

Item 6

Community Budgets

Purpose of report

For information

Summary

This report provides a brief outline of the key aspects of Community Budgets as background to a presentation by Paul Martin, Chief Executive of London Borough of Wandsworth.

Recommendation(s)

That the Board note the report.

Action

Officers to follow up on any actions.

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Community Budgets

Background

1. In the Spending Review the government announced the first sixteen areas¹ which will set up pooled budgets across different government departments (“community budgets”) to improve the lives of families with complex needs, and stated its intention that this model of accountability will be rolled out across the country by the end of the Spending Review period.
2. In parallel, the Prime Minister launched a campaign to improve the lives of these families with an ambition to improve the lives of all 120,000 families with complex needs by 2015.
3. At the recent LG Group Annual Conference, the Deputy Prime Minister (DPM)² announced the extension of community budgets for families with complex needs to around 50 further areas this year and a further 60 areas in 2012-13.
4. Having made the case for community budgets, and made them happen in 16 areas, this announcement illustrates the momentum councils have built and the plans they have put in place to help 10,000 families with complex needs improve their lives.
5. This is consistent with meeting the Prime Minister’s ambition although there is some variation on how areas have defined the families they intend to work with. Typically places are undertaking pilot work with a number of families (except where places were already working on family intervention and are therefore further forward), following which there will be service transformation at a greater scale.
6. The DPM announced³ that two areas will be selected to co-design:

¹ The first sixteen areas are Greater Manchester, Leicestershire, Croydon, Blackpool, Islington, Hull, Kent, Blackburn with Darwen, Bradford, Swindon, a group of Westminster, Kensington and Chelsea, Hammersmith and Fulham and Wandsworth, Barnet, Lewisham, Essex, Lincolnshire and Birmingham.

² Baroness Hanham CBE, Parliamentary Under Secretary of State at DCLG, provides the day to day political leadership for community budgets. Lord Bichard chairs a cross-Whitehall group of senior officials and 4 local authority chief executives.

³ Community budgets to be rolled out countrywide, Communities and Local Government press release 29 June 2011

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- 6.1 neighbourhood level Community Budgets “giving residents the opportunity to say what services they want, how they should work and whether they want to run them.”;
 - 6.2 a Community Budget “bringing all funding on local public services from the area into a single pot to test how to create the right local financial set up to deliver better services that people want.”
7. We have agreed 4 community budget objectives for the LG Group:
- 7.1 Supporting the sixteen areas to make a success of the first phase of community budgets delivering savings, transforming services and delivering better outcomes for families;
 - 7.2 Moving from 16 to a wider coverage of community budgets for families with complex needs;
 - 7.3 Widening the coverage of the community budget framework to other policy/spend areas and bringing more coherence to the different strands of community budgets, including Local Integrated Service pilots and Total Environment;
 - 7.4 Linking community budgets to wider public sector reform including new ways of funding public services such as payment by results.
8. A recent review of community budgets showed that places have strongly welcomed the opportunity and believe community budgets offer a framework for transforming services, making cashable savings across the public sector and delivering better services for vulnerable families.
9. But places would like to see more progress on the pooling of budgets although there is a growing recognition of the different forms of pooling (for example, non-cash, aligning) and the connection to be made to new funding mechanisms.
10. We expect the Secretary of State for Communities and Local Government to write to council leaders soon with more detail on the announcements made at the LG Group Annual Conference, including an invitation to participate in the next phase.