

## Overview

1. Rapid progress has been made since the Spending Review to turn the concept of a Community Budget into firm commitments to tackle well over 10,000 troubled families in line with the Prime Minister's aspiration for turning around the lives of all troubled families by 2015. Some areas are still developing their trajectories. From the work to date, there is more that must be done both to implement the first phase Community Budgets and to enable Community Budgets to play a truly transformational role.
2. This paper sets out proposals for:
  - Taking forward implementation of first phase Community Budgets;
  - Rolling out Community Budgets around Families with Multiple Programmes;
  - Tackling key issues that prevent Community Budgets being more effective;
  - Developing radical approaches to partnership, funding and service design.

## Objective

3. To agree the next steps in developing Community Budgets.

## Purpose

4. The Group is asked to:
  - i. Agree the approach to ongoing support for first phase Community Budget areas (paragraph 7);
  - ii. Agree the approach to further roll out of Community Budgets for Families with Multiple Problems and other themes including the role of this Group and of Whitehall Champions (paragraphs 9 - 16);
  - iii. Consider whether anything more can be included in the offer to new Community Budget areas (paragraph 11 and Annex B);
  - iv. Note the role of the Baroness Hanham working group (paragraphs 17 - 20);
  - v. Consider whether there are other key issues that should be considered by the working group (Annex A);
  - vi. Consider whether there are issues that need to be fed into the terms of reference for phase 2 of the Local Government Resource Review (paragraph 21);
  - vii. Agree the future role of the Community Budgets Group and consider the Group's membership (paragraphs 22 - 25) – revised terms of reference will be drafted in line with the views of the Group.

## Consideration and Proposed Next Steps

5. In recent months we have made significant progress: we have established a joint ambition and objectives; Community Budgets are now being implemented in 16 areas; DfE Ministers are currently considering investment of £3.1 million in the first tranche of 21 exemplar projects, including those working with Emma Harrison and the Working Families Everywhere campaign. The learning from these

projects will benefit all areas. DfE has also responded to requests for 'up front' investment in service redesign to deliver savings in future years by enabling areas to pull forward Early Intervention Grant funding – 5 bids worth around £5.3 million have been made for 2011-12. This paper sets out proposals for next steps.

*Implementation of first phase Community Budgets*

6. First phase areas are at an early stage in implementing their Community Budgets. They have plans to deepen and widen alignment and pooling of funding and they envisage that further barriers to transformation of services are likely to emerge as they work through the design of service and delivery models. The Community Budget Group has already agreed that Whitehall Champions should continue to support first phase Community Budget areas by brokering solutions across Whitehall.
7. A light-touch stock-take exercise will be undertaken to obtain a snapshot of learning from areas' development of their Community Budgets. (This will be complementary to the wider and ongoing work of the full evaluation of Community Budgets, which is due to report in March 2013.) Chief Executives, Leaders and working level contacts will be asked for their thoughts on:
  - i. What factors have significantly impacted on creating your CB?
  - ii. What do you think the practical benefits will be to outcomes?
  - iii. What do you think the next steps should be for CB?
8. Views will also be sought from a small sample of key contacts in government departments and delivery partners. A summary of the findings will be brought to the next Community Budgets Group and will be taken into account in working up the proposals below.

*National roll-out of Community Budgets on Families with Multiple Problems and other Themes*

9. There is significant appetite from areas to develop Community Budgets and the Government itself has committed to roll-out Community Budgets nationally by 2013-14.
10. The learning from phase one of Community Budgets will be available to all local authorities through the joint development and evaluation programme the Local Government Group is developing with DCLG, DfE, Community Budget areas and a number of sector support organisations. Any local authority will also be able to develop its own Community Budget in support of the Prime Minister's Families with Multiple Problem's Campaign. To support this:
  - Proactively encourage areas to come forward and benefit from the offer (see below). This might include areas engaging in joint Local Government Group and Whitehall workshops to set out the benefits of developing a Community Budget and to set out the 'offer' to areas eg specialist support and buddying' with areas to share learning, access to flexibilities, advances in future years grant funding and so on;
  - Build links with other related agendas (e.g. 27 local authorities have indicated that they would like to work with Graham Allen to take forward the early

intervention agenda. Community Budget areas looking to integrate early intervention programmes with their work with Families with Multiple Problems, might want to explore how to integrate this with prevention activity promoted through the Graham Allen review;

- Offer flexibilities available to Phase One areas and the opportunity to use the Community Budgets Group to provide a route for tackling new barriers identified by these areas;
- Whitehall members of the Community Budget Group acting as champions to tackle emerging issues and barriers that relate to their department's responsibilities.

11. The offer to areas might could consist of (see Annex B):

- Access to best practice from first phase areas and wider support and participation in the development and dissemination of learning – via Local Government Group, DCLG and DfE;
- Similarly to the first phase, access to additional DfE funding to support service redesign and learning through exemplar projects;
- A conversation with Whitehall to bust new barriers, support to develop the Community Budget with escalation to the Community Budgets Group and to the Ministerial group as necessary;
- Potential engagement and emerging support from the Graham Allen review of Early Intervention.

12. Maintaining the momentum created by the first phase is best achieved by building a significant coalition of willing areas that can demonstrate the benefits and successes they have achieved with a Community Budget. This requires a strong narrative and weight of communication setting out the benefits of developing and implementing a Community Budget, including:

- local or national pooling and other routes to releasing local funding to invest in area priorities;
- access to learning including case studies and evaluation from phase one areas;
- support in the wider adoption of what has been agreed in them (e.g. busted barriers).

13. From the workshops we would explore whether the roll out would be 'organic' (with Community Budget scope and timing varying from area to area) or in the form of a second and subsequent phases with areas aiming at a specific completion date potentially supported by targeted LGG networking events as for phase 1. We would also need to consider how to manage the call on resources including funding for service redesign which could support 30-40 authorities each year and working in a different way e.g. through a web approach to identifying barriers and progress on resolution.

14. The Local Government Group will offer support to the second phase of Community Budgets by encouraging greater involvement by places in Community Budget approaches to families with multiple needs and by widening the scope of Community Budgets to other issues, identifying those issues and those places ready to get started. This will build on the learning and success of the 16 first phase areas and continue to connect them with the other related activity.

15. Local group will encourage places to maximise pooling, recognise that links to ambition expressed as families helped, support innovation in service delivery, help places develop governance structures; and enhance the strong link between Community Budgets and payment by results.
16. The group will continue to promote the CB model generally, encourage innovation through new funding mechanisms, share learning, and provide a safe space for places to discuss specific issues.

*Tackling key issues impeding ambitious Community Budgets and exploring radical implementation of Community Budgets*

17. Baroness Hanham, with the support of Tim Loughton, DfE and other Ministers when necessary, will chair a working group consisting of a small number of leaders to:
  - a) Provide **political leadership** to the Community Budget agenda;
  - b) Intensively work through some of the key priority **barriers** that are getting in the way of Community Budgets having a transformative impact on services; and,
  - c) Develop a **radical** vision and model(s) for Community Budgets which can feed into the second phase of the Local Government Resource Review and could then be tested in a couple of areas.
18. Ten areas have responded to Baroness Hanham's recent invitation to join this Group – Barnet, Birmingham, Blackburn with Darwen, Bradford, Essex, Hull, Leicestershire, Manchester, Swindon and Westminster (on behalf of the West London area).
19. All partners on the group will commit resources over the next few months to make real progress in busting barriers and developing a radical vision and model(s) for Community Budgets. The first meeting of the group will be in the afternoon on 5 April where partners will develop a shared ambition for Community Budgets, agree the priority issues to be addressed in order for Community Budgets to be transformative and will look specifically at what a radical Community Budget might look like.
20. Some issues identified by Community Budget areas as needing to be tackled are already being driven forward – the group will want to follow the outcome of this work to inform its own but, equally, the group may want to focus its primary attention on issues that are not already, to some extent, being addressed. Cross-authority projects funded through DfE and convened by the Local Government Group are developing solutions to:
  - Information sharing (Manchester, Birmingham, Leicestershire and Bradford);
  - Delivering savings through service redesign (Croydon, Hull, Kent, Manchester and Bradford); and,
  - Realising savings through service redesign (Croydon, Hull, Kent, Manchester and Bradford).

21. Annex B lists the priority issues that have so far been raised by areas and will be considered at the first meeting. Following the initial meeting, DCLG will start developing draft terms of reference for phase 2 of the Local Government Resource Review embracing the issues identified by that Group and other issues that are identified by the Community Budgets Group.

*Implications for the Community Budgets Group*

22. The current terms of reference (see Annex C) for the Community Budgets Group encompass three workstrands:

- **Strand 1:** delivery of the first phase of Community Budgets to tackle families with multiple problems by April 2011 and to all areas in England by April 2013 - a key element of the Prime Minister's national campaign for families with multiple problems;
- **Strand 2:** development of Community Budget approaches for a wider range of policy themes including small area budgets with other innovative places;
- **Strand 3:** development of the longer term vision for Community Budgets.

23. It is clear that there will be a need to tackle issues arising from both the implementation and further development of Community Budgets and the development of new government policies (strands 1 and 2). The Community Budgets Group enables these issues to be considered collectively by representatives from central and local government, VCS and key health organisations and the police. It is the only forum in this position. The Ministerial Groups (Baroness Hanham's Working Group and the Secretary of State for Communities and Local Government's cross-government Ministerial group) are driving progress on a small number of issues impacting all Community Budgets and looking ahead at an ambitious development of Community Budgets (strand 3). The Prime Ministers Taskforce on Children and Families will provide a route for reporting progress against the ambition to turn around every troubled family by 2015. They are providing strong political leadership more generally and a route to escalate issues that require political decision.

24. There remains a key role for the Community Budgets Group role around strands 1 and 2 but it will not be as intensive as it has been in supporting the development of the first phase Community Budgets. It would be possible, therefore, to move to having bi-monthly meetings once future phases of the programme have been planned.

25. The Community Budgets Group will, however, support a greater number of areas developing Community Budgets. At present, there are 23 members of the Group including 4 representatives from local government speaking on behalf of the 16 Community Budget areas with the Local Government Group providing a link to the wider sector. The two VCS representatives provide input from their sector but there is no mechanism for wider engagement of, or dissemination to, this sector. The Group is asked to consider whether the membership should be refreshed in the light of the widening agenda.

**List of known current issues**

A number of issues have emerged from the first phase negotiations, including:

*Cultural Issues*

- Developing a narrative that demonstrates the win-win for all partners
- Working with GP consortia/PCCs
- Joining up support for troubled families with other agendas (e.g. Professor Munro's Review of social work practice, Graham Allen's work on early intervention)
- Need for greater VCS involvement and representation
- New structures and governance, Ministerial involvement

*Systems Issues*

- Data sharing
- Community rights to challenge services
- What would a community-led Community Budget look like?
- Accountability
- Simplifying assessment procedures
- Access to specialist expertise eg interventions, workforce development, evaluation and monitoring

*Financial Issues*

- Innovative financial models
  - Social impact bonds
  - Payment by results
- Cost benefit analysis and evaluation (there is an evaluation project underway)
- Realising savings through service redesign
- Apportioning savings between partners
- Devolving money/services to communities
- Monitoring outcomes and spending on Families with Multiple Problems
- Moving to virtual and actual pooling

**ANNEX B**

**Offer to second phase Community Budget areas**

*Finance*

- Access to DfE's Investment Fund - Innovative financing which offers advances on future years' funding to local areas to allow them to invest in the redesign of services for families in order to deliver savings in future years.
- £10 million of DfE investment in national voluntary and community organisations with expertise in working with families affected by particular types of problems including addiction and imprisonment who will support local delivery.
- Long-term development of a new accountability model.

*Barrier busting*

- Accessing already agreed solutions for removing specific barriers (and future ones) agreed by other Community Budget areas.
- Direct conversation for the area with Whitehall to change central rules and remove barriers in its area not already tackled by others.

*Shared learning*

- DfE Exemplar projects – to develop, share and evaluate new approaches and learning.
- Ten Regional Dissemination Hubs developed with the Local Government Association responsible for spotting, 'showcasing' and encouraging adoption of successful practice, brokering exchanges of expert practitioners and sharing advice and 'know how'.
- Working Families Everywhere – web-site, face book campaign and network of local supporters will share emerging practice in supporting families into work.

*Support*

- Area championed in Whitehall and supported to innovate through DCLG officials having a specific relationship with the area.
- National roll-out of accredited training for family and parent workers via Further Education Colleges.
- All areas will have use of the National Centre for Social Research monitoring system for family intervention which helps local services record the number of families supported, their outcomes and benchmark provision against other areas.
- (voluntary) Use of the NatCen database to help monitor and benchmark support for families.
- DfE with LG Group will commission expert support to help areas develop and test the impact of services for families with multiple problems and early intervention approaches in line with Graham Allen recommendations.
- Practical support and advice from each other (phase one areas potentially mentoring phase two areas) and a wider community of practice.
- The Local Government Group will offer support to the second phase of Community Budgets by encouraging greater involvement by places in Community Budget approaches to families with multiple needs and by widening the scope of Community Budgets to other issues, identifying those issues and those places ready to get started.

- Support from Local Government Group to maximise pooling, supporting innovation in service delivery, and developing governance structures.
- Local Government Group will generally promoting the CB model, supporting places, encouraging innovation, sharing learning, providing a space for places to discuss specific issues.

*Cultural*

- Recognition across the sector and Whitehall for being at the cutting edge of system reform.
- Need to focus on innovation in service redesign, evidence-based practice and the involvement of the voluntary and community sector.



**ANNEX C**

**Community Budgets Group Terms of Reference**

The Group's work encompasses three strands:

- **Strand 1:** delivery of the first phase of Community Budgets to support families with multiple problems by April 2011 and to all areas in England by April 2013 - a key element of the national programme for families with multiple problems;
- **Strand 2:** development of Community Budget approaches for a wider range of policy themes including small area budgets with other innovative places;
- **Strand 3:** development of the longer term vision for Community Budgets.

The Group will meet monthly or as appropriate to deliver its objectives. Governance arrangements will be reviewed in April 2011. It will achieve its objectives through:

- Collaborative working between places and central government;
- Engagement with the third sector;
- Driving forward local flexibility in pooling and aligning funding and ensuring places understand the opportunities of doing so and that they are empowered to deliver services in new ways;
- Assisting to dismantle centrally-created barriers to local innovation and prevent new barriers being created within emerging policy;
- Addressing cultural barriers, for example, through supporting strong political and managerial leadership to see through complex decisions on outcomes and service redesign; and encouraging the sharing of local innovation that could improve productivity and effectiveness.

**Membership**

**Chair:** Lord Michael Bichard

Helen Bailey (HMT), David Behan (DH), Kim Bromley-Derry (Newham / NFISB), Anne-Marie Carrie (Barnados), Gareth Davies (OCS), Mark Fisher (DWP), Tom Jeffrey (DfE), Sir Bob Kerslake (DCLG), Jo Killian (Essex), Nick Lawrence (DfE), Peter Makeham (HO), Lucy Makinson (DCLG), Mike More (Westminster), Matthew Nicholas (JCP), David Prout (DCLG), Joyce Redfearn (Wigan), John Sinott (Leicestershire), Jonathan Slater (MoJ), Rob Whiteman (LG Group), Steve Wyler (Development Trusts Association), Mike Farrar (NHS NW) and Laura Roberts (Manchester PCT). *TBC: representatives from Police & Probation sectors.*

**Members receiving papers and attending where there are relevant agenda items:**

Andrew Lawrence (DEFRA), Peter Lee (DfT), Richard McCarthy (DCLG), Andrew Ramsay (DCMS), Philip Rutnam (BIS), Trevor Hutchings (DECC)

The secretariat (DCLG) will circulate papers to all Whitehall Champions and first phase places, working level contacts in Whitehall and LG Group and will communicate with these as appropriate to develop agenda items and take forward actions.