

Community Budgets

Purpose of report

For information and discussion.

Summary

This paper provides the Commission with a summary of the whole place community budget work that has taken place to date. The Commission will be addressed by Neil Sartorio, Ernst and Young and Paul Raynes, Head of Programmes, LGA, who will both provide additional information on this work and next steps.

Recommendation

The Commission is asked to note the content of the report and to consider how fire and rescue authorities can play a greater role in whole place community budgets.

Action

Officers to take action as directed.

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Background

1. The whole place community budget pilots – Essex (with involvement of Essex FRA), Greater Manchester, Tri-borough (Westminster, Hammersmith and Fulham and the Royal Borough of Kensington and Chelsea) and West Cheshire - have developed radical proposals on health and social care integration, work and skills, troubled families, domestic abuse and re-offending and early years.
2. In each case there are plans for new ways of organising, funding and delivering services. These plans, worked out in partnership between the agencies involved, promise both to save money and to deliver better outcomes, such as fewer emergency admissions to hospital and care, a better match between local skills provision and what local employers believe they need, and young children better prepared for school.

The impact of wider uptake

3. Ernst and Young have taken the cost/benefit analyses in the pilots' final business cases and for three themes have modelled the potential financial benefits of adopting the pilots' approaches across the country. Their analysis, based on cautious assumptions, shows the potential for savings of £4 billion a year (after 5 years) in steady state. The share of the benefits attributable to local government is – on average across the themes – about one-fifth, with the other savings helping the NHS to deliver its targets, the police to meet their savings targets, and so on. Successful implementation across the country will, however, require local and national pre-conditions to be in place.

Capacity and local leadership

4. At the local level these reforms require strong and collaborative leadership. The pilots identified a number of factors as essential to the development of their plans including: the maturity of local partnerships and leadership of place; the use of teams drawn from across local public services; analytical capacity, especially financial; and the deployment of secondees from Whitehall departments. Not every place will be ready to develop its own community budget without capacity support of this kind.
5. To help transfer knowledge from the pilots, the LGA with the pilots and DCLG have distilled the key tools and approaches from the pilots into a “cookbook”, backed up with a website to enable other places to replicate and adapt their approaches, including taking advantage of model agreements in areas such as apportioning investments and savings, or sharing data. <http://communitybudgets.org.uk/>

Flexing national systems

6. There are also some critical national pre-conditions which have been identified in the pilots' business cases:

Item 2

- 6.1 joint work with the Department of Health, NHS Commissioning Board and Monitor to develop:
 - 6.1.1 using existing statutory powers to flex the funding of the health and social care system by moving away from national tariff payments;
 - 6.1.2 support for the development of new contracts with providers;
 - 6.1.3 new information sharing arrangements that make sharing the default setting;
 - 6.1.4 a move to a 3 year funding cycle for clinical commissioning groups; and
 - 6.1.5 workforce changes to enable people to work across organisations in hybrid roles.
- 6.2 developing with BIS and DfE the government's commitment to local employer-led strategic direction over vocational skills budgets, and seeking to ensure payment by result models reward providers for the delivery of job outcomes in the local economy;
- 6.3 to scale up and sustain programmes across departmental interests for improving the lives of troubled families with local partner investment. Options include:
 - 6.3.1 guidance that sets out how resources can legitimately be pooled across partners, a stronger accountability framework for sharing budgets, and support to trial shared investment;
 - 6.3.2 developing the social finance market by providing brokerage between investors and providers, model finance and financial agreements and specialist financial and commercial expertise; and
 - 6.3.3 using the Cabinet Office Outcomes Finance Fund to support work with other groups of families alongside the Troubled Families Programme group, to facilitate national alongside local investment in complex needs such as domestic violence, mental health and disengaged young people.
- 6.4 seeking to ensure a good fit between new national programmes funding outcomes in reducing reoffending and initiatives in this area developed by the pilots;
- 6.5 developing models to incentivise investment across agency boundaries within a place; and
- 6.6 working up a model for moving staff between agencies and tasks locally without the need for continuous changes in terms and conditions and pension arrangements.

7. These are the most pressing headline items. In each case, the pace and degree of progress towards implementing the pilots' business cases will depend on how far and fast these issues can be progressed. There are also several dozen detailed and technical requests from the pilot areas.

Fire specific

8. Essex Fire and Rescue Service's participation in the Whole Essex community budget pilot focussed on the following themes:
 - 8.1 Increased individual activity and community resilience;
 - 8.2 Connecting with communities;
 - 8.3 Innovation in tackling local problems;
 - 8.4 Increased investment in the community.
9. The FRS work encouraged local involvement with the on-going connection to, and delivery of, local services with community groups, individuals and in collaboration with other service providers. The aim was to make the FRS a strategic manager of the process, rather than a deliverer of services and for the community to be more resilient and less needy of public services provided externally.
10. Essex Fire and Rescue Service worked with a wide range of partners, including those from the health, social services, education and blue light services. By working in partnership with others, the FRS aimed to improve the communities' understanding of the role that the Service plays in work areas including: the protection of the young and elderly, arson reduction and education and community resilience
11. In practical terms the FRS now sit on the Sponsoring Board of the Strengthening communities work stream of the community budget. Elsewhere the FRS is sponsoring two officer "Community Builders" as part of the pilot and these posts are being moved away from traditional Community Safety Liaison Officers to ensure they have a wider remit in line with the aims and objectives of the pilot. The ACFO is part of a group that is assessing the bids for community builders funding as part of a pilot (closure early June) and the FRS is also discussing joining the community builders delivery with a local district council. The Essex FRS volunteer scheme is considering how it can support local voluntary sector work as part of the Whole Essex community budget.

Next steps

12. With the end of the whole place community budget pilot programme and as the pilot areas start implementation, the challenge is how to sustain the progress made, while using the lessons learnt so far to enable new areas to implement the whole place approach elsewhere in the country. The work undertaken by Ernst & Young on behalf of the Local Government Association has shown the very real rewards to be had from taking forward a whole place approach to public service delivery. With only 20 per cent of the total net benefits accruing to councils, there are significant benefits for all partners on top of the prospects of better and more coherent services for our communities.

13. There is a commitment from national organisations and the Government to help and support places that want to take this approach. Government is contributing funding for a 'Network for Public Service Transformation'. It will consist of a virtual team, from across central Government and local service providers, to support new areas to develop innovative approaches to services and support the pilots with issues that emerge during implementation.