

Community Budgets Group 20 June 2011
Paper 2: National Roll-out of CBs for families with multiple problems - achieving the Prime Minister's ambition to try to turn around the most troubled families

Overview

1. The first phase and widening the coverage of Community Budgets for families with multiple problems were a commitments within the Spending Review. Shortly afterwards the Prime Minister identified Community Budgets as an important mechanism for achieving his ambition to try to turn around the most troubled families in the country by 2015.
2. The Community Budget Group has overseen the development of the first phase of Community Budget which is operational in 16 areas covering 28 local authorities.
3. Discussions between DfE and CLG officials and the Local Government Group have developed a national 'offer' to current and future authorities wishing to develop a Community Budget for families with multiple problems.

Purpose

4. The Group is being asked to support the proposed joint 'offer' to local authorities and comment on its main elements and in particular proposals that:
 - Fifty authorities are invited to apply for Community Budget for families with multiple problems status in 2012/13 and at least sixty more in 2013/14
 - Baroness Hanham's Group develop the 'offer' to authorities in the light of their work to find solutions to local and national barriers
 - Dissemination Hubs based in one local authority in each region support neighbouring authorities in moving towards Community Budget status
 - LGID coordinates this work, working closely with DfE and CLG, on behalf of the local authorities involved
 - These arrangements, including the invitation for areas to express interest in becoming Community Budget areas in 2012/13 or 2013/14 are announced at the Local Government Conference on 28th-30th June

Consideration

5. In the first phase of Community Budget sixteen areas are developing new approaches to supporting families with multiple social, economic and health problems. There is believed to be a '**stock**' of 40-50,000 families with multiple problems and child/youth problems and a potential '**flow**' from a wider group of 70,000 or more families at greatest risk. Children and adults from all these families experience multiple social, health, economic problems and make very high demands on local services but experience poor outcomes. Pioneering work of Family Intervention Projects (or FIPs) shows that service models using key-worker led, family focused approaches can deliver significantly better results for these families.
6. Most of the first phase Community Budget areas are now seeking to redesign services so that each of the most troubled families is supported by a single 'key worker' who helps them turn their lives around and engage with education and employment. Other local services are also being encouraged to invest in, and benefit from the savings generated by supporting families more effectively and to intervene earlier to help families at risk avoid serious problems in the future.

7. Community Budgets are intended to make it easier for local areas to remove financial and legal barriers to the redesign of local services. At present up to 20 local agencies can support the same family, each with their own funding rules and regulations. This means that support is often poorly coordinated, not focused on wider family needs and too late to avoid the worst outcomes (and greatest costs). Baroness Hanham is working with the leaders of Community Budget areas to overcome four 'crucial' barriers to local areas redesigning services; data sharing, simplified assessment, innovative finance, and governance and leadership.

Moving to National Roll-Out

8. Plans for Community Budgets for families with multiple problems were set out in the Government's Spending Review along with a commitment to roll them out to all areas. Discussions have taken place between Local Government Group, DfE and CLG on the mechanism for doing this in the light of feedback from the recent stocktake of first phase Community Budget authorities.
9. The support of Council Leaders will be key to national roll-out and the achievement of the PM's ambition. The nature of the problems affecting the most troubled families, the effectiveness of key worker based family interventions and the potential cost savings which can be achieved have proved persuasive with many local authority leaders. The Local Government Group will play a key role in developing this debate, helping to disseminate learning from first phase areas and ensuring the views and ambitions of areas inform Government decision-making. The challenge for Whitehall will be to respond to local authorities' ambition by removing or finding ways around barriers.
10. Discussions between LGG, DfE and CLG on the 'offer' to future phases of local authorities have sought to identify ways to offer:
 - **a longer lead in time/more flexibility** – expressions of interest should be sought as soon as possible from fifty local authorities seeking to operate Community Budgets from April 2012. Up to sixty authorities will be invited to operate Community Budgets from 2013. The remaining authorities involved in Total Place as well as the 27 places that have indicated interest in becoming early intervention places in response to the Graham Allen review will be invited to join the 2012 cohort;
 - **a more sustainable process for supporting roll-out:** LGG, with DfE and CLG support will establish a national network of Dissemination Hubs, based in ten local authorities one in each region and two in London. These will support neighbouring authorities in moving towards Community Budget status.
 - **a more attractive 'offer' to local authorities:** the current offer of a 'menu' of local budgets which can be pooled or aligned, the opportunity to take advantage of emerging flexibilities and support and funding for local projects and activities from DfE will remain. This offer will be developed in discussion with the Hanham Group and is expected to include:
 - 1) **a coordinated programme of support led by the Local Government Group, with DfE funding:** areas will be supported through the national network of Dissemination Hubs and dedicated expertise in identifying and

implementing more effective approaches to working with families, monitoring and evaluation.

- 2) **New flexibilities:** flexibilities which arise from the work of Whitehall Champions supporting the first phase areas will be offered more widely. In addition to this, the Hanham Group's series of 'products' could be offered to new areas. With sufficient Whitehall and local support these could provide vital tools for local practice including a data sharing protocol and innovative finance models (including the Cabinet Office's work on a Social Impact Bond).
- 3) **Whitehall Support:** this was really valued by the first phase areas and the existing Whitehall Champions will continue with the first 16 areas. Very senior Whitehall official support cannot realistically be offered to a much larger cohort of local authorities and is less necessary given key flexibility issues have been or are being addressed in first phase areas. CLG's proposed Director and Deputy-director area leads, supported by a network of Departmental lead officials, will provide the 'route into Whitehall' they value.

Further details of the proposed offer are set out in the Annex.

Next Steps

11. Subject to the agreement of the Richard Group the Local Government Conference on 28th-30th June provides an opportunity for the new 'offer' to be made public through a speech by a senior Minister alongside any other announcements on Community Budgets which may be planned.
12. Discussions on the establishment of the Dissemination Hubs are currently underway between DfE and LGG with a view to these being operational in the autumn. Other aspects of the 'offer' of specialist expertise is available immediately.

**Department for Education, Local Government Group and Department for
Communities and Local Government
June 2011**

The Joint Local Government Group/Government Community Budget 'Offer' to Local Authorities

Funding

All areas will have access to:

- **Community Budgets:** *HMT 'menu' of local budgets which can be pooled or aligned*
- **Innovative Financing Mechanisms:** *Social Impact Bond being developed (Cabinet Office), Payment by Results (DfE, MoJ). £8-£40m/ annum, DfE Investment Fund - advances on future years' DfE funding for service redesign*

In addition to (available to all areas):

- **DfE Early Intervention Grant:** *£2.2bn/annum funding for early intervention and preventative services. Not ring-fenced, no breakdown in allocations but includes £60m from 2010-11 grant for families with multiple problems*
- **DWP European Social Fund :** *£200m 2011- 14 for employment focussed services for families with multiple problems*

Flexibilities

All areas:

- will be assigned a 'Whitehall Champion' to 'support and unblock' local barriers to redesigning services for families with multiple problems. Issues addressed so far include:
 - Joint working arrangements between local authorities, Job Centre Plus and employment providers working with families with multiple problems
 - Arrangements for working with schools in Community Budget Areas
 - Advice from the Information Commissioner on holding family case files
 - Developing more flexible assessment arrangements with Munro Review
 - Piloting new family proceedings court arrangements
- will have the opportunity to adopt freedoms and flexibilities 'co-designed' between Government and first phase Community Budgets areas including:
 - Simplified Assessment: *Munro review flexibilities, expert support*
 - Data Sharing: *data sharing protocols, local exemplar projects, expert support*
 - Innovative Finance: *Social Impact Bonds, advances on future grant funding, payment by results*
 - Governance: *agreements and protocols across Government and with key representative bodies*

Learning and Support

Local Government Group, with DfE and CLG support, will lead an extensive programme of work with Council Leaders to ensure their views and ambitions inform Government support for Community Budget areas and that the experience and learning from the first phase Community Budget areas are disseminated more widely. LGID's programme of work which is currently in development is likely to include

communities of practice websites, networking events etc for local authority services. Each phase of Community Budget Areas will be offered:

- **Dissemination Hubs:** *A national network of 10 local authorities will support neighbouring authorities in moving towards Community Budget status, disseminate effective practice, broker exchange of expert practitioners.*
- **Exemplar projects, Evaluation and Dissemination:** *21 local exemplar projects have been funded by DfE to develop new practice on data sharing, employment, safeguarding, crime reduction etc. This will be backed up by national cost-effectiveness research project and expert evaluation support in line with Graham Allen Review recommendations.*
- **Specialist Expertise:** *15 national voluntary organisations with expertise in dealing with family problems have been funded by DfE providing expert support to local services including Interface, a new not-for profit organisation with particular expertise of working with families with multiple problems.*
- **Workforce Development:** *DfE has funded the Children’s Workforce Development Council to develop and roll-out accredited training for parent and family workers by 31st March 2012.*
- **Monitoring:** *DfE will continue to fund the National Centre for Social Research (NatGen) to work with local services to monitor the numbers of families supported, family outcomes and service performance. DfE will publish national and local NatGen data every September.*
- **Voluntary Sector Partnerships:** *Working Families Everywhere - new national not for profit organisation led by Emma Harrison promoting work-focused interventions in partnership with Government and local authorities, DfE-funded voluntary sector projects on family volunteering, homelessness, support for families of offenders, partnerships with the BIG Lottery - £20m (UK wide) ‘Improving Futures’ initiative to support innovative working between the voluntary sector and local authorities in 20 areas.*