposals for the period 2018/19 contained within this report.

For the following reason:

To ensure the Council is well placed to respond to the needs of the borough, whilst addressing the financial challenge placed on the Council and the residents of the borough.

CONTACT: Sheena Ramsey

extension: 2050

Policy Context

17. The new strategic approach will set the major policy directions for the Council, redressing the imbalance of inequality, championing fairness and social justice. The new approach will determine future budget proposals and the development of future Business Plans for each of the Council's Services.
18. Full Council is responsible for approving a budget following recommendations from Cabinet, in line with the budget and policy framework outlined within Gateshead Council's constitution.

Background

19. The Medium Term Financial Strategy 2018-2023 agreed in July 2017, estimates the Council has a funding gap of £88m over the next five years, with at least £41.8m to be found in the next two years (£20.6m in 2018/19 and £21.2m in 2019/20). The funding estimated to be received from Government and from council tax and business rate payers over the next five years will not be sufficient to cover current level of spend plus new budget pressures.
20. By 2018/19 the Council's core grant funding will have reduced by approximately 52% from 2010. This equates to over a £400 per head reduction and over a £900 per dwelling reduction in Government funding over the period.
21. Central Government's continued commitment to reduce the overall levels of public debt and move local government towards being more self-sufficient would indicate significant reductions in grant funding are likely to continue over the medium term. The likely continuing requirement and scale of budget savings, over and above the £143m already taken from budgets since 2010, represents an increasing challenge for the Council. Clarification may come from the Chancellor's Budget Statement on 22 November 2017 and the local government finance settlement which is expected in December 2017.
22. The Joint Strategic Needs Assessment demonstrates the levels of inequality Gateshead residents are experiencing. There are increasing numbers attending foodbanks, high numbers of looked after children, and poor health outcomes for men and women compared to other areas of the country. These examples are just a few of the factors that show there needs to be a different approach taken by the Council and others in order to overcome these difficulties.
23. In November 2016, the Local Government Association undertook an independent Peer Challenge of the Council, the recommendations of which have been used to inform the Council's thinking around future policy and direction. The Peer Challenge report is attached as Appendix 4.

Consultation

24. Cabinet members and councillors have been consulted on the development of the new strategic approach and the budget proposals through planning sessions and a Corporate Advisory Group.

Alternative Options

25. There is no alternative option. The purpose of developing a new strategic approach is to ensure there is clear direction from the Council in achieving better outcomes for the residents and businesses of Gateshead by being fair, putting people and families at the heart of what we do, and getting the best outcomes for local people.
26. Local authorities are legally obliged to set a balanced budget each year and to ensure they have sufficient reserves to cover any unexpected events. Therefore, to legally balance the budget the Council must make spending plans affordable by matching it to the estimated funding available over that time.

Implications of Recommended Option

27. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms the Council will deliver a balanced budget consistent with legislation that is driven by council policy and which achieves priority outcomes. To achieve this, the Council must close an estimated financial gap of £20.6m for 2018/19 that is identified within the Medium Term Financial Strategy. The budget savings options have been generated by a focus on the MTFS themes of efficiencies/savings, managing demand, economic growth and income generation. This consultation contains budget savings options which total £13.67m. Alongside the savings position the Council will seek to close the financial gap through consideration of other funding options identified within the MTFS. These other funding options include growth in council tax and business rates funding and consideration of a council tax increase as well as a full review of the cost pressures within MTFS assumptions, a review of the potential for capacity building within communities and the optimum deployment of available reserves.

Within the 2017/18 settlement the Government provided some details of indicative funding up to 2019/20 which gives a high level indication of revenue support grant funding. However significant uncertainty still exists in respect of likely funding levels in relation to other grants over the period as well as instability that arises from the volatility of business rates funding. The Council's financial settlement will not be confirmed until December 2017 at which point assumptions around Council funding levels for 2018 will be clarified. The Government will present its Autumn budget on 22nd November 2017.

The funding estimated to be received from Government and from council tax and business rate payers over the next five years is not sufficient to cover current level of spend plus new budget pressures. Although there exists a great deal of uncertainty, overall it is estimated that the Council will need to close a funding gap of £88.0m over the five financial years 2018/19 to 2022/23. It is planned to review the financial projections within

the MTFS and to bring a report to Cabinet in January 2018 that presents the latest financial context of the Council. This represents an extremely challenging position for the Council and in order to strengthen our financial stability the Council will have to continue to prioritise additional ways to generate income and be self-sufficient including changes in local taxation, fees and charges and trading activities as well as prioritising and supporting economic growth within the borough.

- b) Human Resources Implications** – The HR implications are included in Appendix 3 to this report.
 - c) Property Implications** - There are no property implications arising directly from this report.
- 28. **Risk Management Implication** - There is a significant risk in not having an updated strategic planning framework in place to agree priorities and make decisions.
 - 29. **Equality and Diversity Implications** - The new strategic approach and budget proposals have been developed recognising there is a need to address inequality across the borough.
 - 30. **Crime and Disorder Implications** – There are no implications arising directly from this consultation.
 - 31. **Health Implications** – The new strategic approach and budget proposals have been developed recognising there is a need to improve the health and wellbeing of Gateshead residents.
 - 32. **Sustainability Implications** - The new strategic approach and budget proposals have been developed recognising there is a need to address sustainability issues in the borough.
 - 33. **Human Rights Implications** - There are no human rights implications arising directly from this report.
 - 34. **Area and Ward Implications** - The new strategic approach and budget proposals will cover all wards in Gateshead.

Background Information:

Joint Strategic Needs Assessment
Economic Assessment
ACORN data (CACI)
Residents' Survey 2016 & Consultations

Making Gateshead a place where everyone thrives



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Foreword by the Leader of the Council

Gateshead is a fantastic place with amazing people and I'm very proud to say that Gateshead is my home.

Gateshead is a vibrant place and residents have a strong sense of community and local pride. Gateshead people are compassionate, warm and generous. They are willing to share and there is a great sense of belonging. **It's a place where people really care for each other.**

The Council wants the best possible outcomes for the people of Gateshead. We want to make sure we listen and understand what matters most to local people whilst **always standing up for the most vulnerable and those in need.**

The Council has always been ambitious and the borough has a reputation for innovation and vision with economic regeneration, culture and art firmly putting Gateshead on the map.

However, these **achievements sit alongside significant levels of poverty and inequality.** I have seen the vast government cuts and radical changes in government policies making negative and disproportionate impacts on the people of Gateshead.

Tackling inequality is not new, this Council has always focused on fairness and social justice. **We know that if we can narrow the inequality gap people will live longer, healthier and happier lives.**

We want Gateshead to be a place where everyone thrives.

If we are to achieve this a **radical rethink is needed about the way we work as a council**, the way we spend the money, the way we work with partner organisations, businesses and how we work with our local people and communities. **Big change is needed and fast.**

We want everyone in Gateshead to be involved in this transformation. We know we can do it, but only if we do it together. We need to know what matters most to you and what you think you can do to make sure Gateshead is a place where everyone thrives.

This is the start of a new era for Gateshead, we've made our pledges for a fairer Gateshead, we want to hear yours

For our part **we have developed FIVE pledges** to help and guide us when we make decisions.

You can find out how you can get involved on page 14.

We pledge to:

- Put people and families at the heart of everything we do
- Tackle inequality so people have a fair chance
- Support our communities to support themselves and each other
- Invest in our economy to provide sustainable opportunities for employment, innovation and growth across the borough
- Work together and fight for a better future for Gateshead

Martin Gannon
Leader of Gateshead Council



Background

“There is immense pride in Gateshead as a place.... people talk readily of the achievements the council has made to the physical environment. There is also considerable pride in the Council's values and it is widely acknowledged as wanting to care for its communities.”

LGA Peer Challenge Report, November 2016

The Council has always been fiercely ambitious for the people of Gateshead. The Council and its partners have a reputation for achievement, innovation and vision.

Quality services and targeted interventions for those people most in need have formed the backbone of the Council's approach.

Developments like the Angel of the North, Gateshead Quayside and the MetroCentre along with Saltwell Park and the Gateshead International Stadium have put Gateshead firmly on the map.

The ambition and aspiration for the people and the borough has not changed.

Changing context

What has changed is the context within which the Council is working. There have been 10 years of austerity and major government policy changes including Welfare Reform, Housing Reforms, National Living Wage, duties through the Care Act and changes to the education system forcing speedy and sometimes counterproductive change.

Uncertainty still lies ahead both locally and nationally with the impact of Universal Credit, implications of Brexit, Business Rate retention and Funding Formula changes.

Since 2010 budgets have significantly reduced across all of the public sector providing services to the people of Gateshead. The Council alone has had to make savings of over £143 million since 2010 and is looking at a funding gap of a further £88 million in the next five years.

Demand for services

Demand for all services is high including services that help to keep the place looking clean, tidy and attractive. Demand for some council services has greatly increased.

The number of children with protection plans and the numbers of looked after children are increasing month on month. As our population ages we are seeing an increase in the number of older people needing support to live independently at home, particularly when discharged from hospital.

With reduced resources and increased demand for services the Council will not be able to make ends meet. The Council is proud of how much it does and cares for its residents however this has created expectations in communities that can no longer be met by the existing approach.

In the current context it would not be sustainable for the council to operate or maintain all services in the same way as they are currently provided.

Developing a new approach

The new leadership of the Council has taken the opportunity to take a step back and reflect on the core purpose of the Council and very importantly what matters most to the people of Gateshead.

Work so far includes a high level analysis of the Borough's profile to ascertain future demand pressures, a refresh of the Medium Term Financial Strategy and the Local Government Association undertaking a fundamental and independent look at the Council through their Peer Challenge review programme.

The following sections of this document explain the rationale and the main elements of the new approach. It also gives details of how everyone who has an interest in Gateshead can get involved to...

...Make Gateshead a place where everyone thrives.

The key issue | Tackling Inequality

National and international research shows that narrowing the gap of inequality would result in people living longer, healthier and happier lives. Data shows that problems including those in poor health, mental illness, obesity, drug addiction, unequal opportunities, poorer wellbeing for children, violence and imprisonment are more common in unequal societies.

Internationally indexes of quality of life, wellness and deprivation tend to show a correlation between a country's economic inequality and its social outcomes.

Locally as councillors, we see and hear the struggles of our local residents on a daily basis. We have to face the facts - too many of our people and families are just not coping or are in need.

It's just not right that in Gateshead:

- Government grant funding has halved since 2010
- one in five of our children live in poverty
- over 5,000 people rely on foodbanks
- over 10,000 people struggle to heat their homes
- over 3,000 people need support and advice to prevent or deal with homelessness
- over 7,500 people need social care help
- an average man only lives 57 years in good health (6.4 years less than England average)
- an average woman only lives 59 years in good health (5 years less than England average)
- over 9,000 people can't work because of long term illness
- nearly 13,000 only earn £15,000 a year
- children on free school meals will not achieve as good a level of development at age 5
- nearly 25% of people live in the 20% most deprived areas in England
- the number of people on out of work benefits is 3% higher than elsewhere and just over 10% of claimants are younger than 25.
- average earnings are still well below the national average (£490.90 compared to England median of £544.20 (2016)
- 330 young people are not in education, employment or training
- educational attainment gap between disadvantaged pupils and other pupils in Gateshead is at -14.6% (2015/16)

We don't believe that in 2017 it is acceptable that there is such inequality in our Borough



We know that the vast majority of people in Gateshead care about the community they live in. They don't want to live in a community along side people who are struggling and they want to help and support and do something about that!



We want Gateshead to be a place where everyone thrives

We know that over 50% of people and families in Gateshead are either managing or just coping and over 30% are in need or in vulnerable situations. We want to change those statistics and aim to make Gateshead a place where everyone thrives.



Thriving

Managing

Just coping

Vulnerable



Thriving

Managing

Just coping

Vulnerable

Thriving - what do we mean by thriving?

Flourishing, prosperous, successful, faring well

We know there are people and families in Gateshead who are already thriving. People and families who can be seen to have good jobs, good homes, good health, good support networks and can afford to take advantage of opportunities whether it be cultural, leisure or educational.

There is normally very little interaction between these people and families and the Council.

We'd like to see a year on year increase of thriving people & families

Managing - what do we mean by managing?

Coping, doing OK, making ends meet, fairly resilient, getting by but may be feeling the pinch

We know there are people and families in Gateshead who are managing. People and families who have a more stable income and can pay their bills but don't have much in the way of spare cash.

People and families who are managing tend to need less support from the Council or other organisations and have strong family and friend support networks.

We'd like to see more people & families using their own and community support networks



Just coping - what do we mean by just coping?

Just about getting by, surviving, subsisting, just about keeping their heads above water

We know there are people in our communities who don't have regular income or are unemployed and are just about keeping their family together.

Many of these families may not have the strongest support networks. They may face different issues at different times which they need help from the Council and others to deal with them.

We'd like to work with partners so that there are earlier, effective interventions trying to prevent just coping people and families from having more complex needs and becoming vulnerable

In need - what do we mean by in need?

Vulnerable, in difficulty, in adversity, not coping

We know there will always be some people and families that have complex and multiple needs and will need more of our care and support than others. The Council has always given priority to those in the greatest need. We look after children, provide social care for older people, support those people who have found themselves in really vulnerable situations.

Supporting such complex needs is not easy – funding social care takes all the council tax we get... and more. We need to ensure the support we provide for people is helping them to fulfil their potential and independence where possible.

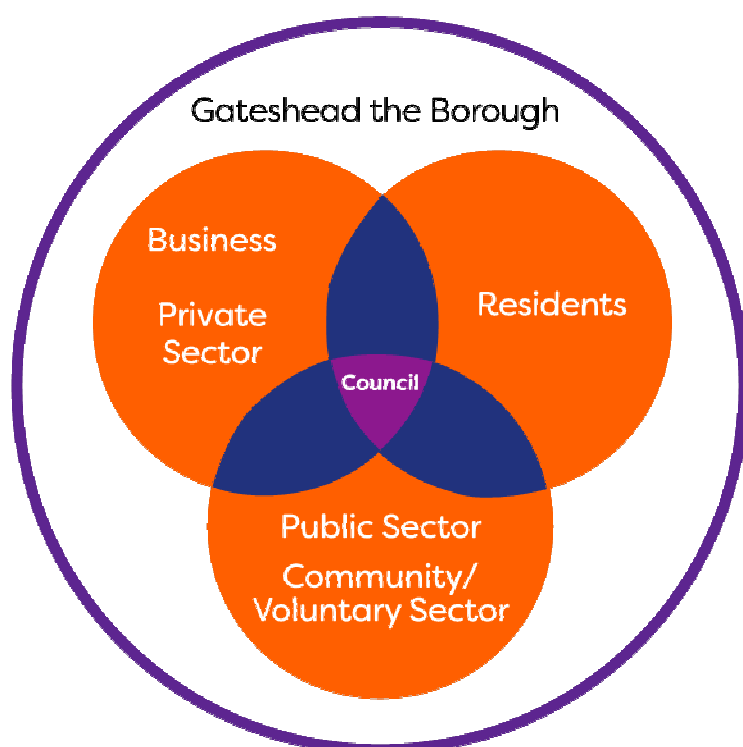
We'd like to ensure there are appropriate and effective interventions, that have more sustainable impact and help more people cope

How can we make Gateshead a place where everyone thrives?

If we are going to achieve our goal it will mean a radical rethink about the way we work as a council, the way we spend the money, the way we work with partner organisations and how we work with our local people, families and communities.

The diagram below aims to illustrate the different interactions residents, businesses, partners and the community and voluntary sector will have with the Council.

How the Council works



- Council at the heart / co-ordinating
- Provider of services to vulnerable people and universal services
- Key influencer and democratic voice

Some interventions needed

Collaboration & support

THE NEW APPROACH

The new approach is built on the key principles of:

- Fairness and treating people with dignity and respect
- People and families being at the heart of everything we do; and
- Getting the best outcomes for local people.

We have developed FIVE pledges to help and guide us when we make decisions.

Our pledges

We pledge to:

- Put people and families at the heart of everything we do
- Tackle inequality so people have a fair chance
- Support our communities to support themselves and each other
- Invest in our economy to provide sustainable opportunities for employment, innovation and growth across the borough
- Work together and fight for a better future for Gateshead

Do you want Gateshead to be a place where everyone thrives?

This new approach gives everyone in Gateshead the opportunity to determine what matters most and the opportunity to contribute and work together to make Gateshead a place where everyone thrives.

It is the start of a different conversation with anybody and everybody who has an interest in Gateshead, people and families, partner organisations, employees, other local councils, and national influencers. We intend to develop this approach WITH everyone who has an interest in Gateshead.

Getting involved

Here are some of the ways you can get involved

From 21 November 2017 to 21 February 2018 there will be:

- Councillor roadshows
- Partner organisation meetings
- Business sector engagement
- Voluntary sector engagement
- Trade Unions engagement
- Social media information
- Policy plenary sessions - inviting MPs and Ministers to discuss key policy issues
- Council managers conference
- Council Employee Forum (s)
- Drop in sessions for employees

Please look out for more details on the website:

www.gateshead.gov.uk/pledge

or if you are a council
employee the intranet site



Making Gateshead a place where everyone thrives



We pledge to:

- Put people and families at the heart of everything we do
- Tackle inequality so people have a fair chance
- Support our communities to support themselves and each other
- Invest in our economy to provide sustainable opportunities for employment, innovation and growth across the borough
- Work together and fight for a better future for Gateshead

WE WILL (The Council)

- Understand the needs of our communities better
- Attract investment to increase the number of high quality jobs, pay and housing
- Target our resources on those most in need
- Focus on tackling problems sooner to prevent things getting worse
- Work to maximise the potential in businesses, communities and employees

YOU CAN (Residents)

- Help us understand what really matters to you
- Play your part by getting involved in your community
- Lead an active and healthy life
- Look after and take pride in your local environment
- Support your local economy by shopping local
- Help us save money by going online



YOU CAN (Employees)

- Use your initiative, do what you think is right, and take personal responsibility for achieving great results
- Work with colleagues across the Council and partner organisations to deliver the best outcomes
- Be creative and don't be afraid to try new approaches



TOGETHER WE CAN

(Partner organisations)

- Recognise that issues cross different organisations
- Share expertise, information and knowledge
- Integrate services into co-ordinated packages and focus on those most in need

(Other local councils)

- Lobby together
- Plan together
- Work together



I CAN...

Budget Framework and Proposals 2018/2019

Introduction

The Council, along with other local authorities, has faced unprecedented reductions in Government funding since the Comprehensive Spending Review in 2010. In addition, service pressures and increasing demand for services, particularly from the most vulnerable, has meant that the Council has had to make significant budget savings in response to the Government's austerity measures. Like other Councils in the region, Gateshead Council has seen its funding disproportionately impacted and reduced by Government policy when compared with the national context.

Government legislation has, and will continue, to directly impact on local government. The welfare reform agenda is likely to continue to place additional demands on local authority services as well as significantly impacting on local authority finances with a further £12bn cuts to the welfare budget. The Social Care Act also puts additional strain on services and, while provision has been made to further improve the integration of social care and health services through the Better Care Fund, it is unclear whether resources allocated to local government will be sufficient to cover additional cost burdens.

The Council faces a huge financial challenge in the years ahead and at the same time is working hard to protect the services that make the greatest difference to people's lives.

By 2018/19 the Council's core grant funding will have reduced by approximately 52% from 2010. This equates to over £400 per head reduction and over £900 per dwelling.

The funding estimated to be received from Government and from council tax and business rate payers over the next five years is not sufficient to cover current level of spend plus new budget pressures.

Our approach

The development of the Council's new strategic approach "Making Gateshead A Place Where Everyone Thrives" will provide clear policy directions for the next five years, enabling the finite resources to be allocated against priorities. Practically this means taking the time to reflect on what the core purpose of the Council is, and asking what matters most in order to narrow the gap of inequality that exists in Gateshead.

The Council's Medium Term Financial Strategy (MTFS) provides the budgetary framework to support how the Council will achieve its ongoing transformation programme over the next five years.

The approach to closing the financial gap cannot be based solely on budget savings, efficiencies and service reductions. There are other factors that the Council will need to take into account, including the local government finance settlement expected in December 2017, local growth in council tax base and business rates, increased income from investments or trading activities and effective demand management which reduces the estimated costs included in the MTFS.

What does this mean?



Central Government have stated their commitment to long term reforms in the way that Councils are financed. Their stated aim is to significantly reduce reliance on central grants and move local authorities to be self-financing. This has resulted in an expectation that Councils will rely more on locally raised income from council tax, local business rates, fees and charges, trading income as well as contributions towards service costs from third parties.

Staying the same is not an option. The Council is required to change to deliver its priority outcomes within the limited funding available. The Council response to the challenging financial context is to focus on delivery of the five year financial strategy with a focus on four areas to help achieve long term financial stability;

Economic Growth

The ambition within the Economic Growth theme is to deliver growth hand-in-hand with reducing inequality and poverty. The emphasis is on both outcomes as well as opportunities, so involves both influencing and shaping the nature of opportunities that exist in the economy and society and ensuring local people have fair access to these.

The Council aims to promote a strong and sustainable local economy leading to wellbeing and prosperity for residents, communities and businesses. This will be supported by a planned approach to investment to boost local economic growth such as improving local infrastructure and wider transport links. Success in this area will enable the Council to have a stronger medium and long term financial position and allow redirection of resource to activities which protect the most vulnerable.

Targeted intervention through various initiatives aimed at attracting more and better paid jobs and improving skills can boost the proportion of working age residents and encourage economic growth through more people in work.

The Council's strategic ambitions for economic growth will be supported by the Local Plan for Gateshead which includes the Planning for the Future Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne. This framework will help to create and sustain thriving communities and a more prosperous economy through developments, including the provision of new homes, jobs growth and a portfolio of employment land. This in turn will attract more private, public and social investment in the borough.

From a financial perspective the Council will look to invest resources to generate economic growth that will result in increased Business Rates and Council Tax income to the Council. This will enable the Council to become more financially self-sufficient and help close the funding gap.

Managing Demand

Like many other local authorities a significant challenge facing the Council is increasing demands and expectations for services at a time when funding sources are significantly reducing.

In order to manage cost pressures over the medium term it is vital that plans are made to manage this demand and either reduce or stop it.

A particular area facing this pressure is in both children's and adult's social care where costs are increasing and vastly outstrip available budgets. This requires a targeted approach with early intervention and prevention strategies and working in close collaboration with partners.

Other areas of demand include demands for online services, welfare and hardship support, access to public health services. This will involve implementing digital strategies, increasing capacity and skills within communities, close working with partners and volunteers to align priorities and increasing collective responsibility by encouraging and supporting local people, partner organisations, businesses and local communities to play a more active role in achieving priority outcomes for Gateshead.

Income Generation

The Council aims to strengthen the medium and long term financial position of the Council through replacing government funding through increasing income sources such as increased areas of trading to generate a surplus for re-investment in priority services. This will involve a more driven commercial approach to traded service delivery and fees and charges but built upon key council principles and priorities. The Council benefits from its existing strong in house traded services and the intention will be to use this platform to expand into new markets to generate increased income.

The Council will actively seek to maximise investment opportunities after consideration of risk and financial pay back whilst continuing to seek out and securing external funding.

Efficiencies & Savings

The scale of the budget challenge means that the Council will still face further significant cost reductions through efficiencies and different methods of service provision and reductions in service provision.

The scope of this will require a realignment of budgets to Council spending priorities. This in turn may result in ceasing existing activities, scaling down activities or services, renegotiation of contracts or Service Level Agreements.

Despite already achieving considerable budget savings to date the Council will continue to drive efficiencies through changes to the way the Council works, for example, through exploiting new technology, consolidation of buildings and services, reducing complex processes.

The Council will also actively look to streamline its processes in order to support effective decision making and make the best use of available capacity.

Opportunities for working in collaboration and partnership and different ways of working will be identified and developed where this will support the delivery of the Council's outcomes and improve service efficiency and delivery.

The Council's draft budget proposals

Taking into account the development of the new strategic approach "Making Gateshead A Place Where Everyone Thrives", and the challenging financial gap facing the Council in 2018/19, the following draft budget proposals are being put forward as contributions towards closing that gap.

The budget proposals are a combination of efficiencies and cost reductions, income generation, proposals that were included as part of last year's budget process; and proposals where the Council would like to work differently, with partners and others, to achieve the right outcomes for those people and families who require more support than others, to help them to thrive.

In accordance with our duties under the Equality Act, due regard has been taken to understand the potential impact of the proposals on groups of people who share a protected characteristic. The Impact Assessments will be made available on the Council's website throughout the consultation period. To access the Impact Assessments for the proposals please see our website www.gateshead.gov.uk/budget.

Consultation

Consultation enables us to better understand and consider the needs and expectations of all residents in Gateshead. Consultation will be undertaken in relation

to all proposals and will involve identification and ongoing assessment as to the impact, if any, of each proposal to inform decision making.

Depending on the type of proposal under consideration consultation may involve some or all of the following stakeholders:-

- individual service users and their families,
- representative groups/community interest groups and other stakeholders
- Gateshead Council partners
- other statutory agencies
- third sector organisations

The nature of the consultation will be determined by, and proportionate to, the proposal under consideration and the form and scope may differ between proposals.

The initial proposals presented in this document are in many cases capable of being increased or decreased and decisions on this will be informed by the results of the consultation and the overall requirement for savings that will be confirmed when the Council receives further funding information from government.

As previously indicated, a number of the proposals were included as part of last year's budget consultation.

Comments on the draft budget proposals can be forwarded by email to BudgetConsultation@gateshead.gov.uk

DIFFERENT FORMATS

If you require this information in a different format – large print, Braille, on audio/CD/MP3 please contact Jane Bench on telephone 0191 433 2058 or email BudgetConsultation@gateshead.co.uk

Implications of the draft budget proposals on employees

There are a number of proposals put forward for consultation that will, if agreed, have an impact on the Council's workforce. Where applicable these are expressed as FTEs (full-time equivalents). This means posts totalling this FTE figure would have to be deleted permanently from the Council's employee establishment in order to make the identified saving from staffing budgets.

In accordance with the statutory redundancy process as set out under section 188, Trade Union and Labour Relations (Consolidation) Act 1992, consultation must be undertaken with the appropriate trade union representatives of employees who may be affected by any of the proposals. As it is estimated that more than 20 employees may need to be made redundant, a statutory minimum consultation period of 30 days applies. However, the proposed timetable allows for a consultation period of 90 days on this occasion, to enable full and constructive consideration to be given to: how redundancies might be avoided; how the number of redundancies might be reduced; and mitigating the consequences of any redundancies.

In order to minimise the number of compulsory redundancies, applications for voluntary redundancy will be considered in areas not at risk of redundancy. The Council continues to offer an enhanced Redundancy Payment Scheme available on application to employees at risk of redundancy, or whose post might provide an employment opportunity for an employee otherwise at risk themselves (i.e. a 'bumped redundancy') or an efficiency saving.

In addition, employees will be encouraged to consider whether a reduction in hours might be appropriate for them, thereby enabling savings to be made from staffing budgets which are not dependent on redundancies.

While voluntary redundancy or reduced hours arrangements might not be available to all employees due to the particular needs of the service, managers will be asked to consider constructively such applications from employees.

Where compulsory redundancies are implemented, employees affected will be placed on the redeployment register and all reasonable efforts will be made to secure their continued employment in the Council (either on a permanent or temporary basis).

A range of support measures are also in place to offer employees at risk or on notice of redundancy guidance and advice on matters such as: where to seek external job opportunities; preparing job applications and for interviews; how to become self-employed or start a new business; where to access other support and how to manage finances.

MANAGING DEMAND

Like many other councils a significant challenge is increasing demands at a time when funding is significantly reducing. It is vital that plans are made to manage this demand and either reduce or stop it.

Ref	Description and Background	2017/18 Budget Gross £'000	2017/18 Budget Net £'000	Proposed Amount 2018/19 £'000	How will we deliver this and what will it mean for residents/ users?	Workforce Implication
1	<p>Children's Social Care- Early intervention demand reduction model</p> <p>We propose to implement a newly redesigned Early Help service. This includes an emphasis on supporting children who have complex needs and a significant investment in a Rapid Response team. The service will be able to respond promptly to be able to work intensively with children and their families to prevent them from being accommodated by the Council.</p> <p>Contact: Elaine Devaney, Service Director, Social Work – Children and Families</p>	23,981	22,589	671	<p>The positive impact will be there are more young people remaining in the care of their families, with an increased resilience within their family units as a result of the intensive support provided.</p> <p>The saving will be delivered through a net reduction in Looked after Children, a number of whom are likely to be adolescents.</p>	0.0
2	<p>Children's Social Care- Early Help restructure</p> <p>The early help model has been redesigned to deliver more positive evidenced, practical and therapeutic interventions that support children, young people and their families in the long term change required to succeed.</p> <p>Contact: Val Hall, Service Director, Early Help and Education</p>	4,995	2,722	100	<p>Teams within the service have been reconfigured to support delivery of the new model, and the interventions delivered by this service will support the priority to reduce the number of children that become involved in the statutory elements of Children's Services, including being looked after by the Council.</p>	2.5
3	<p>Reduction in Adult Social Care demand</p> <p>We propose to create a temporary team of assessors, commissioners, enablement staff and assistive technology champions, from within the Adult Social Care service, to work specifically with existing high need clients, to seek to improve their independence and where appropriate reduce their needs for long term support.</p> <p>Contact: Steph Downey, Service Director, Adult Social Care</p>	45,458	28,633	1,850	<p>Individual reviews will ensure that people's needs continue to be met in a safe and person centred way.</p> <p>We will look to meet needs in the least restrictive way possible, in keeping with the Mental Capacity Act and the Human Rights Act.</p>	0.0

4	Adult Social Care- Deprivation of Liberty Safeguard Referrals We propose to create a triage system to deal with the number of Deprivation of Liberty safeguard referrals that we receive. Contact: Steph Downey, Service Director, Adult Social Care	766	734	150	This proposal will seek to streamline the current approach to Deprivation of Liberty Safeguards, and reduce reliance on external assessors.	0.0
5	Adult Social Care- Develop Specialist Dementia Extra Care Services We propose to develop specialist Dementia Extra Care services, as an alternative to residential care. Contact: Steph Downey, Service Director, Adult Social Care	10,107	6,523	50	The model of support for people who have a dementia diagnosis will ensure the services and support provided is differential in response to need. The aim of the proposal is to allow people with a dementia diagnosis to remain safely in their own homes for as long as possible.	0.0
6	Adult Social Care- Review of Domiciliary Care Packages Review of domiciliary care packages, including low level packages to consider alternative support models including an asset based approach to provision. Contact: Steph Downey, Service Director, Adult Social Care	8,430	5,115	250	<p>This proposal is based upon a model which identifies that people, who have low level needs, may be able to be supported differently. There is an intention to ensure the resourcefulness and resilience of communities is maximised.</p> <p>Rather than provide from a pre-prepared list of available services, clients and families will be placed at the centre of planning. It will enable people to live as independent a life as possible and ensure the support provided is tailored to complement what they can already do for themselves.</p>	0.0
7	Public Health- NHS Health Checks NHS Health Checks reduction in 2018/19 due to decline in uptake Contact: Alice Wiseman, Director of Public Health	358	358	88	The evidence shows there has been a decline in uptake. Targeting of programme will be implemented as necessary to ensure we reach those in most need. This is a mandated service.	0.0

EFFICIENCIES AND SAVINGS

The scale of the budget challenge means that the Council will face further cost reductions through efficiencies and different methods or reductions in services.

8	Early Help and Education- Toy Library We propose a review of the Toy Library which will look at alternative methods of delivery. Contact: Val Hall, Service Director, Early Help and Education	29	22	22	This review will be completed by December 2017, and will look at current and future use. The review will explore whether there is an opportunity for the Voluntary and Community Sector to deliver this service.	1.0
9	Efficiencies in Early Help and Education- Business Support and Commissioning and Quality Assurance Services <ul style="list-style-type: none"> Reduction of business support within the Early Help and Education Service. Removal of a post in Commissioning and Quality Assurance service Contact: Val Hall, Service Director, Early Help and Education Jon Tomlinson, Interim Service Director, Commissioning and Quality Assurance	1,235	1,150	61	There should be no impact to residents.	2.0
10	Social Work, Children and Families We propose the development and agreement of a clear, formal framework with NewcastleGateshead Clinical Commissioning Group (CCG) regarding appropriate levels of continuing healthcare contributions for children and young people who require Health, Social Care and Education Support. Contact: Elaine Devaney, Service Director, Social Work – Children and Families	12,600	11,539	500	There are inconsistencies in the frameworks for agreement of continuing healthcare contributions between the adults and children sector, which results in significant cost pressures for the Council. Service users will continue to have their needs met. There will be no impact on young people and their families subject to care and support as the same decisions will be taken in their best interests, it will just mean that funding contributions towards those packages will be more appropriately shared.	0.0

11	Social Work, Children and Families We will work towards a reduction in the number of children who are currently looked after, through facilitation of intensive family support to allow young people, where appropriate to return home safely. Contact: Elaine Devaney, Service Director, Social Work – Children and Families	12,600	11,539	250	The saving will be delivered through identification of young people who are currently in foster care and whose specific personal and birth family circumstances now suggest that with intensive family therapeutic support, or where family circumstances have changed, they may be able to return home.	0.0
12	Whole system re-engineering within Children's Services We propose a fundamental review will be undertaken of the entire Children's Services to critically analyse and re-engineer all social care processes, decision making and permanence planning pathways to ensure best use of resources and the best possible outcomes for young people and their families. Contact: Caroline O'Neill, Strategic Director, Care, Wellbeing and Learning	19,304	15,386	450	The saving will be delivered by reviewing all processes, decision making criteria and thresholds to ensure that maximum efficiency and effectiveness is deployed in use of resources, eliminating waste and overlap. It will ensure systems between partners are as efficient as possible and any duplication which exists is eradicated.	0.0
13	Adult Social Care- Extra Care We propose to recommission the care provided in two extra care schemes (Angel and Callendar Courts) to the independent sector. This is currently directly provided by the Council. Contact: Steph Downey, Service Director, Adult Social Care	783	598	150	Consultation has taken place with service users and their families/carers. Whilst there may be a change in who provides the care, there will be no change for service users.	0.0
14	Adult Social Care- Directly Provided Domiciliary Care and Management Structures We propose to reduce and restructure the Council's directly provided domiciliary care service including the management structure and associated business support. Contact: Steph Downey, Service Director, Adult Social Care	7,659	6,788	540	The proposal in respect of the long term domiciliary service is to effectively reduce the service based on current needs. The needs of new clients will be assessed to determine whether their requirements can be met through a commissioned service. This approach will help to manage the independent sector market, as work will be transferred naturally/gradually (as opposed to a one off block transfer of work), and will also enable existing clients to retain their in house service, should they still require it. It will also enable the Council to ensure the quality of domiciliary care across the borough.	4.0

15	Adult Social Care – Community Links Integration of third sector, voluntary and community sector activity into core delivery within the wider provider and council structures. Contact: Steph Downey, Service Director, Adult Social Care	104	104	104	This proposal is to integrate the recruitment and support of volunteers into the wider service, and across the Council's wider volunteering, Third sector and Voluntary and Community networks	2.0
16	Adult Social Care- Directly Provided Independent Supported Living We propose a reduction in Staffing budgets for directly provided Independent Supported Living Contact: Steph Downey, Service Director, Adult Social Care	1,263	985	120	This work has been undertaken jointly with the staff team and Unions, and the majority of this saving has been identified via a Zero Based Budgeting approach. There will be no impact on service users.	0.0
17	Adult Social Care- Review of Domiciliary Care Packages We propose to invest in equipment to reduce the need for domiciliary care provision where more than one carer is needed at a time. Contact: Steph Downey, Service Director, Adult Social Care	8,430	5,115	275	There are a number of people who receive "double carer" visits, due to their moving and assisting requirements. This proposal is to review those individual's needs, and identify where there is the potential to purchase one off pieces of equipment, which would enable the care to be delivered by one domiciliary care worker (or one domiciliary care worker and a family member). Thus providing a less intrusive service for clients.	0.0
18	Commissioning and Quality Assurance- Review of Supported Housing We propose to redesign the supported housing provision in Gateshead to be outcome focused and promote independent living. Contact: Jon Tomlinson, Interim Service Director, Commissioning and Quality Assurance	1,504	1,429	400	Supported housing services for vulnerable adults and young people, previously funded by the Supporting People Programme, will be re-commissioned in 2018/19. New services will be procured that reflect the need for increased capacity, the provision of direct access and a renewed emphasis on outcome focused support that promotes independent living.	0.0

19	<p>Commissioning and Quality Assurance- Review of prevention services</p> <p>We propose to review and redesign prevention service contracts to remove duplication across the Council and Strategic partners.</p> <p>Contact : Jon Tomlinson, Interim Service Director, Commissioning and Quality Assurance</p>	1,767	1,717	50	<p>This proposal will look to redesign a specific number of contracts to enable a shift towards the council's approach towards early help model across all ages.</p> <p>The redesign will include removing duplication, reducing spend, and developing the performance management framework .</p> <p>The proposal will include joint reviews with Newcastle Gateshead CCG including the review of carer services which has already been undertaken.</p> <p>It is the intention to review all services but most specifically the provision of non-statutory information and advice services and the Gateshead Equipment Service.</p>	0.0
20	<p>Public Health- Making Every Contact Count</p> <p>We propose to removal the budget for Making Every Contact Count and replace with temporary funding from the Public Health Reserve.</p> <p>Contact: Alice Wiseman, Director of Public Health</p>	500	500	500	<p>Resource has been identified from the Public Health reserve to continue the approach in 2018/19 and therefore staff contracts will be extended to reflect this.</p>	0.0
21	<p>Public Health- Sexual Health</p> <p>We propose to make efficiencies relating to the current sexual health contract, and a recommissioning of sexual health services in 2019/20.</p> <p>Contact: Alice Wiseman, Director of Public Health</p>	1,971	1,971	130	<p>The savings in 2018/19 will be delivered through a move from a tariff based contract to a block contract and by efficiency savings identified by the provider.</p>	0.0
22	<p>Public Health- Substance Misuse</p> <p>We propose to implement the new model for shared care in 2018/19.</p> <p>Contact: Alice Wiseman, Director of Public Health</p>	3,605	3,605	50	<p>During 2017 a shared care audit identified some issues with quality and safety and therefore a new more efficient and safe service model is being developed.</p>	0.0

23	Public Health- Carers We propose the removal of funding for substance misuse Carers Services in line with previously agreed savings and the revised budget envelope for the carers review. Contact: Alice Wiseman, Director of Public Health	80	80	80	This saving was part of the 2015/16 proposal in relation to the drug and alcohol programme but was withdrawn on a temporary basis to enable the services to be part of the joint carers review. The saving has been factored into the overall budget envelope that is available for the recommissioning of carers services. The service review will remove duplication and inefficiencies in the provision of carers services with multiple organisation currently providing support and being commissioned by the Council and Clinical Commissioning Group	0.0
24	Housing General Fund Expenditure Efficiencies We propose to make efficiencies via the services commissioned from the Gateshead Housing Company. Contact: Peter Udall, Service Director, Design and Technical Services	1,596	209	33	There will be no impact on existing service users.	0.0
25	Development, Transport and Public Protection We propose the following <ul style="list-style-type: none"> • Service restructure of the Development and Public Protection service • Reduction to Northumbria Road Safety Initiative contribution • Reduction in Gateshead Bridges budget Contact: Anneliese Hutchinson, Service Director, Development, Transport and Public Protection	11,039	4,220	192	These proposals aim to maintain capacity at an appropriate level to minimise impact. Part of the proposal is to set up new Road Safety Partnership. Part of the proposal relates to maintenance of Gateshead Bridges. The reduction of the budget has been identified due to efficient future planning and analysis of previous years cost trends highlighting continued underspends.	4.0

26	Commissioning and Business Development We propose to <ul style="list-style-type: none"> reduce the staffing budget and make efficiencies reduce the financial contribution relating to the Gateshead Fund Contact: Tony Alder, Service Director, Commissioning and Business Development	934 400	518 400	190	Reductions in staffing and efficiencies relates to £90,000 The proposal includes reducing the Gateshead Fund from £400,000 to £300,000. The implications would be that the Local Community Fund would remain the same at £66,000 (£3,000 per ward) and the fund available to community and voluntary organisations would be £234,000. It is felt that this would be sufficient to support the needs of the community and voluntary sector in Gateshead. There would be minimal impact on residents.	1.0
27	Street Scene- staffing efficiencies We propose to review and integrate management and technical services in Highways and Street Scene Contact: Colin Huntington, Service Director, Street Scene	911	693	100	The saving will be delivered through a redistribution and reprioritisation of existing workloads within the service, although it will somewhat reduce the capacity of the service to be able to react to new work requests.	3.0
28	Street Scene- Weekend working practices We propose to review weekend working practices in the Street Scene service Contact: Colin Huntington, Service Director, Street Scene	0	0	37	This would be delivered by a reduction in staffing hours with fewer tasks undertaken for weekend cleansing and inspection services. The impact would be reduced litter bin emptying with the focus on shopping and high footfall areas. There would be a reduction in inspections of parks at weekends.	0.0
29	Street Scene- Household Waste Recycling Centres We propose to alter the Household Waste and Recycling Centres opening and closing times Contact: Colin Huntington, Service Director, Street Scene	633	486	25	This will be delivered by a reduction in payments to the contractor from the reduction in opening hours. The impact on residents may be longer queues at peak time. It is not anticipated to result in a reduction in waste. The sites are open 8am until 8pm in the summer and 8am to 5pm (weekdays) and 6pm (weekends) in the winter. The proposal is for a 9am opening time (all year round) and a 6pm closing time (summer).	0.0

30	Street Scene- Public Conveniences We propose the early termination of contracts for remaining public conveniences Contact: Colin Huntington, Service Director, Street Scene	60	60	60	There are two public toilets within the borough (Blaydon and Low Fell) for which contracts expire in 2020 and 2021. The contracts could be terminated early - subject to a termination fee.	0.0
31	Street Scene- Transport Services We propose a number of savings and efficiencies within the transport service. The proposal also includes an increase in taxi testing fees and exploring hiring of fleet to other local authorities Contact: Colin Huntington, Service Director, Street Scene	6,818	772	25	The saving will come from a reduction in transport-related expenditure and an increase in taxi-testing fees to move to a full-cost recovery model.	0.0
32	Economic and Housing Growth We propose efficiency proposals including the reduction of one post and a reduction of the staff training budget. Contact: Andrew Marshall, Service Director, Economic and Housing Growth	3,570	1,001	69	This will be delivered through the deletion of a post and reduced expenditure on staff training.	1.0
33	Policy, Performance and Communications We propose a number of efficiency proposals through a review of the service and a particular review of external communication methods. Contact: Marisa Jobling, Service Director, Policy, Performance and Communications	2,053	1,301	180	The service will undertake an efficiency and establishment review, improving working practices and ensuring it is fit for purpose. This will include reductions in supplies and services budgets The review of external communications methods will take into consideration how people prefer to receive messages and information from the Council.	3.0
34	Legal, Democratic and Property Services We propose a number of cost savings including <ul style="list-style-type: none"> Members Pensions contributions as a result of changes in legislation at a national level staffing savings through the redistribution of work following voluntary redundancies Contact: Martin Harrison, Service Director, Legal, Democratic and Property Services	3,115	2,507	170	The saving in relation to pensions will be delivered through a removal of the budget for Employers Pension contributions for Councillors, as in April 2014 Central Government changes the regulations to exclude Councillors from being able to access the Local Government Pension Scheme (LGPS). The staffing savings will be delivered through a redistribution and reprioritisation of workloads within the service to ensure continuity of service. There will be no impact to the residents of Gateshead as a result of this option.	3.3

35	Human Resources and Litigation We propose a number of savings and efficiencies relating to: <ul style="list-style-type: none"> • staffing savings through the redistribution of work following voluntary redundancies • non staffing workforce development budgets will be reduced and funded through the workforce development reserve • reductions in supplies and services budgets Contact: Deborah Hill, Service Director, Human Resources and Litigation	5,393	5,125	241	<p>This will reduce the capacity of the service and prioritisation of work will be required to meet current levels of demand; an enhanced management training programme is proposed to manage demand for HR advice and support.</p> <p>The saving will be met by funding more training from the workforce development reserve during the period of refresh of the Workforce plan, with the outcome being a reconfigured training schedule which will need to be resourced appropriately.</p>	3.1
36	Corporate Procurement We propose a cost saving to the staffing establishment can be achieved by the deletion of a post through voluntary redundancy. Contact: Andrea Tickner, Service Director, Corporate Commissioning and Procurement	919	415	61	<p>The saving will be delivered through a redistribution and reprioritisation of existing workloads within the service, although it will somewhat reduce the capacity of the service to be able to react to new work requests from services, leading to potentially longer lead in times in relation to new procurement exercises. There will be no significant impact to the residents of Gateshead as a result of this option.</p>	1.0
37	Corporate Finance We propose to undertake an efficiency and establishment review of the Corporate Finance Service. Contact: Keith Purvis, Service Director, Corporate Finance	4,051	1,462	115	<p>The review will include consolidating improved working practices and exploiting the opportunities through the use in technology to further improve productivity. The proposal also includes the generation of additional income. This will mean that the service can maintain its capacity to deliver professional accountancy services, maintaining financial stewardship and accountability, safeguarding resources, and continue to support major service improvement.</p> <p>There will be no impact on service users as a result of the proposed savings.</p>	0.0

38	<p>Customer & Financial Services</p> <p>We propose a number of cost reductions and efficiencies of the Customer and Financial Services service including:</p> <ul style="list-style-type: none"> • Organisational review of Benefits Service • Organisational review of Customer Services • Review and development of use of technology • Organisational review of Payroll/HR support and Exchequer services • Review of cashier function <p>Contact: John Jopling, Service Director, Customer & Financial Services</p>	7,736	3,133	453	<p>Increased use of technology and self-service systems for use by all types of customers, reducing staff costs and less reliance on traditional service delivery. This will require investment in technology and key systems to realise the savings.</p> <p>Reduced operating hours for Cashiering service to encourage online and automated payments and to further consider the closure of the cashiering service, signposting customers to alternative ways to pay at non-Council establishments.</p> <p>The impact will be a channel shift in customers accessing Council services and facilities.</p>	14
39	<p>IT Services</p> <p>We propose a number of cost reductions and efficiencies of the IT service including:-</p> <ul style="list-style-type: none"> • Reduction in staffing • Efficiencies resulting from a review of IT supplies and services <p>Contact: Roy Sheehan, Service Director, IT Services</p>	5,816	2,938	483	<p>A restructure of staffing following a review of process and practice within the service</p> <p>The IT supplies saving will be delivered through cost reductions through a combination of re-procuring and consolidating required ongoing IT systems and software, and decommissioning individual systems that are no longer required or now form part of the newly implemented Microsoft 365 package.</p>	6.0

40	Trading and Commercialisation Service We propose a number of cost reduction and efficiencies to the service, including: <ul style="list-style-type: none"> • Reduction in Culture Programming • Reduction in contribution to TWAM, Baltic, Sage and NGI • Facilities Support management structure review • Stopping elements of East Gateshead Business Watch (CCTV and mobile patrols) • Facilities Management - Review use of public estate and identify alternative management arrangements for inefficiently used buildings Contact: Lindsay Murray, Service Director, Trading and Commercialisation Service	8,013	5,110	392	<p>A review will be carried out of culture programming in terms of events and how they are funded, to streamline the programme and identify additional external funding. Residents/users will potentially have fewer events that they can attend, see a vastly reduced commissioning of new public art and there will be a reduced level of overall cultural engagement.</p> <p>It is proposed that there will be reduced contributions made in support of Commissioned Organisations - TWAM, Baltic, Sage and NGI. Potential impact on residents/users if these organisations have reduced capacity as a result of the reduced contributions.</p> <p>The Facilities Management proposal is to deliver through staff reductions This needs to be considered alongside a drive to increase trading within the service.</p> <p>Stopping elements of East Gateshead Business Watch (CCTV and mobile patrols). The proposal service could continue keyholding and emergency response from in-house resources.</p> <p>Rationalisation of the Council's estate through transfer / closure of assets.</p>	2.4
41	Change Programme Removal of four Change Programme vacant posts. Contact: Darren Collins, Strategic Director, Corporate Resources	311	311	311	<p>This saving can be delivered by removing the budgets for the Change Programme Lead and three Programme Managers. These posts are vacant. There will be no impact on service users or residents.</p>	4.0

INCOME GENERATION

The Council aims to strengthen the medium and long term financial position of the Council through replacing government funding through income sources such as increased areas of trading to generate a surplus for re-investment in priority services

42	Increased trading across Learning and Schools function We propose to increase income through a range of activities through the : <ul style="list-style-type: none"> • LearningSkills service • the traded education consultancy aspect with schools outside of Gateshead. • Increasing the attendance of training events and conferences within Gateshead by inviting/attracting education professionals from outside of Gateshead. • Reviewing the current price of services to ensure that all services maximise income opportunity whilst remaining competitively priced in the market place. Contact: Steve Horne, Service Director, Learning and Schools	4,206	672	150	There will be no impact on residents as a result of the proposals.	0.0
43	Adult Social Care- Trading and income generation We propose to increase income through a range of activities including:- <ul style="list-style-type: none"> • Review of charges for Transport • Further promotion of trading opportunities, removal of subsidies, increased fees and charges • Sessional charges for sporting clubs • Sessional charges for disability day services • Identifying individuals who may be eligible for Continuing 	17,059	13,370	498	This proposal includes:- <ul style="list-style-type: none"> • Extension of the 2017/18 saving related to a removal of the subsidies provided for Care Call and a move to a new cost model representing full cost recovery. • Charging for sporting clubs was introduced in 2017/18 this proposal is an income target associated with the charge. • Consideration of trading opportunities at Marquisway for various sessional activities. There is an opportunity to work with special schools both in and out of borough and other organisations, including local authorities, providing 	0.0

	<p>Health Care funding to support the provision of complex domiciliary care services</p> <ul style="list-style-type: none"> Establishment of Charitable Incorporated Organisation status for user led enterprises and sporting clubs to gain access to additional funding streams <p>Contact: Steph Downey, Service Director, Adult Social Care</p>				<p>support to those with a disability.</p> <ul style="list-style-type: none"> Development of charity status for the user led enterprises will enable a greater array of funding opportunities to be accessed. Ensuring all clients where there may be eligibility for continuing healthcare, especially those with high needs, are reviewed in line with the CHC framework. 	
44	<p>Commissioning and Quality Assurance- Joint Commissioning Unit</p> <p>The Council has been in discussions with the NewcastleGateshead Clinical Commissioning Group in relation to the establishment of a joint commissioning unit, with a joint Service Director post in place by April 2018.</p> <p>Contact: Jon Tomlinson, Interim Service Director, Commissioning and Quality Assurance</p>	110	110	37	<p>A joint Commissioning Unit with Newcastle Gateshead Clinical Commissioning Group is considered to be the most effective move.</p> <p>This could secure efficiencies, avoiding duplication of resources, providing the 'best fit' approach for placing a leaner, more productive function, improving quality across the whole system and lowering the costs of care and support arrangements.</p>	0.0
45	<p>Development, Transport and Public Protection Fees & charges</p> <p>We propose to increase income through a range of activities including:-</p> <ul style="list-style-type: none"> Increased Streetworks Management Other fees and charging/Planning/S278 consultancy <p>Contact: Anneliese Hutchinson, Service Director, Development, Transport and Public Protection</p>	11,039	4,220	250	<p>This proposal includes increasing fees and charges and effective delivery of existing policies.</p>	0.0

46	Additional income contributions We propose to take forward a number of additional income contributions from:- <ul style="list-style-type: none"> Housing Revenue Account District Energy Scheme and Scape Dividend Contact: Peter Udall, Service Director, Council Housing, Design and Technical	3,353	-915	214	There will be no impact on service users as a result of the proposed savings.	0.0
47	Street Scene- Fees and Charges We propose a number of increases in fees and charges for: <ul style="list-style-type: none"> Bereavement services (cremation and burial fees) Special collections Recycling bins Trade waste Contact: Colin Huntington, Service Director, Street Scene	5,700	2,686	223	An increase in fees and charges of 2% per annum for burial and cremation fees. Additional income from special collections will arise from embedding the new, more efficient and straight forward pricing structure for residents wishing to dispose of bulky items. Additional income will arise from an increase in charges for the delivery of replacement recycling bins and inner boxes. Generation of additional income in relation to trade waste.	0.0
48	Street Scene- Highways Design income We propose increased income from highways infrastructure design works Contact: Colin Huntington, Service Director, Street Scene	287	204	80	There will be no impact on residents as a result of the proposed saving.	0.0

49	Economic and Housing Growth Increased rental income We propose additional income to be generated via: <ul style="list-style-type: none"> Rental income from the current Business Centre portfolio An increase in the managed space portfolio leading to increased rental income Contact: Andrew Marshall, Service Director, Economic and Housing Growth	3,570	2,569	117	Generating additional income will require capital investment into the business centre portfolio in order to build additional revenue-generating space.	0.0
50	Property income We propose to achieve additional rental income from the management of the council's Tenanted non-Residential Property portfolio, and opportunities to rationalise council assets where appropriate. Contact: Martin Harrison, Service Director, Legal, Democratic and Property Services	2,608	-1,243	369	There will be no impact on residents or service users as a result of this option.	0.0
51	Health & Safety Traded income generation. We propose to increase income through the Health and Safety function (including Occupational Health) from service level agreements with Schools and the Gateshead Housing Company. Contact: Deborah Hill, Service Director, Human Resources and Litigation	636	517	35	There will be no impact on residents or service users as a result of this option.	0.0
52	Corporate Finance Increase SLA income We propose to generate additional income by way of service level agreements with a number of organisations. Contact: Keith Purvis, Service Director, Corporate Finance	4,051	1,462	75	Additional income will be generated from external organisations under Service Level Agreements. The additional income will mean that the service can maintain its capacity to deliver professional accountancy services, maintaining financial stewardship and accountability, safeguarding resources, and continue to support major service improvement through business partnering. There will be no impact on service users as a result of the proposed savings.	0.0

53	Customer & Financial Services Increased Traded Income generation We propose to increase traded income through the Customer and Financial Service <ul style="list-style-type: none"> • Increase charges for deputyship services • traded income in relation to Payroll and Exchequer services, including charges to trade unions for payroll deductions, charges for support services to Direct Payments clients and traded income from schools and academies Contact: John Jopling, Service Director, Customer and Financial Services	7,736	3,133	56	Some arrangements already in place / agreed in current year to provide services to additional customers. Use existing systems to provide HR payroll services to additional customers	0.0
54	IT Service increased Income generation We propose to increase traded income through the IT Service The service proposes to generate additional income by reselling surplus IT equipment. Contact: Roy Sheehan, Service Director IT Services	-1,760	-1,760	12	The saving will be delivered by selling surplus IT equipment to the general public and employees, as it currently makes a small amount of income selling surplus equipment to a recycling company. But a more substantial amount of income could be generated if we recondition and sell on the equipment ourselves.	0.0
55	Corporate Trading and Investment Income We propose additional income from Trinity Square (£125,000) and SCAPE (£75,000) Contact: Peter Udall, Service Director, Council Housing, Design and Technical (SCAPE) or Martin Harrison, Service Director, Legal, Democratic and Property Services (Trinity Square)	0	-500	200	There will be no impact on residents or service users.	0.0

[illegible]

Gateshead Corporate Peer Challenge

1. During November 2016 the Council was the subject of a Corporate Peer Challenge by the Local Government Association (LGA). This appendix sets out the key findings from this.

Background

2. In 2010 the LGA developed a Peer Challenge offer which is available to all local authorities. It is voluntary and is intended to complement improvement work that local authorities initiate themselves.

Peer challenge process

3. The peer challenge visit involved four days on site, which was undertaken 15th - 18th November 2016.
4. Peer challenge exercises are delivered by experienced elected member and officer peers. Peers are selected on the basis of their relevant experience and expertise and agreed with the council.
5. The peers who delivered the peer challenge at Gateshead Council were:
 - Cheryl Coppel, former Chief Executive, LB Havering
 - Mayor Ros Jones, Doncaster Metropolitan Borough Council
 - Alan Gay, Deputy Chief Executive, Leeds City Council
 - Wesley Rourke, Operational Director, Halton Borough Council
 - Jeff Wood, Head of Technology, Essex County Council
 - Hannah Barker, National Management Trainee, West Sussex County Council
 - Judith Hurcombe, Programme Manager, Local Government Association
6. The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenge exercises:
 - Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
 - Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
 - Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?

- Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, the peer team were also asked by the Council to provide feedback on:

- Trading and commercialisation
- Economic growth and prosperity
- Digital Gateshead
- Achieving more together

7. During the challenge the team undertook the following: -

- Spoke to more than 80 people including a range of council staff together with councillors, external partners and stakeholders
- Gathered information and views from more than 35 meetings, and additional research and reading
- Collectively spent more than 300 hours to determine their findings.

Headline findings

8. The following bullet points set out the headline findings from the Peer Challenge:

- There is immense pride in Gateshead as a place and of its industrial heritage. People talk readily of the achievements the council has made to the physical environment, particularly on the Quayside, and in putting Gateshead on the map. There is also considerable pride in the council's values and it is widely acknowledged as wanting to care for its communities.
- The new political leadership of the council is committed to a more open style of engagement and there are signs that the organisation is becoming less defensive than it used to be. The new leadership also brings greater emphasis on people and community regeneration rather than the traditional physical regeneration that the council has focussed on in the past. Clarity is now needed about what the council stands for, and what it will do next. There are also concerns that the 2030 Vision and the Council Plan are too high level and generic and do not provide enough detail for stakeholders to understand what it is the council will do and how it will do it.
- The new appointments including that of the new Chief Executive provide an opportunity for the council to transform in a way that is more clearly understood and accepted by residents, staff, partners and businesses.

- The council must accept that you can no longer be all things to all people because if your current forecasts are correct and no action is taken, you will have run out of money for everything except social care within 2 years.
- A genuine transformational approach is needed to enable the council to be about more than just managing the budget cuts. Services for local people can change and improve, some will need to stop or be provided in a different way, communities will need to do more for themselves, and partnership working needs to be more consistently embraced.
- We saw a strong commitment to demand management and an acceptance that the council must operate differently if it is to manage expectations, residents' needs and balance its finances.
- Clarify the intentions of the new administration and what it wants to achieve for Gateshead. This needs to be translated into a simple and accessible narrative that can be readily understood by everyone who has an interest in the council and is in enough detail that people understand what it will mean in terms of outcomes.
- Overall partners are enthusiastic about working with the council and are willing to engage, so they can be actively involved in 'what next' discussions. In particular, the changing and increasingly important health and social care agenda and the budget challenge means that the council and its partners need to get a real grip on the future of social care. This should include the development of a combined strategy on people and how services can be commissioned at strategic level across the health and public sector landscape.
- More extensive and inclusive conversations are needed with stakeholders about their role and capacity in this new strategic approach. What can you do together that will improve the quality of life for local people? What might partners deliver more effectively than the council for local people?
- Take steps to actively re-engage with partners and rebuild relationships in light of the devolution debate earlier in the year. The aim should be to rebuild confidence that Gateshead is open for business, investment and partnership working.
- The council is regarded as a good employer and staff value working for the organisation. They cite overall terms and conditions of working, as well as having a good work/life balance as key factors in how they feel about their employer.
- The council has a good track record of managing and delivering the budget savings required: this is reflected in positive annual letters from the external auditor.

- Bring together the budget, corporate change and service change projects and programmes into one over-arching programme, properly resourced, but streamlined and with a focus on acceleration of progress
- This programme needs to be underpinned by clear delivery plans across all service areas, backed by tangible targets, actions, dates, and ownership by project leads and by corporate directors
- More widely place less emphasis on process and order and more on innovation, change and becoming more comfortable with challenging and being challenged.
- Actively learn from other areas that have already transformed services and outcomes with partners.

9. A copy of the Corporate Peer Challenge Final Report is attached to this appendix.

Council feedback

10. The feedback report provides a sound basis and platform from which to agree a number of areas for improvement and development across the council. As such, the Council considers that the findings of the peer challenge were reflective of the Council's position at that time. The findings are fully accepted, and a number of significant changes and improvements have already occurred since the peer challenge was undertaken.
11. The final Peer Challenge report has already been shared locally with partners and those who were directly involved in the peer challenge exercise.
12. Appendix 2 of this report outlines the Council's new strategic approach for Gateshead. The emerging plan will set out '*what we want to achieve for Gateshead*' and will provide a '*simple and accessible narrative*' that can be readily understood by '*everyone who has an interest in the council*'. It will also provide sufficient detail that people understand what it will mean in terms of outcomes for Gateshead. These were all areas highlighted within the Peer Challenge headline findings.

Corporate Peer Challenge **Gateshead Council**

November 2016

Feedback Report

1. Executive Summary

Gateshead Council has had a reputation of being a good local authority with an historic track record of achievements particularly in iconic physical regeneration projects. Many of these are nationally recognised and have put Gateshead on the map, for example The Sage, The Baltic Centre for Contemporary Art and the Angel of the North. Councillors, staff and partners are proud of these achievements and of working for and with the council.

Like other councils it faces significant budgetary challenges and needs to make a step change if it is to continue to provide wide-ranging services to local people and be financially viable in the medium term. The scale of the gap in funding is around £72m over the next three years and £92m over the next five years. Although it has been a consummate performer in this area, and has a relatively good level of reserves, the challenge remains.

In order to bridge the budget gap and meet the expectations of the new political leadership the council will need to make a step change in what it does. In 2005 and in 2008 the IDeA peer reviews told the council that there was too much focus on process and that the pace of change was too slow and it is still slow now. There is still a great deal of emphasis placed by officers on processes and by officers and members on consensus, which results in lengthy decision making. There are widespread perceptions that the council is unable to be fleet of foot and concerns that this focus on process is at the expense of broader and early engagement with partners and stakeholders: we heard this often and consistently from a wide range of people when we were onsite at the council.

Undoubtedly this may be a solid and sound approach to good decision making, but the broader concern is that this inclusivity is a cause of frustration for some officers, some members and partners who have aspirations for the council to make quicker decisions. It also gives the impression of an organisation that is risk averse. Being able to engage quickly with new initiatives or opportunities will be important factors for the future, when income generation and commercialism become more important for the council's finances, viability and reputation.

Since spring 2016 the council has experienced some significant changes to its leadership including a new Leader and Deputy Leader, the departure of its previous Chief Executive and the appointment of an interim Chief Executive. Other interim appointments have been made at senior level. This has resulted in what some feel to be unprecedented instability and uncertainty, and going forward, more visible and overt senior officer leadership will be essential.

This perceived instability whilst unfortunate in having caused some concern for staff, may in the long run be beneficial if it results in the council questioning its role and approaches more readily than it has done in the past. In particular the council's historic track record of good performing services has resulted in a degree of complacency. Although some staff talk of wanting to be ambitious, this seems to be more about the council's reputation as a good performer rather than on outcomes for local people. During our onsite week we found it hard to see – although there were a few exceptions - where challenge comes from within the organisation.

The new political leadership of the council is committed to a more open style of engagement and there are signs that the organisation is becoming less defensive than it used to be. The new leadership also brings greater emphasis on people and community regeneration rather than the traditional physical regeneration that the council has focussed on in the past. Clarity is now needed about what the council stands for, and what it will do next. There are also concerns that the 2030 Vision and the Council Plan are too high level and generic and do not provide enough detail for stakeholders to understand what it is the council will do and how it will do it. Internally and externally there is also uncertainty following the political decision on withdrawing from the devolution deal in September 2016, and what this means for businesses, investors and other stakeholders in and around Gateshead.

The new appointments including that of the new Chief Executive provide an opportunity for the council to transform in a way that is more clearly understood and accepted by residents, staff, partners and businesses. This transformation will require difficult decisions to be made of a different order from those made so far, and will need lots of grit, determination and persistence.

The council must accept that you can no longer be all things to all people because if your current forecasts are correct and no action is taken, you will have run out of money for everything except social care within 2 years.

Although there is a good focus on income generation, this in itself will not be enough to meet the scale of the budget challenge ahead.

A genuine transformational approach is needed to enable the council to be about more than just managing the budget cuts. Services for local people can change and improve, some will need to stop or be provided in a different way, communities will need to do more for themselves and partnership working needs to be more consistently embraced. These changes are vital and will challenge the solid and steady state that the council has been in for some time. They will require extensive innovation, risk taking, and in some instances, a willingness to think the previously unthinkable and deliver services in a different way where the council is not always the main player. This will help the organisation to become the modern council that Gateshead deserves and be viable for the longer term.

2. Key recommendations

- Clarify the intentions of the new administration and what it wants to achieve for Gateshead. This needs to be translated into a simple and accessible narrative that can be readily understood by everyone who has an interest in the council and is in enough detail that people understand what it will mean in terms of outcomes
- Care must be taken to do this quickly, so that it does not become bogged down by the council's own bureaucracy
- More extensive and inclusive conversations are needed with stakeholders about their role and capacity in this new strategic approach. What can you do together that will improve the quality of life for local people? What might

- partners deliver more effectively than the council for local people?
- Take steps to actively re-engage with partners and rebuild relationships in light of the devolution debate earlier in the year. The aim should be to rebuild confidence that Gateshead is open for business, investment and partnership working
- Bring together the budget, corporate change and service change projects and programmes into one over-arching programme, properly resourced, but streamlined and with a focus on acceleration of progress
- This programme needs to be underpinned by clear delivery plans across all service areas, backed by tangible targets, actions, dates, and ownership by project leads and by corporate directors
- More widely place less emphasis on process and order and more on innovation, change and becoming more comfortable with challenging and being challenged. Remove or reduce what is unnecessary and address how the pace of change can be improved by streamlining formal and informal decision making
- Actively learn from other areas that have already transformed services and outcomes with partners

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Gateshead Council were:

- Cheryl Coppel, former Chief Executive, LB Havering
- Mayor Ros Jones, Doncaster Metropolitan Borough Council
- Alan Gay, Deputy Chief Executive, Leeds City Council
- Wesley Rourke, Operational Director, Halton Borough Council
- Jeff Wood, Head of Technology, Essex County Council
- Hannah Barker, National Management Trainee, West Sussex County Council
- Judith Hurcombe, Programme Manager, LGA

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and

partnerships with external stakeholders?

3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to provide feedback on:

- Trading and commercialisation
- Economic growth and prosperity
- Digital Gateshead
- Achieving more together

The peer challenge process

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge every 4 to 5 years.

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for this peer challenge by reviewing an extensive range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent four days onsite at the council, during which they:

- Spoke to more than 80 people including a range of council staff together with councillors and external partners and stakeholders
- Gathered information and views from more than 35 meetings, and additional research and reading
- Collectively spent more than 300 hours to determine their findings – the equivalent of one person spending more than 7 weeks in Gateshead.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (15th – 18th November 2016). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

There is immense pride in Gateshead as a place and of its industrial heritage. People talk readily of the achievements the council has made to the physical environment, particularly on the Quayside, and in putting Gateshead on the map. There is also considerable pride in the council's values and it is widely acknowledged as wanting to care for its communities.

Some of this is reflected in emerging new projects in the early help arena, particularly in social care for adults and children, and more recently in health. There is a clear political imperative, shared by officers, of wanting to use community assets to foster more communities doing more for themselves.

This is particularly important in light of the budget reductions that the council faces. It is clear to some (though not all) stakeholders that the council will no longer be able to provide everything in the way that it has done in the past. Emerging ideas need to be given more thought and support, working with partners and the voluntary sector, so that they become more prominent in future service delivery. In particular we emphasise the need to be clear about health and wellbeing outcomes for local people, and how these can be achieved with NHS partners and the community themselves.

Overall satisfaction with Gateshead as a place to live improved to 75.5% in 2016 from 64.5% in 2015 through the council's own surveys. Compared to the 2012 results, residents identified street cleanliness, road and pavement repairs, traffic congestion, levels of anti-social behaviour and facilities/activities for young children as needing improvement.

From an outsider's perspective it is not easy to define what are and are not priorities for the council, because everything seems to be a priority. Some staff also told us that they found it difficult to articulate what the most important issues are for the council because on a day to day level, everything seems to continue to be delivered. This may relate to the council's ability historically to be an extensive provider of services, and where services did not exist, it has had the capacity to provide new ones to meet local need. However, those times have changed and a sharper focus is required which correlates to the reality of the council's budget. Councils which have taken active steps to focus on fewer strategic priorities, in approaches strongly driven by councillors include Wigan, Southampton, Plymouth and Nottingham City.

The 2030 Vision and the Council Plan are very high level and not necessarily understood or owned widely, despite the large degree of effort that went into their production. They do not provide enough detail about what specifically the council will do or not do either in the short or long term. Some partners did not seem to be aware of their existence. We heard views that in the production of these documents, as in other areas, the council could have provided more opportunities for external stakeholders to influence at an earlier stage. They told us they feel they are often presented with plans at a late stage when most issues seem to have already been decided, and there are concerns that 'the council knows best' stance dominates plans and discussion. In our view more needs to be done to engage with partners earlier about both their intentions and those of the council, and the council needs to be seen to act on partners views more overtly than happens now.

This clarification of the vision also needs to then be applied to the practical things the council needs to do through its Change Programme, including its delivery plans.

There has been a strong focus on physical and environmental regeneration which has resulted in new buildings and new housing, as well as the new Trinity Square retail and leisure complex that opened in central Gateshead in May 2013. However the new leadership's greater emphasis on people and communities needs to be expanded and articulated into clear proposals for local people, so it becomes clear what the council will do to develop its Achieving More Together approach.

At present much of the council's communication seems to be about the enormity of the budget reductions and the potential dire consequences arising from those reductions. A next step should be to think past this to more clearly define and articulate what you want to achieve for local communities, despite these budget reductions. Helping define the most important outcomes for the future may help in prioritising what needs to change to deliver them.

4.2 Leadership of Place

The council shares many values with its external partners of wanting to do the right thing for local people. There are good and improving relationships in health and social care and this is a real asset to build on as budgets across the public sector get tighter. The Director of Public Health is widely recognised as bridging traditional boundaries.

Overall partners are enthusiastic about working with the council and are willing to engage, so they can be actively involved in 'what next' discussions. In particular, the changing and increasingly important health and social care agenda and the budget challenge means that the council and its partners need to get a real grip on the future of social care. This should include the development of a combined strategy on people and how services can be commissioned at strategic level across the health and public sector landscape.

Another aspect of this approach should be detailed joint work with health partners on the costs and mapping out of Adult Social Care. This could lead to the identification of significant cost savings as well as identification of where services can improve for local service users and significantly improve health and wellbeing outcomes for the community.

There are further opportunities for the council to formalise shared working on economic growth and housing. This would help to foster greater partnership working and capitalise on the partners' willingness to work with the council.

The decision to not back the North East Combined Authority's (NECA) devolution proposals in September 2016 has caused a degree of consternation from external partners and the business community, not just within Gateshead but across the region. This comment is not a criticism of that decision. But more thought needs to be given to what the council wants from devolution and the Combined Authority, and the impact of that decision. How it will re-engage with existing and potential investors? What investment does Gateshead need in order to thrive and how will it bring it about?

More engagement and discussions are needed with key partners to ensure this devolution decision does not derail existing and established place-based partnerships, and to rebuild confidence and understanding in the council as a key partner which is open for business.

The council has clearly expressed values that are reflected in its current and track record of good services. In the past there has been some resistance to seeking externally funded grants or initiatives which were felt to be at odds with the values of the council's membership; that is a prerogative of the members. However it has contributed to perceptions that the council wants to be in charge of and control everything, especially in being a direct deliverer of its services. Moving forwards some observers and stakeholders recognise that the council will no longer be able to do this, and that having an enabling role will be challenging and uncomfortable for members and officers.

Nonetheless there will be services that could be delivered by others and meet residents' needs well, and be more cost effective than at present. This does not necessarily mean through large scale privatisation, but could be through a wide variety of other ways of delivering services, for example through social enterprises or community interest companies. The council could support others to create jobs locally which deliver on its behalf to local people and encourage more entrepreneurship in the local economy, without compromising its values and beliefs. What it needs to do next is explore those alternative ways of delivering and ensure it does not miss opportunities that other councils are taking advantage of.

This will need to be considered in light of the clear priority placed by the council on retaining as many council jobs as possible and seeking to avoid compulsory redundancies. How the council balances the best outcomes for its community as a whole and this desire to retain council jobs will need to be debated and reflected in future plans.

4.3 Organisational leadership and governance

The council is regarded as a good employer and staff value working for the organisation. They cite overall terms and conditions of working, as well as having a good work/life balance as key factors in how they feel about their employer.

Working relationships across the council are constructive:

- Relationships between councillors are positive and complaints to the Local Standards Board are a rarity. Any minor issues of concern are dealt with quickly and effectively through the political groups
- Call-in is rarely utilised as a means of challenging decision making
- Since the May 2016 elections there has been an improvement in dialogue between the leadership of the political groups and as a result, a feeling of more openness and transparency between elected members
- Member-officer working relationships are based on mutual respect and staff told us that they work together as “a family”. It is backed by a clear protocol for member/officer relations which is updated regularly, and an extensive councillor engagement and development framework
- Dialogue between the council and trade unions is well-established and valued by both sides.

The council’s constitution is reviewed on a regular basis to ensure it is up to date and fit for purpose. Role descriptions are in place for councillors, training is provided throughout the political year and unusually and positively, extends to members undertaking the Civic Mayor and Deputy Mayoral roles.

The past few months have seen a number of changes at the most senior levels of the council including:

- A new Leader and Deputy Leader
- A new Cabinet member
- The departure of the previous Chief Executive
- The departure of the Director of Children’s Services
- The departure of the Director of Adult’s Services
- The appointment of interim managers at senior level across a range of functions, including an internally appointed interim Chief Executive.

These changes have contributed towards uncertainty for staff and partners on a scale unprecedented for Gateshead Council, described to us by a number of people as creating “instability” and “confusion”. Some of this is probably a reflection of little churn in staff across the organisation for many years, as many people enjoy working for the council so much that they rarely leave and it is not unusual to find staff who have worked there for decades.

The absence of a permanent Chief Executive has contributed to a lack of cohesiveness at senior officer level. Our view based on behaviours we observed and discussions we participated in at Strategy Group level, is that it has resulted in less obvious behaviours associated with the ‘One Council’ approach agreed in

the Ways of Working work stream and more variable corporate working and drive. There is a risk that departmentalism/silo- working is becoming the norm, where senior managers revert back to what they know or are comfortable within their services, instead of working together and collegiately in the best interests of the organisation. It can also be difficult to see where the constructive challenge comes from within the council.

During the week of our onsite visit to the council a new Chief Executive was appointed. In our view a key task for her will be to develop more corporate and cohesive working, in particular to challenge the directorates and senior managers who are not pulling together enough to bring about the fundamental improvements the council must make if it is to be viable in the longer term.

Some of this lack of leadership manifests itself in confusion about who is accountable and responsible for change at senior levels. There has been a corporate Change Team in place since April 2016 with a remit to:

Support, challenge, enable and facilitate services across the Council to identify and implement new delivery models which will secure a balanced budget in line with the Council Plan and Community Strategy

It has four work streams of people; place; trading and commercialisation; and ways of working.

However, there appear to be varying degrees of buy-in to what the Change Team has been asked to do. This is reflected in some aspects of the change programme having completed delivery plans and at least a third which are missing or incomplete. We were also told of other relevant projects which were taking place within services, but not reflected in the change programme. Overall we were unable to gain what we felt to be an accurate view of the number of projects across the council that were taking place. We are unclear whether or not this is because of deliberate disengagement with the programme, a belief that some projects are genuinely outside the remit of the programme or something else. But the overall effect of this variable degree of buy-in is that the change programme is incomplete. The consequence of this is that it is difficult to regard the change programme as over-arching and comprehensive.

Further work is needed to address this partial approach in particular the finalising of delivery plans and starting to implement the necessary steps to transform the council and achieve the required budgetary savings.

The slow pace of change is a cause of frustration for many officers, some members and partners, yet it has been an established feature of how the council works for a long time. It appears to arise from a number of factors:

- A stronger focus and value held on processes rather than outcomes, including a reluctance to share plans until they are at a final or near final stage of completion
- A view that there is a 'Gateshead way' of doing things which cannot be challenged, because it has been established for many years

- A belief held by many that the council is best placed to provide everything
- Pride in being a high performing council, as referenced by previous inspection regimes
- This in turn appears to reinforce views that established systems and processes have served the council well, and therefore do not need to change
- We also heard of duplication of effort relating to the broad approach to new projects, including multiple requirements to attend different meetings to largely reiterate the same information, sometimes to more or less the same people. This is another example which highlights a degree of comfort in process which results in bureaucracy
- During our onsite phase members talk widely about wanting to make a difference for communities but we heard much less from officers about outcomes
- Some staff seem to reflect a nervousness about change, as reflected in widespread often tentative terms including “should be”, “hope” and “beginning to”
- A belief that operational details about staffing that are delegated in most councils have to be agreed with trade unions in Gateshead

These factors need to be addressed because they give the overall impression that the council is unable or unwilling to respond quickly when it needs to. The focus needs to move from talking about plans and details to finalising them and pushing on with delivery that people will notice on the ground. Wigan, Luton and Sevenoaks councils are examples of local authorities that have reviewed their systems and processes to tackle such perceptions.

It is particularly important for the confidence of partners and potential investors that they feel they are dealing with a pragmatic and open council that wants to do business with them, and which can react and engage when it needs to. If not addressed, it may result in the council being by-passed by partners in favour of its neighbours.

Undoubtedly the council will need to make some difficult decisions in the short to medium term about how it conducts its business, what it can no longer afford to deliver and what it will and will not do for local communities. We are not sure that there is sufficient realism yet across the council about how difficult some of this will become and how much it will test the organisation's values, ethos and ways of working. We heard concerns from some observers that there is a reluctance to either make or implement difficult decisions, partly because good financial management has to an extent enabled the council to delay difficult decisions. Some members have a perception that there is no room for further budget cuts, yet the organisation needs to deal with a budget reduction of £92m over the next five years, from a current base budget of £206m. More work needs to be done to help members and some officers deal with the scale of the challenge ahead, if the council is to remain viable in the long term.

4.4 Financial planning and viability

The council has a good track record of managing and delivering the budget savings required: this is reflected in positive annual letters from the external auditor. Since

2010 budgets have reduced by £130m with a reduction in government grant of £76m. To date the need for compulsory redundancies has been avoided and the number of staffing posts at the council has reduced by around 2,100. The council's General Fund reserves are reasonably healthy at £41m which, whilst not excessive, afford the council some degree of flexibility to deal with the financial challenges facing them over the next three years.

Recent external audit letters have confirmed that overall the council's finances are sound and well managed, but also recognise the significant challenges that the council faces in the future. An unqualified value for money has been given.

The Medium Term Financial Strategy (MTFS) which was updated in July 2016, appears to be based on a sound set of assumptions and identifies a funding gap of around £72m for the period 2017/18 to 2019/20, and an overall funding gap of £92m by 2020/21 (the term of the strategy). The strategy has been compiled using best practice guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the LGA and notes that the wider financial context for the medium term remains uncertain.

However, the absence of clear delivery plans for proposed savings make it difficult to see whether all of the savings will be achieved. For example the gap identified in Adult Social Care and Health has been identified at £11.4m for 2017/18, but it is not yet clear how that gap will be bridged. The review of the revenue budget for the first quarter of 2016/17 reported a projected overspend of £2.87m, mainly arising from social care costs in both Children's and Adults services.

Looking forwards the budget constraints will test the council's ability to manage budgets and ensure service delivery remains within future constraints.

There are mixed views about the approach to the budget setting process and some observers told us that setting the budget is largely finance-led, and tends towards incremental cuts, although it should be noted that the council has identified and delivered £130m of budget reductions since 2010. We heard views that the council should be more focused on outcomes when setting its budget, and should give greater regard for the impact of budget measures on the council and the borough as a whole. There is acceptance at the most senior levels that this approach needs to change and become more open, with more emphasis on what the council is trying to achieve for its communities.

4.5 Capacity to deliver

The support given to services by HR and finance colleagues is regarded as positive and constructive by receiving services. The Finance Business Partners we met know their respective services well.

We saw a strong commitment to demand management and an acceptance that the council must operate differently if it is to manage expectations, residents' needs and balance its finances.

We were particularly impressed with the service directors we saw. They are enthusiastic about their roles and have clear and positive views about what needs to be done in order to make Gateshead a better council. They are particularly ambitious and open to change. This is important because managers at the centre of any organisation are usually regarded as the drivers of improvement, due to their roles in being the interface between senior managers and staff delivering on the frontline. They need to be harnessed more effectively in order to bring about the changes facing the council.

Middle managers both understand the need for change and are willing to embrace it, but do not always feel well served by the lack of a corporate approach to change. They also expressed concerns about the effect on their services of some redeployed staff who were perceived to be 'marking time' until they reach retirement, as they lack the required skills for the role they had been slotted into.

We also heard of some good ideas around asset based community development, but these ideas need to be translated into tangible projects and actions. Linkages also need to be made about how the broad intention of Achieving More Together will fit in with and work with the other aspects of change including future ways of working, the council's physical and environmental plans, and strategic commissioning.

Whilst employees regard Gateshead Council as a good employer, staff morale has fallen between the 2 staff surveys conducted between 2016 and 2015, for example 8% fewer staff agreed with the statement "I am confident with the way the council is run". Across the headlines of the survey the responses were reported at lower rates than in the previous year. Frontline staff we met also felt their and the morale of their colleagues to be on a downward trend. Some of this may relate to uncertainties about the strategic leadership and direction of the council but also arises from practical support mechanisms that staff told us have room for improvement:

- Poor completion of the appraisal system. This was also reflected in the 2016 employee survey results which recorded fewer than half (47%) of staff had an appraisal in the previous 6 months
- Better communication at all levels including more opportunities for staff to work with each other across departmental boundaries
- The slow pace of change
- Perceptions that the approach to redundancies to date has largely focused on 'last in, first out' and concerns that this means those with new ideas, and often younger people, are the first to depart
- Concerns from staff that there are many people across the organisation that have worked for the council for a very long time. Whilst this has given stability, it appears to contribute to a degree of resistance to new ideas and sometimes an impression that people have lost focus on the primary reason for employment: to serve the residents of the borough. Staff told us very clearly that new people with new ideas often find it difficult to make progress because innovation is often resisted unless it comes from people who have been at the council for a long time
- Better strategies for dealing with redeployed staff who need training or motivation in their new roles.

Once the new Chief Executive is in post there may be some quick wins by having meeting broad groups of staff with the new political leadership to hear concerns and have dialogue about how people feel and where the organisation can improve. This would be beneficial to both the managerial and political leadership.

The Workforce Strategy needs to move quickly towards finalisation and implementation. It should also consider longer term succession planning to prepare for the inevitable future staff reductions that must be made if longer term budget and council viability is to be achieved.

Large scale change is also being impeded by support services being hampered through lack of resources, particularly where managers are wanting to and have been asked to develop a more commercial approach to the council's business. An example of this, we were told, is a waiting list of people wanting to update the council's website, but there is a lack of resource in the ICT function to enable this to happen. This in turn means that the service (s) affected are unable to promote trading opportunities via the website, and potential income is not realised. Looking forwards we encourage the council to think about investing in support services to ensure that income generation and commercialisation are not held back by either a lack of understanding in support services or too little resources to make things happen.

Elsewhere we have made reference to the council being regarded as a good employer, and one aspect of this perception is its established Terms and Conditions for staff. Severance terms in particular appear to be relatively generous when compared to other councils. In light of cost pressures and the future needs of the council, we think that Terms and Conditions should be reviewed to ensure they are still fit for purpose and affordable, and commensurate with those of other local authorities.

For the future the council needs to explore and articulate what it will be and not be about. Whether this is described as a target operating model or something else, clarity is needed to help drive and shape the approach to change, investment and disinvestment. It will be increasingly important to gain this clarity so that officer resources are directed to the right areas, and so progress can be made rapidly, without lengthy bureaucracy and without duplication of effort.

4.6 Trading and commercialisation

There is a clarity of purpose and strong systematic approach to those services which are expanding into trading activities. The stated purpose of the approach is to maximise growth by generating income for the council through more council tax, more business rates, external funding and trading opportunities.

There are some clear areas of success, for example:

- the creation of an energy company
- the new Supporting Independence Service which is moving from being a subsidised to a profit-making venture

The council has some sensible plans to grow external income in support of its wider objectives. Of particular note is the ambitious private house building proposals through the council's trading company.

However, we identified that a significant barrier to achieving its trading ambitions is a lack of capacity which is having an impact on the pace of progress. It is also important that the council does not place too much reliance on this approach to offset the funding reductions it faces; whilst important, the income gains are still likely to be relatively marginal.

There are perceptions that the council's established ways of managing its business work within a local authority context but are constraining if the organisation is to be more commercially successful. Recruitment processes for example may need reviewing to ensure they enable the trading service to compete effectively in a more open market environment. Its Terms and Conditions of Employment (mentioned earlier in this report) may also have an impact on the council's ability to trade at a surplus in some areas, for example in the proposed service(s) operating on a 7 rather than 5 day per week basis.

We think at various intervals the council should challenge itself more about the rationale for developing traded services, in particular to ensure that the market(s) it is competing in are fully understood, particularly the degree of competition within those market. And also the need to ensure that proposals and efforts are commensurate to the amount of potential income to be generated. Is the council trading in the right areas where it has real expertise and effectively create income where others cannot? Is it creating income opportunities which are not undermining local people's efforts to become more entrepreneurial and create and grow small businesses in Gateshead, which in turn could grow the local economy?

4.7 Economic growth and prosperity

The council has a proven track record of regeneration with iconic developments in the borough, and these have helped to establish a stronger identity for Gateshead. The customer journey in regeneration and recruitment is well-defined. There is good use of local employment key performance indicators.

There is clear use of evidence running through key strategic documents relating to regeneration including the Core Strategy, the Rural Economic Strategy (2015-2020) and the Housing Strategy.

However inconsistency in engaging some key stakeholders in developing a vision for what next for Gateshead is leading to a lack of clarity in how the Economic Growth Acceleration Plan 2013-18 should be delivered.

The importance of economic growth to the borough and the council is not yet widely understood by all employees across the organisation, particularly at frontline levels. Related to this there is also a lack of understanding of how broader regeneration initiatives benefit Gateshead residents. For example, there are local perceptions that regeneration is only about the Quayside and what happens there, without a wider appreciation that physical regeneration initiatives not only create local jobs but

they improve the appearance of the borough, and in turn lead to more businesses wanting to expand or invest in Gateshead. This also has a positive effect on the council due to an increase in business rates revenue.

Elsewhere in this report we have made reference to decision making and approvals being slow and this is having a detrimental impact on investor confidence and perceptions that the council is risk averse.

The council could take more of a leadership role in linking employer skills needs to appropriate training providers. We picked up views that it is a competitive market and a 'free for all' but the council could use its existing links with employers through its Business Support Team to engage with training providers in the 'diagnostic' process through the account manager role the team provides. Gateshead's current approach seems to be more about employability support rather than helping a business to grow and this would be a way of the council taking more control of the skills agenda. The What Works Centre for Economic Growth offers some pointers. <http://www.whatworksgrowth.org/policy-reviews/employment-training/>

The council has had some success through its GATES service (Gateshead Access to Employment Services) through internships, job readiness support and employment for people with learning disabilities. There are opportunities to further the links between adults and social care through supported employment by using personal budgets to fund 'employability' related activities as opposed to leisure and lifestyle interventions. Some areas have used their Health and Well-Being Boards to progress the recommendations arising out of the Inquiry on Health Equity for the North to look at other ways of work e.g. personal budgets <http://www.nhs.uk/choiceintheNHS/Yourchoices/personal-health-budgets/Pages/about-personal-health-budgets.aspx>

It wasn't clear how the council's vision on skills is being monitored and evaluated by partners. Although there is a sub-group of the Gateshead LSP which meets to discuss employment and skills it needs to be more target driven. You might wish to consider the Skills Factory concept which was originally pioneered in the West Midlands to coordinate its skills and training offer in relation to the borough's growth sectors <http://www.blackcountryskillsfactory.co.uk/>. This isn't to say that Gateshead isn't doing these activities but it would help with focus, consistency of message a shared 'brand'. The Skills Factory focuses on four key priority pillars to achieve this:

- Up-skilling of Existing Workforce – to counteract ageing workforce and to reflect new technology
- Apprenticeships – to extend and encourage SME's to take on apprentices
- School engagement – increase the pipeline of people wishing to enter the sector
- Skills Factory Profile – provides a first point of contact for skills in the High Value Manufacturing Sector.

The Economic Growth Acceleration Plan is still high level – perhaps this could be supplemented by a 'delivery and investment plan' which more clearly outlines the interrelationship between: regeneration sites; housing sites alongside the borough's

people assets; schools, college, university linkages - as well as transport infrastructure.

The Acceleration Plan could also be enhanced by measures including:

- Whilst the analysis in the Core Strategy is good in identifying potential site usage, a further market driven analysis which identifies potential end users would serve to determine the viability of bringing forward these sites.
- The council should consider the establishment of a 'flexible' development fund to build on the principle of 'speculate to accumulate', an approach which has served the council well in the past
- Being clearer about which schemes accord with strategic priorities of 'macro-economic' partners and which are local priorities, to help address market uncertainty concerns
- Undertaking a gap analysis exercise to ascertain whether there is enough data, intelligence on sites to form an outline business case (OBC) then full business case (FBC)
- Following on from this consider what can be done in house and what needs input from external providers. This exercise could be used to justify the allocation of corporate financial resources to provide a development fund (as described above) to be used to support consultancy work; site investigations etc.
- Accelerated Development Zone/Tax Increment Financing (ADZ/TIF) principles would further strengthen the business case for doing this. In addition the baseline work on business rates could also support this work.

4.8 Digital Gateshead

The council's digital strategy sets out a five year strategy to develop and implement digital public services. It is important to ensure that there is a good understanding of technology as an enabler for digital transformation and as such, technology still requires its own strategy and continual service improvement alongside the digital strategy.

To be truly successful as a digital organisation the council must ensure the transformation is customer led, with strong support from customer service, marketing, communications and partners. It needs to have a focus on speed, agility, adaptability and sharing.

On digital working the council needs to accelerate the pace of change and become more agile, looking to deliver quick wins and early benefit realisation utilising preotypes, prototypes and short quick project blocks (i.e. 6 weeks). The focus needs to be on the required outcomes and objectives, and not on 'nice to have' outputs.

The current work programme appears to deliver most business cases, but would benefit further from milestones being defined. The strategy would be enhanced by developing cost estimates for design and implementation, so that resources can be assessed and scaled up, if required, to accelerate certain projects in line with the council's defined drivers (see below). It would be useful to select a defined number of projects and work in a more agile way, possibly as a BiModal IT process.

Some clarification is needed about why the council is pursuing its current strategy, as this will help to shape the programme further. This clarification needs to ensure that all stakeholders are engaged and understand the approach. There are a number of drivers that are typically seen as key to digital transformation including: customer experience; customer expectation, cost reduction, digital capability, emerging technology, market disruption and data usage. As outside observers we are not clear which of these elements are the most important to the council. Has a full analysis been undertaken of whether the council's drivers may contradict or undermine each other, for example, how are customers' experiences being balanced against cost reductions?

There is a good understanding of the role that partners play in what the council is trying to achieve through its work on digital. However stakeholders' needs should be more clearly identified through a broader and more extensive mapping exercise. Once this is complete further targeted engagement is needed from the early design stage of the proposals through to initiatives going live and for a period afterwards (the early life stage). This should help to ensure that the human transformational changes and integration to business as usual process are robust and effective. Currently there is a danger that the full benefits achievable from the digital transformation will not be capitalised on or will fail due to not addressing the cultural/behavioural aspects of the change.

There are some good initiatives identified for data sharing that need to be expanded further. Integrated data sets should be reviewed at every stage to ensure analytics and in particular predictive analytics are utilised not only in through the Digital programme, but in all aspects of the council's service delivery. Consideration should be given to using the VRTGO Lab or exploring resources through local universities to support artificial intelligence and/or Machine Learning to enhance the use of Big Data.

The Digital team is committed and enthusiastic in its approach and some good building blocks are in place or planned that will help to ensure the council becomes a more digitally enabled organisation. The web team are particularly active and they may need some extra short term resources to ensure they can meet the demands being placed on them from across the council.

We would encourage you to keep up to date with what other councils are doing in this area through the LGA's website at http://www.local.gov.uk/demand-management;jsessionid=B0A5540A667DD5267CB96FB171E2B7FD.tomcat_1

4.9 Achieving more together

Historically there have been good working relationships across the borough with stakeholders and partners sharing common values: this is a real asset to build upon. The council and its partners benefit from comprehensive and quality sources of data and good levels of analysis on the data. There is also confidence in the council's public health team and their skills, and some observers told us that they could have a much greater role to play in holistic early interventions to improve health and wellness amongst the local population.

There are some good emerging ideas and projects on asset based community development including:

- The council's asset transfer programme, recognised by Locality as an example of good practice. It includes 21 community centres and 3 leisure centres.
- Live Well Gateshead's capacity building approach has engaged with over 200 local groups and organisations to help improve residents' health and wellbeing
- Co-ordination of the volunteer plan across the borough which includes over 8,000 registered volunteers across Gateshead

The people strand of the change programme has recently undergone a stocktake of progress. There is acknowledgement through this stocktake that the approach is beginning to develop partnerships with key stakeholders and that capacity is expanding, but progress will only be made when there are detailed delivery plans in place. The approach will also need a good performance management system to ensure that progress is being tracked. As the future operating model for the council has yet to be articulated. This is a constraining factor on the Achieving More Together theme, because in order to develop delivery plans there must first be clarity about what the council will and will not do for the future.

We think the various strands and threads of delivery under the people theme would benefit from an overarching and strategic approach through a new people strategy that focuses on outcomes for local residents. It needs to make clear and explicit links to the future of Adult Social Care and the wider radical changes that the council needs to make. It should articulate what the council's future role will be in supporting people, what the voluntary and community sector will do, and what it expects people to do for themselves. Gateshead may want to benefit from strategies that other councils further ahead in this area have already enacted.

Emphasis is placed on the voluntary and community sector as key delivery agents of the Achieving More Together theme, but care needs to be taken to ensure that over ambitious assumptions have not been made about the sector's capacity. This is particularly important in the context of previous reductions in grants to the sector in Gateshead. There does not appear to be a joint planned approach for how the council and the 3rd sector can more effectively work together.

5 Next steps

Immediate next steps

We appreciate you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the council wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support the implementation of the recommendations we have made. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Mark Edgell, Principal Adviser is the main contact between your authority and the Local

Government Association (LGA). His contact details are: 07747 636910 and mark.edgell@local.gov.uk.

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA peer challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 12-24 months.